

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Soymagic (U K) Limited	Company number 04879587
In the High Court of Justice, Chancery Division, Leeds District Registry [full name of court]	Court case number 1403 of 2009

We

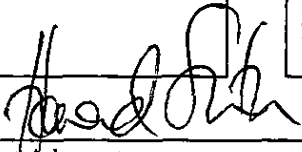
Howard Smith
1 The Embankment
Neville St
Leeds
LS1 4DW

Mark Granville Firmin
1 The Embankment
Neville St
Leeds
LS1 4DW

Administrators of the above company attach a progress report for the period

from	to
28 May 2012	27 July 2012

Signed


Joint Administrator

Dated

31 July 2012

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Andrew Germaine KPMG LLP St James' Square Manchester M2 6DS United Kingdom DX Number DX 724620 Manchester 42		Tel 0161 246 4732 DX Exchange
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When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



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COMPANIES HOUSE

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**Soymagic (U.K.) Limited
(in administration)**

**Report to creditors pursuant
to Rules 2.47 and 2.110 of
the Insolvency Rules 1986**

Final Report

KPMG LLP

31 July 2012

This report contains 14 Pages

Notice: About this Report

This Report has been prepared by Howard Smith and Mark Firmin, the Joint Administrators of Soymagic (U K) Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Soymagic (U K) Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

Mark Granville Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales.

The Joint Administrators act as agents for Soymagic (U K) Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

Glossary

Joint Administrators	Howard Smith and Mark Granville Firmin of KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW
Administration Orders	The Administration Orders dated 28 May 2010 granted by the High Court of Justice, Chancery Division, Leeds District Registry, Court case number 1403 of 2009
the Company	Soymagic (U K) Limited (Company registered number 1845901)
the Directors	Alon Salamon Imre Rochlitz Joseph Rochlitz Patrick Steinberg Stanley Shreeve Yair Webman
Barclays Bank or the Bank	Barclays Bank plc, Barclays Commercial, and Barclays Mercantile Business Finance Limited
the Proposals	Report to Creditors pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986
KPMG	KPMG LLP
Sanderson Weatherall	Sanderson Weatherall LLP, the chartered surveyors engaged by the Joint Administrators to value and assist in realising the property of the Company

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6	Joint Administrators' proposals

1 Introduction

Further to the previous report to creditors dated 13 June 2012, the Joint Administrators set out below their final progress report. This report provides an update on the progress and outcome of the administration and covers the period from 28 May 2012 to 27 July 2012.

In accordance with Paragraph 100(2) of Schedule B1 the functions of the Joint Administrators were exercised by either or both of them.

The Joint Administrators' proposals that were sent to creditors at the beginning of the administration are also provided at Appendix 6 of this report. There have been no changes to or major deviations from the proposals agreed by creditors.

The requisite statutory information in respect of the Company is attached at Appendix 1.

Pursuant to the Statement of Insolvency Practice 7, all amounts in this report and its attachments are stated net of VAT.

2 Realisations

Other than gross bank interest of £497, there have been no asset realisations during the period.

3 Costs of realisation

3.1.1 Heat & light

Payments totalling £624 have been made in the period to nPower in respect of gas and electricity supplied to the freehold property post administration.

3.1.2 Bank charges

The sum of £50 has been incurred in the period for the use of the Administration bank account.

3.1.3 Storage costs

The sum of £60 has been paid to Iron Mountain (UK) Limited for the storage of the Company's pre-appointment books and records.

3 1 4 Irrecoverable VAT

VAT of £130 on Administration expenses has not proved cost effective to recover and has therefore been treated as irrecoverable

3 2 Joint Administrators' time costs

The basis of the Joint Administrators' fees is time properly spent at KPMG LLP standard hourly rates. A breakdown of these rates for the duration of the administration is included in Appendix 3 to this Report

In the period from 28 May 2012 to 27 July 2012, the Joint Administrators have incurred time costs of £15,404 representing 57 hours at an average rate of £272 per hour. This includes tax, VAT and pensions advice from KPMG LLP in-house specialists

In accordance with SIP 9, a breakdown of the time costs incurred to date for each grade of staff are attached at Appendix 2

In accordance with Rule 2 106 of the Insolvency Act 1986 where an administrator has made a statement under Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 and there is no creditors committee, the above resolutions may be approved by each secured creditor and the preferential creditors whose debts amount to more than 50% of the preferential creditors of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

In accordance with rule 2 106 (5A) of the Insolvency Rules 1986 (as amended), as no funds were available for the preferential creditors, the Joint Administrators have agreed the basis of their remuneration with the secured creditors

The Joint Administrators have drawn a first and final fee of £161,794 + VAT during the period

A creditors' guide to fees was provided with the Administrators' proposals. If you would like a further copy, this can be obtained by logging onto the R3 website at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf

However, if you are unable to access this guide please contact Andrew Germaine by

- Phone on 0161 246 4732 or by,
- Email at andrew.germaine@kpmg.co.uk

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in the central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

4 Creditors

4.1 Secured Creditors

4.1.1 Barclays Bank ("Barclays")

Barclays were owed approximately £3.8 million at the date of the Joint Administrators' appointment. This debt was secured by a first ranking fixed and floating charge over the assets of the Company.

The total sum of £845,219 has been distributed to Barclays of which £45,219 was distributed during the period.

No further distributions will be made to Barclays.

4.1.2 Secondary charge holders

The Joint Administrators were also aware of a second charge over the freehold property in favour of Kingston Equity and Finance Limited. At the date of our appointment the balance outstanding on the loan was circa £60,000.

YFM Venture Finance Limited also held a debenture over the Company's assets. At the date of our appointment we understand the outstanding balance in relation to this debenture to be in the region of £950,000. The debenture ranked behind the charges held by Barclays.

There were no funds available to enable a distribution to the secondary charge holders.

4.2 Preferential creditors – Employees' Wages and Holiday Pay

Preferential claims received totalled £2,551 from employees and £8,062 from the Redundancy Payment Service.

There were insufficient funds available to enable a distribution to the preferential creditors.

4.3 Prescribed Part / Unsecured creditors

The Prescribed Part provisions of Section 176A of the Insolvency Act 1986 entitle unsecured creditors to a percentage share of realisations from net floating charge assets, after costs of realisation and settlement of preferential claims (if any). The percentage is calculated on a sliding scale up to a maximum amount of £600,000 before costs.

The Prescribed Part which applies to unsecured creditors did apply in this case as the debentures held by the secured creditors were created after 15 September 2003.

However, based on the level of floating charge realisations achieved and the associated costs, there were no funds available to enable a prescribed part distribution to the unsecured creditors

5 Final matters

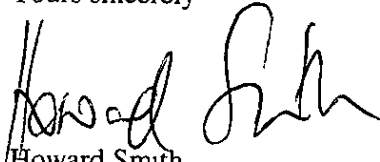
As all matters have been resolved, the Joint Administrators are now seeking the dissolution of the Company

The Company will be dissolved approximately 3 months after the filing of this report and Form 2 35B at Companies House

If you have any further queries please contact Andrew Germane by

- Phone on 0161 246 4732 or by,
- E-mail at andrew.germane@kpmg.co.uk

Yours sincerely



Howard Smith
Joint Administrator

Appendix 1 - Statutory information

Date of Incorporation	27 August 2003
Company number	04879587
Previous registered office	Genesis Way Europarc Grimsby North East Lincs DN37 9TU
Present registered office	c/o KPMG 1 The Embankment Neville Street Leeds LS1 4DW
Trading addresses	Genesis Way Europarc Grimsby North East Lincs DN37 9TU
Called up share capital	20,000 £1 shares
Members	Olisara Limited Pere Limited Big Thoughts Soya Limited YM Tavor Limited
Directors	Alon Salamon Imre Rochlitz Joseph Rochlitz Patrick Steinberg Stanley Shreeve Yair Webman
Company Secretary	Imre Rochlitz
Employees	4
Previous Names	None

Appendix 2 – Joint Administrators' time costs from 28 May 2012 to 27 July 2012

28/05/2012 to 27/07/2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)	0 40		4 00		4 40	£923 00	£209 77
Reconciliations (& IPS accounting reviews)		2 10	0 20		2 30	£940 50	£408 91
General							
Books and records			0 60		0 60	£105 00	£175 00
Fees and WIP		0 70	1 50		2 20	£657 50	£298 86
Statutory and compliance							
Checklist & reviews	1 10		5 50		6 60	£1,761 00	£266 82
Closure and related formalities			0 90		0 90	£157 50	£175 00
Reports to debenture holders		0 30	0 90		1 20	£285 00	£237 50
Statutory receipts and payments accounts		0 20	1 10		1 30	£316 50	£243 46
Strategy documents		1 80	1 80		3 60	£1,080 00	£300 00
Tax							
Post appointment corporation tax		6 50	1 00		7 50	£2,706 50	£360 87
Post appointment VAT		3 10	3 85		6 95	£1,815 75	£261 26
Creditors							
Creditors and claims							
General correspondence			0 40		0 40	£70 00	£175 00
Secured creditors		2 00	2 80		4 80	£1,340 00	£279 17
Statutory reports	1 10	2 00	9 70		12 80	£3,053 50	£238 55
Realisation of assets							
Asset Realisation							
Freehold property			1 10		1 10	£192 50	£175 00
Total in period					56 65	£15,404 25	£271 92
Brought forward time (appointment date to SIP9 period start date)					1 347 66	£338,699 60	£251 32
SIP9 period time (SIP9 period start date to SIP9 period end date)					56 65	£15 404 25	£271 92
Carry forward time (appointment date to SIP9 period end date)					1,404 31	£354,103 85	£252 16

Appendix 3 - Administrators' charge out rates

Grade	From 1 October 2010 £/hr
Partner	535
Associate Partner	460
Director	460
Senior Manager	425
Manager	345
Senior Administrator	240
Administrator	175
Support	110

	KPMG LLP Corporation Tax Team	KPMG LLP VAT Team	KPMG LLP Pensions Team
Grade	From 1 October 2008 £/hr	From 1 October 2008 £/hr	From 1 October 2008 £/hr
Partner	595	900	465
Associate Partner	535	900	465
Director	535	805	400
Senior Manager (> 2 years)	470	705	365
Senior Manager (< 2 years)	375	565	365
Manager (> 2 years)	305	455	290
Manager (< 2 years)	255	385	290
Senior Administrator (Yr 3)	220	330	205
Senior Administrator (Yr 2)	205	310	205
Senior Administrator (Yr 1)	185	280	205
Administrator (Yr 4)	185	280	150
Administrator (Yr 3)	165	245	150
Administrator (Yr 2)	125	185	150
Administrator (Yr 1)	85	125	150

Appendix 4 - Schedule of expenses for the period 28 May 2012 to 27 July 2012

Section	Account	Accrued	Paid	Total
Fixed charge costs	Administrators' fees		154,092 29	154,092 29
	Heat & Light		623 77	623 77
	Bank charges		50 02	50 02
			154,741.06	154,741.06
Cost of realisations	Administrators' fees		7,701 71	7,701 71
	Irrecoverable VAT		129 54	129 54
	Storage costs		59 56	59 56
			7,815.83	7,815.83
TOTAL			162,656.89	162,656.89



Soymagic (U K.) Limited (in administration)
Final Report
KPMG LLP
31 July 2012

Appendix 5 – Joint Administrators’ Receipts and Payments period account for the period from 28 May 2012 to 27 July 2012

Soymagic (U.K.) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 28/05/2012 To 27/07/2012	From 28/05/2009 To 27/07/2012
	FIXED CHARGE ASSETS		
1,500,000 00	Freehold property	NIL	1,200,000 00
565,000 00	Plant & machinery	NIL	NIL
	Bank interest, gross	0 01	0 38
		0 01	1,200,000 38
	FIXED CHARGE COSTS		
	Administrators' fees	154,092 29	154,092 29
	Legal fees	NIL	45,893 00
	Legal disbursements	NIL	403 00
	Agents'/Valuers' fees	NIL	40,037 95
	Insurance of assets	NIL	51,937 33
	Heat & Light	623 77	43,826 08
	Bank charges	50 02	77 47
	Other Property Expenses	NIL	16,259 30
	Wages and Salaries	NIL	2,584 83
		(154,766 08)	(355,111 25)
	FIXED CHARGE CREDITORS		
(4,349,693 00)	Fixed charge creditors	45,218 79	845,218 79
		(45,218 79)	(845,218 79)
	ASSET REALISATIONS		
10,000 00	Furniture & equipment	NIL	NIL
10,008 00	Stock	NIL	10,008 18
	Book debts	NIL	7,623 23
	Cash at bank	NIL	389 59
		NIL	18,021 00
	OTHER REALISATIONS		
	Bank interest, gross	497 26	499 89
	Bank interest, net of tax	0 01	0 01
		497 27	499 90
	COST OF REALISATIONS		
	Administrators' fees	7,701 71	7,701 71
	Irrecoverable VAT	129 54	129 54
	Legal fees	NIL	2,260 00
	Site Removal Costs	NIL	2,016 00
	Indirect Staff Costs	NIL	85 50
	Storage costs	59 56	581 42
	Re-direction of mail	NIL	78 10
	Statutory advertising	NIL	175 27
	Management Accounting Fee	NIL	800 00
	Rates	NIL	15 95
	Wages & salaries	NIL	4,217 75
	Bank charges	NIL	130 00
		(7,890 81)	(18,191 24)
	PREFERENTIAL CREDITORS		
(382 00)	Employees' wage arrears	NIL	NIL
		NIL	NIL

Soymagic (U.K.) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 28/05/2012 To 27/07/2012	From 28/05/2009 To 27/07/2012
	FLOATING CHARGE CREDITORS		
(107,032 00)	Floating charge	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(319,265 00)	Trade & expense	NIL	NIL
(983,999 00)	Unsecured Loans	NIL	NIL
(2,464,710 00)	Shareholder Loans	NIL	NIL
(32,827 00)	Corp tax etc/nonpref PAYE	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(47,765 00)	Ordinary shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(6,220,665.00)</u>		<u>(207,378.40)</u>	<u>(0.00)</u>
	REPRESENTED BY		
			<u>NIL</u>

Appendix 6 – Joint Administrators’ proposals

The Joint Administrators propose the following resolutions

RESOLUTION (1):

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company,
- to investigate and, if appropriate, pursue any claims that the Company may have,
- to seek an extension to the administration period if deemed necessary by the Joint Administrators,
- to seek, if appropriate, permission of the Court to make a distribution to unsecured creditors of Soymagic (U K) Limited pursuant to paragraph 65 of Schedule B1 to the Act and to seek, if appropriate, any other directions from the Court,
- when it is anticipated that no better realisations will be made in the Administration than would be available in a winding up, to take the necessary steps to put the Company into either Creditors’ Voluntary Liquidation or Compulsory Liquidation or Company Voluntary Arrangement as deemed appropriate by the Joint Administrators, in the event the Joint Administrators deem that liquidation is not appropriate because, for example, no dividend will become available to creditors and there are no other outstanding matters that require to be dealt with in a liquidation, then the Joint Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved,
- in the event that Creditors’ Voluntary Liquidation is deemed appropriate, the Joint Administrators be permitted to seek the appointment of Howard Smith and Mark Granville Firmin of KPMG LLP as Joint Liquidators of Soymagic (U K) Limited, without any further recourse to creditors and that they may act jointly and severally in their duties In accordance with paragraph 83(7) and Rule 2 117(3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved, and
- The Joint Administrators will be discharged of all liability pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986 immediately when their appointment ceases

RESOLUTION (2):

- the Joint Administrators be authorised to draw fees on account from the assets of Soymagic (U.K.) Limited from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also, that the Joint Administrators be authorised to draw disbursements from time to time to include category two disbursements,
- that any costs incurred by KPMG LLP prior to appointment, but for the sole purpose of assisting and advising the Company in respect of the appointment process, be authorised on the same basis as above, and
- that any costs of KPMG LLP in respect of REAS, RRG, Tax, VAT, Pensions, Health & Safety and Forensic advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Soymagic (U.K.) Limited