

The Insolvency Act 1986

Administrator's progress report

Name of Company Wagon Services Limited	Company number 01957932
In the High Court of Justice	Court case number 10968

(a) Insert full name(s) and address(es) of administrator(s)

We A P Beveridge, S J Appell and S C E Mackellar of Zolfo Cooper, Wellington Plaza, 31 Wellington Street, Leeds, LS1 4DL

Joint administrators of the above company attach a progress report for the period

from

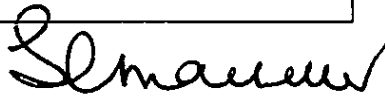
to

(b) 8 December 2008

(b) 7 June 2009

(b) Insert dates

Signed



Joint Administrators

Dated

29/6/09

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

Jenna Hepton	
Zolfo Cooper, Wellington Plaza, 31 Wellington Street, Leeds, LS1 4DL	
	Tel 0113 386 0860
DX Number	DX Exchange



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COMPANIES HOUSE

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

**Joint Administrators'
Progress Report**

**For the Period
8 December 2008 to 7 June
2009**

**Wagon Services Limited -
In Administration**

22 June 2009



ZC ZOLFO COOPER



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1 Statutory Information

- 1.1 I was appointed Joint Administrator of Wagon Services Limited (the Company) together with S J Appell and A P Beveridge on 8 December 2008 by the High Court of Justice. The application for the appointment of an Administrator was made by the Directors.
- 1.2 The Administration is being handled by Zolfo Cooper's Leeds office, situated at Wellington Plaza, 31 Wellington Street, Leeds, LS1 4DL.
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, Companies Court under reference number 10968 of 2008.
- 1.4 The trading address of the Company was 3500 Parkside, Birmingham Business Park, Birmingham, B37 7YG.
- 1.5 The registered office of the Company is c/o Zolfo Cooper, Wellington Plaza, 31 Wellington Street, Leeds, LS1 4DL and its registered number is 01957932.
- 1.6 The functions of the Administrators may be exercised by either or both, acting jointly or alone.
- 1.7 With effect from 1 January 2009, A P Beveridge, S J Appell and I are now licensed by the Insolvency Practitioners Association (IPA).

2 Progress of the Administration

- 2.1 Attached at Appendix A is my Receipts and Payments Account for the period from 8 December 2008 to 7 June 2009.
- 2.2 As detailed in my Report and Statement of Proposals dated 23 January 2009, the Company is part of an international structure of approximately 55 companies operating throughout Europe and parts of Asia (the Group).
- 2.3 Many of the companies within the Group have filed for insolvency proceedings. This includes Wagon Plc (Plc), Wagon Industrial Limited (Industrial), Wagon Overseas Limited (Overseas) and Wagon Europe Limited (Europe) which form the UK group of companies (UK Group). I was appointed Joint Administrator of the UK Group on 8 December 2008.
- 2.4 The Company was previously responsible for organising recharges of central costs. To facilitate this, the Company had a number of service agreements in place with various entities throughout the Group. I am currently in the process of invoicing the relevant entities for these central costs. However, given the uncertain financial position of the Group no realisations are anticipated.
- 2.5 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that no assets were sold to a Director of the Company.

3 Assets still to be Realised

- 3.1 The only potential realisable assets are the inter-company book debts which totalled approximately £2,359,000 at the date of appointment.
- 3.2 I anticipate that no realisations will be made from this source given the financial position of these debtors.

4 Administrators' Remuneration

- 4.1 Creditors are yet to approve the basis of the Joint Administrators' remuneration. Form 2.25B is attached and I request that all preferential creditors complete this in order to allow the Joint Administrators to draw fees if and when funds become available for time properly spent by them and their staff in managing the Administration.

- 4.2 The Joint Administrators' time costs at 7 June 2009 are £17,047.00. This represents 54.30 hours at an average rate of £314 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period. To date no fees have been drawn on account.
- 4.3 Attached as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.
- 4.4 A description of the work performed under the main activity codes in Appendix C as per the provisions of Statement of Insolvency Practice No. 9 are as follows:

Administration and Planning

The time recorded here reflects the statutory duties of the Joint Administrators including initial notifications to creditors, the time spent formulating the strategy of the Administration and internal meetings.

Investigations

This represents time spent investigating the Directors' conduct.

Creditors

Time recorded here has been incurred in ongoing correspondence with creditors, including telephone calls.

5 Estimated Outcome for Creditors

- 5.1 The Company does not have any secured creditors.
- 5.2 The estimated value of the preferential creditors is £11,670.
- 5.3 In addition, since the Company was a holding company and has never traded there are no unsecured trade creditors. There are inter-company creditors only which totalled approximately £2,359,000 at the date of appointment.
- 5.4 It is unlikely that there will be sufficient funds to enable a distribution to the preferential or unsecured creditors.

6 Ending the Administration

Creditors Voluntary Liquidation

- 6.1 Based on present information, I believe that it is unlikely that a dividend will be paid to the unsecured creditors. However, if funds become available as a result of the intercompany realisations, I will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL).

Dissolution of the Company

- 6.2 If the Joint Administrators believe that the Company has no property which might permit a distribution to its creditors, I propose filing a notice together with a final progress report at Court and with the Registrar of Companies for the dissolution of the Company. I shall send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.
- 6.3 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

7 Next Report

- 7.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

For and on behalf of
Wagon Services Limited

A handwritten signature in black ink, appearing to read 'S C E Mackellar', written in a cursive style.

S C E Mackellar
Joint Administrator

Enc

**Receipts and Payments Account for the Period from 8 December 2008
to 7 June 2009**

Appendix A

Statement of Affairs		Total (£)
	INCOME	
2,359,000.00	Inter-Company Debtors	0.00
<u>2,359,000.00</u>		<u>0.00</u>
	EXPENDITURE	
	Bank Charges	41.50
		<u>41.50</u>
	Balance	<u>(41.50)</u>
	REPRESENTED BY	
	Fixed Interest Bearing	(20.75)
	Floating Interest Bearing	(20.75) *
		<u>(41.50)</u>

Time Analysis for the Period from 8 December 2008 to 7 June 2009

Appendix B

Classification	Partner / Director hrs	Senior Associate hrs	Associate/ Analyst Hrs	Junior Analyst/ Support	Total hrs	Time £	Ave. hr rate £
Admin & planning	1.10	9.60	14.30	8.30	33.30	10,847.50	326
Investigations	0.20	0.50	3.30	0.00	4.00	1,319.50	330
Creditors	0.00	0.20	12.80	4.00	17.00	4,880.50	303
GRAND TOTAL	1.30	10.30	30.40	12.30	54.30	17,047.00	314

Additional Information in Relation to Administrators' Fees Pursuant to Statement of Insolvency Practice 9

Appendix C

1 Policy

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

1.1 *Staff Allocation and the use of Sub-contractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Senior Associate, Associate and Analyst. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. Our charge out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any sub-contractors in this case.

1.2 *Professional Advisors*

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Clifford Chance (legal advice)	Hourly rate and disbursements
Allen & Overy (legal advice)	Hourly rate and disbursements
Willis (insurance)	Risk based premium

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1.3 *Disbursements*

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require prior approval by creditors before they are paid and whilst it is unlikely that any Category 2 disbursements will be incurred on the case, appropriate approval will be sought before any such expenses are paid.

2 Charge-out Rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2009 is detailed below.

	(Per hour) £
Partner/Director:	
Partner 1*	690
Partner 2*	620
Director	515
Senior Associate:	
Senior Associate 1*	465
Senior Associate 2*	400
Associate/Analyst:	
Associate	320
Analyst*	290
Junior Analyst and Support Staff:	
Junior Analyst*	205
Senior Treasury Associate	230
Treasury Associate	155
Treasury Analyst	95
Support	85
*Key	
Partner 1 - Partners with 3 or more years experience at partner level	
Partner 2 - Partners with less than 3 years experience at partner level	
Senior Associate 1 - Staff who have been Senior Associates for over 2 years	
Senior Associate 2 - Staff who have been Senior Associates for less than 2 years	
Analyst - Staff who have been Analysts for more than 1 year	
Junior Analyst - First year Analysts	



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