

The Insolvency Act 1986

Administrator's progress report

Name of Company

Sol Car Rentals Limited

Company number

02974983

In the High Court of Justice
Chancery Division
Companies Court

(full name of court)

Court case number

9431 of 2012

(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
A P Beveridge
Zolfo Cooper
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EC4M 7RBR K Grant
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administrators of the above company attach a progress report for the period

From

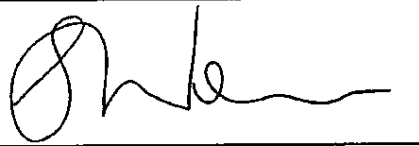
(b) Insert date

(b) 10 December 2012

To

(b) 9 June 2013

Signed


Joint Administrator

Dated

8 July 2013

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

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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

Joint Administrators' Progress Report for the period 10 December 2012 to 9 June 2013

Drive Assist UK Limited,
Millennium Motor Group Limited and
Sol Car Rentals Limited
All in Administration

8 July 2013

Contents

1	Statutory information.	1
2	Progress of the Administrations	1
3	Assets still to be realised	8
4	Investigations	8
5	Pre-administration costs	8
6	Joint Administrators' remuneration	8
7	Estimated outcome for creditors	10
8	Ending the Administrations	11
9	Creditors' rights	12
10	Next report	12

Appendices

Receipts and Payments Accounts for the period 10 December 2012 to 9 June 2013	Appendix A
Time Analyses for the period 10 December 2012 to 9 June 2013	Appendix B
Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9	Appendix C

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1 Statutory information

- 1 1 Alastair Beveridge, Ryan Grant and Simon Wilson were appointed as Joint Administrators of Drive Assist UK Limited (**Drive Assist**), Millennium Motor Group Limited (**Millennium**) and Sol Car Rentals Limited (**Sol**) (together the **Companies**) on 10 December 2012 by the High Court of Justice, Chancery Division, Companies Court
- 1 2 The application for the appointment of the Joint Administrators was made by the directors of the Companies, c/o Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL
- 1 3 The Administrations are being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
- 1 4 The Administrations are registered in the High Court of Justice, Chancery Division, Companies Court under reference numbers 9429, 9438 and 9431 of 2012
- 1 5 The trading addresses for each of the Companies were as follows
- Drive Assist - Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL (**Tamworth House**) plus 13 other depots located throughout the UK
 - Millennium - traded as Nottingham Autopark from leasehold premises located at 565-567 Woodborough Road, Mapperley, Nottingham, NG3 5GG (**Nottingham**).
 - Sol - Tamworth House, plus The Gatehouse, Roseland Business Park, Roseland Way, Long Bennington, Nottinghamshire, NG23 5FF
- 1 6 The registered offices of the Companies have been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and the registered numbers are 02737288, 03274158 and 02974983 for Drive Assist, Millennium and Sol respectively.
- 1 7 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators

2 Progress of the Administrations

- 2 1 This report should be read in conjunction with the Joint Administrators' Statement of Proposals (the **Proposals**) dated 1 February 2013
- 2 2 Attached at Appendix A are the Joint Administrators' Receipts and Payments Accounts for the Companies for the period 10 December 2012 to 9 June 2013.
- 2 3 The analysis of receipts and payments for the period excludes the following costs which have been incurred but not yet paid All costs will be paid within the agreed period with each supplier

Company	Cost category	Supplier	Amount not yet paid £
Drive Assist	Wind down costs	Various	185,740
Drive Assist	Pre-appointment legal fees	Linklaters LLP	77,790
Drive Assist	Post-appointment legal fees	Linklaters LLP	47,667
Drive Assist	Payroll costs	Payco ERA	21,000
Millennium	Payroll costs	Payco ERA	208
Total Drive Assist			332,197
Total Millennium			208

- 2 4 As reported in the Proposals, the Joint Administrators are pursuing the second objective of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration). Details of the Joint Administrators' strategies for achieving the objective can be found below

Vehicle de-fleet and depot closure

Drive Assist

- 2 5 As at the date of the Joint Administrators' appointment, Drive Assist had a fleet of 7,458 vehicles. The majority of fleet vehicles were financed by various finance providers (the Vehicle Funders) who confirmed that they required the return of all funded vehicles following the Joint Administrators' appointment.
- 2 6 Accordingly, the Joint Administrators worked with the Vehicle Funders to implement the return of the funded vehicles. The strategy implemented ensured the efficient recovery of vehicles, with an objective of minimising costs and preserving the value of ongoing hires.
- 2 7 The recovery of the vehicles was co-ordinated by the network of depots alongside the Vehicle Funders' appointed collection agents.
- 2 8 The depots were gradually closed in line with the strategy agreed between the Joint Administrators and the Vehicle Funders, with the associated depot employees being made redundant following each depot closure. All depots were closed by 31 January 2013.
- 2 9 On 1 February 2013, the Joint Administrators notified customers still in possession of funded vehicles that they were to be immediately returned. On the same date, the Vehicle Funders assumed full responsibility for collecting the remaining 749 vehicles and liaised directly with any customers in this regard.
- 2 10 It was agreed that £1,023,465 would be paid by the Vehicle Funders as a contribution to the costs associated with the implemented de-fleet process. This has been received in full.
- 2 11 As at 9 June 2013, the majority of the funded vehicles have been collected and subsequently returned to the Vehicle Funders. The Vehicle Funders continue to manage the collection of any remaining vehicles.
- 2 12 Following the return of the funded vehicles (as well as the sale of unencumbered vehicles), the Joint Administrators applied for refunds of the associated road fund licences. Applications have been submitted for refunds totalling approximately £197,000, of which £184,317 have been recovered to date.

Millennium

- 2 13 Millennium operated a car dealership from Nottingham for the disposal of fleet vehicles held by Millennium. The majority of the vehicles were funded by the Vehicle Funders.
- 2 14 The vehicle de-fleet strategy implemented in Drive Assist was replicated in Millennium. All financed vehicles located in Nottingham have now been returned to the relevant Vehicle Funders.

Sol

- 2 15 Sol was engaged in the rental of vehicles for periods of between six and twelve months. There were approximately 900 vehicles used by Sol, all of which were financed by Drive Assist under their funding agreements with the Vehicle Funders. However, these funding agreements expressly prohibited the sub-leasing of these funded vehicles. As a result of this breach, the Vehicle Funders requested that these contracts be terminated with effect from 9 January 2013, to facilitate the return of the vehicles.
- 2 16 Any vehicles which were yet to be collected after the closure of the depots were subsequently recovered by the Vehicle Funders' own collection agents.

Debtors

Summary position

£000	Credit hire	Credit repair	Sundry claims	Commission	Sol	Millennium	Total
Gross ledger balance	85,143	12,642	2,704	1,737	412	772	103,410
Less							
VAT	(14,190)	-	-	-	-	-	(14,190)
Intercompany balances	-	-	-	-	(71)	(676)	(747)
Identified write offs	(21,456)	(875)	-	-	-	-	(22,331)
Total collectable balance	49,497	11,767	2,704	1,737	341	96	66,142
Collections to date	7,481	3,777	410	523	75	54	12,320

Drive Assist

- 2 17 Drive Assist provided replacement vehicles (**credit hire**) and repair services (**credit repair**) to non-fault drivers involved in motor vehicle accidents. Drive Assist would then seek to recover the cost of the hire and repair from the Third Party Insurers (the **TPI**) on behalf of the customer.
- 2 18 The Joint Administrators have retained a number of employees to manage the collection of book debts and liaise with the **TPI**. Prior to the Joint Administrators' appointment, Drive Assist had instructed various solicitors to assist in the collection of various debts. These solicitors continue to act on behalf of Drive Assist in recovery of monies in relation to the claims handed to them pre-appointment.
- 2 19 All **TPIs** have been contacted to explore the opportunity of agreeing bulk settlements of claims. This is intended to reduce costs of realisation, thereby enhancing the level of net recoveries achieved.

- 2 20 At the date of the Joint Administrators' appointment, Drive Assist had an outstanding gross credit hire ledger balance of approximately £85,143,000
- 2 21 Following submission of the Proposals, it was identified that the payment packs submitted by Drive Assist may not represent a valid VAT invoice. As a result, the VAT attributable to each credit hire claim may be payable to Her Majesty's Revenue and Customs (HMRC) upon receipt of payment and not available as a floating charge realisation in the Administration. The VAT element of the outstanding credit hire claims totals £14,190,000, resulting in a potential net credit hire ledger of approximately £70,953,000 upon appointment.
- 2 22 As previously reported, it was identified that a large number of claims had been concluded prior to the Joint Administrators' appointment and as such should not have remained on the ledger. Approximately £21,456,000 has been written off during the course of Administration.
- 2 23 To date, credit hire claims totalling £7,481,065 have been recovered.
- 2 24 At the date of the Joint Administrators' appointment, Drive Assist had outstanding credit repair charges totalling approximately £12,642,000. This included approximately £640,000 which had been excluded from the opening debtor position reported in the Proposals, relating to cash received pre-appointment but banked post appointment.
- 2 25 To date, £3,777,195 has been recovered from the credit repair ledger, with £875,000 being written off.
- 2 26 Drive Assist also operated a number of sundry claims ledgers which totalled £2,704,000 on appointment. These claims had arisen from the costs of repairing fleet vehicles that had been damaged whilst on hire, fines, damage to vehicles, late collection charges and direct hire. Recoveries of £410,062 have been achieved to date.
- 2 27 The Joint Administrators have received payments from a number of parties in relation to debts which they are unable to specifically allocate to a ledger. These are shown on the receipts and payments account as sundry claims totalling £187,553, and will be allocated to the appropriate ledger in due course.
- 2 28 In addition, the Joint Administrators have recovered £523,481 of commission debts, which totalled approximately £1,737,000 as at the date of appointment. These debts relate to the referral of personal injury claims linked to the original vehicle accident, where Drive Assist are providing the hire and repair service to the non-fault driver.
- 2 29 To date, the Joint Administrators have collected £387,000 in respect of monies relating to total loss claims for which a trust had been created. These funds, of which £144,000 had been collected by Drive Assist prior to appointment and held in a separately identified account, are in the process of being distributed to the relevant party.
- 2 30 The Joint Administrators continue to pursue the various categories of debtors and will utilise the retained employees, agents and sub-contractors to assist in the collection process. Further information will be provided in the Joint Administrators' next progress report.

Intercompany book debts

- 2 31 The Joint Administrators have recovered intercompany book debts of £15,192 owed to Drive Assist from entities in the wider group not in an insolvency process. No further recoveries are anticipated.

Millennium

- 2 32 As at 10 December 2012, Millennium had an outstanding ledger of approximately £772,000 which included balances due from Drive Assist and Sol totalling £676,000. As these companies are also in Administration, the amounts due will rank as unsecured claims in the respective Administrations.

- 2 33 The Joint Administrators continue to pursue the remaining ledger and to date collections total £54,344.

Sol

- 2 34 Sol's opening ledger balance was £412,000 of which recoveries to date total £75,163. Recovery action against the remaining balances is ongoing.
- 2 35 There is a balance of £7,356 of unallocated receipts for which we are awaiting remittance advices to enable correct allocation of these sums between pre and post appointment hire charges.

Post-appointment Invoices

Drive Assist

- 2 36 Upon our appointment, there was a significant amount of vehicles still in use with end customers. Following the return of these vehicles to the Vehicle Funders, post-appointment credit hire invoices totalling approximately £15,900,000 have been raised of which £4,105,783 has been recovered to date.
- 2 37 In addition, credit repair invoices totalling £803,000 have been raised relating to repairs which had been completed pre-appointment for which Drive Assist had yet to invoice upon appointment. To date, £381,000 has been received.

Sol

- 2 38 Following the appointment, further hire charges accrued up to the date on which customers returned the hire vehicles. Recoveries of £9,346 have been received to date.

Unencumbered vehicles

- 2 39 On appointment, records showed that a total of 109 vehicles were owned across the Companies. Further investigations clarified the ownership of the unencumbered vehicles and also revealed that there were an additional 13 vehicles owned by Drive Assist.
- 2 40 The following table summarises the unencumbered vehicles held by the Companies on appointment and the net realisations achieved to date.

Company	Vehicles held on appointment	Vehicles sold	Vehicles stolen	Held at June	Net realisations £
Drive Assist	36	32	-	4	153,718
Millennium	86	70	3	13	388,732
Total	122	102	3	17	542,450

- 2 41 The Joint Administrators instructed Hilco Appraisal Limited (Hilco) to dispose of the unencumbered vehicles. Via an online auction disposal strategy, Hilco realised 32 Drive Assist vehicles for £153,718 and 70 Millennium vehicles for £388,732.
- 2 42 Of the 17 vehicles held at 9 June 2013, six are currently being used as company cars by retained employees and will be sold once the respective employees leave the Companies. Private treaty sales of the remaining 11 vehicles are currently in progress and an update will be provided in the next report.
- 2 43 Three Millennium vehicles were stolen prior to the commencement of the auction and the respective insurance claims for these vehicles are currently ongoing.

Property

- 2 44 The Companies traded from 15 sites across the UK, all of which were leasehold with the exception of Tamworth House, a freehold property owned by Drive Assist.
- 2 45 As previously reported, GVA Grimley Limited (GVA) confirmed no leasehold premium existed in any of the leases held. Upon closure of the depots, all leasehold properties have been vacated and keys returned, and the respective landlords have been invited to accept a surrender of the lease.
- 2 46 The Joint Administrators instructed GVA to value and sell Tamworth House and the property was placed on the market inviting unconditional offers. Following GVA's recommendation, in April 2013, the highest offer received was accepted. Contracts were exchanged for the sale of the property on 2 July 2013, with completion scheduled for 30 September 2013.
- 2 47 To enable the Joint Administrators to finalise the asset realisation strategy, an agreement has been reached to allow Drive Assist to continue to occupy Tamworth House via a short term lease for a period following the ultimate sale.
- 2 48 As the disposal of the property is still to complete, no further details in relation to the sale are available at this stage. However, further information relating to the sale of Tamworth House will be available in the next report to creditors.
- 2 49 Following the vacation of the leasehold trading premises, Drive Assist has received rates refunds of £35,392.

Cash at bank

Vehicle Funder trust monies

- 2 50 As previously reported, the Companies held a number of bank accounts provided by Royal Bank of Scotland Plc (RBS). On appointment, cash balances of approximately £16.1 million (Drive Assist), £1.4 million (Millennium) and £1 million (Sol) were held. Under the terms of various finance documents, the senior lenders were entitled to set off cash held against their outstanding debt.
- 2 51 Prior to the Joint Administrators' appointment, Drive Assist had received payments in relation to the sale of several hundred vehicles funded by the Vehicle Funders. All of these vehicles were subject to financing agreements with the Vehicle Funders and as such, the proceeds of sale should have been paid directly into a separate designated account, charged to the Vehicle Funders. However, these funds were paid directly into Drive Assist's main current account and some of the funds were subsequently used to provide additional working capital.

- 2 52 The Joint Administrators took independent legal advice on this matter to determine how this matter should be dealt with and the matter has now been resolved between the senior lenders and Vehicle Funders

Repairer monies

- 2 53 Following their appointment, the Joint Administrators were notified of a pre-appointment agreement with repairers whereby monies received from the TPI relating to an outstanding repair invoice would be ring-fenced in a separately identifiable account. This account was not utilised by Drive Assist.
- 2 54 Legal advice was immediately sought on the matter which ultimately confirmed that Drive Assist had not carried out FSA regulated activity in relation to the business undertaken prior to the Joint Administrators' appointment, nor had a trust been created over the alleged repairer monies. Therefore, Drive Assist did not hold any client monies for FSA purposes.
- 2 55 The legal advice received by the Joint Administrators confirmed that repairers' claims for unpaid invoices are considered to be unsecured claims. There is no trust created in favour of the repairers over funds held by Drive Assist received from the TPI, either under FSA regulations or as a matter of general law.

Total loss monies

- 2 56 Drive Assist did operate two non-FSA client accounts for the benefit of total loss claimants. This money is held on trust as a matter of general law. The Joint Administrators have reconciled the balances held within these client accounts, which showed a total balance of £279,415 as at 10 December 2012.
- 2 57 Of that balance, £135,387 related to funds within claims owed to Drive Assist and the balance of £144,028 was identified as being owed to individuals, as discussed in paragraph 2.28. The Joint Administrators are currently taking the appropriate steps to remit these funds to the appropriate parties.

Fixtures, fittings and other assets

Drive Assist

- 2 58 The Joint Administrators instructed Hilco to value the fixtures and fittings at the various sites. The majority of the fixtures and fittings are located at Tamworth House and will be sold as part of the freehold transaction detailed in paragraph 2.46.
- 2 59 Hilco confirmed that the majority of the fixtures and fittings located at various other leasehold sites held little or no value and were not cost effective to dispose of, due to the associated removal costs. However, specific furniture and equipment located at these sites were removed and realised for a total of £10,190.

Millennium

- 2 60 Following advice from Hilco, the fixtures and fittings located at the Nottingham site were sold to the landlord for consideration of £26,000.
- 2 61 Unencumbered stock realised £4,000, with the remaining stock being returned to the original suppliers following the submission of claims for retention of title.

3 Assets still to be realised

- 3 1 As detailed within Section 2, the following asset realisations remain ongoing
- Debtor collections,
 - Unencumbered vehicles,
 - Disposal of the freehold property (scheduled for 30 September 2013) and associated fixtures and fittings, and
 - Road fund licence refunds

4 Investigations

- 4 1 The Joint Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvencies, as required by the Company Directors Disqualification Act, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations
- 4 2 We have met with the directors and key staff to discuss in detail the Companies' activities, the circumstances surrounding the need to enter Administration, and a number of specific transactions. Given that these investigations continue the Joint Administrators propose to provide a more detailed report to creditors once the investigations are substantively complete. Further details will be provided to creditors in the next progress report.

5 Pre-administration costs

- 5 1 With the exception of £77,790 that remains outstanding to Linklaters LLP, all pre-appointment costs reported in the Proposals have been settled in full. Approval to pay pre-administration costs was received from the Companies' secured and preferential creditors on 18 February 2013.

6 Joint Administrators' remuneration

- 6 1 The secured and preferential creditors approved on 18 February 2013 that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administrations.
- 6 2 A summary of the Joint Administrators' time costs for the period 10 December 2012 to 9 June 2013 are shown in the table below.

Company	Time costs £	Total hours	Average rate per hour £
Drive Assist	2,077,386	6,498	320
Millennium	65,151	237	275
Sol	114,787	394	292

- 6 3 Attached at Appendix A are Time Analyses for the period, which provide details of the costs incurred by activity and by staff grade for each administration. Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended.

6.4 Principal areas of activity during the period are discussed in further detail below

- **Administration and planning** - formulating and implementing the initial administration strategies, complying with statutory duties and performing general administrative work. Significant time has been spent here in relation to the Companies' tax matters. Case related treasury and support time is also recorded here and includes the processing of general payments made and received and bank reconciliations.
- **Investigations** - conducting investigations into the directors' conduct, together with the Companies' dealings prior to the appointment of the Joint Administrators.
- **Realisation of assets - fixed charge** - formulating a realisation strategy and complying with security and insurance requirements at the properties. Managing the freehold marketing process, liaising with GVA, negotiating with interested parties and reviewing offers received during the sales process.
- **Realisation of assets - floating charge** - liaising with Hilco to identify unencumbered vehicles and fixtures and fittings, establishing the most appropriate realisation strategy and managing the sale process for these items. Time has also been spent corresponding with the Vehicle Funders and various leasing companies to arrange for collection of encumbered assets from the Companies' various sites. Time spent communicating with landlords in relation to the occupation and subsequent vacation of the leasehold sites and notifying all relevant parties of the depot closures is also recorded here.
- **Realisation of assets - debtors** - reviewing the Companies' debtor ledgers and liaising with Companies' staff regarding likely realisations, communicating and negotiating with debtors regarding outstanding balances and dealing with disputes. Time has also been spent liaising with the relevant employees, agents and sub-contractors, whose services have been enlisted to assist with the debt collection.
- **Trading** - time has been spent liaising and placing orders with suppliers, making related payments, facilitating the gradual wind down of the Companies' activities and employee related issues. Treasury time relating to trading receipts and payments is also recorded here and includes payment of employee wages.
- **Creditors** - notifying all creditors of the appointment, preparing statutory reports, dealing with employee claims and reporting to the secured creditors. A significant amount of time has been spent dealing with creditors including correspondence and meetings with repairers.

6.5 A copy of 'A Creditors' Guide to Administrations' which includes guidance on Administrators' fees can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact Suzie Friedrich on 0161 838 4583 or driveassistcreditors@zolfocooper.eu

6.6 The below table details the fees drawn by the Joint Administrators to date, together with the category 1 and 2 disbursements drawn on each Administration

Company	Fees drawn £	Category 1 disbursements £	Category 2 disbursements £
Drive Assist	1,700,000	36,395	9,627
Millennium	15,000	7,517	269
Sol	35,000	2,316	54

6.7 The Joint Administrators can confirm that the following category 2 disbursements have been taken

- **Photocopying** - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying

- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour
 - Business mileage for staff travel - charged at the rate of 45 pence per mile
- 6 8 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of current charge-out rates by staff grade is provided at Appendix C

7 Estimated outcome for creditors

Secured creditors

- 7 1 The Companies granted fixed and floating charges to RBS, Haymarket Financial Luxembourg 3 SARL, Hayfin Opal 3 SARL and IKB Deutsche Industriebank AG, London Branch (together the **Senior Lenders**) on 1 February 2007 and 1 July 2011. At the date of appointment, the Senior Lenders were owed approximately £40.2 million (excluding accrued interest and charges) under their security and are expected to suffer a shortfall.
- 7 2 No distributions on account have been made to the Senior Lenders as the Joint Administrators are currently investigating various tax matters. Should any tax liability arise in the respective Administration, it will be payable ahead of any distribution to the Senior Lenders.
- 7 3 In addition to the above security, a £1 million facility was provided to Millennium by Barclays Bank Plc (Barclays) to enable it to purchase vehicles. This facility was guaranteed by RBS who, following the appointment of the Joint Administrators, have subsequently paid the outstanding balance to Barclays.
- 7 4 Drive Assist granted various fixed charges to the Vehicle Funders on 1 February 2007 and 1 July 2011. These consisted of a receivables and insurance charge and various charges over deposits held in bank accounts. In addition, the fleet vehicles which were financed by the Vehicle Funders were owned by them.

Preferential creditors

Drive Assist

- 7 5 As per the directors' Statement of Affairs (SoA), the preferential creditors are anticipated to be in the region of £174,000. The preferential creditors are expected to be paid in full.

Millennium

- 7 6 All of the employees of Millennium were made redundant immediately upon the Joint Administrators' appointment. Based on current information the preferential creditors to be in the region of £21,500. This class of creditor are expected to be paid in full.

Sol

- 7 7 Sol did not have any employees, and consequently therefore no preferential creditors are anticipated.

Unsecured Creditors

7 8 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'prescribed part'

7 9 As the Companies granted floating charges to the Senior Lenders after 15 September 2003, the Joint Administrators are required to create Unsecured Creditors' Funds in each of the Administrations

Drive Assist

7 10 The directors' SoA for Drive Assist stated that the unsecured creditors totalled £37,948,938

7 11 Based on present information, and subject to the outcome of the matters in the administration, the Joint Administrators estimate that the value of the Unsecured Creditors' Fund will be at the maximum level of £600,000. This would give rise to a dividend of one pence in the pound (before costs) being available, based on claims being received in line with that stated in the SoA

Millennium

7 12 The directors' SoA stated that Millennium had unsecured creditors of £2,803,844

7 13 Based on present information, the Joint Administrators estimate that the value of the Unsecured Creditors' Fund will be in the region of £70,000 before costs, which would give rise to an unsecured dividend of approximately two pence in the pound based on claims being received in line with the SoA value

Sol

7 14 The SoA detailed that the Company had unsecured creditors of £693,366.

7 15 Based on present information, the Joint Administrators do not consider that there will be any net floating charge property available in Sol from which to create an Unsecured Creditors' Fund. As such, no unsecured dividend is expected

8 Ending the Administrations

Creditors' voluntary liquidation

8.1 Based on present information, the Joint Administrators anticipate that there will be funds available to distribute to the unsecured creditors of Drive Assist and Millennium via the Unsecured Creditors' Funds, as discussed in Section 7. The Joint Administrators will therefore file notices with the Registrar of Companies, in order that the Administrations of Drive Assist and Millennium will cease and automatically move into Creditors' Voluntary Liquidation (CVL). Alastair Beveridge, Ryan Grant and Anne O'Keefe will become the Joint Liquidators of the Companies

Compulsory liquidation

- 8.2 As no funds are available for the unsecured creditors of Sol which would permit the Joint Administrators to exit into CVL, if the Joint Administrators become aware of any transactions requiring further investigation and potential action by a liquidator, they may make an application to court to end the Administration, and request that the court places Sol into compulsory liquidation. The Joint Administrators will send notice of any such application to the relevant company and its creditors.

Dissolution

- 8.3 The Joint Administrators think that Sol has no property which might permit a distribution to its unsecured creditors. Therefore, in the event that it is not considered appropriate for the company to proceed to compulsory liquidation, the Joint Administrators will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of Sol. The Joint Administrators will send copies of these documents to that company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

Discharge from liability

- 8.4 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Joint Administrators ceases to have effect.

9 Creditors' rights

- 9.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 9.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration charged or the expenses incurred by the Joint Administrators as set out in this report are excessive.

10 Next report

- 10.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised.

For and on behalf of
The Companies


Anne O'Keefe

For Ryan Grant

Joint Administrator

Joint Administrators' Progress Report
ADM501

**Receipts and Payments Account for the period
10 December 2012 to 9 June 2013**

Appendix A

Drive Assist UK Limited

Statement of Affairs		£
£		£
	Floating charge assets	
	Receipts	
26,301,378	Credit hire - pre-appointment	7,481,065
	Credit hire - post-appointment	4,105,783
8,422,434	Repair claims - pre-appointment	3,777,195
	Repair claims - post-appointment	381,384
-	Commission rebates	523,481
	Third party funds	144,028
157,635	Fleet repair claims	134,672
	Total loss	243,794
957,571	Excess, fines and damages	82,760
	Direct hire	5,077
	Sundry debtors received	187,553
-	Intercompany book debts	15,192
	Vehicle Funders contribution	1,023,465
-	Road fund licence refunds	184,317
1,017,192	Motor vehicles	153,718
42,404	Stolen vehicles	-
154,752	Cash at bank	135,387
1,599,197	Freehold property	-
-	Rates refunds	35,392
10,000	Fixtures and fittings	-
10,000	Furniture and equipment	10,190
	Bank interest	7,236
	Miscellaneous income	1,042
		18,632,731
	Payments	
	Pre-appointment fees and disbursements	
	Zolfo Cooper LLP	155,955
	Deloitte LLP	48,000
	Travers Smith LLP	8,723
	Joint Administrators' fees	1,700,000
	Category 1 disbursements	
	Stationery and postage	14,375
	Statutory advertising	906

**Receipts and Payments Account for the period
10 December 2012 to 9 June 2013 (cont'd)**

Appendix A

Redirection of mail	970
Telephone charges	226
Room hire	370
Travel and subsistence	18,773
Specific penalty bond	775
Category 2 disbursements	
Mileage	8,177
Internal postage and photocopying	1,450
Debt collection fees	131,618
Agents or valuers' fees	47,956
Payroll agents' fees	23,159
Legal fees	112,592
Legal disbursements	364
Road fund licences	11,144
Other vehicle costs	8,860
IT costs	28,526
Fuel costs	53,152
Deposit for fuel	10,000
Ransom costs	43,079
Security costs	73,481
Employee expenses	5,966
Professional fees	283,909
Utilities	33,714
Rents	90,948
Rates	31,759
Other property expenses	35,605
Insurance of assets	10,513
Wages and salaries	1,424,464
PAYE and National Insurance	522,866
Cleaning and maintenance	8,998
Bank charges	267
	<u>(4,951,640)</u>
 Balance of floating charge assets	 <u>13,681,091</u>
 Total balance	 <u>13,681,091</u>

**Receipts and Payments Account for the period
10 December 2012 to 9 June 2013 (cont'd)**

Appendix A

Represented by	
Floating VAT receivable	579,048
Floating VAT payable	(1,758,033)
Floating current account	15,054,064
Total loss account	123,833
Hilco funds control account	101,101
Millennium control account	(418,922)
	<u>13,681,091</u>

The Hilco funds control account relates to monies from asset realisations which are currently held by Hilco

The Millennium control account relates to monies received by Drive Assist, which are in fact due to Millennium. These monies will be transferred in due course

**Receipts and Payments Account for the period
10 December 2012 to 9 June 2013 (cont'd)**

Appendix A

Millennium Motor Group Limited

Statement of Affairs		£
		£
Floating charge assets		
Receipts		
853,425	Motor vehicles	388,732
70,284	Book debts	54,344
15,005	Furniture and equipment	26,000
17,714	Stock	4,000
	Third party deposits	3,590
	Sundry refund	53
	Bank interest	11
		<u>476,730</u>
Payments		
	Pre-administration legal fees	8,722
	Joint Administrators' fees	15,000
	Category 1 disbursements	
	Stationery, postage and photocopying	465
	Specific penalty bond	210
	Travel and subsistence	6,263
	Storage costs	579
	Category 2 disbursements	
	Mileage	205
	Internal postage and photocopying	64
	Payroll agents' fees	392
	Security costs	8,354
	Utilities	4,304
	Rents	17,644
	Rates	6,061
	Other property expenses	210
	Wages and salaries	705
	PAYE and National Insurance	3,339
	Bank charges	4
		<u>(72,521)</u>
	Balance of floating charge assets	<u>404,209</u>
	Total balance	<u>404,209</u>

**Receipts and Payments Account for the period
10 December 2012 to 9 June 2013 (cont'd)**

Appendix A

Represented by	
Floating VAT receivable	4,028
Floating current account	12,186
Floating VAT payable	(30,928)
Drive Assist control account	418,923
	<u>404,209</u>

The Drive Assist control account relates to monies received by Drive Assist, which are in fact due to Millennium. These monies will be transferred in due course.

**Receipts and Payments Account for the period 10
December 2012 to 9 June 2013 (cont'd)**

Appendix A

Sol Car Rentals Limited

Statement of Affairs		£
£		£
	Floating charge assets	
	Receipts	
230,490	Book debts	75,163
	Post appointment sales	9,346
	Unaccounted receipts	7,356
	Bank interest	34
		<u>91,899</u>
	Payments	
	Pre-administration legal fees	8,722
	Joint Administrators' fees	35,000
	Category 1 disbursements	
	Stationery, printing and postage	1,196
	Telephone charges	10
	Specific penalty bonds	1,110
	Category 2 disbursements	
	Internal printing and photocopying	54
	Consultant	8,250
	Road fund licences	593
	Bank charges	14
		<u>(54,949)</u>
	Balance of floating charge assets	<u>36,950</u>
	Total balance	<u>36,950</u>
	Represented by	
	Floating VAT receivable	9,211
	Floating current account	29,608
	Floating VAT payable	(1,869)
		<u>36,950</u>

Time Analysis for the period 10 December 2012 to 9 June 2013

Appendix B

Drive Assist UK Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	2.2	38.8	7.0	8.8	56.8	20,527.00	361
Strategy and control	258.1	20.0	20.3	18.4	316.8	151,323.50	478
Statutory duties	1.5	8.2	1.6	3.9	15.2	5,295.50	348
Case administration	0.2	9.3	31.0	21.5	62.0	16,295.50	263
Accounting and treasury	6.7	27.9	25.4	145.7	205.7	41,838.50	203
Travel and waiting time	38.3	129.5	115.5	6.3	289.6	106,788.00	369
Internal documentation	1.8		11.0	53.8	66.6	12,145.50	182
Investigations							
Director conduct reports	50.4	20.4	17.4	1.8	90.0	37,265.50	414
Other investigations	125.3	194.0	294.7	54.8	668.8	235,500.50	352
Internal documentation	0.8			1.8	2.6	644.00	248
Realisation of assets - fixed charge							
Asset realisation strategy	5.0	4.6	0.6	0.1	10.3	4,559.00	443
Asset identification and valuation	1.1		9.7		10.8	3,485.50	323
Sale of assets	35.1		36.3	1.3	72.7	26,277.00	361
Recovery of assets			0.3	1.0	1.3	241.50	186
Dealing with third party assets		0.8			0.8	328.00	410
Asset accounting and administration				2.2	2.2	334.00	152
Realisation of assets - debtors							
Debit collection	114.4	272.6	116.8	3.8	507.6	200,231.00	394
Debtor litigation	0.8	176.0		-	176.8	71,310.00	403
Internal and external documentation	2.3		11.3	7.8	21.4	5,526.00	258
Realisation of assets - floating charge							
Asset realisation strategy	0.7	61.2	15.0		76.9	27,715.00	360
Asset identification and valuation	12.1	8.7	40.2	1.1	62.1	20,861.00	336
Sale of assets	8.4	58.1	5.7	6.7	78.9	30,228.00	383
Recovery of assets		2.2	50.0	19.6	71.8	19,663.00	274
Dealing with third party assets	110.7	377.1	129.0	153.3	770.1	273,636.00	355
Asset accounting and administration	0.7	2.2	23.5	12.3	38.7	9,599.00	248
Trading							
Trading strategy	10.9	20.8	187.8	2.9	222.4	71,578.00	322
Trading activities	54.8	189.0	294.2	535.2	1,073.2	261,277.00	243
Accounting and administration	10.2	140.0	119.0	146.7	415.9	119,038.50	286
Creditors							
Creditor claims			1.4	28.6	30.0	4,777.00	159
Creditor litigation				0.8	0.8	120.00	150
Internal documentation	5.4	0.2		1.2	6.8	3,056.00	449
Creditor strategy	5.0	2.5		0.7	8.2	3,347.00	408
Reporting to creditors	57.5	34.9	22.8	9.1	124.3	49,828.00	401
Creditor meetings	5.0				5.0	2,600.00	520
Secured creditors	62.5	102.8	8.3		173.6	74,994.00	432
Unsecured creditors	40.3	27.7	117.1	430.9	616.0	130,069.50	211
Employees	0.4	34.7	25.5	83.8	144.4	34,719.50	240
Shareholders and other stakeholders	0.8				0.8	364.00	455
Totals	1,029.4	1,964.2	1,738.4	1,765.9	6,497.9	2,077,386.00	320

**Time Analysis for the period 10 December 2012 to
9 June 2013 (cont'd)**

Appendix B

Millennium Motor Group Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.1	3.0	1.5	4.1	8.7	2,289.50	263
Statutory duties	1.5	4.2	1.0	2.4	9.1	3,246.50	357
Case administration	0.2	2.8	2.3	9.0	14.3	3,357.00	235
Accounting and treasury	1.5	0.7	2.2	15.1	19.5	3,599.50	185
Travel and waiting time		5.4		-	5.4	1,998.00	370
Internal documentation			0.2	3.7	3.9	620.00	159
Investigations							
Director conduct reports		1.5	3.6		5.1	1,679.50	329
Other investigations		0.5	0.8		1.3	409.00	315
Realisation of assets - debtors							
Debt collection		7.0			7.0	2,590.00	370
Internal and external documentation			2.0		2.0	560.00	280
Realisation of assets - floating charge							
Asset realisation strategy		20.5			20.5	7,585.00	370
Asset identification and valuation	0.3	2.5	2.0	0.7	5.5	1,730.00	315
Sale of assets		0.2			0.2	74.00	370
Recovery of assets				8.7	8.7	1,317.00	151
Dealing with third party assets		13.5	5.9	4.4	23.8	7,451.00	313
Asset accounting and administration		0.3		1.2	1.5	298.00	199
Trading							
Trading strategy		0.4			0.4	148.00	370
Trading activities	0.1	14.7		23.6	38.4	9,034.00	235
Accounting and administration	0.2		0.5	4.0	4.7	788.50	168
Creditors							
Creditor claims			6.6	5.5	12.1	2,838.00	235
Internal documentation	1.0			0.3	1.3	565.00	435
Reporting to creditors	0.5	5.3	3.9	2.0	11.7	3,883.00	332
Secured creditors	1.0	3.3	0.2		4.5	1,869.00	415
Unsecured creditors	0.1	0.2	14.2	7.9	22.4	5,486.00	245
Employees		3.5	0.9	0.3	4.7	1,735.00	369
Totals	6.5	89.5	47.8	92.9	236.7	65,150.50	275

**Time Analysis for the period 10 December 2012 to
9 June 2013 (cont'd)**

Appendix B

Sol Car Rentals Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning		2.9		0.6	3.5	1,279.00	365
Strategy and control		1.9	1.9	0.5	4.3	1,417.50	330
Statutory duties		2.6		2.0	4.6	1,375.00	299
Case administration	0.2	2.3	2.8	11.1	16.4	3,627.00	221
Accounting and treasury	0.6	0.4	2.9	8.9	12.8	2,470.00	193
Internal documentation			0.2	0.7	0.9	161.00	179
Investigations							
Director conduct reports		1.5	3.1		4.6	1,539.50	335
Other investigations			0.4		0.4	112.00	280
Realisation of assets - debtors							
Debt collection	0.2	42.3	35.7		78.2	28,655.00	366
Debtor litigation		0.3			0.3	117.00	390
Internal and external documentation		0.5	50.2	0.2	50.9	15,221.00	299
Realisation of assets - floating charge							
Asset realisation strategy	1.0	1.2			2.2	964.00	438
Recovery of assets		3.0	6.1	6.8	15.9	3,897.00	245
Dealing with third party assets	0.5	61.6	18.3	63.8	144.2	40,146.00	278
Asset accounting and administration				6.6	6.6	990.00	150
Trading							
Trading activities	0.2			1.8	2.0	360.00	180
Accounting and administration	0.1		0.3	1.2	1.6	256.00	160
Creditors							
Creditor claims				0.3	0.3	45.00	150
Internal documentation	1.0				1.0	520.00	520
Reporting to creditors	1.0	7.2	3.9	2.0	14.1	4,926.00	349
Secured creditors			0.2		0.2	56.00	280
Unsecured creditors			15.3	12.5	27.8	6,418.50	231
Employees		0.2			0.2	82.00	410
Totals	4.8	127.9	141.8	119.0	393.5	114,787.00	292

Additional information in relation to the Joint Administrators' remuneration 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

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact 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. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, e.g. report compilation and distribution.

The following services are being provided on the assignments by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Company	Cost to date £
Employee claim processing	Payco ERA	Rate per employee	Drive Assist Millennium	23,094 392
Debt collection	J P Associates Limited	Percentage of collections	Drive Assist	202
Debt collection	Proddow Mackay Solicitors	Percentage of collections	Drive Assist	22,595
Debt collection	Credit Style Limited	Percentage of collections	Drive Assist	22,366
Debt collection	MTA Solicitors	Percentage of collections	Drive Assist	29,459

1.2 Professional advisors

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Jones Day (legal advice)	Hourly rate and disbursements
Linklaters (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Hilco Appraisal Limited (valuation and disposal advice)	Percentage of realisations

GVA Grimley Limited (valuation and disposal advice)	Percentage of realisations
Carnoustie Consultants Limited (investigation advice)	Hourly rate and disbursements
Deloitte LLP (investigations advice)	Hourly rate and disbursements

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case e.g. postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Category 2 disbursements that may be incurred are as follows:

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour
- Business mileage for staff travel - charged at the rate of 45 pence per mile

2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2013 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2013	Description	Rates pre 1 April 2013
	£		£
Partner 1*	595	Partner 1*	575
Partner 2*	540	Partner 2*	520
Director	470	Director	450
Associate director*	430	Senior associate 1*	410
Senior associate	390	Senior associate 2*	370
Associate	320	Associate	305
Analyst	280	Analyst	280
Junior analyst	160	Junior analyst	150
Senior treasury associate	230	Senior treasury associate	220
Treasury associate	155	Treasury associate	150
Treasury analyst	100	Treasury analyst	95
Support	84	Support	80

*Key

Partner 1 - partners with three or more years' experience at partner level

Partner 2 - partners with fewer than three years' experience at partner level

Promotion from senior associate to associate director from 1 April 2013 is on the basis of performance and experience. Prior to that, the distinction from senior associate 2 to senior associate 1 was made for staff with two or more years' experience at senior associate level.