

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)

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Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RB

R K Grant  
Zolfo Cooper  
35 Newhall Street  
Birmingham  
B3 3PU

S Wilson  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

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

From	To
(b) Insert date (b) 10 June 2013	(b) 15 November 2013

Signed

  
 Joint Administrator

Dated

5 DECEMBER 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

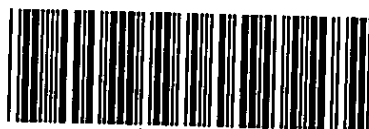
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When you have completed and signed this form, please send it to the Registrar of Companies at -  
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# **Joint Administrators' Progress Report for the period 10 June 2013 to 15 November 2013**

**Sol Car Rentals Limited  
In Administration**

**25 November 2013**

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## **1 Statutory information**

- 1.1 Alastair Beveridge, Ryan Grant and Simon Wilson were appointed Joint Administrators of Sol Car Rentals Limited (the Company) on 10 December 2012 by the directors of the Company, c/o Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL
- 1.2 The Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.3 The Administration is registered in the High Court of Justice, under reference number 9431 of 2012.
- 1.4 The Company traded from Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL and The Gatehouse, Roseland Business Park, Roseland Way, Long Bennington, Nottinghamshire, NG23 5FF. The business traded under the name Sol Car Rentals
- 1.5 The registered office of the Company has been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and its registered number is 02974983.
- 1.6 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 Administration**

- 2.1 This report should be read in conjunction with the Joint Administrators' Statement of Proposals dated 1 February 2013 (the Proposals) and the Joint Administrators' Progress Report dated 8 July 2013 (the Previous Report).
- 2.2 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 10 June 2013 to 15 November 2013, together with a Cumulative Receipts and Payments Account for the period 10 December 2012 to 15 November 2013.
- 2.3 All costs incurred to date have been paid. However, the collection of the Company's book debts remains on-going and as a result, further associated collection costs are anticipated. These will be calculated as a percentage of future recoveries.

### **Debtors**

- 2.4 Since the Previous Report, pre-appointment book debts of £4,703 have been realised, bringing total pre-appointment book debt realisations to £73,068. Total realisations shown at Appendix A have reduced since the Previous Report due to certain amounts received being reallocated as post appointment sales.
- 2.5 A total of £16,496 has also been recovered since the Previous Report in relation to the invoices raised since the Joint Administrators' appointment, bringing total realisations to £25,840.
- 2.6 A number of difficulties have been encountered during the collection of the Company's debtors which have impacted upon the level of recoveries available. The directors of the Company had initially advised that around £600,000 would potentially be recoverable across both ledgers, which comprised approximately 280 debtors.

- 2.7 It soon became apparent that the information provided by the Company was inaccurate and a significant number of customer deposits had been incorrectly recorded, thereby overstating the amounts due. In addition, following the Joint Administrators' appointment, further invoices were issued to customers in relation to vehicle hire up to the date each individual vehicle was returned. However, it transpired that in certain cases, vehicles were not taken off hire at the correct date, which resulted in inaccuracies in the invoices raised.
- 2.8 Following the Joint Administrators' appointment, correspondence was issued to all known debtors based on the information provided by the Company. This prompted a very high volume of correspondence, the majority of which came from customers disputing their debts. A significant number of the debtors remain in dispute and therefore the outstanding balances are not expected to be recovered in full.
- 2.9 The Joint Administrators have recently instructed specialist debt recovery agents MRG Recoveries Limited (MRG) to assist with the collection of all outstanding invoices. It has been agreed that MRG will be paid as a percentage of realisations, on a 'no win no fee' basis, in order to keep the ongoing cost of collections to a minimum. Solicitors may be instructed by MRG in relation to certain debts, which may result in additional costs such as court fees being incurred.

### **Other assets**

- 2.10 The Company had one unencumbered vehicle, which was subsequently sold to an unconnected third party for total consideration of £6,320.
- 2.11 Bank interest of £25 has been received in the period, bringing total bank interest accrued to £59.

## **3 Assets still to be realised**

- 3.1 As detailed above, the collection of the Company's book debts and post appointment hire charges remains on-going.

## **4 Investigations**

- 4.1 The Joint Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the Joint Administrators' investigations, there were no matters identified that required further action.

## **5 Joint Administrators' remuneration**

- 5.1 The secured 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 Administration.

- 5.2 The Joint Administrators' time costs for the period 10 June 2013 to 15 November 2013 are £61,038. This represents 185 hours at an average rate of £331 per hour. Attached at Appendix B is a Time Analysis for the period which provides details of the costs incurred by activity and by staff grade. Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended.
- 5.3 Principal areas of activity during the period are discussed in further detail below.
- Administration and planning - time has been incurred ensuring that the case strategy is adhered to, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - Realisation of assets - floating charge - time recorded within this category includes liaising with interested parties in respect of the sale of the unencumbered vehicle.
  - Realisation of assets - debtors - a significant amount of time has been incurred reviewing the Company's book debt ledgers and liaising with third parties instructed to collect the outstanding debts. Time has been charged to communicating and negotiating with debtors regarding outstanding balances and dealing with disputes.
  - Creditors - time has been incurred preparing statutory reports. Time has also been spent reporting to the secured creditor and dealing with creditor correspondence.
- 5.4 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 4518 or [sfriedrich@zolfocooper.eu](mailto:sfriedrich@zolfocooper.eu) or write to the registered office detailed in section 1.5.
- 5.5 Attached at Appendix C is a Cumulative Time Analysis for the period 10 December 2012 to 15 November 2013 which provides details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment.
- 5.6 To date, fees totalling £65,000 plus category 1 disbursements of £2,757 have been drawn on account.
- 5.7 The Joint Administrators can confirm that category 2 disbursements of £344 have been taken as follows
- Photocopying - charged at the rate of 10 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.
- 5.8 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 D.

## 6 Estimated outcome for creditors

### Secured creditors

- 6.1 The Company granted fixed and floating charges to The Royal Bank of Scotland Plc, 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 accruing interest and charges) collectively by

Drive Assist UK Limited (Drive Assist), Millennium Motor Group Limited (Millennium) and the Company, under their security. The Senior Lenders are expected to suffer a shortfall.

- 6.2 The security is also guaranteed by Drive Assist and Millennium, who are both in Liquidation.
- 6.3 The Senior Lenders have received distributions totalling £11,500,000 from Drive Assist and further funds will be available for distribution to the Senior Lenders from the liquidations of Drive Assist and Millennium.
- 6.4 However, it is anticipated that there will be insufficient funds realised to permit any distributions to the Senior Lenders from the Company.

### **Preferential creditors**

- 6.5 The Company had no employees and therefore there will not be any preferential creditors.

### **Unsecured Creditors' Fund**

- 6.6 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'.
- 6.7 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund
- 6.8 Unsecured creditors are anticipated to be approximately £700,000. However, based on current information, it is unlikely that there will be sufficient floating charge realisations available (after costs) to enable the creation of such a fund. It is therefore unlikely that a dividend will be available to the unsecured creditors of the Company.

## **7 Ending the Administration**

### **Extension of the Administration**

- 7.1 The Administration is due to end automatically on 9 December 2013, however it will not be possible to conclude all outstanding matters in the Administration prior to this date. Therefore, the Joint Administrators are seeking the approval of the secured creditors, for an extension to the Administration period of six months in accordance with paragraph 76-78 of schedule B1 of the Insolvency Act 1986.

### **Dissolution of the Company**

- 7.2 Based on current realisations, it is anticipated that the Company will not have sufficient property to permit a distribution to its unsecured creditors. Therefore, once all matters have been finalised, the Joint Administrators will file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Company. The Joint Administrators will 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.

### **Creditors voluntary liquidation (CVL)**

- 7.3 Should a dividend become available to unsecured creditors by virtue of the Unsecured Creditors' Fund, the Joint Administrators will file a notice at the Registrar of Companies in order that the Administration will cease and the Company will automatically move into CVL. The Joint Administrators will send copies of these documents to the Company and its creditors. The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies. In accordance with the Proposals, Alastair Beveridge, Ryan Grant and Anne O'Keefe will become the Joint Liquidators of the CVL.

### **Discharge from liability**

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

## **8 Creditors' rights**

- 8.1 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.
- 8.2 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.

## **9 Next report**

- 9.1 This report has been prepared for creditors in support of the request to extend the Administration by six months. In the event that the request to extend the Administration is approved, a further report will be circulated to all creditors within one month of the next six month period ended 14 May 2014, or sooner if the Administration has been finalised.

For and on behalf of  
Sol Car Rentals Limited

  
Alastair Beveridge  
Joint Administrator

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**Receipts and Payments Account for the period  
10 June 2013 to 15 November 2013 and a  
Cumulative Account for the period  
10 December 2012 to 15 November 2013**

**Appendix A**

<b>Statement of Affairs £</b>	<b>Period £</b>	<b>Cumulative £</b>
<b>Floating charge assets</b>		
<b>Receipts</b>		
Motor vehicles	6,320	6,320
Post-appointment sales	16,495	25,840
230,490 Book debts	4,703	73,068
Bank interest	25	59
	<u>27,543</u>	<u>105,287</u>
<b>Payments</b>		
Joint Administrators' remuneration	30,000	65,000
<b>Category 1 disbursements:</b>		
Specific penalty bond	-	1,110
Statutory advertising	197	197
Stationery, postage and photocopying	441	1,439
Telephone charges	1	11
<b>Category 2 disbursements</b>		
Internal postage and photocopying	290	344
Legal fees	-	8,722
Debt collection fees	645	645
Consultancy fees	-	8,250
Road fund licences	-	593
Bank charges	1	15
	<u>(31,575)</u>	<u>(86,326)</u>
<b>Balance of floating charge assets</b>	<u>(4,032)</u>	<u>18,961</u>
<b>Total balance</b>		<u>18,961</u>
<b>Represented by</b>		
Interest bearing account		12,706
VAT receivable		6,255
		<u>18,961</u>

# Time Analysis for the period 10 June 2013 to 15 November 2013

## Appendix B

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning	-	0.1	3.5		3.6	1,059.00	294
Strategy and control	-	0.5	0.8		1.3	439.00	338
Statutory duties	-	1.5	2.9	0.1	4.5	1,573.00	350
Case administration	0.2	4.2	9.1	15.1	28.6	6,844.00	239
Accounting and treasury	-		1.1		1.1	308.00	280
Internal documentation							
Realisation of assets - debtors							
Debt collection	1.1	60.5	42.1	-	103.7	37,584.00	362
Internal and external documentation	-		8.0	0.2	8.2	2,592.00	316
Realisation of assets - floating charge							
Asset realisation strategy		0.8		-	0.8	312.00	390
Recovery of assets			1.0	-	1.0	280.00	280
Asset accounting and administration	0.2		1.0	0.1	1.3	429.50	330
Creditors							
Creditor claims			0.2	-	0.2	56.00	280
Reporting to creditors	1.8	4.7	19.2	1.2	26.9	8,750.00	325
Secured creditors	0.1	0.5		-	0.6	242.00	403
Unsecured creditors		0.3	0.3	2.2	2.8	569.00	203
<b>Totals</b>	<b>3.4</b>	<b>73.1</b>	<b>89.2</b>	<b>18.9</b>	<b>184.6</b>	<b>61,037.50</b>	<b>331</b>

## Cumulative Time Analysis for the period 10 December 2012 to 15 November 2013

## Appendix C

	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		2.0	5.4	0.5	7.9	2,476.50	313
Statutory duties	-	3.1	0.8	2.0	5.9	1,814.00	307
Case administration	0.2	3.8	5.7	11.2	20.9	5,200.00	249
Accounting and treasury	0.8	4.4	7.5	23.5	36.2	7,754.00	214
Internal documentation			1.3	0.7	2.0	469.00	235
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 - fixed charge							
Asset realisation strategy	1.0				1.0	520.00	520
Asset identification and valuation			0.5		0.5	152.50	305
Dealing with third party assets	-	1.0			1.0	410.00	410
Realisation of assets - debtors							
Debt collection	1.3	102.8	77.8		181.9	66,239.00	364
Debtor litigation		0.3			0.3	117.00	390
Internal and external documentation		0.5	58.2	0.4	59.1	17,813.00	301
Realisation of assets - floating charge							
Asset realisation strategy	-	2.0			2.0	756.00	378
Recovery of assets		3.0	7.1	6.8	16.9	4,177.00	247
Dealing with third party assets	0.5	60.6	18.3	63.8	143.2	39,736.00	277
Asset accounting and administration	0.2		1.0	6.7	7.9	1,419.50	180
Trading							
Trading activities	0.2	0.2		1.8	2.2	438.00	199
Accounting and administration	0.1		4.8	1.7	6.6	1,738.00	263
Creditors							
Creditor claims			0.2	0.3	0.5	101.00	202
Internal documentation	1.0				1.0	520.00	520
Reporting to creditors	2.8	11.9	23.1	3.2	41.0	13,676.00	334
Secured creditors	0.1	0.5	0.2	-	0.8	298.00	373
Unsecured creditors		0.3	15.6	14.7	30.6	6,987.50	228
Employees		0.2			0.2	82.00	410
<b>Totals</b>	<b>8.2</b>	<b>201.0</b>	<b>231.0</b>	<b>137.9</b>	<b>578.1</b>	<b>175,824.50</b>	<b>304</b>

## Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9

## Appendix D

### 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, an associate director, 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, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Debt collection	MRG Recoveries Limited	Percentage of collections	NIL

#### 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
Travers Smith LLP (legal advice)	Hourly rate and disbursements
Willis Limited (Insurance)	Risk based premium

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 eg 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 10 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. Time is charged by partners and case staff in units of six minutes.

Description	Rates from
	1 April 2013
	£
Partner 1*	595
Partner 2*	540
Director	470
Associate director*	430
Senior associate	390
Associate	320
Analyst	280
Junior analyst	160
Senior treasury associate	230
Treasury associate	155
Treasury analyst	100
Support	84

**\*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*