

The Insolvency Act 1986

Administrator's progress report

Name of Company

Jeffery (Wandsworth) Limited T/A Phoenix

Company number

02981649

In the

High Court of Justice, Chancery Division,
Companies Court

Court case number

9493 of 2012

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

We
 Gregory Andrew Palfrey
 Smith & Williamson LLP
 Imperial House
 18-21 Kings Park Road
 Southampton
 SO15 2AT

David John Blenkarn
 Smith & Williamson LLP
 Imperial House
 18-21 Kings Park Road
 Southampton
 Hampshire

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

From

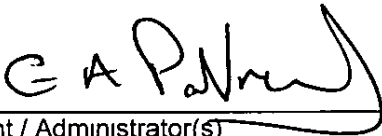
To

(b) Insert date

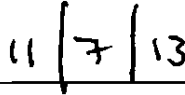
(b) 19 December 2012

(b) 18 June 2013

Signed


 Joint / Administrator(s)

Dated


 11/7/13
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

Smith & Williamson LLP
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 Southampton 2

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Jeffery (Wandsworth) Limited

Joint administrators' progress report

11 July 2013





Contents

1. Glossary	1
2. Introduction	1
3. Executive Summary	2
4. Objective of the administration	2
5. Conduct of the administration	3
6. Joint administrators' receipts and payments	6
7. Investigations	6
8. Creditors	6
9. Pre-administration costs	8
10. Administrators' remuneration	9
11. Joint Administrators' Expenses	10
12. Creditors' rights	11
13. Outstanding matters	11
14. Ending the administration	12
15. Next report	12

Appendices

Appendix I	Additional information required by R2.47 IR86	13
Appendix II	Receipts and payments summary	14
Appendix III	Time analysis	16
Appendix IV	Charge out rates and policies	19

Appendix V Administrators' Fees – Information and Challenges 21

1. Glossary

Abbreviation	Description
the Company	Jeffery (Wandsworth) Limited
the Administrators	Gregory Andrew Palfrey and David John Blenkarn
SIP	Statement of Insolvency Practice
IA86	Insolvency Act 1986 If preceded by S this denotes a section number.
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number.
SoA	Statement of Affairs
ETR	Estimated to Realise
GM	General Motors UK Limited
GMAC	GMAC UK Plc
RBS	Royal Bank of Scotland PLC
RBSIF	Royal Bank of Scotland Invoice Finance Limited
HMRC	HM Revenue & Customs
Whitmore's	Whitmore's of Edenbridge Limited, now Go Motor Retailing Limited (trading as Go Vauxhall)
HBCS	Hilton Baird Collection Services
QFCH	Qualifying Floating Charge Holder – a secured creditor who has the power to appoint an administrator

Note The IA86 and IR86 have been subject to a number of significant amendments

2. Introduction

This report provides an update on progress in the administration of the Company for the period 19 December 2012 to 18 June 2013. By way of reminder, the Administrators were appointed on 19 December 2012.

This report should be read in conjunction with the Administrators' proposals, which were sent to all known creditors on 11 February 2013.

3. Executive Summary

- The administration commenced on 19 December 2012.
- The Administrators were appointed by GMUK under the provisions of P14 Sch B1 IA86.
- Having examined the financial position of the Company the Administrators are of the view that there is no prospect of realising sufficient funds to make a distribution to unsecured creditors and are therefore pursuing the third objective of administration, which is to make a payment to preferential and/or secured creditors
- The Proposals were issued on 11 February 2013.
- The Proposals were deemed approved on 22 February 2013.
- Preferential creditors will be paid in full based on current information.
- Of the Company's secured creditors:
 - RBS had no indebtedness at the date of administration;
 - RBSIF have been repaid in full during the administration from book debt collections,
 - GMAC has received a substantial repayment of its debt and further payments are anticipated, and
 - GMUK will not receive a distribution
- Realisations to 18 June 2013 total £1,558k.

4. Objective of the administration

As previously reported the administrators must perform their functions with the purpose of achieving one of the following objectives

- a) rescuing the Company as a going concern,
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or
- c) realising property in order to make a distribution to one or more secured or preferential creditors.

Our proposals detailed that the purpose of the administration was as in (c) above. We have to date made distributions to GMAC and anticipate making a distribution to preferential creditors of the Company and therefore we are of the opinion that this purpose has been achieved.

5. Conduct of the administration

Prior to our appointment the Company had traded from three leasehold sites in Wimbledon and Croydon. The Company sold both new and used vehicles from all sites, and undertook servicing and parts sales at Croydon and one of the Wimbledon sites.

5.1. Sale of business and assets

A sale of the Company's business and certain assets to Whitmore's was completed on 19 December 2012, full details of which were set out in our letter to creditors dated 31 December 2012

The sale comprised the following assets

Asset	Consideration (£)
Goodwill	25,000
Plant and equipment	84,999
Fully paid new vehicle	13,000
Work in progress and stock (initial payment)	10,000
Leases	1
Petty cash floats (at par)	996
Total	133,996

In addition to the initial consideration, Whitmore's will pay a proportion (50%) of any net profit greater than £50,000 generated from the business in the year after acquisition.

There were two further potential adjustments to the sale consideration:

- 1) The work in progress and stock figure was subject to upward only adjustment dependant on the actual work in progress and stock figures. A final figure of £25,713 has been agreed with Whitmore's in this respect, leaving a balancing payment due from Whitmore's of £15,713
- 2) There is also a claw back provision in respect of year-end bonuses assumed by Whitmore's under TUPE regulations, whereby Whitmore's are required to account to the Company on a £ for £ basis if the year-end bonus figure is less than £42,000. The sum of £9,954 is payable by Whitmore's in this respect.

The payments due from Whitmore's detailed above have been received in the period between the date to which this report has been prepared and the date of circulation of the report. The payments are therefore not reflected in the attached receipts and payments summary, but will be in our next progress report.

Since the sale of business, we have also assisted Whitmore's in respect of various matters relating to the transfer of business including, but not limited to

- Assistance in respect of the transfer of the Company's leasehold properties, including payment of rent under licence, which is still ongoing;

- Dealing with issues arising from payments made to the Company or Whitmore's in error, which is still ongoing,
- Settlement of obligations to those creditors with valid retention of title claims; and
- Assisting with the recovery of a vehicle removed from the Company's premises prior to our appointment

Certain assets of the Company were excluded from the sale to Whitmore's. Further details in respect of these assets are set out below

5.2. Bodyshop operations and associated plant and machinery

Whitmore's did not wish to purchase the Company's bodyshop operations, and it was not viable to seek a separate purchaser for these operations due to their location within the main Wimbledon site. Consequently all 14 staff employed in the bodyshop operations were made redundant following our appointment.

We have, through our agents Edward Symmons, sold the bodyshop plant and equipment by online auction. A total of approximately £9k (before selling costs) was realised in respect of these items.

Under the terms of the licence to occupy the premises given to Whitmore's, the Company was required to make good the area formerly occupied by the bodyshop spray booths in the premises which were sold in the auction. We have agreed a payment of £3,000 to Whitmore's in this respect, which has been set off against the payments due from Whitmore's detailed in 5.1.

5.3. Chevrolet new vehicle sales / premises at 75 Plough Lane, Wimbledon

Whitmore's also did not wish to acquire the Company's Chevrolet new vehicles sales business, which was based at 75 Plough Lane, Wimbledon, and no alternative purchaser was identified. Consequently the two staff employed were made redundant following our appointment

There was no realisable value in the lease of 75 Plough Lane, and control of the premises was handed back to the landlord shortly following our appointment. A formal surrender of the lease was completed on 24 April 2013.

It had been intended for some items of showroom furniture that had been removed from the premises to be included with the auction of the body shop plant and equipment. Shortly prior to the auction we were advised by Chevrolet that it was claiming retention of title to this furniture and it was therefore withdrawn from the auction

Chevrolet has not provided sufficient documentation to evidence title to the items, however their value as such is that the costs of arranging a further auction would exceed realisations. We therefore do not expect to realise anything in respect of these assets.

5.4. Book debts

The Company's book debts were subject to an invoice discounting facility with RBSIF. At the date of our appointment the balance outstanding to RBSIF was £188,890 (including termination charges of £32,317 plus VAT).

Under the provisions of the sale agreement, following our appointment we worked with Whitmore's to collect the book debts outstanding to the Company. From these collection activities, RBSIF was repaid its outstanding balance in full from book debt recoveries. Following its repayment, RBS re-assigned the remaining ledger balance to the Company. We have continued to collect debts due to the Company following the re-assignment of the ledger, and have instructed Hilton Baird Collection Services to assist with collection of these balances.

During the reporting period a total of £276,807 has been collected following re-assignment of the ledger, of which £109,041 has been collected by Hilton Baird Collection Services.

The majority of remaining debts are subject to queries or disputes, and consequently it is difficult to estimate what, if any, further recoveries there may be from book debts. We are currently working with Hilton Baird Collection Services to establish the exact quantum of collectable debts. This includes the possibility of reinstating computer software licences to access the Company's electronic records.

5.5. Cash at bank

We have arranged for the transfer to the administration account of £934,114 held in the Company's bank account at the date of our appointment.

5.6. Assets still to be realised

Other than the potential additional consideration due from Whitmore's and the outstanding book debts as detailed above, we are not aware of any further assets to be realised.

5.7. Sales to related parties

As advised in previous correspondence Motors Directors Limited, a director of the Company, is also a director of Whitmore's. Details of the sale of assets are set out in 5.1 above.

5.8. Other steps taken since appointment

In addition to the above matters, we have summarised below other key matters that we have dealt with since our appointment:

- Processed employee claims and sent these to the Redundancy Payments Service;
- Obtained rates refunds totalling £62,317;
- Dealt with a number of claims for retention of title from creditors; and

- Dealt with creditor enquires.

6. Joint administrators' receipts and payments

A summary of receipts and payments for the period 19 December 2012 to 18 June 2013 is attached at Appendix C together with the notes required by SIP 7. This shows total funds in hand of

	Fixed charge (£)	Floating charge (£)
Net VAT/other amounts receivable	9	62,936
Cash at bank	2	300,546
	11	363,482

7. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Innovation and Skills regarding the conduct of all those persons who were directors at the date of administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

We have undertaken an assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to complete an investigation questionnaire.

These investigations have included consideration of the accounting errors previously reported. This is still ongoing and creditors will be advised if any matters are identified which may lead to further potential recoveries.

8. Creditors

8.1. Secured creditors

8.1.1. RBS

RBS holds a fixed and floating charge dated 2 December 1994 over the Company's assets. At the date of our appointment there was no balance outstanding to RBS.

8.1.2. RBSIF

RBSIF holds a fixed and floating charge debenture dated 1 May 2012 over the Company's assets. As detailed in Section 5.4 above, the Company entered into an invoice discounting agreement with RBSIF, which provided that the Company's debtors are owned by it.

At the date of our appointment the debt due to RBSIF was £189k, and it has obtained repayment of its debt in full from the Company's book debts.

8.1.3. GMAC

GMAC holds the following charges over the Company's assets:

Nature	Date of creation
Fixed and floating charge debenture including various titles to land/property	04/07/2000
Legal charge over land in Droitwich	21/06/2007
Assignment of contracts by way of security re a Performance Bond	21/06/2007
Assignment of contracts by way of security re a Building Contract	05/07/2007

At the date of our appointment the debt outstanding to GMAC was estimated to be £8,386k, which included balances due to it in respect of outstanding funding on the vehicles which it transferred to Whitmore's immediately following the sale of business and assets.

The reconciled balance outstanding to GMAC at 19 February 2013, following accounting for these vehicles and before taking account of the first distribution from the administration on 18 February 2013, was £1,709k. During the reporting period we have made total distributions of £900k to GMAC under its charges as follows.

	Amount distributed (£)
Fixed charge	20,000
Floating charge	880,000
	900,000

It is not anticipated that GMAC will receive a full repayment of its debt from the administration.

8.1.4. GM

GM holds a fixed and floating charge debenture dated 2 December 1994 over the Company's assets.

At the date of our appointment the balance outstanding to GM was estimated to be £2,597k. We do not anticipate that any distribution will be made to GM from the administration.

8.2. Prescribed Part

We do not believe that there is a requirement to create a fund out of the Company's net floating charge property for unsecured creditors, on the basis that there was no balance outstanding to RBS, RBSIF have been repaid in full from assigned book debts and the floating charges of GMAC and GM were both created prior to 15 September 2003.

8.3. Preferential creditors

Preferential claims have arisen in respect of accrued but untaken holiday of those employees who did not transfer to Whitmore's under the TUPE regulations.

Preferential claims are estimated to be £8.5k. We anticipate shortly making a distribution to preferential creditors of 100p in the £1.

8.4. Unsecured creditors

Unsecured creditors totalled £1,373k per the SoA, and we estimate actual claims to be of this order. Based on current information we do not anticipate there will be any distribution to unsecured creditors.

9. Pre-administration costs

9.1. Administrators' costs

As reported in our proposals, we incurred pre-administration time costs of £72,075 and estimated disbursements of £2,432 relating to preparation for the administration. Following receipt of final cost details from third parties, the actual disbursements figure was £2,473.

The payment of these costs has been approved by the secured and preferential creditors, and these have been paid during the reporting period. The date of approval was 28 May 2013.

Of our pre-administration costs, £5,000 has been allocated to and paid from fixed charge realisations in respect of the sale of goodwill.

Prior to incurring the above costs, we received £20,000 from the Company in respect of preparing a report to the Company on the options available to it.

9.2. Pre-administration expenses

As reported in our proposals, we incurred the following pre-administration expenses. Payment of these costs has been approved (on 28 May 2013) by the secured and preferential creditor, and payments made during the reporting period are included in the table.

Firm	Services provided	Basis of fee arrangement	Costs incurred in period £	Costs paid in period £
Blake Lapthorn	Legal services	Time costs plus disbursements	14,220	13,474
Edward Symmons	Valuation of plant and equipment/site security	Time costs plus disbursements	6,467	Nil
Colliers International	Valuation of leasehold properties	Fixed Fee	1,500	1,500
Total			22,187	14,974

As advised in the proposals, Colliers International's fee was settled by Smith & Williamson in the first instance. This has been recovered through the firm's disbursements system, and therefore this payment is included within the category 'Joint Administrators' pre-appointment expenses' in the attached receipts and payments summary.

An invoice for the fees due to Edward Symmons has been received and will be paid shortly.

10. Administrators' remuneration

In accordance with our proposals, we have sought and received approval for the basis of our remuneration from the secured and preferential creditors. The date of approval was 28 May 2013. Our remuneration has been approved on the basis of time spent in attending to matters arising in the administration.

An analysis of time costs for the reporting period is set out in Appendix III, and is summarised below:

Period	Total hours	Time costs (£)	Average rate (£/hr)	Drawn in period (£)
19 December 2012 to 18 June 2013	600 85	119,035.10	198 11	82,183 10

SIP 9 includes guidance notes for creditors relating to the remuneration of administrators. These guidance notes are comprehensive and may be accessed from

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.pdf

If you require a hard copy of the guidance notes please contact this office.

Details of our charge-out rates and policies are set out in Appendix IV. Details of creditors' rights to challenge our remuneration may be found in Appendix V.

10.1. Disbursements

Details of disbursements incurred during the reporting period are set out below:

Outlay type	Amount (£)
Mileage (category 2)	212.65
Other Travel	75 25
Accommodation and Subsistence	242 25
Courier Costs	103 65
Administrators' bond	30.00
Statutory advertising and online report costs	63 50
Company searches	19.00
Total	746.30

None of the above disbursements have been recovered during the reporting period

Details of our policy regarding disbursements, including their categorisation as Category 1 and Category 2, are set out in Appendix IV.

11. Joint Administrators' Expenses

11.1. Subcontractors

We have utilised the services of the following subcontractors during the reporting period

Provider	Services	Basis of fee	Costs incurred (£)	Costs paid (£)
Hilton Baird Collection Services	Debt collection	% recovery	16,356 21	14,529 77

11.2. Professional advisors

On this assignment we have used the professional advisors set out in the below table, which includes details of our fee arrangement with the advisor. Fee arrangements are subject to review on a regular basis.

Provider	Services	Basis of fee	Costs incurred (£)	Costs paid (£)
Blake Lapthorn	Legal fees in relation to post sale obligations, employment matters, retention of title claims and vehicle recovery	Time costs + outlays	12,635 00	12,635 00
Blake Lapthorn	Legal fees re appointment under R2 67(1)	Time costs + outlays	2,360 80	2,360 80
Edward Symmons	Chattel agency, advice on asset values and assistance with disposals.	Time costs + outlays	7,060 00	6,475 76
R G Davies	Payroll information production	Time costs	92 40	92 40
Total			22,148.20	21,563 96

The above expenses are not subject to specific approval from creditors

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the Administrators provide further information about their remuneration or expenses which have been itemised in this progress report

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive

13. Outstanding matters

The major remaining actions to be concluded in the administration are as follows

- Finalising book debt collections;
- Agreement of preferential claims and distribution to preferential creditors,
- Further distributions to GMAC under its charges;
- Agreement, if applicable, of additional consideration payment from Whitmore's as detailed in Section 5.1, and

- Finalisation of the Company's administration period VAT and Corporation Tax affairs.

14. Ending the administration

We proposed that at the conclusion of the administration that the Company would be either:

- Placed into creditors' voluntary liquidation ("CVL"), or
- Wound up by the Court and placed in compulsory liquidation, or
- Dissolved, if the Joint Administrators consider it appropriate.

Fuller details of the procedures on exit from the Administration were provided in the Administrators' Proposals. We currently envisage that it is most likely that the Company will be dissolved

As advised in the proposals, there may be a requirement to extend the administration period in accordance with P76-P78 Sch B1 IA186 to allow for the calculation of any further amount payable by Whitmore's under the sale contract based on its net profit generated from the business in first year following its purchase.

The Joint Administrators will be discharged from liability under P98(3) Sch B1 IA86 immediately upon their appointment as Administrators ceasing to have effect

15. Next report

We 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 or extended.



Greg Palfrey
Joint Administrator

Date: 11 July 2013

Appendix I Additional information required by R2.47 IR86

Relevant Court	High Court of Justice, Companies Court, Chancery Division, Strand, London, WC2A 2LL
Court Reference	9493 of 2012 N.B. the Court reference set out in the previous report was incorrect. Amended forms have been filed with the Registrar of Companies to reflect the correct number.
Trading Name(s)	Phoenix Vauxhall, Phoenix Chevrolet, Phoenix Saab
Trading Addresses	80 Plough Lane, Wimbledon, London, SW17 0BW 75 Plough Lane, Wimbledon, London, SW17 0BJ 218 Purley Way, Croydon, Surrey, CR0 4XG
Former Name(s)	Retailsupply Limited (changed 4 November 1994)
Registered Office	Imperial House, 18-21 Kings Park Road, Southampton, SO15 2AT (Formerly 10 Chiswell Street, London, EC1Y 4UQ)
Registered Number	02981649
Joint Administrators	Gregory Andrew Palfrey and David John Blenkarn both of Imperial House, 18-21 Kings Park Road, Southampton, SO15 2AT In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	19 December 2012
Appointor	General Motors UK Limited Griffin House, UK 1-101-135, Osborne Road, Luton, LU1 3YT

Appendix II Receipts and payments summary

Statement of Affairs £		FIXED CHARGE £	FLOATING CHARGE £
	RECEIPTS		
	Goodwill	25,000 00	-
	Leasehold Property (1)	-	1 00
113,865 00	Plant & Equipment	-	93,944 00
	Motor Vehicles	-	13,000 00
311,265 00	Stock/WIP	-	10,000 00
1,132,417 00	Book Debts	-	276,807 17
	Pre-appointment PDQ receipts	-	27,392 94
	RBS Debtor funds on trust	-	48,525 53
301,872 00	Rent apportionment	-	10,235 11
	Prepayments	-	15,152 35
363,314 00	Cash at Bank	-	934,114 18
	Property Licence Fee	-	118,114 96
	Rent (under licence agreement)	-	(86,328 89)
	Bank Interest Gross	20 67	1,411 25
	Bank Interest Net of Tax	-	67 90
	Third party monies (receipts)	-	30,521 90
	Third party monies (payments)	-	(32,263 79)
	Cash held on site on appointment	-	3,475 95
	Sundry refunds	-	6,119 55
	Rates Refunds	-	62,317 47
	Sundry receipts	-	48 00
<u>2,222,733 00</u>		<u>25,020 67</u>	<u>1,532,656 58</u>
	PAYMENTS		
	RBSIF debtor funds on trust	-	48,525 53
	Legal Fees re Appointment	-	2,280 00
	Legal Disbursements re Appointment	-	80 80
	Pre-appointment legal fees	-	13,435 00
	Pre-appointment legal expenses	-	38 87
	Joint Administrators' pre-appointment fees	5,000 00	67,075 00
	Joint Administrators' pre-appointment expenses	-	3,973 42
	Joint Administrators' fees	-	82,183 10
	Book Debt Collection Fees	-	14,529 77
	Agents' Fees	-	4,292 40
	Agents' Expenses	-	2,275 76
	Legal Fees	-	12,635 00
	Legal Expenses	-	14 00
	Insurance of Assets	-	2,363 09
	Amex Charges	-	32 87
	Computing Costs	-	2,352 88
	Invoice Discounting Termination Charges	-	32,312 57
	Bank Charges	10 00	774 85
	<i>Secured Creditors</i>		
	GMAC UK Plc	20,000 00	880,000 00
		25,010 00	1,169,174 91
	<i>Balances in hand</i>		
	Net VAT Receivable/(Payable)	1,000 00	62,936 01
	Outstanding fee balance	(990 97)	-
	Current Account (Interest Bearing)	1 64	300,545 66
		<u>25,020 67</u>	<u>1,532,656 58</u>

i. Notes and further information required by SIP 7

- The receipt of £118,114.96 entitled 'Property Licence Fee' above relates to funds paid by the purchaser in respect of its occupation of the Company's leased premises, which are payable in full to the landlords of the properties in respect of rent due. We have to date paid £86,328.89 to landlords in respect of rent due. The remainder of the funds are being held subject to the completion of the assignment of the relevant leases, following which they will either be paid to the landlords or returned to the purchaser, once VAT has been accounted for as appropriate.
- Funds received or paid under the headings 'Third Party Funds (receipts)' and 'Third Party Funds (payments)' relate to amounts due to/from Whitmore's. We are currently finalising reconciliations with Whitmore's in this respect.
- Office holders' remuneration is on a time costs basis.
- We have not drawn any other costs that would require the same approval as our remuneration, however we do have approval to draw Category 2 disbursements relating to mileage.
- Details of payments made to us from outside of the estate are included in the body of this report.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred to date is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in Appendix V.
- All bank accounts are currently interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of VAT. VAT is expected to be payable / recoverable on all transactions in the estate subject to VAT. In the event of any variations to this, such amounts would be disclosed as irrecoverable VAT.

Appendix III Time analysis

I. Time costs for period 19 December 2012 to 18 June 2013

Activity	Partner	Managers	Other Senior Professionals Hours	Assistants & Support Staff	Total		Ave Rate £ / hr
					Hours	£	
Administration and Planning							
Statutory, returns, reports and meetings	11 50	8 55	32 85		52 90	12,081 75	228 39
Initial post-appointment notification letters, including creditors	1 75	18 75	2 30	0 50	23 30	5,808 25	249 28
Cashiering general, including bonding		12 00	8 55	0 30	20 85	3,872 50	185 73
Job planning, reviews and progresssion	1 25	2 00	14 45		17 70	3,566 50	201 50
Post-appointment taxation			0 95		0 95	127 00	133 68
Protection of company records (including electronic)			4 00		4 00	524 50	131 13
Insurance and general asset protection		0 35	6 10		6 45	954 50	147 98
Travelling		2 00	15 65		17 65	2,782 00	157 62
File and information management inc redirected post	0 45	0 25	20 10	4 10	24 90	2,960 80	118 91
Agents and advisers, general		0 20	2 65	0 30	3 15	403 40	128 06
Director/ manager review approval and signing [A&P]	10 55	2 50			13 05	4,278 50	327 85
Other [A&P]	1 50	1 05	1 30	0 50	4 35	1,000 50	230 00
	27 00	47 65	108 90	5 70	189 25	38,360 20	202 70
Investigations							
	2 75	14 65	60 60	0 30	78 30	14,399 15	183 90
Realisation of Assets							
Fixed charge property (land and buildings)			0 20		0 20	36 00	180 00
Debtors subject to invoice discounting/factoring			2 40		2 40	400 00	166 67
Debtors no subject to finance (including reassigned ledgers)	0 75	5 25	35 10	0 35	41 45	6,732 30	162 42
Stock		1 35	2 45		3 80	657 50	173 03
Other chattel assets	0 50	5 95	2 40		8 85	2,213 50	250 11
Sale of business as a whole	10 50	3 00	3 10		16 60	5,043 00	303 80
Cash at bank	2 25	0 85	5 55		8 65	1,873 00	216 53
Liaising with agents, general			0 45		0 45	69 00	153 33
Sale of business, post completion matters	12 85	17 00	23 55	0 30	53 70	13,211 65	246 03
Filing [Assets]		0 10	0 55		0 65	75 50	116 15
Other [Assets]		0 55	4 30		4 85	870 50	179 48
	26 85	34 05	80 05	0 65	141 60	31,181 95	220 21
Trading							
	0 50	3 45	11 70	0 00	15 65	2,863 50	182 97
Creditors							
Secured creditors	5 00	5 80	2 10		12 90	3,686 00	285 74
HP and lease creditors		0 10	0 95		1 05	170 00	161 90
RPO and ERA claims and tribunals	2 00	12 00	12 85	1 10	27 95	6,280 55	224 71
Employees and pensions (other)	4 00	2 80	17 10	1 00	24 90	5,020 50	201 63
Crown			0 85	0 10	0 95	127 80	134 53
Unsecured creditors	0 50	6 30	56 85	1 40	65 05	9,330 90	143 44
Retention of title claims	2 35	7 10	21 85		31 30	6,296 75	201 17
Filing [Creditors]			10 60		10 60	1,060 00	100 00
Other [Creditors]	0 35	0 25	0 65	0 10	1 35	257 80	190 96
	14 20	34 35	123 80	3 70	176 05	32,230 30	183 07
TOTAL							
Total Hours	71 30	134 15	385 05	10 35	600 85		
Total £	11,882 50	15,048 25	22,326 50	161 20		119,035 10	198 11

II. Major work activities undertaken

Administration and planning

This section of the analysis primarily encompasses the costs of the administrators and their staff in complying with requirements put upon them by primary and secondary legislation, including (for example); notifying creditors of their appointment, the proposals, periodic reporting to creditors and securing the Company's records. It also includes the costs of managing the bank accounts and tax liabilities arising in the administration

Administration and planning also includes work required by best practice and high level management of the case, such as periodic case reviews, insurances and liaising with solicitors and agents on more general matters.

In this case much of the cost relates to the complex statutory reporting obligations placed upon us, including complying with our obligations under SIP16 to provide information to creditors relating to the pre-packaged sale of business

Investigations

Investigations includes work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigation of the Company's failure and also an examination of the conduct of the directors

Some aspects of this work, such as examining the level of creditors and identifying assets will also be included under other headings such as realisation of assets

Realisation of assets

This section includes activities undertaken by the administrators and their staff in recovering value from the assets of the Company. We sub-divide this section by asset classes.

The main area of activity under this heading has been relating to the completion of the sale of business and assets to Whitmore's and attending to our subsequent obligations under the sale contract. Other significant activities in this category have included arranging for the re-assignment of the Company's debtor ledger from RBSIF and subsequently outsourcing the collection process to a debt collection agency, dealing with the sale of the bodyshop plant and equipment, and arranging the transfer of funds from the Company's pre-administration bank account

Trading

Although the administrators did not trade the Company following their appointment certain activities are classified under this heading.

In particular time recorded under this category encompasses dealing with the return of control of the premises at 75 Plough Lane to the landlord of this property.

Creditors

Work under this heading includes all major correspondence and other contact with creditors of the Company. The analysis is sub-divided by the type of creditor (and further divided in respect of dealing with employment claims)

Matters dealt with under this heading have included

- Reporting to and distributions to the secured creditors;
- Assisting those employees made redundant by us with the submission of claims to the Redundancy Payments Service;
- Correspondence with the Employment Tribunal in relation to claims that were in existence prior to our appointment, in order that the Tribunal is aware of the moratorium on legal proceedings caused by the administration,
- Dealing with a number of retention of title claims, including arranging for Whitmore's to purchase stock that was found to be subject to a valid retention of title claim directly from the relevant creditor, and
- General creditor correspondence

Appendix IV Charge out rates and policies

i. Policy

Detailed below is Smith & Williamson's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

ii. Staff allocation and the use of subcontractors

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 and a partner or associate director as joint office holders, a manager, and an administrator or assistant. 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

iii. Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment

iv. 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 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 approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to

an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 1 June 2012 our policy is to recover only one type of Category 2 disbursement, namely business mileage at HM Revenue & Customs' approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile.

Prior to that, approval may have been obtained to recover other types of Category 2 disbursements.

Details of any disbursements incurred and/or recovered in the administration period covered by this report are set out in the body of this report

v. Charge out rates

Below are details of this firm's charge out rates which have been applied.

Time is recorded in a minimum of three minute units at the charge out rate prevailing at the time the work is performed. Charge-out rates are reviewed periodically, any changes occurring during the course of this matter will be reported as part of our statutory reporting.

Staff Grade	--
	£/hour
	From 1/7/12
Partner	350 – 440
Managers	200 – 270
Other Senior Professionals	100 – 180
Assistants and support staff	28 – 60

Other rates may apply during the course of the assignment, which will be notified as part of our periodic reporting

Appendix V Administrators' Fees – Information and Challenges

I. Creditors' request for further information (R2.48A IR 1986)

- Within 21 days of receipt of a progress report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or any unsecured creditor with permission of the court, may request further information from the administrators regarding
 - Their remuneration charged during the period of the report and, where the report is the first report since the basis of the administrators' remuneration has been fixed, the remuneration charged by the administrators during the periods covered by previous reports, in both cases irrespective of whether payment was made in respect of the remuneration during that period; and
 - The expenses incurred by the administrators during the period of the report, irrespective of whether payment was made in respect of them during that period
- The request must be in writing.
- The administrators must provide the requested information within 14 days unless they consider that:
 - The time or cost involved in preparing the information would be excessive, or
 - Disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person; or
 - The administrator is subject to an obligation of confidentiality in respect of the information.

In which case the administrators must provide their reasons for not providing all of the information requested.

- Any creditor may apply to Court within 21 days of (a) the administrators' refusal to provide all the information requested, or (b) the expiry of the 14 days in which the administrators are required to provide the information requested.

II. Creditors' claim that remuneration is (or other expenses are) excessive (R2.109 IR 1986)

- If a secured creditor, or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question), or any unsecured creditor with permission of the court, considers that the administrators' remuneration is excessive or that the basis fixed for it is inappropriate or that the expenses incurred by the administrators are excessive he may make an application to Court.
- Any such application must be made within eight weeks of receiving the administrators' report in which the remuneration charged or expenses incurred is first reported.
- The Court may dismiss the application if it does not consider sufficient cause has been shown.

- If the Court does not dismiss the application the creditor(s) making the application must give the administrators notice of the hearing, a copy of the application and supporting evidence not less than 14 days before the hearing.
- If the Court considers the application well founded, it may make an order
 - Reducing the amount of remuneration which the administrators were entitled to charge;
 - Fixing the basis of the remuneration at a reduced rate or amount;
 - Changing the basis of remuneration;
 - That some of the remuneration or expenses in question be treated as not being expenses of the administration,
 - That the administrators repay the amount of the excess remuneration or expenses or such part of the excess as the Court may specify, and
 - Anything else that it considers just.
- Orders that fix the basis of remuneration at a reduced rate or amount or which change the basis of remuneration may only be effective for periods after the periods covered by the relevant progress report.
- Unless the Court orders otherwise the costs of the application are not an expense of the administration and must be borne by the applicant.

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