

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 CourtCourt 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 2ATDavid John Blenkarn
Smith & Williamson LLP
Imperial House
18-21 Kings Park Road
Southampton
Hampshire

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 19 June 2013

(b) 8 November 2013

Signed

Joint / Administrator(s)

Dated

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

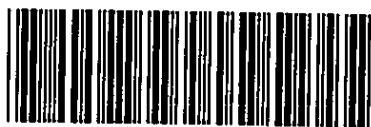
Smith & Williamson LLP
Imperial House
18-21 Kings Park Road
Southampton
SO15 2AT

DX Number 49667 Southampton 2

023 8082 7600
DX Exchange

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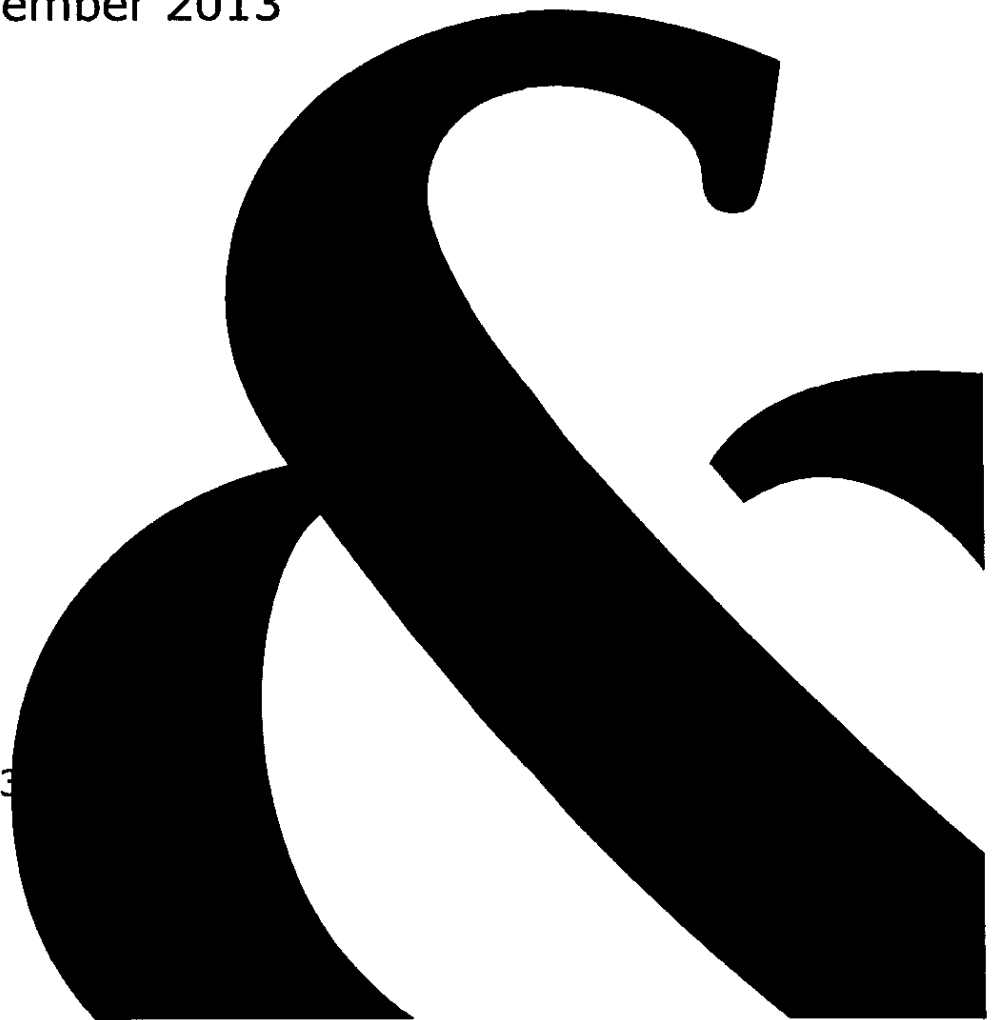
FRIDAY

QIQ 06/12/2013 #33
COMPANIES HOUSE

Jeffery (Wandsworth) Limited
T/A Phoenix
– in administration

Joint administrators' progress report
to creditors for the period 19 June
2013 to 8 November 2013

14 November 2013



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1. Glossary

Abbreviation	Description
the Company	Jeffery (Wandsworth) Limited T/A Phoenix
the administrators	Gregory Andrew Palfrey and David John Blenkarn (the joint administrators)
SIP	Statement of Insolvency Practice (England & Wales)
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
HMRC	HM Revenue and Customs
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

2. Introduction

This report provides an update on the progress in the administration of the Company, 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, and our previous progress report dated 11 July 2013

Appendix A contains information in respect of the Company and the administrators that is required under the IR86.

3. Extension

The Administrators consider it necessary and appropriate to extend the administration of the Company by six months. It is envisaged that this will be done with the consent of the secured and preferential creditors.

Secured and preferential creditors will have received a request to approve an extension with the notice advising of the availability of this report, which in the case of preferential creditors should be returned no later than 4 December 2013.

The extension is being requested to (amongst other matters):

- Permit the making of the preferential creditor distribution;
- Allow us to assess the profits of the purchaser in respect of the year ended 31 December 2013 and to ascertain if there are any balances due from it under the sale agreement (see section 4.1);
- Permit the filing of final tax returns,
- To resolve a query raised by HMRC in respect of VAT.

4. Progress of the administration

Attached at Appendix B is our receipts and payments account for the period from 19 June 2013 to 8 November 2013. This account includes cumulative figures for the period from 19 December 2012 to 8 November 2013.

4.1. Sale of business and assets

As previously reported there were sums of £9,954 and £15,713 due from Whitmore's in respect of a claw-back provision related to year-end bonuses and stock and work in progress. Both these amounts have been received during the reporting period.

There was a provision in the sale agreement that Whitmore's would pay a proportion (50%) of any net profit greater than £50,000 generated from the business acquired in the year after acquisition. As we have not yet reached the anniversary of the sale no funds are yet due and we are not yet in a position to calculate any amount that may be due.

During the period we have also finalised arrangements in relation to the transfer of the Company's leasehold properties to Whitmore's. This has included repayment of funds received from Whitmore's in respect of rent under the licences to occupy the properties, where the amount received exceeded the rental costs incurred prior to the assignment of the relevant leases to Whitmore's.

4.2. Book debts

A total of £3,416 has been received in the period that mostly related to a dividend from the Liquidators of a debtor that had previously been provided for in full by the Company. Some further small receipts were received into the Company's pre-administration bank account. Total realisations in respect of book debts to date are £280,223.

As previously advised we instructed Hilton-Baird Collection Services to assist in collecting the Company's debtors. During the period, HBCS collected £442 of book debts, which

have been used to settle its outstanding fees. Details of fees relating to HBCS work may be found in Section 9.1

A summary of the book debt collection position is set out below

	£000
Debtors at date of appointment	532
Recovered on behalf of RBSIF	(189)
Collections (prior periods)	(278)
Collections (current period)	(2)
Balance thought to be irrecoverable	63

The irrecoverable balance consists of debtor accounts where HBCS have encountered contra claims or have been unable to provide sufficient documentation to the debtor to enable payment. During the period, HBCS has attempted to obtain information from the Company's accounting software (the licence and data for which were held by a third party provider), however it has been unable to obtain any further collections as a result of this. We do not anticipate any further recoveries from the Company's book debts.

4.3. Other receipts

Rates refunds have been received totalling £19,703 relating to rates prepaid for the Croydon and Wimbledon premises, total recoveries in this regard are £82,020.

We are not aware of any further recoveries in respect of business rates.

The receipts and payments account at Appendix B reports the realisations made in each period for each asset class. For further details of the assets realised in the first reporting period creditors should refer to our previous report.

4.4. Assets still to be realised

Other than any additional consideration to be paid by Whitmore's in respect of the sale of the business, see section 4.1 above, we are not aware of any further realisations to be made

5. Other matters

During the period of this report we have also attended to the following

- Instructed a rating refund specialist to examine the possibility of obtaining a refund of historic rates of one of the Company's former operating sites. This work was conducted on a contingent fee basis. No recovery was made and no fee has been paid.
- Directly collected £19,703 in respect of rates refunds due in relation to two of the Company's former operating sites.
- Investigated (and as far as possible) resolved some further queries relating to vehicles delivered by the Company where there were potential issues of legal title.

- Liaised with the Company's secured creditors concerning the likely outcome from the administration and discussion of their claims.
- Supported our collections agent in attempting to make further recoveries from the Company's debtor book.
- Answered creditor queries as and when they have arisen.
- We have received correspondence from HMRC concerning the Company's former premises at 75 Plough Lane and certain VAT issues arising from its redevelopment and the Company's treatment of VAT thereon. This matter is presently unresolved. The administrators currently believe that any additional VAT payable as a consequence of HMRC's enquiries is an unsecured claim against the Company.

6. Investigations

As previously reported we have complied with our duty under the Company Directors Disqualification Act 1986. As all submissions are strictly confidential we are unable to disclose their content.

Since the date of our last report we have not been made aware of any further matters that either require investigation or should be brought to the attention of creditors.

7. Pre-administration costs

7.1. Administrators' pre-administration costs

As previously reported pre-administration costs were approved by the secured and preferential creditors on 28 May 2013. Payment of these costs was reported in our previous progress report dated 11 July 2013.

7.2. Pre-administration expenses

Payment of certain pre-appointment expenses was approved by the secured and preferential creditors on 28 May 2013.

With the exception of the costs detailed payment of these amounts was reported to creditors in our first progress report dated 11 July 2013.

Since the date of our last report the payment below has been made.

Name	Service(s) provided	Basis of fee arrangement	Costs incurred in period (£)	Costs paid in period (£)
Edward Symmons	Valuation of plant and equipment/site security	Time costs plus disbursements	-	6,467

There are no further pre-administration expenses to be paid.

8. Joint administrators' remuneration and disbursements

8.1. Remuneration

The secured and preferential creditors approved the basis of the administrators' remuneration as fixed by reference to the time properly spent by them and their staff in managing the administration.

The Administrators' time costs for the reporting period to 31 October 2013 are:

Period	Total hours	Total cost (£)	Average hourly rate (£/hr)	Fees drawn (£)
19 December 2012 to 18 June 2013	600 85	119,035 10	198.11	82,183 10
19 June 2013 to 31 October 2013	102 85	21,882 50	212 76	56,943 25
Total	703.70	140,917.60	200.25	139,126.35

Attached at Appendix C is a time analysis which provides details of the activity costs incurred by staff grade to the above date

Further information regarding the remuneration of Insolvency office holders, such as administrators, and payments to office holders and their associates can be downloaded from the R3 website at the following address.

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

Details of our charge out rates and policies in relation to the use of staff are provided at Appendix D.v.

8.2. Disbursements

During the reporting period we have incurred the following Category 1 disbursements

	Incurring in period (£)	Paid in period (£)
Publishing reports online	50.00	50 00
Travel	72 70	72 70
Total	122.70	122 70

Of the above £50 is still to be recovered from the estate.

During the reporting period we have incurred the following Category 2 disbursements

	Incurred in period (£)	Paid in period (£)
Mileage at HMRC rates	77 85	77 85
Total	77.85	77.85

9. Joint administrators' expenses

Details of Smith & Williamson's policy regarding the use of subcontractors and professional advisors is set out at Appendix D

9.1. Subcontractors

During the period under review we have utilised the services of the following subcontractors

Provider	Services	Basis of fee	Costs incurred (£)	Costs paid (£)
Hilton Baird Collection Services	Debt collection	% recovery plus disbursements	236 45	1,767 43

The costs paid (which relate to costs incurred in the prior reporting period) have been from monies received directly by HBCS. There remains a small balance outstanding to HBCS of £295 plus VAT in respect of collections during the prior period and disbursements incurred in relation to attempting to obtain historic documentation, which will be settled shortly.

9.2. Professional advisors

During the period under review we have not used any professional advisors.

9.3. Other payments and/or expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix B. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the period covered by this report:

Supplier/Service provider	Nature of expense incurred	Costs Incurred in period (£)	Costs paid in period (£)
Whitmore's	Bodyshop rectification settlement	3,000.00	3,000.00

Bodyshop rectification settlement

A settlement was agreed with Whitmore's in respect of restoring various areas of flooring and the removal of two chimneys following the auction and removal of plant and equipment from the Company's former bodyshop at the Wimbledon premises.

10. Estimated outcome for creditors

The estimated outcome for each class of creditors is as follows:

10.1. Secured creditors

10.1.1. 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.

10.1.2. RBSIF

RBSIF provided invoice discounting facilities to the Company. RBSIF holds a fixed and floating charge debenture dated 1 May 2012 over the Company's assets. In addition to the charge RBSIF took an assignment of debtors relating to the Company's service, bodyshop and parts operations.

RBSIF has been paid in full, including termination charges, from the Company's book debts.

Details of the balance due to RBSIF, its recoveries from the Company's debtors and termination fees were disclosed in our previous reports.

10.1.3. GMAC

As previously reported GMAC held a number of charges over the Company's 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 period covered by this report, we have become aware of a further claim of £4k from GMAC against the Company relating to a vehicle allegedly sold by the Company prior to administration on which retail funding due to GMAC had not been settled, bringing its total claim to £1,713k.

To date we have made total distributions to GMAC under its charges as follows:

Period	Fixed charge (£)	Floating charge (£)	Total (£)
19 December 2012 to 18 June 2013	20,000	880,000	900,000
19 June 2013 to 8 November 2013	-	150,000	150,000
Total	20,000	1,030,000	1,050,000

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

10.1.4. 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.

10.2. 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.

10.3. 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 and some sales commissions (limited to £800 per employee).

Preferential claims are estimated to be £8.5k. Notice of intended dividend is being sent to preferential creditors at the same time as this report and we will subsequently be making a distribution to those creditors of 100p in the £1.

10.4. Unsecured creditors

Unsecured creditors totalled £1,373k per the SoA, and we estimate actual claims to be of this order.

It is not expected that a distribution will be made to unsecured creditors; consequently no steps will be taken to agree claims.

11. Outstanding matters

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

- Payment of a first and final dividend to preferential creditors
- Review of the first year's trading figures for the business purchased by Whitmore's and agreement of any additional consideration due thereon.
- Final distribution to GMAC under its floating charge.
- Finalisation and agreement of corporation tax computations for the administration period.
- Obtaining tax clearance.
- Closure of the administration including preparing and issuing our final report

12. Ending the administration

No decision has yet been made regarding the choice of exit route.

The administration would automatically come to an end 12 months after the date of appointment, i.e. 18 December 2013. IA86 contains provisions for the administration to be extended for a period of six months with the consent of the secured and preferential creditors.

As the matters referred to in Section 4.1 above will not be concluded by 18 December, the joint administrators have requested consent to extend the administration from the secured and preferential creditors. Should a further extension be required the joint administrators would be required to make an application to the court.

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

13. 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 (other than pre-administration costs) 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 eight 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.

Further information about these rights is set out at Appendix E.

14. Next report

The administrators are required to provide a further progress report within one month of the end of the six month period from the date this report has been prepared to, or earlier if the administration has been finalised.

The creditors' rights, set out at Appendix E, commence from the receipt of the first progress report.



Gregory Andrew Palfrey and David John Blenkarn

Joint Administrators

Date 14 November 2013

14 November 2013

A. Statutory information

Relevant Court	High Court of Justice, Companies Court, Chancery Division, Strand, London, WC2A 2LL
Court Reference	9493 of 2012
Trading Name(s)	Phoenix Vauxhall, Phoenix Chevrolet, Phoenix SAAB
Trading Addresses	80 Plough Lane, Wimbledon, London, SW17 0BW
Former Name(s)	Jeffrey (Wandsworth) Limited
Registered Office	Imperial House, 18-21 Kings Park Road, Southampton, Hampshire SO15 2AT (Formerly 10 Chiswell Street, London, EC1Y 4UQ)
Registered Number	2981649
Joint Administrators	Gregory Andrew Palfrey and David John Blenkarn both of Imperial House, 18-21 Kings Park Road, Southampton, SO15 2AT (IP No(s) 9060 and 6676) 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
Company Directors	Phillip Jeffery Motors Directors Limited
Company Secretary	Motors Secretaries Limited
Shareholders	Phillip Jeffery – 242,382 Ordinary shares of £1 each GMUK – 980,118 Preference shares of £1 each

B. Receipts and Payments

B.1. Receipts and payments account for the period 19 December 2012 to 8 November 2013

Statement of Affairs	£	FIXED CHARGE		FLOATING CHARGE	
		19/6/13 to 8/11/13 £	19/12/12 to 8/11/13 £	19/6/13 to 8/11/13 £	19/12/12 to 8/11/13 £
	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	-	-	15,712 98	25,712 98
1,132,417 00	Book Debts	-	-	3,416 03	280,223 20
	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	68 78	1,480 03
	Bank Interest Net of Tax	-	-	-	67 90
	Bonus adjustment	-	-	9,953 99	9,953 99
	Third party monies (receipts)	-	-	1,503 16	32,025 06
	Third party monies (payments)	-	-	94 03	(32,169 76)
	Cash held on site on appointment	-	-	-	3,475 95
	Sundry refunds	-	-	692 90	6,812 45
	Rates Refunds	-	-	19,702 77	82,020 24
	Sundry receipts	-	-	-	48 00
<u>2,222,733 00</u>		<u>-</u>	<u>25,020 67</u>	<u>51,144 64</u>	<u>1,583,801 22</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 ager	-	-	6,467 00	6,467 00
	Joint Administrators' pre-appointment fees	-	5,000 00	-	67,075 00
	Joint Administrators' pre-appointment exp	-	-	-	3,973 42
	Joint Administrators' fees	-	-	56,943 25	139,126 35
	Joint Administrators' expenses	-	-	547 70	547 70
	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
	Property licence fee refund	-	-	14,520 29	14,520 29
	Bodyshop rectification settlement	-	-	3,000 00	3,000 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	20 00	794 85
	Secured Creditors	-	-	-	-
	GMAC UK Plc	-	20,000 00	150,000 00	1,030,000 00
		-	25,010 00	231,498 24	1,400,673 15
	<i>Balances in hand</i>				
	Net VAT Receivable/(Payable)	-	1,000 00	(14,960 73)	47,975 28
	Outstanding fee balance	-	(990 97)	-	-
	Current Account (Interest Bearing)	-	1 64	(165,392 87)	135,152 79
		<u>-</u>	<u>25,020 67</u>	<u>51,144 64</u>	<u>1,583,801 22</u>

B.ii. Notes and further information required by SIP 7

- Office holders' remuneration was approved by the secured and preferential creditors on 28 May 2013.
- No payments have been made to us from outside of the estate.
- 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 E
- All bank accounts are interest bearing
- 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
- The entries in the receipts and payments summary entitled 'Third party monies' relate to balances received by Whitmore's that were due to the Company, and balances received by the Company due to Whitmore's. A detailed reconciliation of these balances has been undertaken between us and Whitmore's and all material payments required have been made

C. Time Analyses

C.i. Analysis of post-appointment time costs

Activity	Partner	Other Senior Assistants & Support Staff			Total		Ave Rate £ / hr
		Managers	Professionals	Hours	Hours	£	
Administration and Planning							
Statutory, returns, reports and meetings	3 25	1 85	12 85		17 95	4,092 25	227 98
Cashiering general, including bonding	0 15	3 20	2 10		5 45	1,070 25	196 38
Job planning, reviews and progression	1 25	2 65	1 25		5 15	1,363 75	264 81
Post-appointment taxation	2 85	0 95	1 25		5 05	1,438 25	284 80
Protection of company records (including electronic)		0 80	4 10		4 90	959 00	195 71
Insurance and general asset protection	0 25				0 25	87 50	350 00
Travelling			3 25		3 25	617 50	190 00
File and information management inc redirected po			4 90	1 30	6 20	808 50	130 40
Agents and advisers, general			0 35	0 15	0 50	71 00	142 00
Director/ manager review approval and signing	2 25				2 25	787 50	350 00
Other		0 25			0 25	71 25	285 00
	10 00	9 70	30 05	1 45	51 20	11,366 75	222 01
Investigations							
Directors' correspondence and conduct questionnaire			0 40		0 40	76 00	190 00
Investigations of legal claims	2 50	3 25			5 75	1,537 50	267 39
	2 50	3 25	0 40	0 00	6 15	1,613 50	262 36
Realisation of Assets							
Debtors no subject to finance (including reassigned)	0 50	0 75	6 30	0 10	7 65	1,480 25	193 50
Completion of Work In Progress			0 10		0 10	19 00	190 00
Cash at bank			0 90		0 90	160 00	177 78
Sale of business, post completion matters		0 70	7 95		8 65	1,671 00	193 18
Other			1 15		1 15	206 50	179 57
	0 50	1 45	16 40	0 10	18 45	3,536 75	191 69
Creditors							
Secured creditors	2 60	0 25	4 70		7 55	1,859 25	246 26
HP and lease creditors		0 25			0 25	71 25	285 00
Employees and pensions (other)		0 05	2 70		2 75	502 50	182 73
Crown	0 55		2 25		2 80	606 25	216 52
Unsecured creditors		1 15	10 90	0 35	12 40	2,131 75	171 92
Retention of title claims			0 25		0 25	47 50	190 00
Filing			0 85		0 85	90 00	105 88
Director/ manager review approval and signing		0 20			0 20	57 00	285 00
	3 15	1 90	21 65	0 35	27 05	5,365 50	198 35
Total Hours - Period	16 15	16 30	68 50	1 90	102 85		
Total £ - Period	5,538 75	4,026 25	12,256.00	61 50		21,882 50	212 76
Total Hours - Brought Forward	71 30	134 15	385 05	10 35	600 85		
Total £ - Brought Forward (restated) *	24,964 00	34,765 75	58,922 75	382 60		119,035 10	198 11
Total Hours - Carried Forward	87 45	150.45	453 55	12 25	703 70		
Total £ - Carried Forward	30,502 75	38,792.00	71,178 75	444 10		140,917 60	200 25

On occasions it is not possible for all staff involved in a case to submit all timesheets prior to information being drawn for the purposes of preparing a report. Where this is the case this time is reported as part of the subsequent reporting period. This difference is not generally material.

* The total time cost by grade in our last report has been restated to correct an error in that table. The individual line items, total hours and total time costs reported in that table were correct.

C.II. Major work activities undertaken

Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment,
- Preparation of statutory reports
- Maintaining bank accounts;
- Progress reviews of the case.

Investigations

The time spent includes

- Review of questionnaires and comments provided by interested parties,
- Review of company documentation,

Realisation of assets

Please refer to Section 4 of the report, but in summary the time spent includes:

- Liaising with agents and solicitors,
- Dealing with outstanding obligations and matters in relation to the sale of the Company's business,
- Debt collection

Creditors

The time spent includes the following matters

- Recording and maintaining the list of creditors,
- Dealing with employee related matters;
- Recording creditor claims;
- Dealing with creditor queries,

D. Charging, subcontractor and advisor information

D.i. Policy

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

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

D.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.

D.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

D.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.

Details of any Category 2 disbursements incurred and/or recovered in the administration period covered by this report are set out in the body of this report. To date we have incurred the following disbursements:

Disbursement	£
Category 1	
Administrators' bond	30 00
Statutory advertising	63 50
Travel	144 95
Accommodation and subsistence	242.25
Companies House searches	19 00
Courier costs	103.65
On-line report publishing	50 00
Sub-Total	653.35
Category 2	
Mileage	290.50
Total	943.85

There are outstanding expenses yet to be invoiced and paid and these will be detailed in our next report to creditors.

D.v. Charge out rates

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

Staff Grade	£/hour	£/hour
	From 1/7/2012	From 1/7/2013
Partner / Associate Director	350 - 440	350 - 375
Senior Managers / Managers	200 - 270	190 - 285
Other Senior Professionals	100 - 180	110 - 170
Assistants and support staff	28 - 60	28 - 75

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.

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

E. Administrators' Fees – Information and Challenges

E.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

E.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.