

The Insolvency Act 1986

Administrator's progress report

Name of Company

Jeffery (Wandsworth) Limited

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)

I/We (a)

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) 9 November 2013

(b) 30 April 2014

Signed

Joint / Administrator(s)

Dated

12/6/14

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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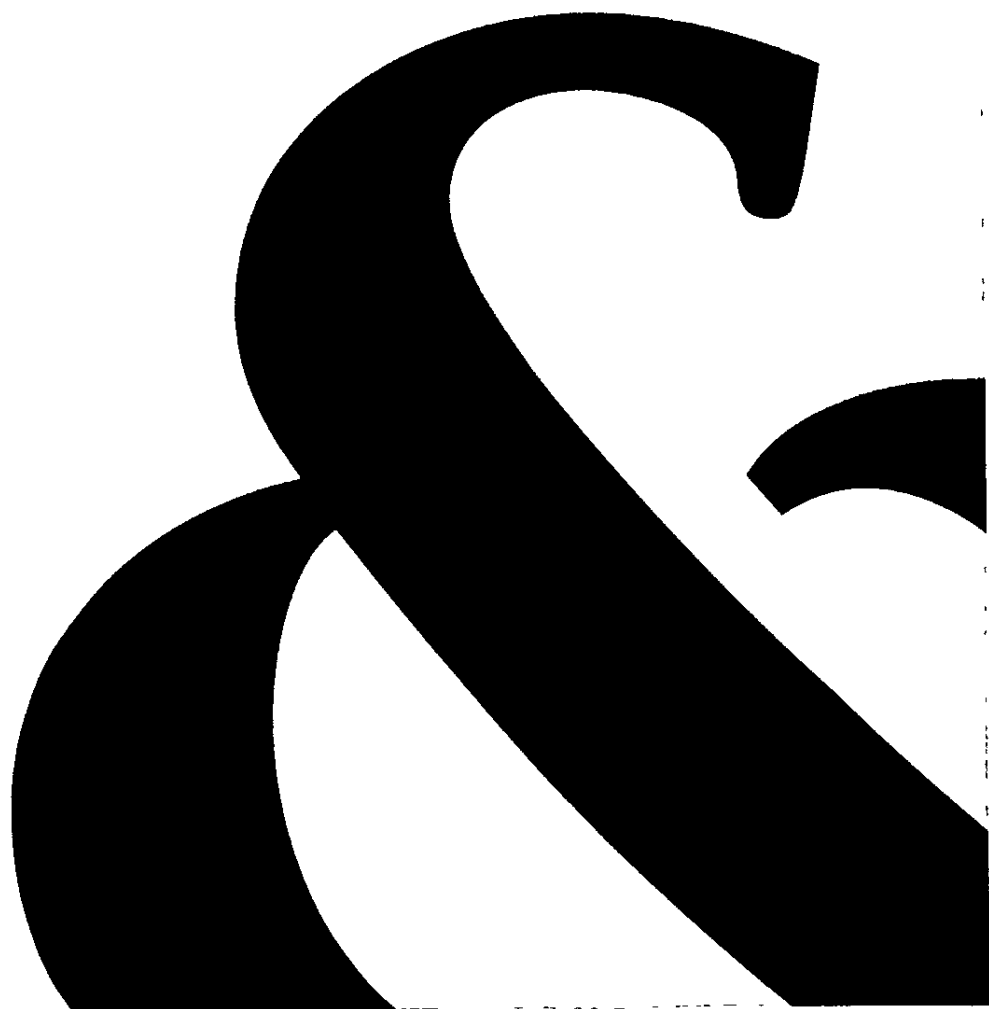
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COMPANIES HOUSE

Jeffery (Wandsworth) Limited (in administration)

**Joint administrators' progress report
for the period from 9 November 2013
to 30 April 2014**

15 May 2014



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1. Glossary

| Abbreviation | Description |
|---|--|
| the Company | Jeffery (Wandsworth) Limited T/A Phoenix |
| the administrators/joint administrators | Gregory Andrew Palfrey and David John Blenkarn |
| SIP | Statement of Insolvency Practice (England & Wales) |
| IA86 | Insolvency Act 1986 If preceded by S this denotes a section number |
| Sch B1 | Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number |
| IR86 | Insolvency Rules 1986 If preceded by R this denotes a rule number |
| HMRC | HM Revenue & Customs |
| RPS | Redundancy Payments Service |
| Whitmore's | Whitmore's of Edenbridge Limited (now Go Motor Retailing Limited) |
| HBCS | Hilton-Baird Collection Services |
| GM | General Motors UK Limited |
| GMAC | GMAC UK Plc |
| RBS | Royal Bank of Scotland Plc |
| RBSIF | Royal Bank of Scotland Invoice Finance Limited |
| Note | The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case. |

2. Introduction

This report provides an update on the progress in the administration of the Company for the period from 9 November 2013 to 17 April 2014. It should be read in conjunction with any previous reports. By way of reminder, we, Gregory Andrew Palfrey and David John Blenkarn, of Smith & Williamson LLP, Imperial House, 18-21 Kings Park Road, Southampton, Hampshire, SO15 2AT, were appointed administrators of the Company on 19 December 2012.

Statutory information in respect of the Company and the administration is set out at Appendix I.

3. Extension

The Administrators consider it necessary and appropriate to extend the administration of the Company by 36 months. This will be done by way of application to the Court under P76 Sch B1.

The extension is being requested to allow the administrators to further investigate whether to bring claims on behalf of the Company against one or more third parties. Such claims, if brought, may lead to further significant recoveries in the administration but it is not presently anticipated that such claims would result in any dividend being payable to unsecured creditors due to the shortfall owing to the secured creditors.

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 9 November 2013 to 17 April 2014. This account includes cumulative figures for the period from 19 December 2012 to 17 April 2014.

The receipts and payments account also includes a comparison with the director's Statement of Affairs.

4.1. Sale of business and assets

Our previous reports set out details of the sale of the Company's business and assets to Whitmore's, including the provision 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.

We have been provided with the relevant accounting information by Whitmore's to calculate the net profit figure, and we are currently in discussions with Whitmore's in relation to the various adjustments to the net profit figure that were detailed within the sale contract in order to arrive at an agreed net profit figure. We anticipate this process will be completed shortly.

Any further amount payable is unlikely to exceed £15,000, which in any event will go to the secured creditors, namely GMAC.

4.2. Book debts

During the period covered by this report we have liaised with HBCS in order to finalise accounting for the final book debt collections made by HBCS and its final collection fees. Total recoveries since the last report have been £2,238.

4.3. Other matters

During the period of this report we have also.

- Arranged, in conjunction with our tax department, for the preparation of Corporation Tax returns for the administration period. These have been submitted to HMRC since the end of the reporting period.
- Complied with requests from the Employment Tribunal in respect of a case relating to a dismissal made by the Company prior to our appointment.

4.4. Assets still to be realised

Other than any potential realisations from the actions to be taken in respect of the pre-appointment accounting irregularities, we are not aware of any further realisations to be made

5. Investigations

As previously reported we have complied with our duty under the Company Directors Disqualification Act 1986 to make a submission to the Secretary of State for Business, Innovation and Skills on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration. As all submissions are strictly confidential we are unable to disclose their content.

We are not aware of any further matters that require investigation or should be brought to the attention of the creditors and the position regarding investigations remains as stated in our previous reports.

6. Pre-administration costs

As previously reported, on 28 May 2013 the following amounts in respect of pre-administration costs were approved:

| Recipient | Brief description of services provided | Amount paid £ |
|------------------------|---|------------------|
| Smith & Williamson LLP | Joint Administrators' pre-appointment costs | 72,075 |
| Blake Lapthorn | Pre-appointment legal costs relating to the pre-pack sale | 13,474 |
| Edward Symmons | Valuation of plant and equipment / site security | 6,467 |
| Colliers International | Valuation of leasehold property | 1,500 |
| Total | | 92,016 |

All payments were made prior to the period covered by this report. There are no further pre-administration expenses to be paid.

7. Administrators' remuneration

The secured and preferential creditors approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration.

The administrators' time costs are

| Period | Total hours hrs | Total costs £ | 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 |
| 1 November 2013 to 30 April 2014 | 164 40 | 35,189 25 | 214 05 | 13,343 25 |
| Total | 868 10 | 176,106 85 | 202 86 | 152,469 60 |

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the appendix.

Also attached as Appendix IV, is a cumulative time analysis for the period from 19 December 2012 to 31 March 2014 which provides details of the administrators' time costs since appointment. A total of £152,469 60 has been drawn on account of these costs.

A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or 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 Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix V

8. Administration expenses

8.1. Subcontractors

We have utilised the services of the following subcontractors during the current period:

| Provider/service(s) | Basis of fee Arrangement | Costs incurred in current period £ | Costs paid in current period £ | Total costs outstanding at period end £ |
|---|-----------------------------|--|--------------------------------------|--|
| Hilton Baird Collection Services /debt collection | % of realisations | 84 12 | 379 58 | - |

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid

8.2. Professional advisers

During the period covered by this report we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

| Name of professional adviser | Basis of fee Arrangement | Costs incurred in current period £ | Costs paid in current period £ | Total costs outstanding at period end £ |
|---|-------------------------------|---------------------------------------|-----------------------------------|--|
| Blake Laphorn (legal advice re employment tribunal matters) | Hourly rate and disbursements | 1,050.00 | 900.00 | 150.00 |

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

8.3. Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

| Description | Incurred in current period £ | Paid in current period £ | Total costs outstanding at period end £ |
|-------------------------|---------------------------------|-----------------------------|--|
| Administrators' bonds | 50.00 | - | 50.00 |
| Travel (non-Category 2) | 37.83 | - | 37.83 |
| Storage costs | 6.90 | 6.90 | - |
| Company searches | 2.00 | 2.00 | - |
| Total | 96.73 | 8.90 | 87.83 |

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

8.4. Policies regarding use of third parties and disbursement recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

9. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below

9.1 Secured creditors

9.1.1. 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

9.1.2. 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 was 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

9.1.3. GMAC

As previously reported GMAC held a number of charges over the Company's assets, with a total debt outstanding of £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 |
| 9 November 2013 to 17 April 2014 | 11 | 100,000 | 100,011 |
| Total | 20,011 | 1,130,000 | 1,150,011 |

It is not anticipated that GMAC will receive a full repayment of its debt from the administration unless there is a very significant recovery from the ongoing investigations

9.1.4. 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 unless there is a very substantial recovery from the ongoing investigations

9.2. 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.

9.3. Preferential creditors

We set out below a summary of preferential claims received.

| Preferential creditor | SOA claims £ | Claims received £ |
|---|--------------------|-------------------------|
| Employee claims (16 claims) | 8,343 | 2,309 |
| Department for Business Innovation & Skills | - | 5,959 |
| Total | 8,343 | 8,268 |

During the period covered by this report we have reviewed and agreed the preferential claims received. A summary of preferential claims agreed is set out below

| Preferential creditor | Claims received £ | Claims agreed in current period £ | Total claims agreed £ |
|---|-------------------------|--|-----------------------------|
| Employee claims (13 claims) | 2,309 | 2,309 | 2,309 |
| Department for Business Innovation & Skills | 5,959 | 5,959 | 5,959 |
| Total | 8,268 | 8,268 | 8,268 |

The following dividend(s) have been paid to preferential creditors.

| Date | Total amount of dividend paid £ | Rate of dividend p in the £ £ |
|----------------------------------|---------------------------------------|-------------------------------------|
| 15 January 2014 | 8,268 | 100 |
| Total paid in period | 8,268 | 100 |
| Paid in previous period(s) b/fwd | - | - |
| Total paid | 8,268 | 100 |

Accordingly, preferential creditors have been paid in full

9.4. Unsecured creditors

Total claims as per the director's SOA were £1,373k and we estimate actual claims to be of this order.

Due to insufficient realisations from the Company's assets we confirm that no dividend to unsecured creditors will be made in this case

10. Outstanding matters

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

- Conclusion of discussions with Whitmore's in respect of agreeing the adjustments under the sale contract to the net profit achieved and, if applicable, obtaining further consideration due
- Final distribution to GMAC under its floating charge
- Further investigation of potential claims that may be brought by the Company
- Obtaining tax clearance
- Closure of the administration, including preparing and issuing the final report

11. Ending the administration

No decision has yet been made regarding choice of exit route

Consent to an extension to the administration period to 18 June 2014 has previously been obtained from the secured and preferential creditors

In order to allow the administrators to further investigate whether to bring claims on behalf of the Company against one or more third parties, the joint administrators are now making an application to Court for an order to extend the administration period by a further 36 months.

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

Authorisation for discharge from liability was granted by the secured and preferential creditors, by virtue of a resolution by correspondence passed on 28 May 2013.

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 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

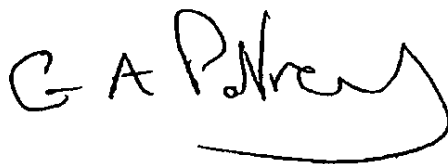
weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

These rights apply only to matters which have not been disclosed in previous reports

Further information regarding creditors' rights is available on application to the administrators.

13. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report

A handwritten signature in black ink, appearing to read 'G A Palfrey', with a long horizontal flourish extending from the end of the name.

Gregory Andrew Palfrey and David John Blenkarn

Joint Administrators

Date. 15 May 2014

I Statutory information

| | |
|--|---|
| Relevant Court | High Court of Justice |
| Court Reference | 9493 of 2012 |
| 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, 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 Ltd |
| Extension to period of administration | The administration has been extended by a period of 6 months ending on 18 June 2014, with the consent of the secured and preferential creditors |

II Receipts and payments account

II.i Receipts and payments account to 30 April 2014

| Statement of Affairs £ | FIXED CHARGE | | | | FLOATING CHARGE | | |
|---------------------------|--|-------------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------------|-------------------------------|
| | From To | 19/12/2012 08/11/2013 £ | 09/11/2013 30/04/2014 £ | 19/12/2012 30/04/2014 £ | Restated 19/12/2012 08/11/2013 | 09/11/2013 30/04/2014 £ | 19/12/2012 30/04/2014 £ |
| RECEIPTS | | | | | | | |
| | | 25 000 00 | | 25,000 00 | - | - | - |
| | Goodwill | | | | 1 00 | - | 1 00 |
| 113 865 00 | Leasehold Property (1) | - | - | - | 93,944 00 | - | 93 944 00 |
| | Plant & Equipment | | | | 13,000 00 | - | 13 000 00 |
| | Motor Vehicles | | | | 25,712 98 | - | 25,712 98 |
| 311,265 00 | Stock/WIP | | | | 280 223 20 | 2,237 91 | 282 461 11 |
| 1,132,417 00 | Book Debts | | | | 27,392 94 | - | 27,392 94 |
| | Pre appointment PDQ receipts | | - | - | 48,525 53 | - | 48,525 53 |
| | RBS Debtor funds on trust | | - | - | 10 235 11 | - | 10,235 11 |
| 301 872 00 | Rent apportionment | | | | 934 114 18 | - | 934,114 18 |
| 363,314 00 | Prepayments | - | - | - | 15,152 35 | - | 15 152 35 |
| | Cash at Bank | - | - | - | 118 114 96 | (17 265 78) | 100,849 18 |
| | Property Licence Fee | - | - | - | (86 328 89) | - | (86,328 89) |
| | Rent (under licence agreement) | - | - | - | (14 520 29) | - | (14 520 29) |
| | Property licence fee refund | | | | 1,491 77 | 13 39 | 1 505 16 |
| | Bank Interest Gross | 20 67 | - | 20 67 | 67 90 | - | 67 90 |
| | Bank Interest Net of Tax | | | | 9 953 99 | - | 9,953 99 |
| | Bonus adjustment | | | | 32 025 06 | - | 32,025 06 |
| | Third party monies (receipts) | | | | (32,169 76) | 144 70 | (32 025 06) |
| | Third party monies (payments) | | | | 3 475 95 | - | 3,475 95 |
| | Cash held on site on appointment | | | | 6,812 45 | - | 6,812 45 |
| | Sundry refunds | - | - | - | 82 020 24 | - | 82,020 24 |
| | Rates Refunds | - | - | - | 1 306 32 | - | 1,306 32 |
| | Sundry receipts | | | | | | |
| <u>2,222,733 00</u> | | <u>25,020 67</u> | <u>-</u> | <u>25,020 67</u> | <u>1,570,550 99</u> | <u>(14,869 78)</u> | <u>1,555,681 21</u> |
| PAYMENTS | | | | | | | |
| | RBSIF debtor funds on trust | - | - | - | 48,525 53 | - | 48,525 53 |
| | Legal Fees re Appointment | - | - | - | 2,280 00 | - | 2 280 00 |
| | Legal Disbursements re Appointment | - | - | - | 80 80 | - | 80 80 |
| | Pre-appointment legal fees | - | - | - | 13 435 00 | - | 13,435 00 |
| | Pre-appointment legal expenses | - | - | - | 38 87 | - | 38 87 |
| | Pre-appointment agents' fees | - | - | - | 6,467 00 | - | 6 467 00 |
| | Joint Administrators' pre-appointment fees | 5 000 00 | - | 5 000 00 | 67 075 00 | - | 67,075 00 |
| | Joint Administrators' pre appointment expenses | - | - | - | 3 973 42 | - | 3 973 42 |
| | Joint Administrators' fees | - | - | - | 139,126 35 | 13 343 25 | 152 469 60 |
| | Joint Administrators' expenses | - | - | - | 547 70 | 142 88 | 690 58 |
| | Book Debt Collection Fees | - | - | - | 14 529 77 | 2 147 01 | 16,676 78 |
| | Agents' Fees | - | - | - | 4,292 40 | - | 4 292 40 |
| | Agents' Expenses | - | - | - | 2,275 76 | - | 2 275 76 |
| | Legal Fees | - | - | - | 12 635 00 | 900 00 | 13 535 00 |
| | Legal Expenses | - | - | - | 14 00 | 6 00 | 20 00 |
| | Bodyshop rectification settlement | - | - | - | 3 000 00 | - | 3 000 00 |
| | Insurance of Assets | - | - | - | 2,363 09 | - | 2 363 09 |
| | Amex Charges | - | - | - | 32 87 | - | 32 87 |
| | Computing Costs | - | - | - | 2 352 88 | - | 2,352 88 |
| | Invoice Discounting Termination Charges | - | - | - | 32,312 57 | - | 32 312 57 |
| | Bank Charges | 10 00 | - | 10 00 | 794 85 | 10 00 | 804 85 |
| | Sundry expenses | - | - | - | - | 144 70 | 144 70 |
| | Secured Creditors | - | - | - | - | - | - |
| 7,848,540 76 | GMAC UK Plc | 20,000 00 | 10 67 | 20,010 67 | 1,030,000 00 | 100,000 00 | 1,130 000 00 |
| 8,343 00 | Preferential creditors | - | - | - | - | 8 268 78 | 8 268 78 |
| | Employee Wages & Holiday pay | - | - | - | - | - | - |
| | | <u>25 010 00</u> | <u>10 67</u> | <u>25 020 67</u> | <u>1,386,152 86</u> | <u>124,962 62</u> | <u>1,511,115 48</u> |
| Balances in hand | | | | | | | |
| | Net VAT Receivable/(Payable) | | | | | | 885 06 |
| | Current Account (non-interest bearing) | | | | | | 43,680 67 |
| | | | | <u>25 020 67</u> | | | <u>1,555,681 21</u> |

II.ii Notes and further information required by SIP 7

- Smith & Williamson has received £20,000 on account of pre-appointment fees from outside the estate. These fees were paid by the Company prior to our appointment in respect of advice provided to it relating to its financial position and the options available to it
- 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 is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- The liquidation bank account was interest bearing up to 3 December 2013 and was put on a non-interest bearing basis after this date to allow the Company's tax affairs to be

brought to a conclusion and to save the costs of administering relatively small amounts of interest

- 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
- 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 payments required have been made.
- As outlined in previous reports, the receipt 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. During the reporting period we have undertaken the required VAT accounting in respect of funds received and made payments to HMRC as appropriate, resulting in a reduction in the net funds received

II.11 Note relating to Receipts and Payments summary in previous report

The receipts and payments summary included in our last report contained some discrepancies arising due to receipts having been received in the administration bank account at the end of the reporting period (8 November 2013) that the accounting systems from which the receipts and payments was extracted had not been updated for at the time of the report being circulated

The column in the above summary relating to the period 19 December 2012 to 8 November 2013 has been restated to reflect these receipts.

The effect on the receipts and payments summary is summarised below

| Narrative | Total reported previously £ | Restated amount £ | Difference £ |
|--|--------------------------------|----------------------|-----------------|
| Income items | | | |
| Sundry receipts | 48 00 | 1,306 32 | 1,258 32 |
| Bank interest gross | 1,480 03 | 1,491 77 | 11 74 |
| Net difference | | | 1,270 06 |
| Constitution of balance in hand | | | |
| Net VAT receivable (total fixed and floating charge) | 46,975 28 | 10,791 59 | (36,183 69) |
| Current account balances (total fixed and floating charge) | 135,154 43 | 172,608 18 | 37,453 75 |
| Net difference | | | 1,270 06 |

III Time analysis for the period

III.i From 1 November 2013 to 30 April 2014

| Activity | Partner | Managers | Other Senior Professionals | Assistants & Support Staff | Total | | Ave Rate £ / hr |
|---|------------------|------------------|----------------------------|----------------------------|---------------|-------------------|--------------------|
| | | | | | Hours | £ | |
| Administration and Planning | | | | | | | |
| Statutory, returns, reports and meetings | 3 25 | 13 50 | 29 90 | | 46 65 | 9 903 25 | 212 29 |
| Cashiering general, including bonding | 0 35 | 4 60 | 2 15 | | 7 10 | 1,414 00 | 199 15 |
| Job planning reviews and progression | 0 25 | 0 90 | 5 70 | | 6 85 | 1,397 25 | 203 98 |
| Post-appointment taxation | 0 75 | 1 35 | 16 80 | | 18 90 | 2,745 75 | 145 28 |
| Protection of company records (including electronic) | | 0 25 | | | 0 25 | 71 25 | 285 00 |
| File and Information management inc redirected post | | | 2 45 | 0 20 | 2 65 | 303 50 | 114 53 |
| Pre appointment non creditor tax | | | 3 40 | | 3 40 | 646 00 | 190 00 |
| Agents and advisers, general | | 0 30 | 0 45 | 0 15 | 0 90 | 175 50 | 195 00 |
| Director/ manager review approval and signing | 0 75 | 0 65 | | | 1 40 | 447 75 | 319 82 |
| Other | | 0 50 | | | 0 50 | 142 50 | 285 00 |
| | 5 35 | 22 05 | 60 85 | 0 35 | 88 60 | 17,246 75 | 194 66 |
| Investigations | | | | | | | |
| Creditor and shareholder complaints | | | 0 35 | | 0 35 | 66 50 | 190 00 |
| Investigations of legal claims | 12 75 | 4 70 | 0 80 | | 18 25 | 6 038 50 | 330 88 |
| | 12 75 | 4 70 | 1 15 | 0 00 | 18 60 | 6 105 00 | 328 23 |
| Realisation of Assets | | | | | | | |
| Debtors not subject to finance (including reassigned ledgers) | | 0 10 | 2 80 | | 2 90 | 553 00 | 190 69 |
| Cash at bank | | | 0 15 | | 0 15 | 28 50 | 190 00 |
| Liaising with agents, general | | | 1 95 | | 1 95 | 370 50 | 190 00 |
| Sale of business, post completion matters | 0 75 | 1 20 | 11 25 | | 13 20 | 2 738 25 | 207 44 |
| Other | | 0 25 | | | 0 25 | 71 25 | 285 00 |
| | 0 75 | 1 55 | 16 15 | 0 00 | 18 45 | 3,761 50 | 203 88 |
| Creditors | | | | | | | |
| Secured creditors | 1 25 | 1 15 | 3 60 | | 6 00 | 1,441 75 | 240 29 |
| RPO and ERA claims and tribunals | 1 00 | 0 85 | 8 10 | 0 10 | 10 05 | 2,134 25 | 212 36 |
| Employees and pensions (other) | 0 20 | 1 00 | 5 10 | | 6 30 | 1 311 50 | 208 17 |
| Crown | | 0 25 | 0 65 | | 0 90 | 194 75 | 216 39 |
| Unsecured creditors | | 0 10 | 1 10 | | 1 20 | 198 00 | 165 00 |
| Distributions to preferential & unsecured creditors | 0 55 | 1 20 | 12 00 | | 13 75 | 2,735 25 | 198 93 |
| Filing | | | 0 55 | | 0 55 | 60 50 | 110 00 |
| | 3 00 | 4 55 | 31 10 | 0 10 | 38 75 | 8,076 00 | 208 41 |
| Total Hours - Period | 21 85 | 32 85 | 109 25 | 0 45 | 164 40 | | |
| Total £ - Period | 3,220 00 | 6,133 50 | 13,804 50 | 13 50 | | 35,189 25 | 214 05 |
| Total Hours - Brought Forward | 87 45 | 150 45 | 453 55 | 12 25 | 703 70 | | |
| Total £ - Brought Forward | 30 502 75 | 38,792 00 | 71 178 75 | 444 10 | | 140,917 60 | 200 25 |
| Total Hours - Carried Forward | 109 30 | 183 30 | 562 80 | 12 70 | 868 10 | | |
| Total £ - Carried Forward | 33,722 75 | 44,925 50 | 84,983 25 | 457 60 | | 176,106 85 | 202 86 |

Note of the time noted above in respect of 'Investigations of legal claims', some 0 8 hours, with a cost of £292, was incurred prior to 1 November 2013, but had not been recorded at the time of preparation of our previous report, and therefore had not previously been reported. Consequently, this time has been included in the above analysis.

III.ii Explanation of major work activities undertaken

Administration and planning

The following activities have been undertaken:

- Preparation of statutory reports including those required to obtain the consent of the secured and preferential creditors for an extension of the administration period and work on the current extension report,
- Dealing with Corporation Tax and VAT compliance for the administration period.
- Maintaining bank accounts,
- Progress reviews of the case

Investigations

The time spent relates mostly to investigations in relation to potential actions that may be brought on behalf of the Company that may lead to further recoveries in the administration.

Realisation of assets

The major activity under this heading during the reporting period has been obtaining, reviewing and analysing the relevant financial information from Whitmore's to establish an agreed net profit figure for the business acquired by it for the 12 months post completion of the sale

Creditors

The time spent includes the following matters

- Corresponding with the Employment Tribunal in relation to a claim relating to an employee dismissed by the Company prior to our appointment,
- Correspondence with and payment of distributions to the secured creditors; and
- Agreeing preferential creditor claims and payment of a distribution thereon

IV Cumulative time analysis

IV.I From 19 December 2012 to 30 April 2014

| Activity | Partner | Managers | Other Senior Professionals | | Assistants & Support Staff | Total | | Ave Rate |
|--|------------------|------------------|----------------------------|---------------|----------------------------|---------------|-------------------|-----------------|
| | | | Hours | | | Hours | £ | |
| Administration and Planning | | | | | | | | |
| Statutory, returns, reports and meetings | 18 00 | 23 90 | 75 60 | | | 117 50 | 26,077 25 | 221 93 |
| 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 | 0 50 | 19 80 | 12 80 | 0 30 | | 33 40 | 6 356 75 | 190 32 |
| Job planning, reviews and progression | 2 75 | 5 55 | 21 40 | | | 29 70 | 6,327 50 | 213 05 |
| Post appointment taxation | 3 60 | 2 30 | 19 00 | | | 24 90 | 4,311 00 | 173 13 |
| Protection of company records (including electronic) | | 1 05 | 8 10 | | | 9 15 | 1,554 75 | 169 92 |
| Insurance and general asset protection | 0 25 | 0 35 | 6 10 | | | 6 70 | 1,042 00 | 155 52 |
| Travelling | | 2 00 | 18 90 | | | 20 90 | 3,399 50 | 162 66 |
| File and information management inc redirected post | 0 45 | 0 25 | 27 45 | 5 60 | | 33 75 | 4,072 80 | 120 68 |
| Pre appointment non-creditor tax | | | 3 40 | | | 3 40 | 646 00 | 190 00 |
| Agents and advisers, general | | 0 50 | 3 45 | 0 60 | | 4 55 | 649 90 | 142 84 |
| Director/ manager review, approval and signing | 13 55 | 3 15 | | | | 16 70 | 5,513 75 | 330 16 |
| Other | 1 50 | 1 80 | 1 30 | 0 50 | | 5 10 | 1,214 25 | 238 09 |
| | 42 35 | 79 40 | 199 80 | 7 50 | | 329 05 | 66,973 70 | 2,557 58 |
| Investigations | | | | | | | | |
| Directors' correspondence and conduct questionnaires | | 1 00 | 13 30 | 0 20 | | 14 50 | 2,670 35 | 184 16 |
| Creditor and shareholder complaints | | | 0 60 | 0 10 | | 0 70 | 114 30 | 163 29 |
| Statutory book and accounting records review | | | 23 90 | | | 23 90 | 2,870 00 | 120 08 |
| Investigations of legal claims | 16 50 | 7 95 | 0 80 | | | 25 25 | 8,013 50 | 317 37 |
| SIP2 and SIP4 obligations | 1 50 | 13 65 | 23 55 | | | 38 70 | 8,449 50 | 218 33 |
| | 18 00 | 22 60 | 62 15 | 0 30 | | 103 05 | 22,117 65 | 1,003 23 |
| 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) | 1 25 | 6 10 | 44 20 | 0 45 | | 52 00 | 8,765 55 | 168 57 |
| 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 |
| Completion of Work In Progress | | | 0 10 | | | 0 10 | 19 00 | 190 00 |
| Cash at bank | 2 25 | 0 85 | 6 60 | | | 9 70 | 2,061 50 | 212 53 |
| Liaising with agents' general | | | 2 40 | | | 2 40 | 439 50 | 183 13 |
| Sale of business, post completion matters | 13 60 | 18 90 | 42 75 | 0 30 | | 75 55 | 17,620 90 | 233 23 |
| Filing | | 0 10 | 0 55 | | | 0 65 | 75 50 | 116 15 |
| Other | | 0 80 | 5 45 | | | 6 25 | 1,148 25 | 183 72 |
| | 28 10 | 37 05 | 112 60 | 0 75 | | 178 50 | 38,480 20 | 2,360 93 |
| Trading | | | | | | | | |
| Trading on decision and day 1-3 operations | | | 1 30 | | | 1 30 | 234 00 | 180 00 |
| Sales and customers | | | 1 50 | | | 1 50 | 270 00 | 180 00 |
| Purchasing/Suppliers (not landlord) | | | 0 60 | | | 0 60 | 67 50 | 112 50 |
| Staff and payroll (including PAYE/NIC for trading period) | | | 0 75 | | | 0 75 | 123 00 | 164 00 |
| Premises issues (including landlord and site clearance) | 0 50 | 3 45 | 6 40 | | | 10 35 | 2,022 00 | 195 36 |
| Shutdown or handover | | | 0 40 | | | 0 40 | 72 00 | 180 00 |
| Other | | | 0 75 | | | 0 75 | 75 00 | 100 00 |
| | 0 50 | 3 45 | 11 70 | 0 00 | | 15 65 | 2,863 50 | 1,111 86 |
| Creditors | | | | | | | | |
| Secured creditors | 8 85 | 7 20 | 10 40 | | | 26 45 | 6,987 00 | 264 16 |
| HP and lease creditors | | 0 35 | 0 95 | | | 1 30 | 241 25 | 185 58 |
| RPO and ERA claims and tribunals | 3 00 | 12 85 | 20 95 | 1 20 | | 38 00 | 8,414 80 | 221 44 |
| Employees and pensions (other) | 4 20 | 3 85 | 24 90 | 1 00 | | 33 95 | 6,834 50 | 201 31 |
| Crown | 0 55 | 0 25 | 3 75 | 0 10 | | 4 65 | 928 80 | 199 74 |
| Unsecured creditors | 0 50 | 7 55 | 68 85 | 1 75 | | 78 65 | 11,660 65 | 148 26 |
| Retention of title claims | 2 35 | 7 10 | 22 10 | | | 31 55 | 6,344 25 | 201 09 |
| Distributions for preferential and unsecured creditors | 0 55 | 1 20 | 12 00 | 0 10 | | 13 85 | 2,738 05 | 197 69 |
| Filing | | | 12 00 | | | 12 00 | 1,210 50 | 100 88 |
| Director/ manager review approval and signing (Creditors) | | 0 20 | | | | 0 20 | 57 00 | 285 00 |
| Other | 0 35 | 0 25 | 0 65 | | | 1 25 | 255 00 | 204 00 |
| | 20 35 | 40 80 | 176 55 | 4 15 | | 241 85 | 45,671 80 | 2,209 14 |
| Total Hours | 109 30 | 183 30 | 562 80 | 12 70 | | 868 10 | | |
| Total £ | 34,990 25 | 46,646 75 | 90,550 25 | 457 60 | | | 176,106 85 | 202 86 |

V Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are.

- Smith & Williamson LLP's policies in relation to
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

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.

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.

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 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2013.

| Staff Grade | £/hour | £/hour |
|------------------------------|---------------|---------------|
| | From 1/7/2012 | From 1/7/2013 |
| Partner / Associate Director | 350 - 440 | 350 - 480 |
| Senior Managers / Managers | 200 - 270 | 200 - 285 |
| Other Senior Professionals | 100 - 180 | 110 - 190 |
| Assistants and support staff | 28 - 60 | 28 - 75 |

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.

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Principal offices: London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury, Southampton and Worcester

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