

The Insolvency Act 1986

**Administrator's progress report**

Name of Company
Jeffery (Wandsworth) Limited

Company number
02981649

In the High Court of Justice, Companies Court Chancery Division
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Court case number 9493 of 2012
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(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 2AT

David 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

(b) Insert date

From
(b) 31 October 2014

To
(b) 30 April 2015

Signed



Joint / Administrator(s)

Dated

14 May 2015

**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

COMPANIES HOUSE

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

DX Number 49667 Southampton 2

023 8082 7600  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

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A31 - 20/05/2015 #53  
Computer Technology Limited, Glasgow, Scotland

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Imperial House • 18 - 21 Kings Park Road • Southampton • SO15 2AT  
Phone 023 8082 7600 • Fax 023 8082 7601 • DX 49667 Southampton 2  
[www.smithwilliamson.co.uk](http://www.smithwilliamson.co.uk)

The affairs, business and property of the Company are being managed by the administrators  
Gregory Andrew Palfrey and David John Blenkarn who act as agents of the Company and without personal liability  
Gregory Andrew Palfrey and David John Blenkarn are licensed as insolvency practitioners in the UK by  
the Institute of Chartered Accountants in England and Wales

### **Smith & Williamson LLP**

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office.  
Registered in England at 25 Moorgate, London, EC2R 6AY No. OC369631  
Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities.  
A member of Nexia International, a worldwide network of independent accounting firms.

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

Joint administrators' progress report  
for the period from 31 October 2014  
to 30 April 2015

8 May 2015



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## 1. Glossary

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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
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
QFCH	Qualifying Floating Charge Holder – a secured creditor who has the power to appoint an administrator
Whitmore's	Whitmore's of Edenbridge Limited (now Go Motor Retailing 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

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This report provides an update on the progress in the administration of the Company for the six month period ended 30 April 2015. 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

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The Administrators consider it necessary and appropriate to extend the administration of the Company by a further 24 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**

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Attached at Appendix II is our receipts and payments account for the period from 31 October 2014 to 30 April 2015. This account includes cumulative figures for the period from 19 December 2012 to 30 April 2015.

The receipts and payments account also includes a comparison with the director's SOA values.

##### **4.1. Sale of business and assets**

Our previous reports provided 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.

During the reporting period we have concluded, based on the information available to and obtained by us, that there will be no further balance payable by Whitmore's.

##### **4.2. Other matters**

During the period of this report we have also:

- Continued to investigate the potential for bringing claims on behalf of the Company against one or more third parties with a view to achieving further recoveries in the administration. During this period, we have received a contribution of £25,000 from GMUK, one of the secured creditors of the Company, in respect of the costs of these investigations. While further enquiries are ongoing the administrators have concluded that disclosure of further details of the nature of the claim and the potential defendants would be inappropriate.
- Undertaken planning and preparation for the application being made for a further extension of 24 months to the administration period.
- Obtained Corporation Tax clearance from HMRC

##### **4.3. Assets still to be realised**

Other than any potential realisations from the actions referred to in sections 3 and 4.2 we are not aware of any further realisations to be made.

#### **5. Investigations**

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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.

Other than the ongoing enquiries in respect of possible claims by the Company referred to in sections 3 and 4.2 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		93,516

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/or 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 2014	102 85	21,882 50	212 76	56,943 25
1 November 2014 to 30 April 2014	164 40	35,189 25	214 05	13,343 25
1 May 2014 to 30 October 2014	97 00	23,344 25	240 66	-
31 October 2014 to 30 April 2014	174 50	34,419 50	197 25	29,338 00
Total	1,139 60	233,870 60	205 22	181,807 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 30 April 2015 which provides details of the administrators' time costs since appointment. A total of £181,808 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](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

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### 8.1. Subcontractors

We have not utilised the services of any subcontractors during this period.

### 8.2. Professional advisers

We have used the professional advisers listed below during this period. 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/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Blake Morgan (legal advice re administration extension application)	Hourly rate and disbursements	6,700 00	2,650 00	4,250 00

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

We have also received advice from Duane Morris solicitors in respect of the investigations referred to in prior sections of this report. The costs of Duane Morris in providing this advice have been met directly by GMUK, one of the secured creditors of the Company. Costs paid by GMUK in this respect are in addition to the contribution of £25,000 received into the administration estate to fund the investigation work referred to in Section 4.2.



### 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 £
Storage and archiving costs	77.09	26.77	77 09
Administrators' bonds	40 00	50 00	40 00
Company searches	-	2 00	-
Travel & subsistence	-	71 93	-
<b>Total</b>	<b>117 09</b>	<b>150 70</b>	<b>117 09</b>

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

### 8.4. Other 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 II. 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 current period:

Supplier/Service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
RDS Global	Computing costs in relation to accessing Company's historic accounting data as part of investigation work	709 55	709 55	-

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

### 8.5. 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. 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.

### **9.1.2. GMAC**

As previously reported GMAC held a number of charges over the Company's assets, with a total debt outstanding of £1,713k.

During the period covered by this report a further £8,500 has been paid to GMAC under its floating charge, bringing the total amount paid during the administration to £1,158,511.

It is not anticipated that any further amounts will be paid to GMAC unless there is a significant recovery from the ongoing investigations.

### **9.1.3. 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**

As previously reported, preferential claims have been paid in full. The total sum distributed to preferential creditors was £8,268, the distribution having been declared on 15 January 2014.

## **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**

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

- Further investigation of potential claims that may be brought by the Company.
- Closure of the administration, including preparing and issuing the final report.

## **11. Ending the administration**

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

Following an initial extension of the administration period to 18 June 2014 with the consent of the secured and preferential creditors, an additional extension to the administration period to 18 June 2015 was granted by the Court to allow the administrators to further investigate whether to bring claims on behalf of the Company against one or more third parties.

In order to allow the administrators to continue to investigate any potential claims, a further application is now being made to Court for an order to extend the administration period by a further 24 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**

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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

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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: 8 May 2015

## **I Statutory information**

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<b>Relevant Court</b>	High Court of Justice
<b>Court Reference</b>	9493 of 2012
<b>Trading Name(s)</b>	Phoenix Vauxhall, Phoenix Chevrolet, Phoenix SAAB
<b>Trading Addresses</b>	80 Plough Lane, Wimbledon, London, SW17 0BW
<b>Former Name(s)</b>	Jeffrey (Wandsworth) Limited
<b>Registered Office</b>	Imperial House, 18-21 Kings Park Road, Southampton, Hampshire SO15 2AT (Formerly 10 Chiswell Street, London, EC1Y 4UQ)
<b>Registered Number</b>	2981649
<b>Joint Administrators</b>	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.
<b>Date of Appointment</b>	19 December 2012
<b>Appointor</b>	General Motors UK Ltd
<b>Extension to period of administration</b>	Initial extension to 18 June 2014 with the consent of the secured and preferential creditors.  A further extension to 18 June 2015 was granted by the Court on 10 June 2014.

## II Receipts and payments account

### Receipts and payments account to 30 April 2015

Statement of Affairs £	From To	FIXED CHARGE			FLOATING CHARGE		
		19/12/2012 30/10/2014 £	31/10/2014 30/04/2015 £	19/12/2012 30/04/2015 £	19/12/2012 30/10/2014 £	31/10/2014 30/04/2015 £	19/12/2012 30/04/2015 £
		<b>RECEIPTS</b>					
		25 000 00	-	25,000.00	-	-	-
		-	-	-	1 00	-	1 00
113 865 00		-	-	-	93 944 00	-	93,944 00
		-	-	-	13 000 00	-	13 000 00
311 265 00		-	-	-	25 712 98	-	25 712 98
1 132 417 00		-	-	-	282,720 03	-	282 720 08
		-	-	-	27,392 94	-	27,392 94
		-	-	-	48 525 53	-	48 525 53
301,872 00		-	-	-	10 235 11	-	10 235 11
363 314 00		-	-	-	934 114 18	-	934 114 18
		-	-	-	15 152 35	-	15 152 35
		-	-	-	100,849 18	-	100,849 18
		-	-	-	(86 328 89)	-	(86 328 89)
		-	-	-	(14,520 29)	-	(14,520 29)
		-	-	-	-	25 000 00	25,000 00
		20 67	-	20 67	1,505 16	-	1,505 16
		-	-	-	67 90	-	67 90
		-	-	-	9 953 99	-	9 953 99
		-	-	-	32,025 06	-	32,025 06
		-	-	-	(32 025 06)	-	(32 025 06)
		-	-	-	3 475 95	-	3,475 95
		-	-	-	6 874 07	-	6 874 07
		-	-	-	82,020 24	-	82,020 24
		-	-	-	1,365 18	-	1,365 18
2,222,733.00		25,020.67	-	25,020.67	1,556,060.66	25,000.00	1,581,060.66
		<b>PAYMENTS</b>					
		-	-	-	48 525 53	-	48,525 53
		-	-	-	2 280 00	-	2 280 00
		-	-	-	80 80	-	80 80
		-	-	-	13 435 00	-	13 435 00
		-	-	-	38 87	-	38 87
		-	-	-	6 467 00	-	6 467 00
		5 000 00	-	5 000 00	67,075 00	-	67 075 00
		-	-	-	3 973 42	-	3,973 42
		-	-	-	152,469 60	29 338 00	181,807 60
		-	-	-	690 58	150 70	841 28
		-	-	-	16,676 78	-	16 676 78
		-	-	-	4 292 40	-	4 292 40
		-	-	-	2 275 76	-	2 275 76
		-	-	-	19 385 00	2 650 00	22 035 00
		-	-	-	754 00	-	754 00
		-	-	-	200 00	-	200 00
		-	-	-	3 000 00	-	3 000 00
		-	-	-	2,363 09	-	2,363 09
		-	-	-	32 87	-	32 87
		-	-	-	2 352 88	709 55	3 062 43
		-	-	-	32 312.57	-	32,312 57
		10 00	-	10 00	804 85	-	804 85
		-	-	-	144 70	-	144 70
7,848 540 76		20,010 67	-	20,010 67	1 130,000 00	8,500 00	1,138,500 00
8 343 00		-	-	-	8,268 78	-	8,268 78
		-	-	-	(19.65)	-	(19.65)
		25 020 67	-	25 020 67	1 517,879 83	41 348 25	1 559 228 08
		<b>Balances in hand</b>					
		-	-	-	-	-	6 569 65
		-	-	-	-	-	15,262.93
		-	-	-	-	-	1,581,060.66
		-	-	-	-	-	1,581,060.66

### Notes and further information required by SIP 7

- Smith & Williamson 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 under licence pending the agreement of a new lease, which have been paid to the landlords of the properties in respect of rent due or refunded to Whitmore's as appropriate.
- Included within the heading 'Joint Administrators' pre-appointment expenses' is a payment of £1,500.00 to Colliers International, which is detailed in Section 6.
- The cash balance held includes the sum of £19.76 relating to unbanked and expired preferential dividend cheques. Should the parties entitled to these funds come forward the payments will be re-issued, otherwise they will be paid into the Insolvency Services Account as unclaimed dividends once the Company is dissolved.

### III Time analysis for the period

From 31 October 2014 to 30 April 2015

Activity	Partner	Managers	Other Senior Professionals Hours	Assistants & Support Staff	Total Hours	Total £	Ave Rate £ / hr
<b>Administration and Planning</b>							
Statutory, returns, reports and meetings	2 10	1 10	21 35		24 55	5,191 25	211 46
Cashiering general, including bonding		1 55	1 15		2 70	520 25	192 69
Job planning, reviews and progression	9 05	0 15	7 40		16 60	4 400 50	265 09
Post-appointment taxation	0 50		2 35		2 85	633 25	222 19
File and information management Inc redirected post			0 50	0 50	1 00	112 50	112 50
Agents and advisers, general	0 20		1 05	0 15	1 40	269 25	192 32
	<b>11 85</b>	<b>2 80</b>	<b>33 80</b>	<b>0 65</b>	<b>49 10</b>	<b>11,127 00</b>	<b>226 62</b>
<b>Investigations</b>							
Investigations of legal claims	25 15	39 35	49 45	0 75	114 70	20,933 75	182 51
Filing - Investigations			0 10		0 10	19 50	195 00
	<b>25 15</b>	<b>39 35</b>	<b>49 55</b>	<b>0 75</b>	<b>114 80</b>	<b>20,953 25</b>	<b>182 52</b>
<b>Realisation of Assets</b>							
Sale of business, post completion matters	0 25	0 15	0 80		1 20	274 50	228 75
Other			0 60		0 60	117 00	195 00
	<b>0 25</b>	<b>0 15</b>	<b>1 40</b>	<b>0 00</b>	<b>1 80</b>	<b>391 50</b>	<b>217 50</b>
<b>Creditors</b>							
Secured creditors	1 00		3 70		4 70	1,071 50	227 98
Employees and pensions (other)		0 05	2 00		2 05	400 50	195 37
Crown		0 15			0 15	43 50	290 00
Unsecured creditors		0 65	1 25		1 90	432 25	227 50
	<b>1 00</b>	<b>0 85</b>	<b>6 95</b>	<b>0 00</b>	<b>8 80</b>	<b>1,947 75</b>	<b>221 34</b>
<b>Total Hours - Period</b>	<b>38 25</b>	<b>43 15</b>	<b>91 70</b>	<b>1 40</b>	<b>174 50</b>		
<b>Total £ - Period</b>	<b>12,861 50</b>	<b>7,910 25</b>	<b>13,586 25</b>	<b>61 50</b>		<b>34,419 50</b>	<b>197 25</b>
<b>Total Hours - Brought Forward</b>	<b>125 50</b>	<b>219 05</b>	<b>607 35</b>	<b>13 20</b>	<b>965 10</b>		
<b>Total £ - Brought Forward</b>	<b>44,342 25</b>	<b>56,083 75</b>	<b>98,552 50</b>	<b>472 60</b>		<b>199 451 10</b>	<b>206 66</b>
<b>Total Hours - Carried Forward</b>	<b>163 75</b>	<b>262 20</b>	<b>699 05</b>	<b>14 60</b>	<b>1,139 60</b>		
<b>Total £ - Carried Forward</b>	<b>57,203 75</b>	<b>63,994 00</b>	<b>112,138 75</b>	<b>534 10</b>		<b>233,870 60</b>	<b>205 22</b>

### Explanation of major work activities undertaken

#### Administration and planning

The following activities have been undertaken during the period:

- Planning and preparation for a further application to Court to extend the administration period, including liaising with legal advisers thereon;
- Preparation and circulation of statutory reports,
- Obtaining Corporation Tax clearance from HMRC;
- Maintaining bank accounts,
- Progress reviews of the case.

#### Investigations

The time spent relates 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. This has included liaising with a third party IT hosting provider to re-instate access to the Company's historic accounting information and with our legal advisers in this respect, and analysis of the historic accounting information.

#### Creditors

The main matters dealt with under this heading are

- payment of a further distribution to GMAC under its floating charge,
- providing informal updated to those secured creditors with balances outstanding;
- dealing with creditor queries received.



## IV Cumulative time analysis

From 19 December 2012 to 30 April 2015

Activity	Partner	Managers	Other Senior Professionals Hours	Assistants & Support Staff	Total		Ave Rate £ / hr
					Hours	£	
<b>Administration and Planning</b>							
Statutory, returns, reports and meetings	20 10	37 30	117 10		174 50	38,412 25	220 13
Initial post-appointment notification letters	1 75	18 75	2 30	0 50	23 30	5,808 25	249 28
Cashiering general, including bonding	0 50	23 50	15 50	0 30	39 80	7,588 00	190 65
Job planning, reviews and progression	14 75	7 60	35 35		57 70	13,520 75	234 33
Post-appointment taxation	6 10	2 75	27 00		35 85	6,649 50	185 48
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	28 50	6 50	35 70	4,299 30	120 43
Pre-appointment non-creditor tax			3 40		3 40	646 00	190 00
Agents and advisers, general	0 20	0 60	4 80	0 85	6 45	1,009 15	156 46
Director/ manager review, approval and signing	13 80	3 15			16 95	5,601 25	330 46
Other	1 50	1 80	1 30	0 50	5 10	1,214 25	238 09
	<b>59 40</b>	<b>99 10</b>	<b>268 35</b>	<b>8 65</b>	<b>435 50</b>	<b>90,744 95</b>	<b>2,603 40</b>
<b>Investigations</b>							
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	51 15	58 95	50 80	0 75	161 65	35,372 00	218 82
SIP2 and SIP4 obligations	1 50	13 65	23 55		38 70	8,449 50	218 33
Filing - investigation			0 10		0 10	19 50	195 00
	<b>52 65</b>	<b>73 60</b>	<b>112 25</b>	<b>1 05</b>	<b>239 55</b>	<b>49,495 65</b>	<b>1,099 68</b>
<b>Realisation of Assets</b>							
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 40	0 45	52 20	8,804 05	168 66
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	11 25	3 00	3 10		17 35	5,305 50	305 79
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 10	19 65	47 50	0 30	80 55	18,560 15	230 42
Filing		0 10	0 55		0 65	75 50	116 15
Director/ manager review approval and signing		0 20			0 20	57 00	285 00
Other		6 40	6 95		13 35	3,065 75	229 64
	<b>28 35</b>	<b>43 60</b>	<b>119 05</b>	<b>0 75</b>	<b>191 75</b>	<b>41,694 95</b>	<b>2,691 13</b>
<b>Trading</b>							
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
	<b>0 50</b>	<b>3 45</b>	<b>11 70</b>	<b>0 00</b>	<b>15 65</b>	<b>2,863 50</b>	<b>1,111 86</b>
<b>Creditors</b>							
Secured creditors	10 60	7 20	14 10		31 90	8,321 00	260 85
HP and lease creditors		0 35	0 95		1 30	241 25	185 58
RPO and ERA claims and tribunals	3 00	13 25	21 95	1 20	39 40	8,718 80	221 29
Employees and pensions (other)	4 20	3 90	27 50	1 00	36 60	7,344 50	200 67
Crown	0 55	0 40	3 75	0 10	4 80	972 30	202 56
Unsecured creditors	1 25	8 60	71 75	1 75	83 35	12,704 90	152 43
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	10 15	0 10	12 00	2 387 55	198 96
Filing			12 00		12 00	1,210 50	100 88
Director/ manager review approval and signing		0 20			0 20	57 00	285 00
Other	0 35	0 25	3 45		4 05	769 50	190 00
	<b>22 85</b>	<b>42 45</b>	<b>187 70</b>	<b>4 15</b>	<b>257 15</b>	<b>49,071 55</b>	<b>2,199 30</b>
<b>Total Hours</b>	<b>163 75</b>	<b>262 20</b>	<b>699 05</b>	<b>14 60</b>	<b>1,139 60</b>		
<b>Total £</b>	<b>57,203 75</b>	<b>63,994 00</b>	<b>112,138 75</b>	<b>534 10</b>		<b>233,870 60</b>	<b>205 22</b>

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

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### **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.

Staff Grade	£/hour	£/hour	£/hour
	From 1/7/2012	From 1/7/2013	From 1/7/2014
Partner / Associate Director	350 - 440	350 - 480	300 - 480
Senior Managers / Managers	200 - 270	200 - 285	200 - 290
Other Senior Professionals	100 - 180	110 - 190	110 - 195
Assistants and support staff	28 - 60	28 - 75	30 - 75

### Notes

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

**[www.smith.williamson.co.uk](http://www.smith.williamson.co.uk)**

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

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