

## The Insolvency Act 1986

# Notice of result of meeting of creditors

# 2.23B

Name of Company  VHL Admin Limited	Company number  03441042
In the  High Court, Chancery Division, Companies Court [full name of court]	Court case number  1713 of 2006

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

We (a) Malcolm Peter Fillmore of Atherton Bailey, Arundel House, 1 Amberley Court, Whitworth Road, County Oak, Crawley, RH11 7XL and Mark Fry and David Hudson of Begbies Traynor, 32 Cornhill, London, EC3V 3LJ

\* Delete as applicable

hereby report that a meeting / ~~an adjourned meeting~~ of the creditors of the above company was held at

(b) Insert place of meeting

(b) The Guild of Air Pilots and Air Navigators at Cobham House, 9 Warwick Court, Gray's Inn, London, WC1R 5DJ

(c) Insert date of meeting

\* Delete as applicable

on (c) 16 May 2006 at which

\*1. Proposals / ~~revised proposal~~ were approved.

~~\*2. Proposals / revised proposals were modified and approved.~~

(d) Give details of the modifications (if any)

~~The modifications made to the proposals are as follows:-~~

(d)

(e) Insert time and date of adjourned meeting

~~\*3. The proposals were rejected.~~

~~\*4. The meeting was adjourned to (e)~~

(f) Details of other resolutions passed

~~\*5. Other resolutions: (f)~~



The revised date for automatic end to administration is 8 March 2007

\* Delete as applicable

A creditors' committee ~~\*was~~ / was not formed.

Signed

  
Joint Administrator - Malcolm Fillmore

Dated 26 May 2006

\* Delete as applicable

A copy of the ~~\*original proposals / modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting.

#### 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 searches of the public record

Atherton Bailey LLP

Arundel House, 1 Amberley Court, Whitworth Road, County Oak

Crawley RH11 7XL

Tel 01293 410333

DX Number

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  
Cardiff

DX 33050

COMPANIES HOUSE

30/05/2006

VHL ADMIN LIMITED (In Administration) ("The Company")  
Formerly VENTURE HIRE LIMITED of Venture House, 333 Western Avenue, London W3 0RS  
Company No. 03441042

# STATEMENT OF THE ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986; and  
Rule 2.33 of The Insolvency Rules 1986

*Please note that these Proposals are of a statutory nature and give enabling powers to the Administrators in order for them to continue to pursue the purposes of the Administration Order. Creditors should note, for the avoidance of doubt, that these are NOT Voluntary Arrangement proposals.*

## 1. Introduction

- 1.1 On 8 March 2006, pursuant to an application made by the directors, an Administration order was made in the High Court in respect of the Company and Malcolm Fillmore of Atherton Bailey & David Hudson & Mark Fry of Begbies Traynor were appointed Joint Administrators. The Administrators are to act jointly and severally. The Company operated as a provider of vehicles for hire, particularly to the insured accident repair market.
- 1.2 An Administration Order has the effect of freezing amounts owing to all creditors and, except with the leave of the Court or the consent of the Administrators, Administration stops legal proceedings against the Company. The intention of the legislation is to give the Company protection against claims, or attempts to wind the Company up, the enforcing of security, or the repossession of assets while efforts are made to achieve the purpose for which the Administration order was made.
- 1.3 The Administrators of a company must perform their functions with the objective of (in order of priority):
  - 1.3.1 rescuing the company as a going concern, or
  - 1.3.2 achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
  - 1.3.3 realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.4 The purpose of the Creditors' Meeting is to review the conduct of the Administration to date and to give appropriate powers and authority to the Administrators to achieve the purposes of the Administration. These specific proposals do not exclude the exercise by the Administrators of their powers and duties under the Insolvency Act 1986 and the Insolvency Rules 1986 [as amended].

## 2. Statutory Information

- 2.1 Annexed to these Proposals are the following details:
  - 2.1.1 An account of the circumstances giving rise to the application for administration (Appendix 1)
  - 2.1.2 A summary of the company's statutory details at the date of administration (Appendix 2)
  - 2.1.3 A draft Statement of Affairs (Appendix 3). A formal Statement of Affairs as at the date of the Administration is still being prepared.
  - 2.1.4 Rule 2.38 of The Insolvency Rules 1986, Entitlement to vote (Appendix 4)
- 2.2 This Administration is considered to be main proceedings as defined in the EC Regulation No. 1346/2000.

## 3. Post-Administration Management

- 3.1 The appointment of Administrators was in relation to what is conventionally known as a "pre-pack" in that it was in support of a sale of the Business as a going concern to a third party. In this case, the assets were sold immediately to a newly-formed subsidiary of Broker Assistance Limited for £20,000 plus a future rental stream for the owned vehicles which were transferred to the new company (which has adopted the name Venture Hire Limited for continuity).
- 3.2 All existing staff (with one exception) were transferred over, as were the various premises occupied by the Company. Arrangements were made with the one other staff member for him to be retained by an associated on-going company.
- 3.3 The principal realisable assets in the Administration are the management of the collection of the debtor book, which is subject to an invoice discounting facility with GE Commercial Finance. The debts are being collected by the "new" Venture Hire and this process is being overseen by the Begbies Traynor Administrators. It is expected that there will be a substantial surplus realised for unsecured creditors.
- 3.4 The other major asset is the realisation of the vehicle fleet, most of which is financed; the principal creditor being Bank of Scotland (Capital Bank). Under the terms of the Business Sale Agreement, the new company will continue to hire the fleet and pay monthly rentals to the Administrators, who will then make payments of interest or hire charges to the finance companies. There is a reasonable margin in this. As and when vehicles are returned by the new company, they will be sold and, it is expected that

there will be a reasonable equity in the fleet as a whole which can be realised for the benefit of unsecured creditors.

3.5 This exercise is being managed by John Connah, the former managing director of the Company with the added services of the one non-transferred employee mentioned above. An agreement has been formulated which rewards the managers partially on a success fee based on the aggregate funds realised for unsecured creditors. This orderly work-out is being overseen by Atherton Bailey and is anticipated to take about 15 to 18 months.

3.6 The Administrators have also been involved in the peripheral activities of dealing with the initial "hiatus" problems of, for example, vehicles being held by third parties under lien and dealing with issues arising from the transfer of the business.

#### **4. The Exit Route**

4.1 It is likely that, given there is expected to be a reasonable dividend available to unsecured creditors, in due course, we will apply to have the Company placed into Voluntary Liquidation. In the alternative, if cost-effective, we may seek to make an application to Court for power to distribute funds to creditors, to be followed by the Company's dissolution.

#### **5. Other Matters**

5.1 No issues have yet emerged which are outside the normal conduct of an administration.

#### **6. Forecast Outcomes**

6.1 At this stage, it is difficult to forecast the likely return to creditors. This will depend on the level of recovery of debtors and the agreement of the final claim of GE Capital, including any termination payments. The latter are still under discussion. Similar considerations apply to the realisation of the vehicle fleet, where the outcome will depend on the market value of vehicles as and when they are returned.

6.2 It is presently expected that there will be a material return to creditors.

#### **7. Administrators' Proposals**

7.1 The following are our Statement of Proposals for achieving the purposes of the Administration Order made in respect of the Company and which we make to the creditors for their consideration and, if thought fit, approval at the Meeting of Creditors to be held on 16 May 2006.

7.2 That we be given authority to manage the business and affairs of the Company in accordance with our professional judgement, taking independent or informed advice where we consider that to be appropriate and that we take such decisions on the future management of the Company as we consider appropriate.

7.3A That, following the realisation of the assets, we be empowered to file notice under Paragraph 83 of Schedule B1 Insolvency Act 1986 converting the Administration to a Voluntary Liquidation and that Malcolm Fillmore and Ranjit Bajon of Atherton Bailey be appointed Joint Liquidators. In accordance with Paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed liquidators, provided that the nomination is made after receipt of the Administrators' Proposals and before these Proposals are approved.

7.3B In the alternative to Proposal 7.3A, we be entitled, following the realisation of the assets, to make an application to the Court under Paragraph 65(3) of Schedule B1 to the Insolvency Act 1986 for authority to make distributions to unsecured creditors. Following the payment out of any funds held, the Administrators be entitled to seek the dissolution of the Company under Paragraph 84 of Schedule B1 of Insolvency Act 1986.

7.4 That we be empowered to review all existing contractual commitments and obligations of the Company and, where necessary, cause the Company to determine (if not already terminated) any such contractual commitments, which, in our view, are not beneficial to the Company.

7.5 That we be empowered to enter into and conclude negotiations with creditors and/or others as we consider may assist in the continuation or revival of the Company's business, or in the interests of the Bank of the general body of creditors.

7.6 That should the creditors so wish, a Committee of Creditors be elected in order to exercise the functions conferred on it by the Insolvency Act 1986.

7.7 That our remuneration for acting as Administrators be fixed by reference to the time properly given by us and our staff in attending to matters arising in the Administration including any costs incurred prior to administration in connection with advice and assistance given in placing the company into administration. Further that the Administrators be at liberty to draw fees up to actual time costs incurred from time to time from funds held by us. The hourly charge out rates for principals and staff likely to be involved in this case are set out as follows together with details and charges for indirect disbursements:

Atherton Bailey:

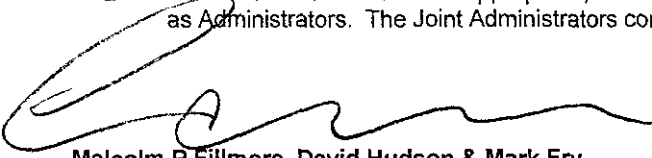
7.7.1a Partners £230-250, Senior Professional Staff £105-£180 and administrative and support staff £75 - £100.

Begbies Traynor:

7.7.1b Partners £400-£350, Senior Professional Staff £185-£295 and administrative and support staff £110-£120

7.7.2 Indirect disbursements to be charged at the rate of 20 pence per letter, 10 pence per photocopy and 40 pence per mile plus 5 pence for additional persons travelling in the same car.

- 7.8 That, should circumstances require, we be empowered to convene further meetings of the creditors and members at such time as we may propose in order to seek their approval to any other proposals.
- 7.9 That in the exercise of our powers and in doing anything where we believe it is appropriate or necessary to seek the consent or approval of creditors and, where the law so allows, any Committee of Creditors elected will have the authority to act on behalf of all creditors.
- 7.10 That we may do all such other things as we, in our discretion, consider will preserve protect or enhance the business and/or assets of the Company and/or are incidental to these proposals and their implementation.
- 7.11 That we take and implement such other consequential decisions as, in our judgement, will benefit the creditors of the Company.
- 7.12 That as soon as we deem it appropriate, we seek a discharge of the Administration Order and our release as Administrators. The Joint Administrators contract as agents of the company without personal liability.



Malcolm P Fillmore, David Hudson & Mark Fry  
Joint Administrators  
24 April 2006

**VHL ADMIN LIMITED (In Administration) ("The Company")**  
**Formerly VENTURE HIRE LIMITED**

**An Account of the Circumstances giving rise to the Administration**

1. The business conducted by the Company has its roots in activities undertaken by the former United Dairies which was the subject of a management buy-out many years ago with the setting up of the Venture group of companies. Over the years since, there have been a number of group reorganisations and businesses have been formed, bought and/or sold.
2. The Company was formed in September 1997 under the name Accident Support Facilities Limited and has since had various names, including a change to Venture Mobility Limited in January 2002 and to Venture Hire Limited in April 2003.
3. The principal business of the Company has been to supply vehicles into the accident repair market, particularly the more specialist vehicles, including motorcycles. The vehicle fleets were financed by various agreements under hire purchase or leasing and the rationale of the business allowed for both a profit rental on the re-hiring out and also a surplus on the resale of the vehicle.
4. During 2005, the business suffered a downturn, which given its highly geared state, resulted in trading losses. The vulnerability of the business to the vagaries of the market led to a Group management decision to divest the business and in the latter part of 2005, negotiations were entered into with Broker Assistance Limited, who were a more substantial business in a similar field but who had concentrated on the mass market and thus adding the specialist business of the Company made commercial sense.
5. Initially it was hoped that a sale of the business would be completed by the end of November 2005 but negotiations were protracted as the intended purchaser carried out due diligence and sought its own Board approval. In addition, the purchaser needed to conduct negotiations with its own funders for finance facilities to allow for business continuity. During this period, cash-flow was very tight at the Company and informal arrangements were made with a number of its creditors, including in respect of VAT and PAYE. Some additional finance was provided by Group companies to assist in the continuation of trading.
6. During this period, advice was taken from Atherton Bailey to ensure that the creditors' best interests were being protected. In mid-January 2006, the Board of Broker Assistance Limited approved the acquisition in principal and entered into final negotiations, with the intention of completing on 28 February. In the meantime, it was necessary to have regular discussions with HM Revenue & Customs to avoid the issue of winding-up proceedings.
7. An all-parties meeting was convened at Broker Assistance's solicitors in Sheffield on 2 February, at which the various outstanding matters were discussed and it was particularly identified the risks to continuity and to the outcome for the Company's creditors if the negotiations with GE Commercial Finance were not carefully handled. GE had a fixed and floating charge debenture giving them a right to foreclose on the Company and its assets. This would have been likely to have caused the sale negotiations to be adversely affected.
8. It was therefore agreed that the best solution to maximise the recoveries for both secured and unsecured creditors would be for the sale and purchase to be completed immediately following the appointment of administrators, with a firm on GE's "panel" being appointed jointly with Atherton Bailey representing the other creditors.
9. Following the finalisation of the sale negotiations, the Company, with the agreement of GE, filed for the appointment of Administrators on 8 March 2006.

## VHL ADMIN LIMITED (IN ADMINISTRATION)

## STATUTORY INFORMATION

Company Registration Number:	03441042
Date of Incorporation:	29 September 1997
Share Capital:	authorised, allotted, called up and fully paid 2 ordinary shares of £1 each.
Ordinary Shares:	2
Current Directors:	John Stuart Connah Stephen McCullagh
Former Directors	Graham Alan Jocelyn Cole Wimpole Street Nominees Limited
Company Secretary:	John Stuart Connah
Shareholders:	Venture Hire Group Limited
Registered Office:	Arundel House, 1 Amberley Court, Whitworth Road, County Oak, Crawley RH11 7XL, (previously, Venture House, 333 Western Avenue, London W3 0RS)

## VHL ADMIN LIMITED (In Administration) ("The Company")

Summary Draft Statement of Affairs  
[based on pre-Administration Discussions]

£000s

## Assets (pledged to a GE Commercial Finance)

Debtors	725	
Less: Amount Financed	425	
	-----	300

## Assets (Subject to HP Finance)

Motor Vehicles	1,850	
Less: Due under HP/Finance	1,550	
	-----	300

## Less: Direct Realisation &amp; Finance Costs

600  
150  
-----

## Tangible Assets

450  
20  
-----  
470

## Less: Preferential Creditors

0  
-----  
470

## Non-Preferential Creditors

Trade Creditors	150	
PAYE/VAT	260	
Intercompany Financing	530	
	-----	940

## Estimated Deficiency before Costs/Expenses of Administration etc

£470  
=====

Note: This Statement is based on outline figures discussed immediately prior to Administration and must be considered Provisional whilst the formal Statement of Affairs is prepared.



## VHL ADMIN LIMITED (IN ADMINISTRATION)

Notes regarding Entitlement to Vote at the initial Creditors' Meeting  
under paragraph 51 of Schedule B1 to the Insolvency Act 1986

## Rule 2.38 of The Insolvency Rules 1986 - Entitlement to Vote

**2.38 (1)** - Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if:-

- (a) he has given to the administrator, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of the debt which
  - (i) he claims to be due to him from the company; or
  - (ii) in relation to a member State liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office;
- (b) the claim has been duly admitted under the following provisions of this Rule; and
- (c) there has been lodged with the administrator any proxy which he intends to be used on his behalf,

and details of the debt must include any calculation for the purposes of Rules 2.40 to 2.42.

**2.38 (2)** - The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a) if satisfied that the failure was due to circumstances beyond the creditor's control.

**2.38 (3)** - The chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim.

**2.38 (4)** - Votes are calculated according to the amount of a creditor's claim as at the date on which the company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes are counted.

**2.38 (5)** - A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.

**2.38 (6)** - No vote shall be cast by virtue of a claim more than once on any resolution put to the meeting.

**2.38 (7)** Where

- (a) a creditor is entitled to vote under this Rule;
- (b) has lodged his claim in one or more sets of other proceedings; and
- (c) votes (either in person or by proxy) on a resolution put to the meeting; and
- (d) the member State liquidator casts a vote in respect of the same claim,

only the creditor's vote shall be counted.

**2.38 (8)** - Where

- (a) a creditor has lodged his claim in more than one set of other proceedings; and
- (b) more than one member State liquidator seeks to vote by virtue of that claim,

the entitlement to vote by virtue of that claim is exercisable by the member State liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings.

**2.38 (9)** - For the purposes of paragraph (6), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.

**2.38 (10)** - For the purposes of paragraphs (7) and (8), "other proceedings" means main proceedings, secondary proceedings or territorial proceedings in another member State.