

**Notice of move from
administration to dissolution**

Name of Company
Coventry Electrical Wholesalers Limited

Company number
03654113

In the High Court of Justice, Chancery Division, Companies Court
--

Court case number
9884 of 2011

We Richard James Philpott
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH United Kingdom

Mark Jeremy Orton
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

having been appointed Administrators of Coventry Electrical Wholesalers Limited One Snowhill Snowhill
Queensway Birmingham

on 11 November 2011 by Qualifying Floating Charge Holder

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed



Dated

Joint Administrator
3 May 2013

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 researchers of the public record.

Victoria Horishny KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH United Kingdom	
DX Number DX 709850 Birmingham 26	Tel +44 116 2566036 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

TUESDAY



A20

A27VPA49

07/05/2013

#80

COMPANIES HOUSE



Coventry Electrical Wholesalers Limited - in administration

Report to Creditors pursuant to Rules 2.110 and 2.47
of the Insolvency Rules 1986 (as amended)

For the period
11 April 2013 to 3 May 2013

KPMG LLP
3 May 2013
This report contains 18 pages
Appendices contain 9 pages
Rjp/rm/vh/1f



About this Report

This Report has been prepared by Richard James Philpott and Mark Jeremy Orton, the Administrators of Coventry Electrical Wholesalers Limited, solely to comply with their statutory duty under the Insolvency Act and Rules 1986 to provide creditors with an update on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Coventry Electrical Wholesalers Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Act and Rules 1986 does so at their own risk. To the fullest extent permitted by law, the office holders do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Richard James Philpott and Mark Jeremy Orton are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Coventry Electrical Wholesalers Limited and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Contents

1	Glossary	1
2	Executive Summary	2
3	Statement of Proposals	3
4	Progress of the administration	3
5	Funds available to creditors	5
6	Conclusion	6

Appendix 1 -	Statutory information
Appendix 2 -	Office holders' receipts and payments account
Appendix 3 -	Analysis of office holders' time costs
Appendix 4 -	Schedule of expenses
Appendix 5 -	Joint Administrators' proposals



1 Glossary

Administration Order	The Administration Order granted in the High Court of Justice, Chancery Division, Companies Court, Court Order Number 9884 of 2011
Administrators/ Joint Administrators	Richard James Philpott Mark Jeremy Orton of KPMG LLP
the Bank/RBSIF	RBS Invoice Finance Limited
the Company	Coventry Electrical Wholesalers Limited
our Agents	Jones Lang LaSalle
VBDR	VAT bad debt relief
Act	The Insolvency Act 1986 (as amended by The Enterprise Act 2002)
Rules	The Insolvency Rules 1986 (as amended)
the Period	11 April 2013 to 3 May 2013

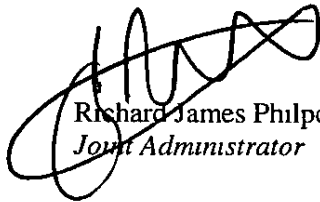
2 Executive Summary

This progress report is provided pursuant to Rules 2.110 and 2.47 of the Insolvency Rules 1986 (as amended) covering the period 11 April 2013 to 3 May 2013 ("the Period"). We enclose Form 2.24B providing formal notice to that effect.

As previously advised, the administration was extended by six months, pursuant to Paragraph 76(2)(b) of Schedule B1, Insolvency Act 1986 (as amended), to 10 May 2013, with the consent of the secured and preferential creditors.

As all outstanding matters have been dealt with, the Joint Administrators have taken steps to place the company into dissolution. Please find enclosed Form 2.35B providing formal notice to that effect.

Full details of the Administrators Progress Report are attached together with all the relevant statutory information included by way of Appendices.



Richard James Philpott
Joint Administrator

3 Statement of Proposals

The Administrators' Statement of Proposals was circulated on 4 January 2012

In accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986 (as amended), as no distribution other than by virtue of the Prescribed Part was expected, the Administrators elected not to hold a meeting of creditors. Furthermore, no creditors challenged the decision not to hold a creditors meeting.

As a result of the above, the Joint Administrators' Proposals, were deemed to have been approved by the Company creditors in accordance with Rule 2.33(5) of the Insolvency Rules 1986 (as amended). A summary of these Proposals is shown at Appendix 5. There have been no amendments or deviations from these proposals over the course of the administration.

As no creditors' meeting was called, the Joint Administrators remuneration was approved by the secured and preferential creditors, in accordance with Rule 2.106(5A) of the Insolvency Rules 1986 (as amended).

4 Progress of the administration

4.1 Progress in the Period

A final VAT return was submitted and the Company's bank accounts were closed.

All outstanding matters have now been dealt with and the Joint Administrators have taken steps to place the company into dissolution.

A summary of steps taken during the Administration are set out below.

4.2 Sale of business

Following appointment, the Administrators investigated the possibility of a sale of business. Unfortunately, no formal offers were received for the business or any of the assets.

4.3 Leasehold properties

As a sale of business was not possible, an assessment of the four leasehold properties and serviced head office accommodation was undertaken. However, it was determined that there was no value in the leases and in order to avoid any rental costs which would fall to be an expense of the administration, the properties would be exited prior to the end of December 2011.

4.4 Stock, equipment and fixtures & fittings

Our Agents' advised that the realisable value of the Company's stock and equipment was low. Furthermore, stock was subject to a significant number of retention of title ("ROT") claims.

Following a review of ROT claims and the limited value in the goods, creditors with retention of title claims were invited to collect stock held at the leasehold properties

Our Agents marketed the remaining assets for sale and an offer of £5,500 was accepted for stock, plant and machinery, furniture & IT equipment. This offer was below our Agents' initial valuation but was accepted in order to vacate the properties, to avoid additional rental charges being incurred.

4.5 Motor vehicles

The Company had two unencumbered vehicles which were sold for £6,240, in line with our Agents' valuation.

4.6 Book debts

Book debt collections totalled £193,657 and were subject to RBSIF's fixed charge security. The book debts were paid directly to RBSIF.

RBSIF have suffered a shortfall against its indebtedness. As such, there will be no surplus book debts available for the unsecured creditors.

4.7 VAT bad debt relief ("VBDR") claim

A VBDR claim was submitted by the Company during the administration which was agreed and paid by HM Revenue & Customs, realising £208,845.

4.8 Costs of realisations

4.8.1 Joint Administrators' remuneration

In the period, 11 April 2013 to 3 May 2013, the Joint Administrators have incurred time costs of £6,365, representing 23 hours at an average hourly rate of £271. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG LLP in-house specialists. A detailed analysis of time spent is attached at Appendix 3.

The Joint Administrators' have incurred no outlays or disbursements for the period 11 April 2013 to 3 May 2013.

In summary, the key areas in which the Administrators' costs have been necessarily incurred in the Period are as follows:

- Creditor correspondence and reporting requirements, and
- Matters required to bring the Administration to an orderly close.

The Joint Administrators total time costs and disbursements since appointment (11 November 2011) are £358,758 and £2,621 47 respectively

The statutory provisions relating to remuneration are set out in Rule 2 106 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf however, if you are unable to access this guide and would like a copy please contact Victoria Horishny

In accordance with Rule 2 106(5A) of the Insolvency Rules 1986 (as amended), as the Joint Administrators made a statement under paragraph 52(1)(b) of the Act, fees are to be fixed by the approval of the secured and preferential creditors

As previously reported, the Administrators' fees were approved by the secured and preferential creditors on 1 November 2012 on a time costs basis. Total Administrators' fees amount to £173,283, of which £173 74 has not yet been paid, but will be settled by the receipt of the final VAT repayable

4 8.2 *Other costs of realisations*

A schedule of expenses for the period of 11 April 2013 to 3 May 2013 is shown at Appendix 4 which includes Administrators' costs accrued in the Period

As detailed above, total Administrators' fees amount to £173,283 and Administrators' time costs will not be recovered in full

5 **Funds available to creditors**

5.1 1 *Secured creditors*

As previously detailed, RBSIF provided an invoice discounting facility to the Company, and RBSIF's estimated indebtedness at appointment was £1 366m (before termination charges)

RBSIF have suffered a shortfall against its indebtedness based on final debtor collections of £193,657 and a distribution of £9,899 29 under its floating charge

5 2 **Preferential creditors**

A distribution of £32,555 28 was made to the preferential creditors in respect of employee arrears of wages and holiday pay, repaying preferential creditor claims in full

5 3 **Unsecured creditors**

After deducting all the costs of realisations from total floating charge realisations (as set out in Appendix 2), net property will fall below £10,000 and the benefits of making a distribution to creditors (approximately 465 creditors totalling £2 8 million) would be outweighed by the costs of making the distribution



As such, in accordance with S175A(3) of the Act, the provisions of the prescribed part have been disapplied and there will be no distribution to the unsecured creditors

6 Conclusion

In accordance with the Joint Administrators' approved Proposals, it is deemed appropriate to seek to move the Company into dissolution

The Joint Administrators have concluded their statutory duties required in the administration and are filing a notice under Paragraph 84(1), Schedule B1 of the Insolvency Act 1986 with the Registrar of Companies. Following registration of this the Company will be dissolved three months thereafter.

This concludes the Joint Administrators' final report to creditors

Appendix 1 - Statutory information

Company name and Trading style	Coventry Electrical Wholesalers Limited Wholesaler of electrical goods		
Administration Order	The Administration Order granted in the High Court of Justice, Chancery Division, Companies Court, Court Order Number 9884 of 2011		
Date of appointment	11 November 2011		
Present Administrators' details	<p>Richard James Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p> <p>Mark Jeremy Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p>		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations		
Company Directors		Appointed	Resigned
	Simon Collins	22/10/1998	n/a
	Simon John Tuffield	01/10/2001	n/a
Company Secretary	Lisa Collins		
Date of incorporation	22 October 1998		
Company registration number	03654113		
Previous registered office	Unit 1 Lagrange, Lichfield Road Industrial Estate, Tamworth, Staffordshire, B79 7XD		
Present registered office	One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH		



Coventry Electrical Wholesalers Limited - in administration
Progress report 11 April 2013 to 3 May 2013
KPMG LLP
3 May 2013

Appendix 2 - Office holders' Receipts and Payments account for the period 11 April 2013 to 3 May 2013



Appendix 3 - Analysis of office holders' time costs for the period 11 April 2013 to 3 May 2013

	Partner / Director	Manager	Admin- istrator	Total hours	Time cost	Average hourly rate
Administration & planning						
Cashiering						
General (Cashiering)			1 90	1 90	£475 00	£250 00
Reconciliations (& IPS accounting reviews)			0 20	0 20	£50 00	£250 00
Statutory and compliance						
Closure and related formalities			7 25	7 25	£1,812 50	£250 00
Statutory receipts and payments accounts			0 20	0 20	£50 00	£250 00
Tax						
Post appointment corporation tax		1 00	1 00	2 00	£615 00	£307 50
Post appointment VAT	0 20	0 30	2 35	2 85	£728 75	£255 70
Creditors						
Creditors and claims						
General correspondence			0 10	0 10	£25 00	£250 00
Statutory reports		3 30	5 25	8 55	£2,517 00	£294 39
Employees						
Correspondence		0 10		0 10	£36 50	£365 00
Pensions reviews			0 30	0 30	£55 50	£185 00
Total in period	0 20	4 70	18 55	23 45	£6,365 25	£271 44

All staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

Scale Rates

The table below details the relevant charge out rates during the period

Scale rates	2011/12 £	2012/13 £
Partner	535	565
Director	460	485
Senior Manager	425	450
Manager	345	365
Administrator	240	250
Assistant Administrator	175	185



Office holders' time costs for the period 11 November 2011 to 3 May 2013

	Partner / Director	Manager	Admin- istrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Asset Realisation							
Health & safety			2 00		2 00	£350 00	£175 00
Cashiering							
General (Cashiering)			3 50	0 30	3 80	£873 00	£229 74
Employees							
Agreeing employee claims	0 30				0 30	£160 50	£535 00
Correspondence		13 30	6 90		20 20	£5,822 00	£288 22
Pensions reviews			0 70		0 70	£168 00	£240 00
Tax							
Initial reviews - CT and VAT			1 80		1 80	£432 00	£240 00
Post appointment corporation tax			0 76		0 76	£133 00	£175 00
Post appointment VAT			2 35		2 35	£411 25	£175 00
Administration & planning							
Cashiering							
Fund management	0 10				0 10	£46 00	£460 00
General (Cashiering)	0 40		16 05	0 80	17 25	£4,188 75	£242 83
Reconciliations (& IPS accounting reviews)			3 50		3 50	£856 00	£244 57
General							
Books and records		5 00	53 26		58 26	£11,883 40	£203 97
Fees and WIP		4 30	0 70		5 00	£1,776 25	£355 25
Statutory and compliance							
Appointment and related formalities	2 50	7 30	26 09	0 30	36 19	£8,807 05	£243 36
Bonding and bordereau			1 60		1 60	£368 75	£230 47
Checklist & reviews	0 30	7 00	13 25		20 55	£5,258 60	£255 89
Closure and related formalities		0 75	59 75		60 50	£11,563 75	£191 14
Pre-appointment checks			2 50	1 75	4 25	£630 00	£148 24
Reports to debenture holders	7 80	1 00		0 40	9 20	£4,577 00	£497 50
Statutory advertising			1 56		1 56	£273 00	£175 00
Statutory receipts and payments accounts			0 50		0 50	£122 00	£244 00
Strategy documents	2 90	3 50	9 00		15 40	£4,404 00	£285 97
Tax							
Initial reviews - CT and VAT		0 30	4 50		4 80	£1,128 50	£235 10
Post appointment corporation tax	0 70	8 00	23 45		32 15	£9,000 00	£279 94
Post appointment VAT	3 00	29 80	19 15		51 95	£15,573 50	£299 78
Creditors							
Creditors and claims							
Agreement of preferential claims		10 00			10 00	£3,650 00	£365 00
Agreement of unsecured claims			1 75		1 75	£371 25	£212 14
General correspondence	1 90	12 60	62 68	0 10	77 28	£17,322 45	£224 15
Notification of appointment			0 20		0 20	£35 00	£175 00
Payment of dividends		0 70			0 70	£255 50	£365 00
Pre-appointment VAT / PAYE / CT			3 00		3 00	£720 00	£240 00
ROT Claims		11 90	98 35		110 25	£21,420 75	£194 29
Secured creditors		9 60			9 60	£3,312 00	£345 00
Statutory reports	1 20	14 00	70 47		85 67	£19,270 50	£224 94
Employees							
Correspondence	0 20	16 30			16 50	£5,798 50	£351 42
DTI redundancy payments service		0 60			0 60	£207 00	£345 00
Pension funds		0 20			0 20	£69 00	£345 00
Pensions reviews		0 20	15 55	0 30	16 05	£3,292 50	£205 14
Investigation							
Directors							
Correspondence with directors			4 05		4 05	£708 75	£175 00
D form drafting and submission		1 50	17 20		18 70	£3,615 25	£193 33
Directors questionnaire / checklist			1 90		1 90	£332 50	£175 00
Statement of affairs			2 10		2 10	£367 50	£175 00
Investigations							
Correspondence re investigations			0 35		0 35	£61 25	£175 00
Review of pre-appt transactions		0 25	0 50		0 75	£211 25	£281 67



Coventry Electrical Wholesalers Limited - in administration

Progress report 11 April 2013 to 3 May 2013

KPMG LLP

3 May 2013

Realisation of assets							
Asset Realisation							
Debtors	9 70	344 05	215 60	3 80	573 15	£163,092 25	£284 55
Health & safety		0 60			0 60	£207 00	£345 00
Leasehold property		7 90	21 45		29 35	£7,553 50	£257 36
Office equipment, fixtures & fittings			2 00		2 00	£350 00	£175 00
Open cover insurance			4 78		4 78	£1,044 00	£218 41
Other assets			33 15		33 15	£5,801 25	£175 00
Plant and machinery			4 70		4 70	£1,046 75	£222 71
Pre-appointment tax & VAT refunds			0 50		0 50	£120 00	£240 00
Sale of business		11 00	7 10		18 10	£5,096 00	£281 55
Stock and WIP	0 80	7 10	4 50		12 40	£3,702 50	£298 59
Vehicles			4 50		4 50	£917 50	£203 89
Total in period	31 80	528 75	829 25	7 75	1,397 55	£358,758 00	£256 70

The Administrators' fees have been approved by the secured and preferential creditors on a time cost basis

Creditors are to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2 48A IR86 This request must be made within 21 days receipt of the report The full text of that rule can be provided on request In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2 109 IR86 The full text of this rule can also be provided on request

Rjp/rm/vh/1f

See Notice About this report. All rights reserved



Appendix 4 - Schedule of expenses for the period 11 April 2013 to 3 May 2013

Nature of the expense	Account	Accrued in the Period (£)	Paid in the Period (£)	Total (£)
Costs of realisations	Administrators' fees	6,365 25	-	6,365 25
Total		6,365.25	-	6,365.25

The accrued costs represent Administrators' time costs incurred in the Period. Administrators' fees totalling £173,283 were drawn in prior periods, with an amount of £173 74 outstanding which will be paid from the VAT receivable claim. No additional Administrators' fees are to be drawn.

Appendix 5 – Joint Administrators’ Proposals

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above
- To investigate and, if appropriate, pursue any claims the Company may have
- To seek an extension to the administration period if deemed necessary by the Administrators
- That the Administrators be permitted to pay any realisations to preferential creditors
- If the Administrators think funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator, should one be appointed, and that the cost of so doing be met as a cost of the Administration as part of the Administrators’ remuneration. The Administrators may, at their discretion, adjudicate the claims of unsecured creditors and seek the permission of the court for a distribution to be made to the unsecured creditors by the Administrators pursuant to Paragraph 65(3) Sch B1 of the Act
- If a distribution is available to unsecured creditors, and the Administrators deem that creditors’ voluntary liquidation is the most appropriate exit, to seek the appointment of Richard James Philpott and Mark Jeremy Orton as Joint Liquidators of Coventry Electrical Wholesalers Limited without any further recourse to creditors. Any act required or authorised under any enactment to be done by Richard James Philpott and Mark Jeremy Orton, the proposed Joint Liquidators, may be done by one of them.
- In the event that the Administrators deem that liquidation is not appropriate because no dividend will become available to creditors, and there are no other outstanding matters that require to be dealt with in a liquidation, then the Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved
- That the Administrators be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also, that the Administrators be authorised to draw disbursements from time to time
- That the costs of KPMG LLP in respect of forensic, tax, VAT and pension advice provided to the Administrators be based upon time costs and shall be paid out of the assets of the Company.
- That in the event the administration moves to creditors’ voluntary liquidation under Paragraph 83 of the Act, and the Administrators become the Joint Liquidators, the



Coventry Electrical Wholesalers Limited - in administration

Progress report 11 April 2013 to 3 May 2013

KPMG LLP

3 May 2013

basis of the remuneration fixed in the administration will continue to apply in the liquidation in accordance with Rule 4 127(5A) of the Rules

- That the Administrators be discharged from liability in respect of any action of theirs as Administrators pursuant to paragraph 98(1) of Schedule B1 of the Act, upon filing of the final Receipts and Payments account in accordance with Rule 2 110 of the Rules Other matters

Rjp/rm/vh/lf

See Notice About this report All rights reserved