

The Insolvency Act 1986

Administrator's progress report

Name of Company

Battery Distribution Group Limited

Company number

03567783

In the
High Court of Justice, Chancery Division,
Birmingham District Registry

(full name of court)

Court case number
8610 of 2013(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
Ian Carr
Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FYNicholas Wood
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Joint administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 3 December 2013

(b) 2 June 2014

Signed


Joint Administrators

Dated

27/6/14

Contact DetailsYou 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
formThe contact information that you give
will be visible to searchers of the
public recordIan Carr
Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

DX Number

01223 225600
DX Exchange

Company

WEDNESDAY



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02/07/2014

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COMPANIES HOUSE

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



Grant Thornton

Our Ref ISC/PAM/RJJ/TXA/B02093/
Your Ref

To the creditors

27 June 2014

Dear Sirs

Advisory

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

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Battery Distribution Group Limited - In Administration (the Company)
High Court of Justice, Chancery Division, Birmingham District
Registry
No 8610 of 2013

1 Introduction

1.1 Following my appointment as joint administrator of the Company with Ian Carr by the qualifying floating charge holder on 3 December 2013, I now report on the progress of the administration to 2 June 2014 and attach

- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period from 3 December 2013 to 2 June 2014
- Appendix B, a statement of the remuneration charged by the joint administrators in the period 3 December 2013 to 2 June 2014 and a statement of expenses incurred in the period
- Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners

1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

2 Statutory information

2.1 The Company's statutory details are as follows

Registered number 03567783

Registered office c/o Grant Thornton UK LLP,
4 Hardman Square, Spinningfields,
Manchester, M3 3EB

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No. 0307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address. Please see www.grantthornton.co.uk for further details.

3 Introduction

- 3 1 The Company was incorporated in 1998 and operated as a supplier and distributor of batteries mainly for cars and light commercial vehicles, but also for a range of other commercial and leisure applications. At the time of our appointment, the Company operated from a leasehold head office and warehouse site in Aldridge, West Midlands and had three other leasehold sites in Exeter, Glasgow and Southbourne.
- 3 2 The Statement of administrators' proposals (the Proposals) were circulated to all known creditors on 21 January 2014 and were deemed to be approved on 31 January 2014.
- 3 3 The objective of the administration is to realise the assets for the benefit of the preferential and secured creditors.
- 3 4 As shown in the administrators' receipts and payments account at appendix A, Aldermore Bank Plc (the Bank) provided funding of £5,000 to assist with immediate costs which related to retained staff consultancy costs and the on-going maintenance of the computer systems.

4 Pre-appointment expenses

- 4 1 We received pre-administration legal advice from Shakespeares Legal LLP. Costs incurred in this regard amount to c £6,000 and have not been paid. It is our intention to seek approval for this cost to be met as an expense of the administration.

5 Progress report

Assets

- 5 1 A Statement of Affairs has been received from the Directors subsequent to the Proposals being circulated to creditors, and has been filed at Companies House. Estimated to realise values per the Statement of Affairs are shown at Appendix A, together with my receipts and payments account.

Debtors

- 5 2 The Company's books and records on appointment showed outstanding book debts of £914,869.
- 5 3 J P Associates Ltd (JPA) are continuing to deal with book debt collections, with assistance from solicitors as necessary. All book debt receipts are paid directly into JPA's account and therefore do not appear in the Administrators' receipts and payments account.
- 5 4 Due to there being a significant shortfall to the Bank in relation to the Confidential Invoice Discounting Facility that was provided to the Company, there is no prospect of any surplus being generated from the book debts for the benefit of the preferential or unsecured creditors.

Stock

- 5 5 On appointment, my representatives attended each of the four sites to confirm the existence of and secure any stock and other assets at the sites. Negligible quantities of stock were found, estimated to be valued between £5,000 and £10,000. Such stock was either collected under Retention of Title claims, or was scrapped where it had no realisable value.

Plant, machinery and furniture

- 5 6 Edward Symmons LLP (ES) were appointed to act as my agents to assist in the sale of the Company's chattel assets.
- 5 7 As stated in the Proposals, two offers were received for unencumbered assets located at the head office site in Aldridge and I concluded a sale for all of these items for £3,000 (excluding VAT).
- 5 8 Based on advice from my agents, a separate offer of £1,300 (excluding VAT) was accepted from a different party in respect of three forklift trucks located at the three other leasehold sites.

Motor vehicles

- 5 9 The Company owned three unencumbered vehicles. Two of these vehicles were not roadworthy and were sold as part of the asset sale of £3,000 referred to above. The other vehicle was sold for £3,500 on my agents' recommendation.

Other assets

- 5 10 Additional realisations totalling £6,319 have been received in the period through refunds from various sources, Driver and Vehicle Licensing Agency refunds (£1,411), utility refunds (£465) and business rates refunds (£4,443).
- 5 11 As outlined in the Proposals, I consider there to be certain irregularities in the Company's financial records. My investigations are on-going and will include identifying any further Company assets which may be realisable.
- 5 12 As part of my duties as joint administrator, I am also investigating the reasons for the failure of the Company. In this regard I have taken control of the Company's paper and electronic books and records. My investigations into all matters are on-going.
- 5 13 Through part of my investigations, I have interviewed one of the directors of the Company, Mr Wayne Daniel, in order to ascertain the background for the failure of the Company. I am currently following up with aspects of his account of events. I am currently liaising with the other director, Mr Barry Dunlop, to interview him in relation to his involvement with the Company and its failure.
- 5 14 I have also obtained third party files and am reviewing them to ascertain whether this provides any further information regarding the failure of the Company or any Company assets.

6 Liabilities

Secured creditor

- 6 1 The Bank's indebtedness on appointment amounts to £1,204,364 and is secured by a fixed and floating charge over the Company's assets. The Bank's indebtedness is stated prior to any additional charges and fees which may be applicable.
- 6 2 The outcome for the Bank is largely dependent on the outcome of debtor realisations. As mentioned above, at this stage it appears likely that the Bank will suffer a significant shortfall on its funding.

Preferential creditors

- 6 3 Employees of the Company have preferential claims in respect of holiday pay and arrears of wages. Such claims will be met within the statutory limits by the Redundancy Payments Office (RPO) which will then make a claim against the Company in respect of payments made in this regard to employees. We estimate that such claims amount to £21,899. However, I am awaiting verification of the claims from the RPO.
- 6 4 At present, I do not anticipate that there will be funds available to enable a distribution to be made to the preferential creditors.

Unsecured creditors

- 6 5 I anticipate that there will be a shortfall to the Bank in respect of amounts due to it under its floating charge. As such, I do not anticipate that there will be any funds available to enable a distribution to unsecured creditors.

7 Joint administrators' remuneration and expenses

- 7 1 The basis of the joint administrators' remuneration is to be fixed by the secured and preferential creditors. The time costs for this administration for the period from 3 December 2013 to 2 June 2014 are £134,358. Based on realisations achieved and anticipated, there will be insufficient funds available for my time costs to be recovered in full.
- 7 2 Expenses in the period total £2,619 and relate to various costs incurred: obtaining the insolvency practitioners bond, postage, travel, courier, telephone, subsistence and expenses in respect of the ongoing investigative work.
- 7 3 You will note from Appendix A that I have yet to draw any fees or expenses on account.
- 7 4 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

8 Other expenses incurred by the joint administrators

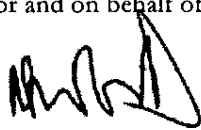
- 8 1 Consultancy costs totalling £1,187 have been paid to two former employees in relation to administrative tasks that were undertaken following our appointment.

- 8 2 Professional fees of £1,750 have been paid to Baldwins (Leamington) Limited in relation to preparation of the statement of affairs and £100 has been paid to Canda Systems Limited in relation to accessing the Company's computer systems ERA Solutions were paid £900 for providing assistance to the employees following redundancy
- 8 3 Lombard North Central PLC has been paid £956 for maintaining the Company servers
- 8 4 The sum of £1,220 was paid to JLT Specialty Limited in relation to various insurance matters
- 8 5 GMS Property Services Limited was paid £958 in respect of securing the four leasehold sites on appointment
- 8 6 Courts Advertising Limited was paid £85 in respect of statutory advertising of my appointment
- 8 7 Cintas Document UK Limited was paid £312 in relation to the storage of Company books and records
- 8 8 Edward Symmons LLP were paid £1,000 for valuation and advice on the Company's chattel assets

9 Other matters

- 9 1 Any creditors with information which they consider may be helpful to our enquiries in this matter should write to me at the address shown above
- 9 2 Should you have any queries in relation to the content of this report, please contact Andrew Aindow on 0161 953 6361

Yours faithfully
for and on behalf of Battery Distribution Group Limited



Nicholas Wood
Joint Administrator

The affairs, business and property of Battery Distribution Group Limited are being managed by Ian Carr and Nicholas Wood, appointed as joint administrators on 3 December 2013

Enc

Battery Distribution Group Limited - in
administration
Receipts and payments account
from 3 December 2013 to 2 June 2014

	Statement of affairs £	Total £
Receipts		
Advances From Factors		5,000 00
Fixtures & Fittings	3,000 00	0 00
Plant & Machinery		1,300 00
Furniture & Equipment	1,000 00	3,000 00
Motor Vehicles	4,500 00	3,500 00
Stock	70,000 00	0 00
Bank/ISA InterestGross		2 30
Misc Refunds		6,319 28
Vat on Sales		860 00
		<u>19,981 58</u>
Payments		
Insurance		1,114 59
Lease/HP Payments		956 48
Agents Fees		1,000 00
Professional Fees		2,750 00
Storage Costs		311 50
Statutory Advertising		84 60
Other Property Expenses		958 21
Insurance of Assets		106 00
Bank Charges		30 00
Consultancy costs		1,186 81
Vat on Purchases		1,020 86
		<u>9,519 05</u>
Balance - 2 June 2014		<u><u>10,462 53</u></u>
Made up as follows		
Floating Current Account		10,462 53
		<u><u>10,462 53</u></u>

The Insolvency Act 1986

Administrator's progress report

Name of Company

Battery Distribution Group Limited

Company number

03567783

In the

High Court of Justice, Chancery Division,
Birmingham District Registry

(full name of court)

Court case number

8610 of 2013

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

We (a)

Ian Carr
Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FYNicholas Wood
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Joint administrators of the above company attach a progress report for the period

From

(b) 3 December 2013

To

(b) 2 June 2014

(b) Insert date

Signed


Joint Administrators

Dated

27/6/14

B Remuneration charged and expenses incurred by the administrators in the period

	Charged/incurred in period 03/12/2013 to 02/06/2014	Of which paid to 02/06/2014
	£	£
Joint administrators' fees	134,359	0
Time costs		
Expenses	2,619	0
Professional fees		
Canda Systems Limited	100	100
ERA Solutions Limited	900	900
Baldwins (Leamington) Limited	1,750	1,750
Lease/HP payments	956	956
Lombard North Central PLC		
Agents/valuers:	1,000	1,000
Edward Symmons LLP		
Storage costs	312	312
Cintas Document UK Limited		
Statutory advertising	84	84
Courts Advertising Limited		
Property expenses	958	958
GMS Property Services Limited		
Consultancy costs	1,186	1,186
Insurance	1,220	1,220
JLT Speciality Limited		

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

	From 01/07/09	From 01/07/10	From 01/07/11	From 01/07/12	From 01/07/13
	£	£	£	£	£
Partners up to	510	535	560	580	600
Managers up to	385	405	425	440	455
Administrators up to	275	285	300	310	320
Assistants and support staff up to	190	195	205	210	220

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.

Battery Distribution Group Limited - In Admin - B30202093 - SIP 9 TIME COST ANALYSIS

Job(s) ADM

Transaction period 03/12/2013 to 02/06/2014

[Export version - standard](#) [Export version - detail](#) [Detailed Version](#)

Standard	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£ Avg. Hrly Rate
Administration and Planning	3 10	1,488 00	34 60	11,912 00	29 03	6,253 80	23 10	3,567 00	89 83	23,220 80 258 50
Creditors	8 50	3,867 50	29 90	9,568 00	45 25	10,447 50	28 30	4,386 50	111 95	28,269 50 252 52
Hiatus period										
Investigations	7 50	3,412 50	43 80	14,282 00	6 50	1,495 00	3 85	604 50	61 65	19,794 00 321 07
Realisation of Assets	36 60	16,680 50	47 65	15,533 00	109 10	25,173 00	16 40	2,542 00	212 25	60,503 50 285 06
Trading					10 20	2,571 00			10 20	2,571 00 252 06
Total	2 50	575 00	155 95	51,295 00	200 08	45,940 30	71 65	11,100 00	485 88	134,358 80 276 53

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration