

The Insolvency Act 1986

Administrator's progress report

Name of Company

Commercial Motors (South West) Ltd

Company number

04729427

In the

Royal Court of Justice

(full name of court)

Court case number

10189 of 2009

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

We (a)
Nigel Morrison
Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

Alistair Wardell
Grant Thornton UK LLP
Penhill House
11-13 Penhill Road
Cardiff
CF11 9UP

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

From

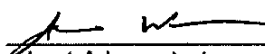
To

(b) Insert date

(b) 6 July 2011

(b) 14 December 2011

Signed


Joint Administrator

Dated

14/12/12

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

Nigel Morrison
Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

DX Number

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DX Exchange



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Our Ref NZM/AGW/MUN/C30203957/7
Your Ref No 10189 of 2009

To the Court

Recovery and Reorganisation

Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol BS1 6FT

T +44 (0)117 305 7600
F +44 (0)117 305 7785

DX 78112 Bristol
www.grant-thornton.co.uk

14 December 2011

Dear Sirs

Commercial Motors (South West) Limited - In Administration (the Company)
In the Royal Courts of Justice, Bristol District Registry, Chancery Division
Case number 10189 of 2009

1 Introduction

- 1 1 Alistair Wardell, and I were appointed as joint administrators of the Company by the directors on 6 February 2009. The administration was previously extended by six months with courts approval until 4 February 2012. A further twelve month extension is now being sought to deal with the matters detailed in this report.
- 1 2 A receipts and payments account is attached at Appendix A for the period 6 July 2011 to date.
- 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.
- 1 4 This report should be read in conjunction with my statement of proposals dated 26 July 2010.

2 Statutory information

- 2 1 The Company's statutory details are as follows:

Registered number 04729427

Chartered Accountants
Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742. 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 Services Authority for investment business.

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.

Registered office

c/o Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

Former trading address

Kings Weston Lane
St Andrews Road
Avonmouth
BS11 9BY

Also premises at Bristol, Chilcompton,
Exeter, Plymouth, St Austell and Yeovil

3 Progress report

- 3 1 There have been no additional realisations since my report dated 1 March 2010, other than the trade debtor receipts noted below

Trade debtors

- 3 2 HSBC Invoice Finance (UK) Ltd has been paid in full and balance of books debts was reassigned to the Company along with a balance of £11,536 Following a review there was an outstanding balance of circa £600,000 on the debtor ledger Due to the number and age of outstanding debts, I instructed Clarke Willmott LLP to collect the outstanding book debts on a commission basis
- 3 3 A further £208 was recovered in the period Due to both the disputes and age of the debts the final amount of book debts collected amounted to £49,300
- 3 4 No further realisations are expected and book debt collections have now ceased

Leasehold properties

- 3 5 As I advised in my previous reports there was no value in the Company's leasehold properties These have all either been surrendered or forfeited to the landlord or were assigned

Inter-company Debts

- 3 6 The amount of £832,415 is owed by Commercial Motors (Newport) Ltd (CMN) to the Company CMN is in liquidation and a dividend of between 3p and 6p in the £ is anticipated I advised in my last report that the dividend receipt was anticipated within a month However, an unfair dismissal claim was made by an ex-employee of CMN due to which a final dividend to all creditors of CMN including the Company was delayed until the claim is decided
- 3 7 The matter was taken to the Employment Tribunal who decided that another group company was liable for this claim However, since then the group company has appealed against the Employment Tribunal decision I have been advised that the appeal will not be heard until February next year

3 8 -As-a-result-of-this claim the Company will not be able to receive dividend from CMN and pay a preferential dividend to its creditors before the expiry of administration on 4 February 2012. Consequently, another application is now being made to the court to seek a 12 month extension in the period of the administration.

3 9 The sum of £482,503 is owed by Commercial Motors Ltd, this company acted as a property holding company for the group. I was advised that there was no equity in the property and this is the company's only asset. It is not cost effective to pursue this debt any further.

4 Liabilities and outcome for creditors

Secured creditors

4 1 No further distributions have been made to the secured creditors since my report dated 1 March 2010.

4 2 As advised previously HSBC Asset Finance UK Limited, HSBC Equipment Finance UK Limited (HEF) and HSBC Invoice Finance (UK) Limited have all been paid in full.

4 3 A distribution of £35,138.19 was made to HEF in respect of its fixed charge on the plant and machinery.

4 4 A distribution of £65,000 was previously made to HSBC Bank Plc (the Bank), against a debt of £1,176,000, giving rise to a deficit of circa £1,111,000. The Bank holds a fixed and floating charge dated 31 July 2003.

Preferential creditors

4 5 I have agreed a preferential claim from the Redundancy Payments Service (RPS) for £80,467. The Bank has a subrogated wages claim which has now been agreed at £83,249. There are also claims totalling £13,260 from the former employees in respect of excess wages and holiday pay that was not paid out by the RPS.

4 6 A dividend will be paid to the preferential creditors as soon as the dividend has been received from CMN.

Unsecured creditors

4 7 There are insufficient realisations to pay a dividend to unsecured creditors.

5 Extension of the Administration

5 1 The administration was previously extended until 5 August 2010 with the consent of the Bank and the Department for Business, Innovation and Skills.

5 2 The term of the administration was again extended through court orders until 4 February 2012. The purpose of the extension was to continue to collect out the Company's remaining book debt ledger which has now been completed.

5 3 However, as explained in paragraph 3 6, 3 7 and 3 8 the Company is now awaiting a final dividend from CMN which has been delayed due to an unfair dismissal claim from an employee. The Company will pay a final dividend to its preferential creditors as soon as a final dividend from CMN is received.

5 4 The time period required by the Employment Tribunal to decide the appeal is indeterminate. However, it is envisaged that the matter will be resolved within a year. Therefore, a further extension of 12 months is now being sought from the court.

6 Administrators' remuneration and disbursements

6 1 In accordance with R 2 106 of the Insolvency Act 1986, as no dividend was available to the unsecured creditors in this matter, I sought approval of my fees from all secured creditors and any preferential creditor whose claim exceeds 50 percent of total preferential claims. I obtained such approval from the Bank and the Insolvency Service and have drawn £206,854 in time costs to date.

6 2 Time costs to date amount to £383,884, representing 1,527 hours at an average cost of £251 per hour. Disbursements totalling £3,397 have been drawn in the period as detailed in Appendix B.

6 3 Attached at Appendix C is a summary of the time cost prepared in accordance with the Standard Insolvency Practice 9. Background information regarding the fees of Administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees').

Yours faithfully
for and on behalf of Commercial Motors (South West) Limited


Nigel Morrison
Joint Administrator

The business, property and affairs of Commercial Motors (South West) Limited are being dealt with by Nigel Morrison and Alistair Wardell, appointed as joint administrators on 6 February 2009.

Commercial Motors (South West) Ltd
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Appendix A

	From 06/07/2011 To 14/12/2011	From 06/02/2009 To 14/12/2011
SECURED ASSETS		
Plant & Machinery	NIL	35,138 19
Goodwill	NIL	75,000 00
	NIL	<u>110,138 19</u>
COSTS OF REALISATION		
Administrators Fees	NIL	7,000 00
Legal Fees	NIL	3,000 00
	NIL	<u>10,000 00</u>
SECURED CREDITORS		
Chargeholder (1) HSBC	NIL	100,138 19
	NIL	<u>100,138 19</u>
ASSET REALISATIONS		
Plant & Machinery	NIL	130,861 81
Motor Vehicles	NIL	138,000 00
Stock	NIL	25,718 63
Book Debts	208 29	49,299 69
VAT Refund	NIL	
Misc Float Receipts	NIL	5,598 04
Bank/ISA InterestGross	NIL	156 12
Misc Refunds	NIL	21,180 75
Rates Refund	NIL	1,610 04
	208 29	<u>372,425 08</u>
COST OF REALISATIONS		
Rents	NIL	2,434 35
Rent (Admin)	NIL	1,054 79
PAYE/NI	NIL	14,031 86
Net Wages	NIL	27,184 12
Other Payroll Deductions	NIL	749 74
Preparation of S of A	NIL	750 00
Administrators Fees	NIL	199,854 00
Administrators Expenses	NIL	3,396 82
Agents/Valuers Fees (1)	NIL	23,206 56
Quantity Surveyors Fees	NIL	159 00
Legal Fees (1)	3960 00	47,803 00
Professional Fees	NIL	644 02
Debt Collection	NIL	4,313 16
Telephone Telex & Fax	NIL	437 92
Stationery & Postage	NIL	836 57
Storage Costs	NIL	146 92
Statutory Advertising	NIL	223 09
Rents Payable	NIL	2,643 35
Other Property Expenses	NIL	468 15
Insurance of Assets	NIL	6,083 99
Bank Charges	56 04	677 04
	4,016 04	<u>337,098 45</u>
	<u>-3,807 75</u>	<u>35,326 63</u>
REPRESENTED BY		
Vat Receivable		778 00
Floating Current Account		34,548 63
		<u>39,128 32</u>

INTRODUCTION

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

AN OVERVIEW OF THE CASE

Further details on matters undertaken are specified in the attached annual report

These have primarily involved dealing with the realisation of assets, complying with statutory reporting requirements, and dealing with creditors queries

EXPLANATION OF GRANT THORNTON CHARGING AND DISBURSEMENT RECOVERY POLICIES

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown in the schedule below

Grade	06-Feb-09 to 30-June-09	1-July-09 to 30-June-10	1-July-10 to 30-June-11	1-July-11 to Date
Partner	480	510	535	560 to 655
Director/Manager	260 to 365	275 to 385	285 to 405	360 to 525
Senior Staff	215 to 235	230 to 250	240 to 260	250 to 300
Administrators	140 to 180	140 to 190	145 to 195	140 to 205

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

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with Inland Revenue limits or AA recommended rates

Expense Type	£
Travel and Subsistence	1,434 62
Printing and Postage (external)	571 90
Storage costs and couriers	1,126 30
Insolvency Bonding	264 00
Total	3,396 82

These expenses have been drawn in full

NARRATIVE DESCRIPTION OF WORK CARRIED OUT

Full details of the work carried out in the period since I was appointed are set out in the attached report

The grades of staff used have been appropriate to the task carried out, for example dealing with creditors queries and statutory reporting has been done by an administrator, complex asset realisations has involved more senior staff, including the partners as required

TIME AND CHARGE-OUT SUMMARIES

A table of time spent and charge-out rates used since 6 February 2009 is shown above

CATEGORY 2 DISBURSEMENTS

Disbursements which are not amenable to precise attribution to individual cases, namely land line telephone and fax calls, postage, stationery and photocopying are charged to creditor voluntary liquidation's at £5 58 per creditor, £3 10 per shareholder and £2 79 per debtor Where a room is booked at a Grant Thornton office for a meeting of creditors or of a creditors' committee, a charge of £65 is made VAT is added to disbursement charges as necessary

No Category 2 disbursements have been paid during the period covered by this report

SUPPORTING DOCUMENTATION

The following documentation is attached as required by SIP 9

- a receipts and payments account for the period 6 February 2009 to date, which is at Appendix A,
- a schedule of charge-out rates which have applied during the reporting period (included above),

Commercial Motors (South West) Limited - C30203950 - SIP 9 TIME COST ANALYSIS

In Administration

Transaction period All transactions

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate
Administration and Planning	19 40	7,647 50	394.20	214 05	65,078 20	304.03	209 62	39,948 85	190.58	115 87	17,920 50	154.66	558 94	130,595 05	233.65
Creditors	2 80	1,120 00	400.00	124 10	41,793 75	336.77	151 25	28,886 75	190.99	41 15	6,242 75	151.71	319 30	78,043 25	244.42
Hiatus period													00	00	
Investigations				42 40	11,973 50	282.39	5 70	1,057 00	185.44	25	31 25	125.00	48 35	13,061 75	270.95
Realisation of Assets	13 20	4,535 00	343.56	380 77	118,775 25	311.93	193 00	36,726 75	190.29	11 80	1,943 00	165.66	598 77	161,980 00	270.52
Trading							75	153 75	205.00	40	50 00	125.00	1 15	203 75	177.17
Total	35 40	13,302.50	375.78	761.32	237,620 70	312.12	560.32	106,773 10	190.56	169 47	26,187 50	154.53	1,526 51	383,883 80	251.48

Total fees billed to date (Time) : £ 206,854