

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 6FTAlistair Wardell
Grant Thornton UK LLP
Penhill House
11-13 Penhill Road
Cardiff
CF11 9UP

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

From

To

(b) Insert date

(b) 5 February 2012

(b) 4 August 2012

Signed

Joint Administrator

Dated

28/8/12

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 public record

Nigel Morrison
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A1GFA20B

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30/08/2012

#114

COMPANIES HOUSE

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

THURSDAY



Our Ref NZM/ZLC/KLM/MMM/C03957/

To the creditors

28 August 2012

Dear Sirs

**Commercial Motors (South West) Ltd (the Company)
In Administration
Royal Court of Justice
No 10189 of 2009**

Recovery and Reorganisation

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1 Introduction

- 1.1 Following my appointment as joint administrator of the above Company with Alistair Wardell on 6 February 2009, I now report on the progress of the administration to 4 August 2012 and attach
- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period from 5 February 2012 to 4 August 2012 and also for the whole administration to date
 - Appendix B, a statement of the remuneration charged by the joint administrators in the period 5 February 2012 to 4 August 2012 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

Chartered Accountants

Member firm within Grant Thornton International Ltd

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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.

2 Statutory information

2 1 The Company's statutory details are as follows

Registered number	04729427
Registered office	c/o Grant Thornton UK LLP Hartwell House 55-61 Victoria Street Bristol BS1 6FT

3 Progress report

Trade debtors

3 1 £963 has been received since my last report resulting in total realisations of £50,263

3 2 No further realisations are expected

Inter-company debts

3 3 An amount of £832,415 is owed by Commercial Motors (Newport) Limited (CMN) to the Company. As previously advised CMN is in liquidation. The dividend from CMN was delayed due to an ex-employee raising an unfair dismissal claim against CMN.

3 4 The matter was taken to the Employment Tribunal who decided that another group company was liable for this claim. However, the group company appealed against the decision and an appeal hearing was set for February 2012. The tribunal upheld the decision, however, the Liquidators' lawyers advised to postpone payment of a dividend until the remedies hearing which was set for July 2012, was concluded as there was a small risk that the decision could be overturned.

3 5 The decision was not overturned and judgement was handed down at the remedies hearing. The Liquidators of CMN can now progress the liquidation and distribute a first and final dividend.

3 6 Current estimates indicate a dividend of 4p in the £ will be received.

Rates refund

3 7 A business rates refund of £1,230 has been received from South Somerset District Council.

4 Liabilities and outcome for creditors

Secured Creditors

- 4 1 As previously advised, HSBC Asset Finance UK Limited, HSBC Equipment Finance UK Limited and HSBC Invoice Finance (UK) Limited have all been paid in full
- 4 2 HSBC Bank Plc (the Bank) hold a fixed and floating charge dated 31 July 2012 To date distributions totalling £65,000 have been made to the Bank against a total debt of £1,176,000, giving rise to a deficit of £1,111,000

Preferential Creditors

- 4 3 I have agreed a preferential claim from the Redundancy Payments Service (RPS) at £80,467 The Bank has a subrogated wages claim which has been agreed at £83,249 There are also claims totalling £13,260 from the former employees in respect of excess wages and holiday pay
- 4 4 A dividend will be paid to the preferential creditors once the dividend has been received from CMN

Unsecured Creditors

- 4 5 There are insufficient funds available to pay a dividend to this class of creditor

5 Extension of the administration

- 5 1 On 20 January 2012 the administration was extended by order of the court giving a revised automatic end date of 1 February 2013
- 5 2 The purpose of the extension was to allow time for the appeal hearing and remedies hearing in order for a dividend to be paid to the company from CMN

6 Joint administrators' remuneration and expenses

- 6 1 In accordance with Rule 2 106 to the Insolvency Act 1986, as no dividend is available to the unsecured creditors, our fees for acting as joint administrators have been fixed by reference to our time costs by the secured and preferential creditors
- 6 2 You will note from the SIP 9 table attached at Appendix C that our time costs to date are £384,778 and from the receipts and payments account attached at Appendix A that we have drawn £206,854 In addition we have drawn expenses of £3,397 as indicated in Appendix A and have further expenses to take in due course as set out in Appendix B
- 6 3 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

7 Other expenses incurred by the joint administrators

- 7 1 Legal Fees of £3,820 have been incurred and paid in the period to Osborne Clarke in relation to the extension of the administration

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



Nigel Morrison
Joint Administrator

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

Enc

Commercial Motors (South West) Ltd - in administration

Summary of receipts and payments from 6 February 2009 to 4 August 2012

	Statement of Affairs £	From 06/02/2009 to 04/02/2012 £	From 05/02/2012 to 04/08/2012 £	Total £
Receipts				
Plant & Machinery	126,662 00	35,138 19	0 00	35,138 19
Goodwill	75,000 00	75,000 00	0 00	75,000 00
Plant & Machinery		130,861 81	0 00	130,861 81
Motor Vehicles	138,000 00	138,000 00	0 00	138,000 00
Stock		25,718 63	0 00	25,718 63
Book Debts	1,222,168 00	49,299 69	963 16	50,262 85
Misc Float Receipts		5,598 04	0 00	5,598 04
Bank/ISA InterestGross		156 12	17 06	173 18
Misc Refunds		21,180 75	1,230 31	22,411 06
Rates Refund		1,610 04	0 00	1,610 04
Vat Payable		27,254 35	0 00	27,254 35
Vat Control Account		16,736 85	0 00	16,736 85
		526,554.47	2,210 53	528,765.00
Payments				
Rents		2,434 35	0 00	2,434 35
Rent (Admin)		1,054 79	0 00	1,054 79
PAYE/NI		14,031 86	0 00	14,031 86
Net Wages		27,184 12	0 00	27,184 12
Other Payroll Deductions		749 74	0 00	749 74
Administrators Fees		7,000 00	0 00	7,000 00
Legal Fees		3,000 00	0 00	3,000 00
Chargeholder (1) HSBC		100,138 19	0 00	100,138 19
VAT Refund		316 44	0 00	316 44
Preparation of S of A		750 00	0 00	750 00
Administrators Fees		199,854 00	0 00	199,854 00
Administrators Expenses		3,396 82	0 00	3,396 82
Agents/Valuers Fees (1)		23,206 56	0 00	23,206 56
Quantity Surveyors Fees		159 00	0 00	159 00
Legal Fees (1)		47,803 00	3,820 00	51,623 00
Professional Fees		644 02	0 00	644 02
Debt Collection		4,313 16	0 00	4,313 16
Telephone Telex & Fax		437 92	0 00	437 92
Stationery & Postage		836 57	0 00	836 57
Storage Costs		146 92	0 00	146 92

Commercial Motors (South West) Ltd - in administration

Summary of receipts and payments from 6 February 2009 to 4 August 2012

Statement of Affairs £	From 06/02/2009 to 04/02/2012 £	From 05/02/2012 to 04/08/2012 £	Total £
Statutory Advertising	223 09	0 00	223 09
Rents Payable	2,643 35	0 00	2,643 35
Other Property Expenses	468 15	0 00	468 15
Insurance of Assets	6,083 99	0 00	6,083 99
Bank Charges	693 54	32 39	725 93
Vat Receivable	44,452 76	750 00	45,202 76
	<u>492,022 34</u>	<u>4,602 39</u>	<u>496,624 73</u>
Net Receipts/(Payments)	34,532 13	(2,391 86)	32,140 27

Made up as follows

Floating Current Account	34,532 13	(2,391 86)	32,140 27
	<u>34,532 13</u>	<u>(2,391 86)</u>	<u>32,140 27</u>

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

	Paid to date	Charged/ accrued in period but not yet paid	Total
	£	£	£
Joint administrators' fees			
Time costs	206,854	177,924	384,778
Expenses	3,397	Nil	3,397
Professional fees			
Goodman Nash	644	Nil	644
Legal fees			
Osborne Clarke	54,623	Nil	54,623
Agents/valuers			
Edward Symmons	17,705	Nil	17,705
Insurance			
JLT	6,084	Nil	6,084
	<u>289,307</u>	<u>177,924</u>	<u>467,231</u>

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
	£	£	£	£
Partners up to	510	535	560	580
Managers up to	385	405	425	440
Administrators up to	275	285	300	310
Assistants and support staff up to	190	195	205	210

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.

Project Clifton - C30203950 - SIP 9 TIME COST ANALYSIS

Job(s) Administration, CPU - Administration

Transaction period All transactions

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Standard	Partner		Manager		Executive		Administrator		Total		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Avg Hrly Rate
Administration and Planning	19 40	7,647 50	210 47	63,880 45	210 98	40,405 30	119 57	18,470 50	560 42	130,403 75	232 69
Creditors	2 80	1,120 00	124 10	41,793 75	156 60	30,487 75	41 90	6,352 75	325 40	79,754 25	245 10
Hiatus period											
Investigations			42 40	11,973 50	5 70	1,057 00	25	31 25	48 35	13,061 75	270 15
Realisation of Assets	13 20	4,535 00	378 90	118,149 75	193 00	36,726 75	11 80	1,943 00	596 90	161,354 50	270 32
Trading					75	153 75	40	50 00	1 15	203 75	177 17
Total	35 40	13,302 50	755 87	235,797 45	567 03	108,830 55	173 92	26,847 50	1,532 22	384,778 00	251 12

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

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 subparagraph (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

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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