

The Insolvency Act 1986

**Administrator's progress report**

Name of Company <u>Commercial Motors (South West) Limited</u>	Company number <u>04729427</u>
In the <u>Royal Courts of Justice, Bristol</u> <u>District Registry Chancery Division</u> <small>[full name of court]</small>	Court case number <u>10189 of 2009</u>

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

I/We (a) Nigel Morrison of Grant Thornton UK LLP, Hartwell  
House, 55-61 Victoria St, Bristol BS1 6FT and  
Alistair Wardell of Grant Thornton UK LLP, 11-13  
Penhill Road, Cardiff, CF11 94P

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from

to

(b) 5 February 2010(b) 5 August 2010

Signed

[Signature]  
Joint / Administrator(s)

Dated

20/8/10**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

<u>Grant Thornton UK LLP</u>	
<u>Hartwell House, 55-61 Victoria Street</u>	
<u>Bristol BS1 6FT</u>	<u>Tel 0117 305 7600</u>
DX Number	DX Exchange

If 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



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COMPANIES HOUSE



# Grant Thornton

Our Ref MJW/LSE/NXM/C30203957/7

To the Creditors

Recovery and Reorganisation

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18 August 2010

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 Following the appointment of my partner, Alistair Wardell, and myself as joint administrators of the Company by the directors on 6 February 2009, I now report on the progress of the administration to date
- 1.2 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 04729427

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

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.

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. Due to both the disputes and age of the debts it is not expected that the realisations will be sufficient to pay the preferential claims in full.
- 3 3 On 16 August 2010 I received further book debts of £17,891, which is not reflected in the receipts and payment account.

#### **Leasehold properties**

- 3 4 Further to my previous report I advised that 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 5 The amount of £35k is owed by Commercial Motors (Newport) Ltd. The company is in liquidation and there is no prospect of a dividend.
- 3 6 The sum of £482,503k is owed by Commercial Motors Ltd, this company acted as a property holding company for the group. I am advised that there is currently no equity in the property and this is the company's only asset. The position is currently being reviewed.

#### **Other assets**

- 3 7 I am expecting a rates refund of £1,610, it is not anticipated that there will be any further realisations, other than as detailed above.

#### **Receipts and payments account**

- 3 8 A receipts and payments account from the date of my appointment to 5 August 2010 is attached at Appendix A, together with a receipts and payments account for the six months

period from 6 February 2010 to 5 August 2010 at Appendix B

#### **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 received a revised preferential claim from the Insolvency Service for £80,467. I am still awaiting final confirmation but it would appear that the Bank also has a subrogated wages claim in the region of £80k
- 4 6 The level of any distribution to the preferential creditors will depend on future realisations from the outstanding book debts

##### **Unsecured creditors**

- 4 7 Based on current information, I estimate that there will be insufficient realisations to pay a dividend to unsecured creditors

#### **5 Extension to the administration**

- 5 1 Consent to extend the administration until 5 August 2010 was previously obtained with the consent of the Bank and the Department for Business, Innovation and Skills
- 5 2 As only one extension is allowed with creditor consent, Osborne Clarke solicitors were instructed to make an application to court to extend the administration for a further 12 months. On 4 August 2010 a court order was obtained to extend the period of administration until 4 August 2011. The purpose of the extension was to continue to collect out the Company's remaining book debt ledger

#### **6 Administrators' remuneration and disbursements**

- 6 1 In accordance with R 2 106 of the Insolvency Act 1986, as I do not anticipate a dividend will be paid to unsecured creditors in this matter, I must seek approval of my fees from all secured creditors and any preferential creditor whose claim exceeds 50 percent of total preferential claims. I have obtained such approval from the Bank and the Insolvency Service

and have drawn £153,048 in time costs to date

- 6.2 Time costs to 13 August 2010 amounted to £344,595, representing 1,382 hours at an average cost of £250 per hour. There are outstanding disbursements totalling £3,397. Details of the time spent and charge out value to date are shown at Appendix C.

If you should have any queries please contact David Holland on 0117 305 7673

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



PP 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)

Appendix A

Income and Expenditure Account  
To 05 August 2010

Statement of Affairs Value £		Fixed Charge £	Floating Charge £	Total £
	INCOME			
35,138	Plant & Machinery	35,138 19		35,138 19
75,000	Goodwill	75,000 00		75,000 00
126,662	Plant & Machinery		130,861 81	130,861 81
138,200	Motor Vehicles		138,000 00	138,000 00
0	Stock		25,718 63	25,718 63
1,222 168	Book Debts		13,216 28	13,216 28
510,000	Intercompany debts		0 00	0 00
	Misc Float Receipts		5,598 04	5,598 04
	Bank/ISA InterestGross		156 12	156 12
	Misc Refunds		21,180 75	21,180 75
2,107 168		110,138 19	334,731 63	444,869 82
	EXPENDITURE			
	Rents		2,116 83	2,116 83
	Rent (Admin)		1,054 79	1,054 79
	PAYE/NI		14,031 86	14,031 86
	Net Wages		27,184 12	27,184 12
	Other Payroll Deductions		749 74	749 74
	Administrators Fees	7,000 00		7,000 00
	Legal Fees	3,000 00		3,000 00
	Chargeholder (1) HSBC	65,000 00		65,000 00
	Chargeholder (2) HEF	35,138 19		35,138 19
	Preparation of S of A		750	750 00
	Administrators Fees		146,048 00	146,048 00
	Agents/Valuers Fees (1)		23,206 56	23,206 56
	Quantity Surveyors Fees		159	159 00
	Legal Fees (1)		38,983 00	38,983 00
	Telephone Telex & Fax		437 92	437 92
	Stationery & Postage		836 57	836 57
	Storage Costs		146 92	146 92
	Statutory Advertising		223 09	223 09
	Rents Payable		2,643 35	2,643 35
	Other Property Expenses		468 15	468 15
	Insurance of Assets		6,108 99	6,108 99
	Bank Charges		515 26	515 26
4,395,917	Unsecured Creditors			
		110,138 19	265,664 15	375,802 34
	Balance	0 00	69,067 48	69,067 48
	MADE UP AS FOLLOWS			
	Vat Receivable			23,538 23
	Floating Current Account			44,029 25
	Fixed Ch Vat Receivable			1,500 00
				69,067 48

Commercial Motors (South West) Ltd  
(In Administration)

Appendix B

Summary of Receipts & Payments  
06 February 2010 to 05 August 2010

RECEIPTS	Total (£)
Brought Forward	433,044 43
Bank Charges	278 37
Book Debts	11,535 52
Bank/ISA InterestGross	11 50
	<u>444,869 82</u>
 PAYMENTS	
Brought Forward	370,455 97
Bank Interest	11 50
Bank Charges	3 50
Book Debts	56 73
Agents/Valuers Fees (1)	4,928 60
Insurance of Assets	25 00
Bank Charges	321 04
	<u>375,802 34</u>
Balance In Hand	<u>69,067 48</u>
 MADE UP AS FOLLOWS	
Vat Receivable	23,538 23
Floating Current Account	44,029 25
Fixed Ch Vat Receivable	1,500 00
	<u>69,067 48</u>

## APPENDIX C

### INTRODUCTION

The following information is provided in connection with the Liquidator's 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 Date
Partner	480	510	535
Manager	260 to 365	275 to 385	285 to 405
Senior Staff	215 to 235	230 to 250	240 to 260
Administrators	140 to 180	140 to 190	145 to 195

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



<b>Total</b>	<b>3,396 82</b>
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No expenses have been drawn

## **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 to 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 17 August 2010, which is at Appendix A,
- a schedule of charge-out rates which have applied during the reporting period (included above),

# Appendix C

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

Job(s) Administration, CPU - Administration

Transaction period All transactions from 6 February to 13 August 2010

Standard	Partner			Manager			Executive			Administration			Total		
	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate	Hrs	£	Avg Hrv Rate
Administration and Planning	17 75	6,941 25	391 06	177 97	53,492 95	300 57	201 46	38,142 85	189 33	88 22	13,685 00	155 12	485 40	112,262 05	231 28
Creditors	2 00	780 00	390 00	110 40	36,984 25	335 00	150 85	28,802 75	190 94	33 85	5,181 25	153 06	297 10	71,748 25	241 50
Hiatus period													00	00	
Investigations				32 50	8,937 50	275 00	5 60	1,036 00	185 00	25	31 25	125 00	38 35	10,004 75	260 88
Realisation of Assets	9 20	3,595 00	390 76	350 33	109,002 00	311 14	189 45	35,981 25	189 92	10 80	1,798 00	166 48	559 78	150,376 25	268 63
Trading							75	153 75	205 00	40	50 00	125 00	1 15	203 75	177 17
Total	28 95	11,316 25	390 89	671 20	208,416 70	310 51	548 11	104,116 60	189 96	133 52	20,745 50	155 37	1,381 78	344,595 05	249 38

Total fees billed to date (Time) : £ 153,048