

**2.24B**

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  Flexi-Hire Limited
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Company number  05681165
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In the High Court, Leeds District Registry (full name of court)
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Court case number 1807 of 2010
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
Christopher Michael White  
The P&A Partnership  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 Sheffield

Andrew Philip Wood  
The P&A Partnership  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 Sheffield

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

(b) Insert date

From  (b) 3 September 2010
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To  (b) 2 March 2011
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Signed

  
 Joint Administrator(s)

Dated

18 March 2011

**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

Christopher Michael White  
The P&A Partnership  
93 Queen Street  
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S1 1WF  
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0114 2755033

SATURDAY



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19/03/2011

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COMPANIES HOUSE

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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**

**IN THE HIGH COURT OF JUSTICE**

**NO 1807/2010**

**CHANCERY DIVISION**

**LEEDS DISTRICT REGISTRY**

**IN THE MATTER OF FLEXI-HIRE LIMITED**

**AND**

**IN THE MATTER OF THE INSOLVENCY ACT 1986 AS AMENDED BY THE  
ENTERPRISE ACT 2002**

**JOINT ADMINISTRATORS' SIX MONTHLY PROGRESS REPORT TO CREDITORS  
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 AS AMENDED BY THE  
INSOLVENCY (AMENDMENT) RULES 2003**

**This report has been prepared under the provisions of the Insolvency Rules for the sole purpose of advising the creditors of the company of the progress of the Administration. This report is private and confidential and may not be copied or quoted from in whole or in part, referred to or relied upon for any other purpose, other than advising creditors.**

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## **FLEXI-HIRE LIMITED**

### **1 INTRODUCTION**

- 1.1 This report to creditors is made pursuant to Rule 2.47 of the Insolvency Rules 1986 as amended by the Insolvency (Amendment) Rules 2003

### **2 STATUTORY INFORMATION**

Company name	Flexi-Hire Limited
Registered address	93 Queen Street, Sheffield S1 1WF (formerly Unit 1 Ashley Industrial Estate, Exmoor Avenue, Scunthorpe DN15 8NJ)
Company number	05681165
Other trading names of the Company	None
Date of incorporation	20/01/2006
Objects	Hire of motor vehicles
Authorised share capital	1,000 ordinary shares of £1 each 251,000 ordinary A shares of £1 each
Issued share capital	1,000 ordinary shares of £1 each 160,000 ordinary A shares of £1 each
Shareholders	Rebecca Chamley - 200 ordinary shares of £1 each  Paul Chamley - 300 ordinary shares of £1 each  Stephen Edmundson - 487 ordinary shares of £1 each  Jane Redman - 13 ordinary shares of £1 each  Shamus Banim - 160,000 ordinary A shares of £1 each
Floating Charge Holder	The National Westminster Bank Plc hold a debenture dated 23 March 2009

Director Paul Chamley

Company Secretary Rebecca Chamley

### **3 COURT HAVING CONTROL OF ADMINISTRATION PROCEEDINGS AND JOINT ADMINISTRATORS' APPOINTMENT**

3 1 The High Court of Justice, Chancery Division, Leeds District Registry is the Court seized of the Administration proceedings. The Court reference number is 1807/2010.

3 2 On 3 September 2010 the Company filed a Notice of Appointment of Administrators pursuant to Paragraphs 22 and 29 of Schedule B1 to the Insolvency Act 1986. Christopher Michael White and Andrew Philip Wood of The P & A Partnership, 93 Queen Street, Sheffield S1 1WF were appointed Joint Administrators of the Company.

3 3 Christopher Michael White and Andrew Philip Wood are Insolvency Practitioners licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London EC3A 5DQ.

3 4 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 both of the Joint Administrators may exercise any or all of the functions of the Joint Administrators jointly or alone.

### **4 JOINT ADMINISTRATORS' STRATEGY**

4 1 The proposals of the Joint Administrators, as ratified by creditors on 9 November 2010, were to realise the property in order to make a distribution to one or more secured or preferential creditors.

4 2 The Joint Administrators continue to anticipate that this objective will be achieved through a distribution to the Bank.

4 3 In addition, the Joint Administrators' proposals stated that a second objective, of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, may be achieved however, that this is dependent upon the level of debtor realisations achieved due to the lower than anticipated debtor realisations to date.

4 4 Based on current information, it is not anticipated that this objective will be achieved.

### **5 PROGRESS REPORT**

5 1 This report covers the period following the appointment of the Joint Administrators on 3 September 2010 until 2 March 2011.

- 5 2 Shown below is a summary of the Joint Administrators' receipts and payments covering the period between 3 September 2010 and 2 March 2011

	Statement of Affairs (£)	Actual (£)
<b>RECEIPTS</b>		
Goodwill	10,000	667
Plant & Machinery	1,000	67
Furniture & Equipment	1,000	67
Motor Vehicles – Third Party	597,150	46,125
Motor Vehicles – Wholly Owned	55,900	26,693
Stock	3,000	199
Book Debts	80,000	43,078
Bank Interest Gross		1
VAT Payable		10,558
		<u>127,455</u>
<b>PAYMENTS</b>		
Various Finance Companies		55,874
Incidental Outlay		
Category 2 Disbursements		
Motor and expenses		515
Postage		866
Faxes		9
Storage		173
Debt Collection Costs		225
Legal Fees		5,056
Fees re Pension Advice		150
Statutory Advertising		140
		<u>63,008</u>
Balance in Hand		<u>64,447</u>

- 5 3 As advised in the Joint Administrators' proposals, which were circularised to all known creditors on 15 October 2010, prior to our appointment a review of the Company's business was conducted
- 5 4 Charterfields Limited ("Charterfields") were instructed to value the business and its assets and advise on possible realisation strategies
- 5 5 Based on Charterfields' initial advice, it was not anticipated that the business could be sold as a going concern and therefore on this basis, on the date of our appointment, 3 September 2010, the Company ceased to trade
- 5 6 An offer was subsequently received for the business and certain assets from Rapid Logistics (UK) Limited ("Rapid"), of which Paul Chamley is a common director, in the sum of

£15,000

- 5 7 Upon Charterfields' advice this offer was accepted A breakdown of the sale proceeds is detailed below -

Asset	Sum Realised £
Goodwill	10,000
Plant & Machinery	1,000
Equipment	1,000
Stock	3,000
	<u>15,000</u>

- 5 8 As previously advised, the above amount was payable on deferred terms with £1,000 being payable on completion, followed by four monthly instalments of £3,000 commencing on 6 October 2010 and a final instalment of £2,000 being payable on 3 February 2011
- 5 9 To date only £1,000 has been received in this respect Whilst Mr Chamley has advised on several occasions that the balance would be paid imminently, no such funds have been received Due to the deferred terms of the agreement the Joint Administrators obtained security in the form of guarantees from both Rapid and Mr Chamley
- 5 10 As a result of the above, the Joint Administrators are in the process of seeking legal advice in this respect
- 5 11 Pursuant to SIP16, full details of this transaction were disclosed with the initial notice of our appointment which was circularised to all known creditors on 13 September 2010
- 5 12 In addition to the above, upon our appointment we were advised that the Company had approximately twenty wholly owned vehicles with a further ninety five vehicles which were subject to third party finance
- 5 13 Unfortunately, having collected and sold the majority of the wholly owned vehicles we were advised by one of the finance companies that title to five of these vehicles had not passed and were therefore still their assets
- 5 14 Having instructed our solicitors to review the relevant finance contracts the Joint Administrators were required to pay the sale proceeds in relation to these vehicles to the relevant finance company
- 5 15 As a result of the above, realisations in respect of wholly owned motor vehicles have totalled £26,693 which is substantially lower than originally anticipated
- 5 16 The Joint Administrators are however aware of three additional wholly owned vehicles which have not yet been sold Two of these vehicles cannot be located with the customers advising that they are no longer in possession of the vehicles Our solicitors have written to both parties in this respect and we continue to investigate the whereabouts of such vehicles The third vehicle is due for collection from a third party in the near future

- 5 17 Upon our appointment the Company's book debt ledger totalled approximately £294,751. Of this £117,480 related to cash sales which we were advised were paid upon collection of the vehicles. The Joint Administrators and their staff continue to undertake a review of such sales however, due to the limited information available and the number of sales involved, this is taking a considerable amount of time.
- 5 18 The remaining ledger of £177,271 has been passed to our specialist debt recovery team for collection. To date, £43,078 has been received compared to the anticipated £80,000. We have been advised that of the remaining balance, approximately £29,000 relates to companies who have either ceased to trade or who have entered into insolvency, with a further £23,960 relating to queries and/or disputes. A further £29,000 of invoices have been passed to James Peters Solicitors, a company connected to The P&A Partnership for legal action.
- 5 19 In an attempt to maximise future realisations, the Joint Administrators have requested that Mr Chamley reviews all disputes and agrees to assist with any legal action by providing witness statements and attending court hearings.
- 5 20 Prior to our appointment the Company traded from leased premises at Unit 1 Ashley Industrial Estate, Exmoor Avenue, Scunthorpe DN15 8NJ. Upon our appointment the landlord changed the locks to the premises due to non-payment of rent. Whilst we understand that the Company occupied the premises on an informal basis the landlord agreed to allow the Joint Administrators access to remove their assets. No liabilities are anticipated to be received in relation to this property.
- 5 21 It was estimated on the statement of affairs that preferential creditor' claims would be in the region of £3,963 and unsecured creditor claims would be £165,550. Whilst we have not received any preferential creditor claims, unsecured creditor claims received to date total £152,845.
- 5 22 The Enterprise Act 2002 brought into force provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors from the net realisations of assets subject to a floating charge contained in a debenture. The Qualifying Floating Charge is dated 23 March 2009 and so section 176A of the Insolvency Act 1986 applies to it. The Prescribed Part of £14,097 has been estimated based on a net property estimate of £55,487. The Net Property estimate and consequently the Prescribed Part estimate is subject to fluctuation given the potential variances as a result of actual realisations and costs of realisation compared to the current estimates. The Joint Administrators give no guarantee whatsoever concerning the eventual quantum of the Prescribed Part.
- 5 23 The Joint Administrators do not intend to apply to the court under section 176A(5) of the Insolvency Act 1986.
- 5 24 Based on current information it is not anticipated that there will be a return to unsecured creditors in this matter. This is however dependent upon the level of debtor realisations achievable in this matter.
- 5 25 The Joint Administrators' enquiries have revealed a number of areas where further investigation is necessary to determine whether there will be future recoveries. These investigations are continuing and will be reported on in due course.

5 26 The Joint Administrators are to be reimbursed for any expense or necessary disbursements properly charged or incurred in the course of carrying out their duties in this matter. These expenses include category 1 and 2 disbursements such as mileage at "AA" rate, meeting room hire, photocopying, stationery, postage, searches, redirection of mail, storage of the Company's books and records on a commercial basis within the Joint Administrators' storage facility and any other costs appertaining to the conduct of this Administration. Such expenses or disbursements are to be paid from the assets of the Company in accordance with the proposals of the Joint Administrators approved by Creditors on 9 November 2010. Please refer to the attached Creditors' Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership. A Creditors' Guide to Fees is available and provides explanations of creditors' rights. This can be accessed via the Internet at [www.thepandapartnership.com/resources](http://www.thepandapartnership.com/resources) or alternatively a copy can be requested by telephoning The P&A Partnership Help Desk +44 (0)114 275 5033.

5 27 The proposals of the Joint Administrators as ratified by Creditors on 9 November 2010, approved that the Joint Administrators' Remuneration shall be calculated by reference to the time properly given by the Administrators and their staff in attending to all matters arising during the course of the Administration. The Joint Administrators' time costs to date total £55,507, none of which has been drawn on account. An analysis of the time spent is shown below:

Classification of Work	Partner	Manager	Other Senior Professionals	Assistants	Total	Time Cost £	Average Hourly Rate £
Function	Hours	Hours	Hours	Hours	Hours		
Case Specific Matters	0 00	1 60	3 00	4 30	8 90	1,118 00	125 62
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigations	2 50	0 00	0 30	0 30	3 10	797 50	257 26
Realisation of Assets	14 40	0 00	141 60	9 80	165 80	20,151 00	121 54
Creditors	16 30	0 00	56 00	40 00	112 30	17,188 50	153 06
Administration & Planning	17 60	2 70	51 60	20 00	91 90	16,251 50	176 84
<b>Totals</b>	<b>50.80</b>	<b>4.30</b>	<b>252.50</b>	<b>74.40</b>	<b>382.00</b>	<b>55,506.50</b>	<b>145.30</b>
Total Time Cost (£)	14,986 00	1,139 50	36,405 00	2,976 00			



5 28 Time costs are at this level for the following reasons -

- 5 28 1 The Joint Administrators have expended a significant amount of time locating, collecting and disposing of the Company's vehicles,
- 5 28 2 A substantial amount of time has also been expended monitoring the collecting of book debts and reviewing the various disputes and counter claims in this respect,
- 5 28 3 Time has also been expended corresponding with our agents in relation to the deferred consideration due from Rapid in relation to the sale of various assets,
- 5 28 4 A significant amount of time has also been spent dealing with creditor correspondence,
- 5 28 5 The above is in addition to the Joint Administrators' statutory duties

Dated this 18<sup>th</sup> day of March 2011



**Christopher Michael White**  
**Joint Administrator**  
**Acting as an agent of the company**  
**without personal liability**