

The Insolvency Act 1986

Administrator's progress report

Name of Company
Cargo-D Limited

Company number
05700025

In the Birmingham District Registry
(full name of court)

Court case number
8504 of 2011

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

I/We (a)
Alexander Kinninmonth
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

Carl Stuart Jackson
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

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

(b) Insert date

From
(b) 12/04/2012

To
(b) 10/10/2012

Signed

Alexander Kinninmonth
Joint / Administrator(s)

Dated

10 / 10 / 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

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DX Exchange

FRIDAY



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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Cargo-D Limited (“the Company”) – In Administration

**Joint Administrators’ Final Progress Report
for the period from 12 April 2012 to 10 October 2012**

Issued on: 10 October 2012

Alexander Kinninmonth and Carl Stuart Jackson of RSM Tenon Recovery are the Joint Administrators of the Company and this is their final progress report on the administration of the Company for the period from 12 April 2012 to 10 October 2012 with a summary of the administration as a whole. This report should be read in conjunction with the previous progress report and the approved Joint Administrators' Proposals.

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2. Joint Administrators' receipts and payment account

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 12 April 2012 to 10 October 2012 and cumulatively for the period of the administration is attached at **Appendix II**

3 Action taken by the Joint Administrators

Following my appointment an initial review of the Company showed that continued trading was not a viable option as there were no funds with which to operate the business and significant costs would be incurred if such a business were to trade in administration.

As a result, the Company ceased trading on 12 October 2011 and regrettably I had to make the employees redundant on that date. Since then I have taken steps to secure, manage and realise the Company's assets as follows:

3.1 Carriages

I instructed independent agents, SIA Group UK Limited ("SIA"), to carry out a valuation of the Company's assets and advise on the marketing of the business and assets. The Directors of the Company provided a list of potential interested parties which SIA contacted together with various other parties within the industry in an attempt to identify any potential purchasers.

The marketing strategy undertaken by my agents proved successful and all carriages have been sold following a competitive bidding process. Aggregate consideration for the encumbered and unencumbered carriages of £753,350 has been received by the Joint Administrators in this regard. All carriages were sold during the prior period, although accounts in relation to these sales were finalised by our agent during the current period.

Consideration of £23,100 was received by SIA in respect of a carriage over which Eddie Stobart Limited held retention of title. Accordingly this sum was paid to Eddie Stobart Limited and is not included within the receipts and payments account appended to this report.

3.2 Motor Vehicles

The Company owned a van which was sold, during the prior period, at auction for £850 plus VAT.

3.3 Stock

The company held a stock of spare parts that were marketed for sale alongside the train carriages. Despite numerous expressions of interest no buyer was forthcoming. I understand that potential purchasers were concerned by the liability for removing and disposing of a large quantity of redundant stock items. During the current reporting period the stock of spare parts was sold to the landlord for the nominal sum of £1 so as to avoid further accrual of storage or disposal costs.

The directors have previously advised that they consider certain spare parts located on third party land may be assets of the Company with a potential estimated realisable value of up to £10,000. Having made further enquiries during the current reporting period it appears that there is a lack of clarity as to the ownership of these items, and that they are being held by a third party which claims to hold a lien over such items. Having considered these factors the Joint Administrators have concluded that it is not commercially viable to take any further steps to realise these items.

3.4 VAT Refund

The directors have previously highlighted what they considered to be a potential VAT refund of up to £20,000 due to the Company. This potential claim was reviewed during the current reporting period. Due to a lack of supporting information and the existence of an offsetting liability to HMRC the Joint Administrators have concluded that this is not a realisable asset of the Company.

3.5 Costs

Total storage of costs of £25,573.67 have been paid to date, comprising £6,247.13 paid during the current period and £19,326.54 paid during the prior period.

3.6 Investigations

A review of the Company books and records was undertaken. No matters were identified that indicated further investigations would be likely to be of benefit to creditors. There are no outstanding lines of enquiry.

Administrators have a duty to submit confidential reports / returns to the Insolvency Service on the conduct of those persons who acted as directors of the Company in the three year period before the administration. These have been completed.

4. Joint Administrators' Proposals

As no meeting of creditors was requisitioned it is confirmed that creditors have been deemed to have approved the Joint Administrators' proposals previously circulated on 30 November 2011. A further copy is attached at **Appendix IV**.

There were no major amendments to, or deviations from these proposals.

5. Liabilities and dividends

Fixed charge creditors

The Company has granted the following security

Debenture dated 8 June 2007 in favour of State Securities Plc
Legal charge dated 8 June 2007 in favour of State Securities Plc
Legal charges dated 1 November 2007 in favour of State Securities Plc
Legal charge dated 13 March 2008 in favour of State Securities Plc
Legal charges dated 13 October 2008 in favour of State Securities Plc
Legal charge dated 11 December 2008 in favour of State Securities Plc
Debenture dated 2 July 2009 in favour of HSBC Bank Plc
Legal charge dated 8 March 2011 in favour of Close Asset Finance Limited

Payments in full and final settlement of amounts due to creditors secured via legal charges (chattel mortgages in respect of individual train carriages) have been made as follows

- State Securities Plc ("State") – £550,644 61
- Close Asset Finance Limited ("Close") – £69,124 00

Preferential creditors

Preferential creditors amounting to £4,836 09 have been paid in full via payments amounting to £1,077 32 during the current period and £3,758 77 in the prior period

Floating charge creditors

The sum of £6,559 01 has been paid during the current reporting period to HSBC Bank Plc ("HSBC") under the terms of its floating charge. HSBC was owed £40,414 at the commencement of the administration but will make no further recover from the administration

Unsecured creditors

As advised in my proposals report there is no prospect of a dividend to unsecured creditors

Prescribed part provisions

There are provisions in the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company granted a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and costs and expenses of the administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- > 50% of the first £10,000 of the net property plus
- > 20% of the remaining net property up to a maximum prescribed part of £600,000

The Company granted a floating charge to State Securities Plc on 8 June 2007 and in favour of HSBC Bank Plc on 2 July 2009 and the prescribed part provisions will apply. However, as the net property was less than £10,000, the Joint Administrators were not required to set aside a prescribed part fund and no 'prescribed part' dividend is payable to unsecured creditors.

Exit to dissolution

There will be no further payments to any class of creditor and therefore the Company will move from administration to dissolution in accordance with the Joint Administrators' proposals.

6. Joint Administrators' Remuneration, Disbursements and Expenses

Basis of remuneration and disbursements

The Joint Administrators' Proposals provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with matters in the administration and that disbursements be drawn in accordance with the tariff outlined in **Appendix III**. The Joint Administrators' remuneration and disbursements have been approved by the secured and preferential creditors.

Remuneration charged and drawn in the period

The Joint Administrators' time costs were charged (exc VAT) as follows:

	Incurred	Paid
Current period from 12 April 2012 to 10 October 2012	£11,385 50	£6,000 00
Prior period from appointment on 12 October 2011 to 11 April 2012	£104,598 50	£64,000 00
Total	£115,984.00	£70,000.00

In accordance with Statement of Insolvency Practice 9 attached at **Appendix III** is a breakdown of these time costs.

Disbursements incurred and drawn

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period are summarised below:

	Incurred	Paid
Category 1 disbursements for this period, from 12 April 2012 to 10 October 2012	£370 30	£0 00
Category 1 disbursements since appointment on 12 October 2011 to 11 April 2012	£900 64	£0 00
Total	£1,270.94	£0 00

No category 2 disbursements have been charged nor will be recovered in this matter.

Expenses (professional advisors) charged and drawn in the period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
SIA Group UK Limited	Chattel Agents valuation and sale of carriages, stock etc	Fixed fee
Clarke Willmott	Appointment, leins / retention of title and general advice	Time costs

The choice of professionals and the Joint Administrators' fee arrangements with them was based on perception of their experience and ability to perform this type of work, together with the complexity and nature of the assignment

Details of the costs incurred and paid by the Joint Administrators in relation to administration expenses for the period are also attached at **Appendix III**.

Pre-administration costs

Pre-appointment time costs total £4,743 65 and relate to costs incurred specifically with a view to Administration. These costs have been written off by the Joint Administrators.

Creditors' Guide to Fees and statement of creditors' rights

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses. Time limits apply. Details can be found in the document 'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenton.com/creditorguides>. Alternatively a copy is available free of charge upon request from the address above.

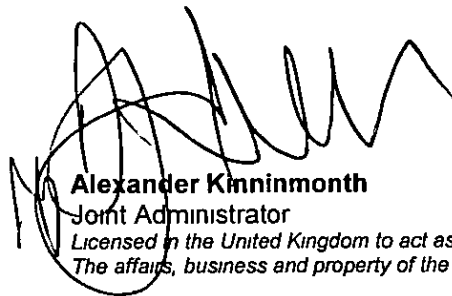
7. End of Administration

The objective of the administration, being to realise property in order to make a distribution to one or more secured or preferential creditors, has been achieved.

All assets have now been realised apart from those where it has not been commercially viable to do so as explained earlier in this report.

The Company will be automatically dissolved three months after the Notice of Moving from Administration to Dissolution has been filed by the Registrar of Companies. The relevant documentation was sent to Companies House on the 10 October 2012.

The Joint Administrators have obtained the agreement of the Secured and preferential creditors that upon the Company proceeding into dissolution, their discharge from liability shall take effect 14 days following the Company filing the Notice of Moving from Administration to Dissolution.

A handwritten signature in black ink, appearing to read 'Alexander Kinninmonth', is written over the printed name and title.

Alexander Kinninmonth

Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants

The affairs, business and property of the Company are being managed by the Administrators

Company Information

Company Name	Cargo-D Limited
Previous Name	n/a
Company Number	05700025
Date of Incorporation	7 February 2006
Trading Address	32 Sydney Road, Haywards Heath, West Sussex RH16 1QA
Current Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ
Former Registered Office	Victoria House, Stapleford Lane, Stapleford, Haywards Heath, West Sussex, RH17 6AS
Principal Trading Activity	Transport via railways

Appointment details

Joint Administrators' name and address	Alexander Kinninmonth of RSM Tenon Recovery, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ and Carl Stuart Jackson of RSM Tenon Recovery Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ
Date of appointment	12 October 2011
Court Name and Reference	Birmingham District Registry 8504 / 2011
Appointment made by	State Securities Plc
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Cargo-D Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 12/04/2012 To 10/10/2012	From 12/10/2011 To 10/10/2012
	SECURED ASSETS		
701,422 00	Carriages - State Securities Plc	NIL	605,582 00
		NIL	605,582 00
	SECURED CREDITORS		
(550,000 00)	State Securities Plc	NIL	550,644 61
		NIL	(550,644 61)
	HIRE PURCHASE		
83,328 00	Carriages - Close Asset Finance Ltd	NIL	106,268 00
(70,961 00)	Close Asset Finance Ltd	NIL	(69,124 00)
		NIL	37,144 00
	ASSET REALISATIONS		
32,200 00	Carriages - Unencumbered	17,750 00	41,500 00
1,000 00	Motor Vehicles	850 00	850 00
7,500 00	Stock	NIL	NIL
1,830 00	Book Debts	NIL	NIL
	Bank Interest Gross	9 49	52 55
	Miscellaneous Refund	NIL	216 07
		18,609 49	42,618 62
	COST OF REALISATIONS		
	Office Holders Fees	6,000 00	70,000 00
	Agents/Valuers Fees	10,000 00	20,000 00
	Legal Fees	NIL	4,675 00
	Corporation Tax	10 60	10 60
	Storage & Transport Costs	6,247 13	25,573 67
	Insurance of Assets	(1,915 36)	2,907 64
	Bank Charges	NIL	138 00
		(20,342 37)	(123,304 91)
	PREFERENTIAL CREDITORS		
(3,788 00)	Pref Dividend - Empl'ee Wages/Hol Pa	285 51	4,044 28
	Pref Dividend - Arrears Pension Sche	791 81	791 81
		(1,077 32)	(4,836 09)
	FLOATING CHARGE CREDITORS		
(40,414 00)	Floating Charge Creditor - HSBC	6,559 01	6,559 01
		(6,559 01)	(6,559 01)
	UNSECURED CREDITORS		
(733,762 50)	Trade & Expense Creditors	NIL	NIL
(406,692 00)	Directors	NIL	NIL
(158,145 00)	Customers	NIL	NIL
(77,431 00)	Intercompany Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(40 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,213,953 50)		(9,369 21)	0.00

Appendix III – Information relating to the Joint Administrators' Fees and Expenses

Cargo-D Limited

Information relating to the Joint Administrators' Fees and Expenses

1. Explanation of Joint Administrators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates are

	Rate since 23 November 2011 £
Partner and Director	350 – 435
Senior Manager, Manager and Supervisor	235 – 310
Other Senior Professionals	130 – 195
Support and Administration Staff	105

1.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case, (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage.

The current levels of Category 2 disbursements recovered by RSM Tenon Recovery are as follows

Category		Basis
Stationery	4p, 3p, 35p	Per envelope, letterhead, label
Photocopying	5p	Per page
Faxes	50p	Per page
Storage	£7 20	Per box, per year
Room Hire	£100	Fixed charge

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

2 Description of work carried out

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows:

2.1. Pre-appointment

Pre-appointment time costs totalling £4,743.65 have been written off.

2.2. Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts.

Staff of different levels are involved in the above activities depending upon the experience required.

2.3 Investigations

The time spent includes:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation.

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

2.4 Realisation of Assets

Please refer to the main body of the report for specific information regarding the assets realised to date.

Staff have been chosen depending upon the appropriate level of experience required for the activity they are required to undertake. The sale of the assets was particularly complex and required extensive involvement of the Administrators and senior staff.

2.5 Creditors

The time spent includes the following matters:

- > Recording and maintaining the list of creditors,
- > Recording creditor claims,
- > Reporting to creditors,
- > Reviewing and evaluating creditor claims,
- > Dealing with creditor queries.

3. Time and charge-out summary

During the period from appointment on 12 October 2011 to 11 April 2012 a total of 373.00 hours have been properly spent at an average charge out rate of £280.42, giving a total cost for the period of £104,598.50.

During the current reporting period from 12 April 2012 to 10 October 2012 a total of 45.70 hours have been properly spent at an average charge out rate of £294.14, giving a total cost for the current reporting period of £11,385.50.

During the period from appointment on 12 October 2011 to 10 October 2012 a total of 418.70 hours have been properly spent at an average charge out rate of £277.01, bringing the total cost to date to £115,984.00.

A summary table is shown on the next page. The costs exclude VAT.

4 Disbursements

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively to end of current period, are detailed below.

Disbursements	Incurred £	This period	Previous period		Incurred £	Cumulatively
		Paid £	Incurred £	Paid £		Paid £
Category 1						
Statutory advertising	0 00	0 00	63 50	0 00	63 50	0 00
Web site fees	0 00	0 00	200.00	0 00	200 00	0 00
Bond premium	0 00	0 00	210.00	0.00	210 00	0 00
Postage	370 30	0 00	318.24	0 00	688 54	0 00
Mail redirection	0 00	0 00	108.90	0 00	108 90	0 00
Total	370 30	0.00	900.64	0 00	1,270.94	0.00

The above costs exclude VAT

No category 2 disbursements have been charged to this matter

5 Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the following parties

Name	Incurred £	This period Paid £	Previous period Incurred £	Previous period Paid £	Incurred £	Cumulatively Paid £
<i>Category 1</i>						
SIA Group UK Limited	0 00	10,000 00	20,000 00	10,000 00	20,000 00	20,000 00
Clarke Willmott	0 00	0 00	4,675 00	4,675 00	4,675 00	4,675 00
Total	0.00	10,000.00	24,675 00	14,675 00	24,675 00	24,675.00

The nature of the services provided by the professional advisors above was as follows

SIA Group UK Limited – Chattel Agents valuation and sale of carriage and stock
Clarke Willmot – Solicitors appointment, leins, retention of title and general advice

The above costs exclude VAT

SIP9 Summary

7740072 Cargo-D limited

Corp Administration/post appt

RSM Tenon

12/10/2011 to 11/04/2012

SIP9 SubCategory	Partner and Director	Manager	Other Senior Professional	Assistant and Support Staff	Total Hours	Charge \$	AvgRate
Administration and planning	27 20	10 40	50 00	9 60	97 20	25,655 00	263 94
Creditors	6 20	15 70	84 60	30 00	136 50	31,637 00	231 77
Investigations	1 20	0 10	2 60	0 00	3 90	961 50	246 54
Realisation of assets	105 50	8 60	21 30	0 00	135 40	46,345 00	342 28
Trading	0 00	0 00	0 00	0 00	0 00	0 00	NaN
Hours	140 10	34 80	158 50	39 60	373 00		
Charge	50,363 50	10,770 00	38,974 00	4,491 00		104,598 50	

SIP9 Summary

RSM Tenon

7740072 Cargo-D limited

Corp Administration/post appt

12/04/2012 to 10/10/2012

SIP9 SubCategory	Partner and Director	Manager	Other Senior Professional	Assistant and Support Staff	Total Hours	Charge \$	AvgRate
Administration and planning	3.00	0.00	7.90	0.70	11.60	3,012.00	259.66
Creditors	3.00	0.60	24.50	4.00	32.10	7,843.50	244.35
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	NaN
Realisation of assets	0.00	0.00	2.00	0.00	2.00	530.00	265.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	NaN
Hours	6.00	0.60	34.40	4.70	45.70		
Charge	2,100.00	186.00	8,606.00	493.50		11,385.50	

Joint Administrators' Proposals

In order to achieve the objective set out at Section 3 above, Alexander Kinninmonth of RSM Tenon Recovery and Carl Stuart Jackson of RSM Tenon Recovery, the Joint Administrators formally propose to creditors that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the administration. In particular that they
 - (i) sell the Company's assets at such time(s) on such terms as they consider appropriate,
 - (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
 - (iii) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) As there will be no funds available for distribution to the unsecured creditors, the Company exits administration by way of dissolution