

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Manor Oak (PMG) Limited	Company number 05919463
In the High Court of Justice [full name of court]	Court case number 19662 of 2009

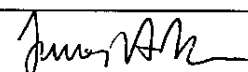
We
Gary Steven Fraser
KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Blair Carnegie Nimmo
KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

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

from	to
15 October 2009	14 April 2010

Signed



James Dewar
for BC Nimmo
Joint Administrator

Dated

21 May 2010

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.

James Dewar KPMG LLP 191 West George Street Glasgow G2 2LJ United Kingdom		Tel
DX Number	DX 551820 Glasgow 20	DX Exchange

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

TUESDAY



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25/05/2010

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COMPANIES HOUSE



**Manor Oak (PMG) Limited
(in administration)**

**Joint Administrators' progress report to
creditors pursuant to Rule 2.47 of the
Insolvency Rules 1986**

21 May 2010

KPMG LLP

21 May 2010

This report contains 11 Pages

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*Manor Oak (PMG) Limited
(in administration)*

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Rules 1986
KPMG LLP
21 May 2010*

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Manor Oak (PMG) Limited
(in administration)

Joint Administrators' progress report to creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
21 May 2010

Notice: About this Report

This Report has been prepared by Blair Carnegie Nimmo and Gary Steven Fraser, the Joint Administrators of Manor Oak (PMG) Limited, solely to comply with their statutory duty to report to creditors under Rule 2.47 of the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Manor Oak (PMG) Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

The affairs, property and business of Manor Oak (PMG) Limited are being managed by the Joint Administrators.

Blair Carnegie Nimmo and Gary Steven Fraser are authorised to act as an insolvency practitioners by the Institute of Chartered Accountants of Scotland.

The Joint Administrators act as agents for Manor Oak (PMG) Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.



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1 Introduction

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG LLP, were appointed Joint Administrators of Manor Oak (PMG) Limited ("the Company") on 15 October 2009.

We were appointed by the High Court of Justice in London following a petition by the director of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986, we set out below our first progress report to the creditors of the Company.

A receipts and payments account for the period 15 October 2009 (the date of appointment) to 14 April 2010 is attached at Appendix 2. This shows funds on hand totalling £301,704.03.

2 Statutory and other information

A summary of the statutory and other relevant information relating to the Company is set out in Appendix 1.

3 Progress to date including realisation of the assets

3.1 Initial review/ wind down strategy

At the date of administration, the Company owned few assets. It operated from two leasehold premises and most of the stock was held on consignment, or was subject to finance or hire agreements. With no asset base of any significance, it was evident that should the business continue to trade, in order to attempt to find a buyer, financial and operational support from Peugeot would be necessary.

Immediately following the administration appointment, we spoke to both the Peugeot Motor Company ("PMC") and the Peugeot finance company, PSA Wholesale Limited ("PSA"). Our discussions were forthright and both parties gave clear instruction that they could not provide financial support to the Administrators.

In these circumstances, we had no option but to proceed directly to a wind down strategy, where we immediately made 46 of the Company's 59 employees redundant. The remaining 13 employees were retained for a period of up to two weeks to help complete outstanding servicing works, bring the accounting books and records up to date, undertake a full stock take of parts, and assist in the uplift and sale of owned and financed vehicles.

3.2 Motor vehicles

The Company held 67 vehicles on a consignment basis, had 66 vehicles subject to finance lease agreements from two finance companies, and five vehicles on contract hire contracts. We obtained the contractual agreements for all of these vehicles and confirmed that title in each case remained with the financed companies. We assisted the finance



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companies to uplift and sell their vehicles at auction. There will not be any reversion to the Administration as the value achieved for the vehicles at auction was less than the outstanding finance.

The Company owned 26 vehicles which were unencumbered by finance charges. We sold two vehicles by private treaty, and the remaining were sold at auction by two different agents. Total realisations from the sale of owned vehicles were £140,990.58, net of VAT.

3.3 Trade debtors

The trade debtors ledgers upon our appointment showed 329 debtors with a gross ledger total of £171,000, and to date we have received payments totalling £163,881.33. Certain debtors have counter claims for liquidated damages, or for outstanding contracts, where parts have been bought and sold by other dealerships, which impaired debtor recoveries. We wrote twice to all debtors and have recently appointed legal agents to assist with the recovery of the small number of remaining outstanding debts. We will pursue the outstanding balances due to the Company until it becomes uneconomical to do so.

3.4 Fixtures and fittings

We instructed an agent to undertake an inventory of all owned fixtures and fittings, and to arrange for the subsequent sale, with realisations totalling £15,643.48.

3.5 Parts stock

Under the terms of the dealership agreements, title to parts stock, all of which was supplied to the Company by PMC, passed to PSA at the date when PMC raised an invoice to the Company. Title did not pass to the Company until all sums due to PSA have been paid in full. We assisted PSA to sell the parts stock to reduce their indebtedness, however sales prices achieved were insufficient to repay PSA and there will be no reversion to the Administration.

3.6 Customer lists

We obtained a download of the customer names and addresses from the Company's records and invited offers from other dealerships to purchase the resulting lists. After negotiating with a number of parties, we were able to sell the Company's customer lists for £4,528.26. The purchasers signed a legal agreement to ensure that the Company's requirements under data protection legislation were met.

4 Amounts payable to preferential creditors and floating charge creditor

4.1 Preferential creditors

The Company's preferential creditors have been estimated as follows -

Figure 1 Preferential creditors

	£
Employees – arrears of salary/wages	42 234
Employees – accrued holiday pay	14 217
	<hr/>
	56 451
	<hr/>

Source: Company records and Joint Administrators' estimates

4.2 Floating charge creditor

The Bank of Scotland plc ("the Bank") holds a debenture over the business and assets of the Company, which was granted by the Company on 31 May 2007, and registered at Companies House on 8 June 2007.

We have not yet received the Bank's formal claim, however the combined balance on the Company's overdrawn bank accounts totalled approximately £247,000 at the date of the administration. It should be noted that interest and charges continue to accrue on these balances until the Bank's indebtedness is settled in full.

The Bank has also provided guarantees to PSA in respect of certain balances due to that entity which we understand may be in the region of c £400,000. If the Bank has to make payments under that guarantee then the Bank's subsequent claim against the Company will increase.

5 Prescribed part of the Company's net property pursuant to Section 176A of the Insolvency Act 1986

The Bank's floating charge was granted after 15 September 2003 and therefore were a distribution to be made to the Bank under its floating charge, a prescribed part of the Company's net property would be set aside and made available for unsecured creditors.



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6 Dividend prospects for creditors

Based on recoveries to date, it is anticipated that sufficient funds will be recovered to enable a partial distribution to the preferential creditors of the Company. It is unlikely that preferential creditors will be repaid in full and therefore we do not expect a dividend becoming payable to either the Bank under its floating charge, or unsecured creditors under the prescribed part provisions of s 176A of the Insolvency Act.

7 Joint Administrators' fees

The basis for the Joint Administrators' remuneration is fixed as either a percentage of the value of the Company's property, or by reference to time properly given by the Joint Administrators and their staff in accordance with Rule 2.106(2) of the Insolvency Rules 1986.

In this case the basis requested will be in accordance with the time given by the Joint Administrators, as the Joint Administrators have made a statement under paragraph 52(1)(b) to Schedule B1 of the Insolvency Act 1986, namely that the Company has insufficient property to enable a distribution to the unsecured creditors other than by virtue of the prescribed part. In this case it is for each secured creditor, and the majority of preferential creditors who vote, to agree the basis of the Joint Administrators' remuneration.

Further information is given in the Association of Business Recovery Professionals' publication, 'A creditors guide to Administrators fees', a copy of which can be found at www.13.org.uk/uploads/documents/Creditors_Administration.pdf. If you are unable to access this guide and would like to receive a copy, please contact my colleague, Fraser McLaren on telephone number 0141 300 5653.

8 Extension of Administration

Ordinarily, our appointment as Joint Administrators would automatically cease at the end of one year from the date on which it took effect, pursuant to Paragraph 76 (1) of Schedule B1 to the Insolvency Act 1986. This anniversary falls due on 14 October 2010.

In this case, as there are a number of matters outstanding that may take some time to resolve, I hereby request the consent of creditors to an extension for a six month period to 14 April 2011.

Please find attached a resolution for you to complete expressing your agreement to the proposed extension, and would be grateful if you could return this to me by no later than 14 June 2010. The alternative option is for the Administrators to seek an extension at the Court. It would be helpful if you could approve the proposed extension to avoid the costs that will be incurred if we require to request the extension through an application to the Court.



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9 Other matters

We continue to attend to all statutory and administrative matters as required, including the completion and submission of VAT and corporation tax returns to HM Revenue and Customs

There remain a number of issues that require to be dealt with in the Administration including, -

- pursue remaining debtors of the Company,
- formal adjudication on and subsequent payment of preferential creditors' claims,
- account for all VAT receivable and payable,
- account for any corporation tax payable,
- confirm all employee and pension scheme matters have been dealt with as appropriate,
- obtain approval of the Joint Administrators' fees,
- settle all outstanding legal and agents fees,
- attend to creditor correspondence and telephone calls, and
- attend to all statutory matters as and when they fall due

BC Nimmo

KPMG LLP
191 West George Street
Glasgow
G2 2LJ

19 May 2010



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Appendix 1

Statutory and other information

EC Regulation

This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Company is registered in England, has its main centre of interest in Scotland and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Insolvency Act 1986 and not any other European Union Member State's insolvency law.

Relevant court

Notice of the appointment by director was lodged at the High Court of Justice on 15 October 2009. The Court reference number is 19662/2009.

Secured Lenders

The Company granted a debenture over its assets to Bank of Scotland plc dated 31 May 2007, and registered at Companies House on 8 June 2007.

Incorporation

The Company was incorporated on 30 August 2006.

Registered office and trading address

The Company's former registered office was situated at

Second Floor
5 Old Bailey
London
EC4M 7BA

As part of the Administration process, the registered office has been changed to

c/o KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

The Company traded from leased premises at

Myrekirk Road	Broadfold Road
Kingsway West	Bridge of Don
Dundee	Aberdeen
DD2 4SH	AB23 8EE



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Company number

The company number is 05919463

Directors

The director at the date of our appointment was

Kevin Edmund Lamb	Appointed	30 August 2006
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One further director had held office in the period between incorporation and the Administration

Dean John Alfred Fulton	Appointed	30 August 2006
	Resigned	30 June 2009

Company secretary

The company secretary at the date of our appointment was MD Secretaries Limited, who took office on 16 January 2007

The company secretary from the date of incorporation, 30 August 2006 to 16 January 2007 was 7Side Secretarial Limited

Share capital

The Company had 1,000,000 authorised ordinary shares of nominal value £1 each. The sole shareholder is Manor Oak (Holdings) Limited

Auditors

The Company's registered auditors were

Trevor Jones
Sutton House
Acorn Business Park
Heaton Lane
Stockport
Cheshire
SK4 1AS

Associated companies

The Company is a wholly owned subsidiary of Manor Oak Holdings Limited (SC224740), which itself is owned by Manor Oak Motor Group (05919415) and Uberior Investments Limited (SC073998)

Holdings has three further wholly owned subsidiaries, Manor Oak (HMG) Limited (05964798), Manor Oak (Property) Limited (06023854) and Glenvarigill Company Limited (SC043039)



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Financial information

Summaries of the Company's most recent available financial information are set out at Figures 2, 3 and 4

Figure 2 Profit and loss accounts

	8 months to 31 Aug 2009 ⁽²⁾ £000 (Unaudited management accounts)	Year to 31 Dec 2008 £000 (Unaudited statutory accounts)	16 months to 31 Dec 2007 ⁽¹⁾ £000 (Audited statutory accounts)
Turnover	9 055	19 082	10 913
Gross profit	1 039	242	195
Operating loss	(623)	(660)	(352)
Retained loss	N/D	(821)	(416)

Source Companies House and management accounts

Note 1 - Trading commenced on 1 June 2007 and these results reflect a 7 months trading period

Note 2 - Management accounts not prepared on a statutory basis and thus represent the aggregation of the two dealerships accounts

N/D - Not disclosed

Figure 3 Balance sheets

	As at 31 Aug 2009 £000 (Unaudited management accounts)	As at 31 Dec 2008 £000 (Unaudited statutory accounts)	As at 31 Dec 2007 £000 (Audited statutory accounts)
Fixed assets	48	59	45
Stocks	2 265	2 542	3 999
Amounts owed by group undertakings	1 239	-	1 135
Trade and other debtors	570	771	515
Bank loans and overdrafts	(346)	(191)	(272)
Trade and other creditors	(4 560)	(3 418)	(4 839)
Net current assets / (liabilities)	(832)	(296)	538
Shareholders' funds	(784)	(237)	583

Source Companies House and management accounts



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Figure 4 Other financial information

	8 months to 31 Aug 2009 £000 (Unaudited management accounts)	Year to 31 Dec 2008 £000 (Unaudited statutory accounts)	16 months to 31 Dec 2007 £000 (Audited statutory accounts)
Directors' remuneration	N/D	-	-
Dividends paid	N/D	-	-
<i>Source: Companies House and management accounts</i>			
<i>N/D – Not disclosed</i>			



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KPMG LLP

21 May 2010

Appendix 2

Administrators' receipts and payments accounts

**Manor Oak (PMG) Limited
(In Administration)**

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 15/10/2009 To 14/04/2010 £	From 15/10/2009 To 14/04/2010 £
RECEIPTS			
Servicing		2,399 84	2,399 84
Miscellaneous income		82 50	82 50
Furniture & equipment	10,000 00	15,643 48	15,643 48
Motor vehicles	150,000 00	140,990 58	140,990 58
Stock	16,000 00	0 00	0 00
Book debts	200,000 00	163,881 33	163,881 33
Customer lists		4,528 26	4,528 26
Cash at bank		509 51	509 51
Bank interest, gross		106 81	106 81
HMRC Interest Received		118 91	118 91
Sundry refunds		352 94	352 94
Floating ch VAT payable		5,460 40	5,460 40
		<u>334,074 56</u>	<u>334,074 56</u>
PAYMENTS			
Direct labour		7,314 75	7,314 75
Payroll bureau		73 15	73 15
Travel		26 09	26 09
Sundry expenses		0 30	0 30
Vehicle Repairs		4,079 43	4,079 43
DVLA Fees		50 00	50 00
Specific bonds		145 00	145 00
Agents'/Valuers' fees		4,745 01	4,745 01
Legal fees		13,667 61	13,667 61
Storage costs		272 74	272 74
Re-direction of mail		156 20	156 20
Statutory advertising		295 00	295 00
Other property expenses		414 00	414 00
Insurance of assets		1,070 52	1,070 52
Floating ch VAT rec'able		60 73	60 73
		<u>32,370 53</u>	<u>32 370 53</u>
BALANCE - 14 April 2010			<u><u>301,704 03</u></u>