

The Insolvency Act 1986

# Administrator's progress report

Name of Company Valley Trucks Limited	Company number 01160558
In the High Court of Justice Chancery Division Companies Court	Court case number 18377 of 2009

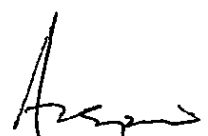
(a) Insert full name(s) and address(es) of administrator(s)

We (a) Anthony Cliff Spicer and Henry Anthony Shinnors of Smith & Williamson Limited, 25 Moorgate, London, EC2R 6AY

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

(b) Insert dates

from	to
(b) 11 March 2010	(b) 10 September 2010

Signed   
 Joint Administrator

Dated 17/9/2010

**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.

Smith & Williamson Limited,	
25 Moorgate, London EC2R 6AY	
	Tel 020 7131 4542
DX Number	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

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# Smith & Williamson

Valley Trucks Limited (In Administration)

Joint Administrators' progress report to creditors

17 September 2010

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## 1. Introduction

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Further to our appointment as joint administrators of Valley Trucks Limited ("the Company") on 11 September 2009, we present a report pursuant to Rule 2.47 of the Insolvency Rules 1986 and attach as Appendix A, the required statutory information

This report relates to the period from 11 March 2010 to 10 September 2010 and should be read in conjunction with the joint administrators' proposals dated 27 October 2009 and subsequent progress reports dated 1 April 2010 and 6 August 2010

## 2. Progress of the administration

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At the time of our first six monthly progress report, the Company's property and assets had been sold to Valley Trucks Holdings Limited and Valley Trucks (Hoddesdon) Limited respectively, being companies owned by the director of Valley Trucks Limited. A consideration of £773,000 was received, being in excess of any other offer received and our agent's valuation

The only remaining assets to realise in this period were the outstanding pre appointment book debt ledger and invoices relating to sales made in the trading administration period

We have sought to maximise recoveries in this area, however, due to the collection rate declining in this regard and the ledger consisting of a large number of small debtors, it was decided to instruct a third party collection agency to pursue the debts. They will be paid on the basis of a percentage of their realisations, which will help minimise the costs of the recovery process

Further detail in respect of book debt collections to date is given in section 3 of the report

## 3. Receipts & payments

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We attach as Appendix B to this report an abstract of our receipts and payments for the period from 11 March 2010 to 10 September 2010

We trust that the abstract is self explanatory and comment on the more significant receipts and payments below

### 3.1 Receipts

#### 3.1.1 Book debts

The Company's outstanding book debts totalled circa £300,000 as at the date of our appointment. The director's statement of affairs estimated that only £205,000 of these would be realisable as a result of bad and disputed debts

A further £11,753 of book debts has been received in this period bringing realisations in this regard to £144,469

### 3.1.2 Sales

During the administration trading period, being from 11 September 2009 to 30 September 2009, sales of £56,864 were raised. To date £42,203 has been received, with £12,969 of this amount being received in this report period

### 3.2 Payments

#### 3.2.1 Legal fees & expenses

Our solicitors were paid £7,043 plus VAT in respect of their advice and assistance in drafting the agreement for the sale of assets. They were also paid £23 in respect of expenses incurred in carrying out their work

#### 3.2.2 Insurance

Insurance of £6,587 has been paid. This insurance was for all risk in relation to trading the Company's business

## 4. Outstanding Matters

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### 4.1 Book debts & sales

We will continue to liaise with our agents in respect of the outstanding book debts and post appointment sales. It is anticipated that further realisations will be made in this regard

### 4.2 Taxation

#### 4.2.1 Corporate tax

Due to the sale of the assets of the business and the consideration received in respect of the Company's property, there may be a post appointment tax liability which would have to be paid as an expense of the administration

The Smith & Williamson Corporate Tax department have been instructed to review this matter and file the post appointment tax computations with HM Revenue & Customs ("HMRC")

## 5. The Prescribed Part and net property

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Where a company has granted a floating charge to a creditor on or after 15 September 2003, Section 176A of the Insolvency Act 1986 requires office holders to set aside part of the Company's net property that would otherwise be used to pay the charge holders. This fund, known as the Prescribed Part, is then used to pay a dividend to the unsecured creditors

The Company last granted a floating charge to NatWest Bank Plc on 23 June 1997 and, consequently, the provisions of Section 176A of the Insolvency Act 1986 do not apply

## 6. Outcome for Creditors

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### 6.1 Secured Creditor

Security had been granted to NatWest Bank Plc ("the Bank") on 30 May 1997 and 23 June 1997 in the form of debentures conferring fixed and floating charges

Following the sale of the assets, the Bank was repaid in full, being £741,165, including all interest and charges

### 6.2 Preferential creditors

Preferential claims include those of the employees of the Company in respect of arrears of wages and accrued holiday pay in accordance with Schedule 6 of the Insolvency Act 1986

Also included is the claim of the Redundancy Payments Office, being a division of the Department for Business, Innovation and Skills, in respect of the compensation they paid to employees in this regard

Such claims received to date total £9,250

On present information it is anticipated that, due to the high number of disputes being received in respect of the book debts, there will be insufficient realisations to defray all the expenses of the administration and pay a distribution to the preferential creditors

Should our agent achieve a better than expected recovery of book debts, this position may change

### 6.3 Unsecured Creditors

The director's statement of affairs suggested unsecured creditor claims total £928,430. To date, we have received claims totalling approximately £1.1 million

For reasons explained in section 6.2 above, there will be no funds available to pay a dividend to the unsecured creditors

## 7. Joint administrators' fees

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The joint administrators' fees are charged on a time cost basis, as detailed in the joint administrators' proposals which were approved at a meeting of creditors on 19 November 2009 in accordance with Rule 2.106 of The Insolvency Rules 1986

For the period from 11 September 2009 to 10 September 2010, the joint administrators and their staff have spent approximately 766 hours in attending to matters arising in the administration, at an average charge out rate of approximately £191 per hour, which totals £148,321

In accordance with Statement of Insolvency Practice 9 ("SIP 9"), we attach as Appendix C a breakdown of our time costs, including additional time incurred prior to our appointment

To date, we have drawn £70,000 plus VAT from the assets of the administration on account of post appointment time costs, as approved by creditors

We have also received remuneration in the sum of £15,000 plus VAT on account of our pre appointment fees. These fees were not paid from the assets of the administration

We also attach as Appendices D and E a summary of the current Smith & Williamson Limited charge out rates, listed by grade, in respect of staff involved with the assignment

## 8. Joint administrators' disbursements

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Since 1 January 2003, disbursements incurred by insolvency practitioners are reported to creditors in two categories

Category one disbursements are those directly attributable to the administration and relate to the reimbursement of expenditure properly incurred in the administration, as defined by SIP 9. Category one disbursements of £1,937 have been accrued in the course of the administration. These disbursements principally relate to travel, statutory advertising, company searches and the statutory insolvency bond.

To date £1,937 plus VAT has been drawn in this regard.

Category two disbursements relate to any expense recharged to the case by the joint administrators' firm. No category two disbursements will be charged or drawn during the course of the administration.

## 9. Extension and Ending of the Administration

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Further to our report dated 6 August 2010, creditors consented to the automatic end of the administration being extended for a period of six months from 10 September 2010 to 10 March 2011 in accordance with Paragraphs 76(2)(b) and 78(2) of Schedule B1 of the Insolvency Act 1986.

Once we have been able to finalise all asset realisations and the requisite tax clearances have been received from HMRC, it is anticipated that the Company will exit administration by dissolution, as approved by creditors.



Anthony Spicer and Henry Shinnars  
Joint Administrators

## Appendix A Statutory Information

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Relevant Court	High Court of Justice Chancery Division Companies Court The Strand London
Court Reference	18377 of 2009
Former Name	M L Pyle (CV Repairs) Limited
Registered Office	25 Moorgate London EC2R 6AY
Registered number	01160558
Joint Administrators	Anthony Cliff Spicer & Henry Anthony Shinnars Smith & Williamson Limited 25 Moorgate London EC2R 6AY
All functions are to be exercised by the Joint Administrators jointly and severally	
Date of Appointment	11 September 2009
Appointor	The directors





Appendix C. Joint Administrators' Breakdown of Time Costs (SIP 9) to 10 September 2010

**Valley Trucks Limited**  
**Breakdown of time spent by Smith & Williamson Limited employees**  
**for the period ended 10 September 2010**

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Director	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration & planning	0 00	2 05	20 10	105 30	53 50	180 95	£30 944 00	£171 01
Investigations	0 00	0 00	0 75	6 35	0 00	7 10	£1 214 75	£171 09
Realisation of Assets	13 50	54 15	2 10	62 80	0 00	132 55	£34 714 25	£261 90
Trading	3 00	26 70	0 00	248 10	0 65	278 45	£50,166 50	£180 16
Creditors	0 00	9 95	31 45	94 80	29 25	165 45	£27,837 25	£168 25
Corporate Tax	2 30	6 75	0 00	0 75	1 00	10 80	£3 386 50	£313 56
Assurance & Business Services	0 00	0 00	0 00	0 00	1 00	1 00	£58 00	£58 00
<b>Totals</b>	<b>18 80</b>	<b>99 60</b>	<b>54 40</b>	<b>518 10</b>	<b>85 40</b>	<b>776 30</b>	<b>£148 321.25</b>	<b>£191 06</b>
Pre-appointment	14 00	49 05	0 00	31 00	1 70	95 75	£27 709 75	£289 40

## Appendix D. Schedule of Charge-out Rates Restructuring & Recovery

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**Smith & Williamson Limited  
Restructuring & Recovery Services  
Charge out rates listed by staff classification**

	£
<b>Director</b>	440-495
<b>Associate Director</b>	335
<b>Senior Manager/Manager/Assistant Manager</b>	235-295
<b>Senior Administrator/Administrator</b>	160-200
<b>Support staff</b>	65-200

## Appendix E Schedule of Charge-out rates: Corporate Tax

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### Smith & Williamson Limited Corporate Tax

#### Charge out rates listed by staff classification

	£
Director	455-510
Associate Director	320 - 335
Senior Manager	275
Manager	225 - 230
Assistant Manager	200
Senior	120 -135
Tax Trainee	80 - 105