

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 Shanners of Smith & Williamson Limited, 25 Moorgate, London, EC2R 6AY

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

from

to

(b) 11 September 2010

(b) 7 March 2011

(b) Insert dates

Signed



Joint Administrator

Dated 7 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.

Smith & Williamson Limited	
25 Moorgate, London, EC2R 6AY	
	Tel 0207 131 8184
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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FRIDAY

Smith & Williamson

**Valley Trucks Limited
(In Administration)**

Joint Administrators' final progress report to
creditors

7 March 2011

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1. Introduction

Further to our appointment as joint administrators of Valley Trucks Limited ("the Company") on 11 September 2009, we present a report pursuant to Rule 2.110 and 2.118 of the Insolvency Rules 1986 and attach as Appendices A and B the required statutory information and a summary of the joint administrators' proposals respectively

This report relates to the administration period from 11 September 2009 to the end of the administration and should be read in conjunction with the joint administrators' proposals of 27 October 2009 and subsequent progress reports dated 1 April 2010, 6 August 2010 and 17 September 2010

2 Progress of the administration

2.1 Corporate tax

The Smith & Williamson Corporate Tax department were instructed to prepare and file the tax computations and returns for the final administration periods

These indicated that there was no corporation tax liability as a result of the availability of certain taxation allowances

2.2 Book debts and sales

Since the last progress report to creditors our agent has continued to pursue further realisations in respect of the outstanding book debts and post appointment trading sales

A further £10,610 has been realised in this report period, however, it is anticipated that no further realisations will be made in this regard

It was initially reported that book debts at the date of our appointment totalled circa £300k. Our agent's final report, however, suggests that this figure (which was taken from the Company's records) should have been higher. To date we have received £149,093 and our agent has reported outstanding invoices in the sum of £295,157, meaning the book debt ledger at the time of our appointment must have been circa £450k

Sales made under our stewardship during the administration trading period totalled £56,683 (inclusive of VAT), of which £54,251 has been collected

The remaining £295,157 of book debts and £2,432 of sales have been heavily disputed by the debtors

The following table summarises the main reasons for debtors not paying the invoices

Table A Debtors' reasons for non payment of invoices

Reason	Amount	Explanation
Contra trading	£118,054	Debtors were owed money by Valley Trucks Ltd in excess of the amount they had been invoiced. In accordance with Rule 2.85 of the Insolvency Act 1986 these debtors were able to offset the balance, resulting in a nil balance payable to the Company and the debtor becoming a creditor of the administration.
Disputes	£100,628	Debtors complained that work was not completed, was inadequate or goods were not received. On this basis the debtor refused to pay. The Company's records were insufficiently organised to dispute the claims of these debtors and, therefore, legal action against them could not realistically be pursued.
Bad debts	£48,925	The debtors have since entered administration, liquidation or bankruptcy with no potential returns for creditors.
Under warranty	£16,778	Debtors confirmed that their vehicle was under warranty and they should not have been invoiced for the parts and work done.
Credit notes and duplications	£7,919	Debtors contested that the invoices were payable and explained that it had been agreed with the Company, prior to our appointment, to raise credit notes against them. Reasons for this include invoices being duplicated or the goods invoiced not being received.
Further information required	£4,272	Debtors disputed the invoice was payable and requested further supporting documentation, such as purchase orders signed by them, proof of deliveries or service and inspection sheets. Such information was requested from the Company's directors who were unable to provide it.
Paid pre appointment	£1,014	These invoices had been paid prior to our appointment and were therefore unable to be realised as an asset of the administration.

We have reviewed the information provided by our agent and, given the effluxion of time, the quality of records retrieved from the Company and the associated legal costs, we are also of the opinion that no further realisations can be made in this regard and the outstanding amounts should be written off.

3 Receipts & payments in the report period

We attach as Appendix C to this report an abstract summary of the joint administrators' final receipts and payments, which includes details of those made in the period from 11 September 2010 to 7 March 2011, being the final period of the administration

The summary indicates that all assets have now been distributed and that we hold a nil balance to hand. We comment on the more significant receipts and payments in the report period as follows

3.1 Receipts

3.1.1 Sales & book debts

The Company received a further £5,986 plus VAT in respect of sales made during the administration trading period

A further £4,624 was also received in respect of pre appointment book debts

3.1.2 Refund of pension contributions

AXA Sun Life Services plc refunded £300 as a result of premium overpayments paid by the Company between September 2008 and August 2009 with regard to the pension scheme of a former director

3.1.3 Transfer of surplus fixed charge realisations

Assets that were subject to fixed charges realised a total of £749,999 and accrued interest in the administration of £72

Such realisations enabled the secured creditor and the associated costs of realisation to be repaid in full and created a surplus of fixed charge assets in the sum of £37

As the secured creditor was repaid in full, this surplus was no longer subject to the fixed charge and was transferred to floating charge assets to be made available for general costs of the administration and, potentially, preferential creditors

3.2 Payments

3.2.1 Sales and book debt commission

The agent instructed to assist in the collection of any outstanding invoices charged a fee of fifteen per cent on gross realisations

£5,548 plus VAT was paid in this regard

4 Outstanding matters

As a result of having to write off the remainder of the book debt and trading sales ledger, there are no outstanding matters in this administration

5. Prescribed Part & net property

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

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 (within certain limits).

Such claims received to date total £9,250.

Due to the high number of disputes received in respect of the book debts, there have been insufficient realisations to defray all the expenses of the administration and pay a distribution to the preferential creditors.

6.3 Unsecured Creditors

The director's statement of affairs suggested unsecured creditor claims totalled £928,430. Claims totalling approximately £1.1 million were received.

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

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.

The joint administrators have drawn fees in the sum of £26,279 inclusive of VAT in this report period.

For the period from 11 September 2009 to 6 March 2011, the joint administrators and their staff have spent approximately 876 hours in attending to matters arising in the administration, at an average charge out rate of approximately £192 per hour, which totals circa £168,423.

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

To date, we have drawn £96,279 plus VAT from the assets of the administration on account of post appointment time costs, as approved by creditors. £26,279 plus VAT of these fees was drawn in this report period.

We have also received remuneration in the sum of £15,000 plus VAT on account of our pre appointment fees which totalled £27,710. This amount was not paid from the assets of the administration.

As a result of the level of write offs in respect of the book debt ledger, there are insufficient realisations to defray the joint administrators' time costs in full. £84,854 of the joint administrators' fees has, therefore, been written off.

We attach as Appendices E and F 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

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 £1,480 have been accrued in the course of the administration.

These disbursements principally relate to travel, statutory advertising, company searches, storage and the statutory insolvency bond

£1,480 plus VAT has been drawn from the assets of the Company in this regard, with £29 plus VAT being drawn in this report period

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

9. Achieving the purpose of the administration

Under Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, the joint administrators must perform their functions with the objective of, in order of priority of purpose

- Rescuing the company as a going concern
- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors

Due to the extent of the Company's liabilities it was not possible to rescue the Company as a going concern

As a result of trading the Company and achieving a sale of the Company's business and assets, we are of the opinion that assets were realised for a higher value than would have been achieved in the context of a liquidation, particularly with regard to pre appointment book debts

In light of the above, and the distributions to the secured creditor, the second and third objectives of the administration have been achieved

10 Extension of the administration

Administrations ordinarily cease twelve months after commencement, however, in order to achieve the purpose of the administration, the creditors were asked to consent to a six month extension in accordance with Paragraphs 76 and 78(1) of Schedule B1 of the Insolvency Act 1986

Creditors granted such an extension, therefore delaying the automatic end of the administration from 10 September 2010 to 10 March 2011

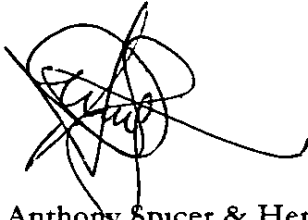
11. Ending the administration

In accordance with Rule 2.33(5) of the Insolvency Rules 1986, creditors approved the joint administrators' proposal to exit the administration by dissolving the Company under Paragraph 84 of Schedule B1 of the Insolvency Act 1986 should there be insufficient funds available to pay a dividend to unsecured creditors

Accordingly, we attach Form 2.35B, being notice of move from administration to dissolution

This was forwarded to the Registrar of Companies for filing. The administration will be brought to an end with effect from the date that Form 2.35B is filed at the Registrar of Companies and the joint administrators will vacate office

This, therefore, is our final report in respect of the administration and the Company will be dissolved three months following the date of Form 2.35B being filed



Anthony Spicer & Henry Shunners
Joint Administrators

Appendix A. Statutory information

Relevant court	High Court of Justice Chancery Division Companies Court The Strand London
Court reference	18377 of 2009
Former name	M L Pyle (C V 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
Receipt and payments	An abstract of receipts and payments is attached

Appendix B. Joint administrators' proposals

- That the joint administrators continue to do all such things reasonably expedient and generally exercise all their powers as joint administrators as they, in their discretion, consider desirable in order to maximise realisations
- That the joint administrators may seek an extension to the administration period if deemed appropriate in accordance with Paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986
- That when it is anticipated that no better realisations will be made in the administration than would be available in a winding up and they think that a distribution will be made to unsecured creditors of the Company, the joint administrators should take the necessary steps to move from administration to creditors' voluntary liquidation, or dissolution should no dividend be available under the prescribed part
- If the Company is moved into creditors' voluntary liquidation, Henry Shinnars and Anthony Spicer of Smith & Williamson Limited may be appointed joint liquidators. In accordance with paragraph 83(7) and Rule 2.117(3) of the Insolvency Act 1986, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved
- The joint administrators will be discharged from liability in respect of any action of theirs as joint administrators upon the termination of the administration, pursuant to paragraph 98(1) of Schedule B1 of the Insolvency Act 1986
- The joint administrators will be remunerated on a time cost basis in accordance with Rule 2.106(9) of the Insolvency Rules 1986. Also, that the joint administrators be authorised to draw disbursements from time to time
- That the costs of Smith & Williamson Limited in respect of Tax and VAT advice to the joint administrators be based upon time costs and shall be paid out of the assets of the Company

Appendix D. Joint administrators' schedule of time costs (SIP 9) to 6 March 2011

Valley Trucks Limited
Breakdown of time spent by Smith & Williamson Limited employees
for the period ended 6 March 2011

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 Case planning, administrative set-up, Appointment notification, Maintenance of records statutory reporting	0 00	2 25	36 70	133 10	58 80	230 85	£41 146 00	£178 24
Investigations SIP2 review, CDDA reports Investigating antecedent transactions	0 00	0 00	0 75	6 35	0 00	7 10	£1,214 75	£171 09
Realisation of Assets Identifying securing insuring assets, Retention of title Debt collection, Property, business and asset sales	13 50	54 15	17 20	72 20	0 00	157 05	£40 299 75	£256 60
Trading Management of operations, Accounting for trading, On-going employee issues	3 00	26 70	0 00	248 10	0 65	278 45	£50 166 50	£180 16
Creditors Communication with creditors Creditors claims (including employees and other preferential creditors)	0 00	10 15	31 70	101 80	30 25	173 90	£29,171 50	£167 75
Payroll	0 00	0 00	0 00	0 00	1 00	1 00	£58 00	£58 00
Pensions	0 00	2 55	0 00	0 50	0 00	3 05	£659 25	£216 15
Corporate Tax	2 30	9 25	0 00	12 30	1 00	24 85	£5 706 75	£229 65
Totals	18 80	105 05	86 35	574 35	91 70	876 25	£168 422 50	£192 21
Pre-appointment	14 00	49 05	0 00	31 00	1 70	95 75	£27 709 75	£289 40

Appendix E. Schedule of charge-out rates – Restructuring & Recovery

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

	£
Director	440-495
Associate Director	335
Senior Manager/Manager/Assistant Manager	225-290
Senior Administrator/Administrator	160-200
Support staff	65-200

Appendix F Schedule of charge-out rates – Corporate Tax

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