

## The Insolvency Act 1986

## Administrator's progress report

2.24B

Name of Company Commercial Hire Solutions Limited	Company number 05060241
In the High Court of Justice Chancery Division Leeds District Registry [full name of court]	Court case number 3501 of 2009

I Christopher Wood of  
Clough Corporate Solutions LLP  
New Chartford House  
Centurion Way  
Cleckheaton  
West Yorkshire  
BD19 3QB

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

From	To
17 December 2009	16 June 2010

Signed

C Wood  
Administrator

Dated

12/7/10

## 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 searches of the public record.

Andrew Waudby  
Clough Corporate Solutions LLP  
New Chartford House  
Centurion Way  
Cleckheaton  
West Yorkshire  
BD19 3QB

Tel 01274 868970

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff CF14 3UZ

WEDNESDAY



A26

\*A3GUGLOC\*

14/07/2010

470

COMPANIES HOUSE

DX 33050 Cardiff

## **Commercial Hire Solutions Limited In Administration**

Report to Creditors pursuant to Rules 2.47, 2.110 and 2.117 of the  
Insolvency Rules 1986

## **Notice: About this Report**

This Report has been prepared by Christopher Wood, the Administrator of Commercial Hire Solutions Limited, solely to comply with his statutory duty to report to creditors under 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 of the debt of or any financial interest in Commercial Hire Solutions 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 Administrator does not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Christopher Wood is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Administrator acts as agent for Commercial Hire Solutions Limited and contracts without personal liability. The appointment of the Administrator is personal to him and, to the fullest extent permitted by law, Clough Corporate Solutions 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 Administrator.

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## **Appendices**

- 1) Statutory information
- 2) Receipts & Payments Account for the period 17 December 2009 to 8 July 2010
- 3) Analysis of Administrators' time costs as at 8 July 2010
- 4) CCS charging and disbursements policy

## **1 Glossary**

Administrator	Christopher Wood of Clough Corporate Solutions LLP, New Chartford House, Centurion Way, Cleckheaton, West Yorkshire, BD19 3QB
Administration Order	The Administration Order granted by the High Court of Justice Chancery Division, in respect of Commercial Hire Solutions Limited on 17 December 2009 Court Administration Number 3501 of 2009
the Company	Commercial Hire Solutions Limited - In Administration (Company number 05060241)
the Directors	Adrian Jonathan Caygill and Nigel Craven
Lloyds	Lloyds TSB Commercial Finance Limited
BOS.	Bank of Scotland Plc
IA 86	The Insolvency Act 1986
IR 86	The Insolvency Rules 1986
EC Regulations	Council Regulations (EC) No 1346/2000
SIP	Statement of Insolvency Practice
Solicitors	Hammonds LLP of Leeds
Agents	Eddisons Chartered Surveyors of Leeds
CCS	Clough Corporate Solutions LLP

## **2 Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003**

Date of appointment	17 December 2009
Registered office	New Chartford House, Centurion Way, Cleckheaton, West Yorkshire, BD19 3QB
Appointed by	The directors of the Company

### **3 Introduction**

I write further to my report dated 5 February 2010 and set out below a final progress report, in accordance with Rule 2 110 IR 86, which forms part of my request for the Company to be placed into liquidation. This report covers the period 17 December 2009 to 8 July 2010 and should be considered in conjunction with my previous reports.

In accordance with Paragraph 58 of schedule B1 to IA 86, no meeting of creditors was held and it was decided to conduct the business of passing resolutions by post. I can confirm that the resolution to accept the Administrators' proposals as circulated was passed without modification.

The appointment of an Administrator automatically ceases to have effect at the end of one year, unless an extension of time is approved. It is the Administrators' intention to place the Company into creditor's voluntary liquidation, as per Paragraph 83 of Schedule B1 to IA 86 and the Administrator has filed the relevant form at Companies House to place the Company into liquidation together with this report.

As previously reported, on the basis of current information, it is unlikely that there will be a dividend to the Company's unsecured creditors.

As the Administrators' Proposals have been accepted, as circulated, Christopher Wood will be appointed liquidator of the Company and the Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to IA 86 upon his appointment ceasing to have effect.

The appropriate statutory information is set out at Appendix 1. A receipts and payments account for the period 17 December 2009 to 8 July 2010 is attached at Appendix 2.

Please note that, unless stated otherwise, all amounts referred to in this report and its appendices are stated net of VAT.

#### **3.1 Other Matters**

I have carried my duties as Administrator in respect of reporting on the Directors' actions as required by the Company Directors' Disqualification Act 1986.

EC Regulations apply and the centre of main interest is the United Kingdom.

### **4 Progress of the administration to 8 July 2010**

#### **4.1 Sale of Business and Assets**

As mentioned in my previous report, a sale of the business and assets was made to CHS Vehicles Limited for the consideration of £30,000, which was made up as follows:

	£
Office and computer equipment	15,000
Road Fund licenses	2,780
Work in progress	12,218
Sellers records and intellectual property	1
Contracts	1
	<hr/> 30,000 <hr/>

A formal sales and purchase agreement was completed on 17 December 2009. All monies have now been received, in accordance with the deferred payment terms set out in the agreement.

Furthermore, the purchaser is to pay additional consideration equivalent to 20% of turnover exceeding £1.2 million during the first 12 months. Once appointed the liquidator will continue to review the turnover of the purchaser and collect any deferred consideration due from the purchaser.

Pursuant to SIP 16, information relating to the sale of the business was circulated to creditors on 22 December 2009.

#### **4.2 Book debts**

As at 2 July 2010 Lloyds held a credit balance of £25,458 in addition to £14,283 of unreconciled monies, which have yet to be reviewed and confirmed whether they are in relation to the Company.

There is a cross guarantee in place between Lloyds and BOS in respect of any shortfall on BOS's facilities. There is currently a shortfall of circa £22,000, which will be offset against book debt collections.

It is envisaged that Lloyds will reassign the book debts and pay the remaining surplus on their account within one month.

### **5 Costs of Realisations**

#### **5.1 Agents Fees**

My Agents have raised a fee note in the sum of £4,000 plus VAT, which has not yet been paid in relation to the valuation of the business assets. This is in line with my Agent's hourly charge out rates in relation to work undertaken. No further sums will be due to them.

#### **5.2 Legal Fees**

A total of £10,199 plus VAT had been paid to date to my Solicitors in relation to their time costs incurred in providing legal advice and drafting the sale and purchase agreement during the administration. This fee was in line with my Solicitor's hourly charge out rates in relation to work undertaken. Further fees of £6,902 plus VAT have been agreed against which a fee note has been raised but payment has not been made. No further sums will be due to them after the above payment is made.

#### **5.3 Administrators' Fees**

The statutory provisions relating to remuneration are set out in Rule 2 106 of IR 86.

As previously mentioned, a resolution was passed by post on 25 February 2010 that the Administrator be authorised to draw fees on account from the assets of the Company from time to time during the period of the Administration based on time properly spent at Clough Corporate Solutions LLP charge out rates that reflect the complexity of the case. A creditors guide to fees can be accessed at

<https://www.r3.org.uk/uploads/documents/Guide%20to%20Administrators%20Fees.pdf>

An analysis of the time costs and expenses for the period 17 December 2009 to 8 July 2010 in accordance with the practice of SIP 9 is attached at Appendix 3

A summary of the charge out rates by grade is attached at Appendix 4

In the period from 17 December 2009 to 8 July 2010 the Administrator and his staff have incurred time costs of £31,087, representing 196 60 hours at an average rate of £158 12 per hour.

To the date of this report the fees drawn by the Administrator in the Administration total £25,000 The balance due will be drawn in due course

In addition £843 has been drawn in relation to disbursements incurred by the Administrator and his staff in dealing with the Administration The fees and disbursements have been drawn in accordance with the approved proposals.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent The costs of staff employed in central Administration functions is not charged directly to this assignment but is reflected in the general level of charge our rates

## **6 Estimated Outcome to Creditors**

### **6.1 Secured Creditors**

Lloyds hold a fixed charge over book debts There is also a cross guarantee in place between Lloyds and BOS in respect of any shortfall in BOS's facilities It is envisaged that both parties will be repaid in full and that any surplus will be paid to the Administrator and any outstanding debts be reassigned to the Company within the next month.

### **6.2 Preferential Creditors**

Following the sale of the business and assets of the Company all employees were transferred under TUPE regulations and so there were no preferential claims

### **6.3 Prescribed Part**

The Insolvency Act 1986 (Prescribed Part) Order 2003 does not apply in this case as it is envisaged that floating charge creditors will be repaid in full under their cross guarantee, as mentioned above

### **6.4 Unsecured Creditors**

As mentioned previously in this report it is unlikely that there will be insufficient realisations to enable a distribution to the unsecured creditors, after the costs of administration

Please note that an Administrator is unable to make a distribution to unsecured creditors, therefore as part of this report the Administrator is filing the relevant documents at Companies House to place the Company into creditors voluntary liquidation Once the realisations of the Company have been finalised the liquidator will take steps to make a distribution to the Company's unsecured creditors should sufficient funds become available



**7 Outstanding Matters**

The following matters are to be resolved during the liquidation

- Reallocation of book debts and receipt of surplus from Lloyds,
- Ongoing collection of the reallocated book debts,
- Review additional consideration due,
- Distribution to the Company's preferential and unsecured creditors if appropriate, and
- Statutory and administration duties during the liquidation

**8. Further Reporting**

This report will be the Administrator's final progress report as per Rule 2 110 of IR 86 and on this basis the Administrator does not intend to issue any further reports in the Administration

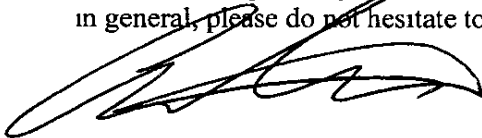
The Liquidator, once appointed, will be responsible for any future reporting requirements as per his statutory duties

**9. Conclusion of the Administration**

On the filing and registration of this report together with form 2 34B at Companies House, the Company will be placed into creditors voluntary liquidation. At this point the Administrator will cease to act and will be discharged of all liabilities as detailed in paragraph 98 of Schedule B1 to IA 86.

As per the Administrator's proposal, Christopher Wood will be appointed liquidator of the Company in accordance with Paragraph 83(7) of schedule B1 to IA 86 and Rule 2 117(3) of IR 86

Should you require any further information regarding the contents of this report or the administration in general, please do not hesitate to contact Andrew Waudby at this office.



**Christopher Wood**  
**Administrator**

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## Statutory Information

<b>Date of Incorporation:</b>	2 March 2004	
<b>Company Registration No:</b>	05060241	
<b>Company Name:</b>	Commercial Hire Solutions Limited	
<b>Present Registered Office</b>	New Chartford House Centurion Way Cleckheaton West Yorkshire BD19 3QB	
<b>Previous Registered Office:</b>	Boothroyds Way Green Lane Industrial Estate Featherstone Pontefract West Yorkshire WF7 6RA	
<b>Issued Share Capital:</b>	100 £1 Ordinary Shares	
<b>Shareholders:</b>	Adrian Jonathan Caygill	54
	Nigel Craven	46
		<hr/>
		100
		<hr/>

### Directors:

Name	Appointed	Resigned
Adrian Jonathan Caygill	02/03/2004	n/a
Nigel Craven	02/03/2004	n/a

### Company Secretary:

Name	Appointed	Resigned
Kathryn Caygill	02/03/2004	n/a

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**Commercial Hire Solutions Limited**  
**Administrator's Abstract of Receipts & Payments**  
**From 17 December 2009 to 8 July 2010**

<b>S of A £</b>	<b>£</b>	<b>£</b>
<b>ASSET REALISATIONS</b>		
Computer and Office Equipment	15,000 00	
WIP	12,218 00	
Book Debts	30,000 00	
Road Tax Refund	4,763 68	
Intellectual Property	1 00	
Contracts	1 00	
		<b>61,983 68</b>
<b>COST OF REALISATIONS</b>		
Specific Bond	370 00	
Administrators Fees	25,000 00	
Legal Fees and Disbursements	10,199 10	
Statutory Advertising	373 47	
Computer System disbursement	100 00	
		<b>(36,042 57)</b>
2,638 95		<b>25,941 11</b>
<b>REPRESENTED BY</b>		
Vat Control Account	5,954 49	
Current Account	19,986 62	
		<b>25,941 11</b>

**Administrator's Remuneration Schedule**  
**Commercial Hire Solutions Limited**  
**Between 17 December 2009 and 08 July 2010**

Hours							
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	14 00	69 50	2 10	43 30	128 90	22,410 00	173 86
Investigations	0 30	4 50	0 00	4 00	8 80	1,290 00	146 59
Realisation of Assets	2 70	0 30	2 50	0 50	6 00	1,097 50	182 92
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 20	13 80	10 60	27 30	52 90	6,289 50	118 89
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
General Advice	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Appointment - Obtaining Information	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total hours</b>	<b>18 20</b>	<b>88 10</b>	<b>15 20</b>	<b>75 10</b>	<b>196 60</b>		
<b>Time costs</b>	<b>5,045 00</b>	<b>17,390 50</b>	<b>1,520 00</b>	<b>7,131 50</b>	<b>31,087 00</b>		
<b>Average hourly rate</b>	<b>277 20</b>	<b>197 40</b>	<b>100 00</b>	<b>94 96</b>	<b>158 12</b>		

**Summary of Administrator's Fees**

Total time spent in administering the Administration	<b>Hours</b>	196 60
Total value of time spent	<b>£</b>	31,087 00
Total fees charged by Administrator to date	<b>£</b>	25,000 00

## **Office Holder's charging and disbursement policy from 1 June 2010**

The Office Holder's remuneration is charged by reference to the time properly given by the Office Holder and his staff in attending to matters arising.

It is the Office Holder's policy to delegate tasks to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Office Holder himself.

Set out below are the relevant charge-out rates per hour worked for the Office Holder's staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

<b>Grade</b>	<b>£ per hour</b>
Partner	295
Associate	255
Senior Manager	225
Manager	195
Executive	155
Analyst	125
Administration/Secretarial	30 - 100

In common with all professional firms, the scale rates used by the Office Holder may periodically rise (for example to cover annual inflationary cost increases) over the period of the assignment. Any material amendments to these rates will be advised to the creditors and any creditors' committee in the next statutory report.

Specialist departments within the associated businesses of Clough Taxation Solutions LLP, Clough Management Services LLP, Chartford Financial Management Limited, Clough & Company LLP, Corporate Finance Services LLP and @ud-it LLP, do sometimes charge a small number of hours, should we require their expert advice. Their rates do vary, however, the figures shown give an indication of the maximum rate per hour.

The Office Holder's firm's expenses policy allows for all properly incurred expenses to be recharged to the case. The policy relating to Category 2 disbursements is as follows:

### **Category 2 disbursements**

<b>Postage</b>	At cost – only charged for circulars to creditors or exceptional packages
<b>Storage</b>	At £0.50 per box per month where provided internally
<b>Photocopying</b>	At 5 pence per side copied, only charged for circulars to creditors and exceptional amounts of copying
<b>Mileage</b>	At a maximum of 50 pence per mile (up to 2,000cc) or 70 pence per mile (over 2,000cc)
<b>Staff expenses</b>	These are only charged as they relate to the assignment and will generally be for subsistence or items charged at cost