

## The Insolvency Act 1986

## Administrator's progress report

2.24B

Name of Company Autofactors Limited	Company number 00283966
In the High Court of Justice, Chancery Division Manchester District Registry (full name of court)	For court use only 1984 of 2011

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

I/We John Neville Whitfield and Matthew Ingram of Duff & Phelps Ltd, 35 Newhall Street,  
Birmingham, B3 3PU

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

(b) Insert date

From	To
26 October 2011	25 April 2012

Signed

Joint Administrator

Dated

18 May 2012

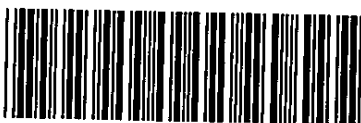
## Contact Details

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

Duff & Phelps Ltd  
35 Newhall Street  
Birmingham  
B3 3PU

Tel 0121 214 1120

completed and signed this form please send it to the Registrar of Companies at  
House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



A23

21/05/2012

#4

COMPANIES HOUSE

MONDAY

**Autofactors Limited**  
**(In Administration)**

**Joint Administrators' Progress Report to Creditors**  
**For the period from 26 October 2011 to 25 April 2012**  
**Pursuant to Rule 2.47(1) of the Insolvency Rules 1986 as amended**

**18 May 2012**

<b>Names of Joint Administrators</b>	John Neville Whitfield  Matthew Ingram
<b>Date of appointment.</b>	26 October 2011
<b>Date of report:</b>	18 May 2012
<b>Appointed by</b>	Centric Commercial Finance 69 Park Lane Croyden Surrey CR0 1JD
<b>Court reference</b>	High Court of Justice Chancery Division Manchester District Registry Court reference 1984 of 2011

**Duff & Phelps**  
**35 Newhall Street**  
**Birmingham**  
**B3 3PU**

## **CONTENTS**

- 1 Introduction
- 2 Joint Administrators' Report and Statement of Proposals
- 3 Progress of the Administration
- 4 Investigations
- 5 Dividend prospects / Prescribed Part
- 6 Joint Administrators' Receipts and Payments Account
- 7 Pre-administration Costs
- 8 Joint Administrators' Costs and Expenses
- 9 EC Regulation
- 10 Conclusion and Ending the Administration
- 11 Next Report

## **APPENDICES**

- 1 Statutory Information
- 2 Joint Administrators' Receipts and Payments Account - For the Period 26 October 2011 to 25 April 2012
- 3 Analysis of Time Charged and Expenses Incurred - For the Period 26 October 2011 to 25 April 2012

## **DEFINITIONS**

<b>"the Company"</b>	Autofactors Limited (In Administration) (Company Number 00283966),
<b>"Duff &amp; Phelps"</b>	Duff & Phelps Ltd,
<b>"the Joint Administrators "</b>	John Whitfield and Matthew Ingram of Duff & Phelps, 35 Newhall Street, Birmingham, B3 3PU,
<b>"the Appointment Date"</b>	26 October 2011 being the date of appointment of the Joint Administrators,
<b>"the Proposals"</b>	The Joint Administrators Report and Statement of Proposals to Creditors dated 12 December 2011,
<b>"the Directors"</b>	Mr Nigel Hecks and Mrs Adena Hecks the directors of the Company,
<b>"the Act"</b>	The Insolvency Act 1986,
<b>"the Rules"</b>	Insolvency Rules 1986 (as amended),
<b>"Centric"</b>	Centric Commercial Finance, the holder of a qualifying floating charge,
<b>"Hex"</b>	Hex Holdings Limited, the Company's beneficial owner,
<b>"SOA"</b>	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date,
<b>"EC Regulation"</b>	EC Regulation on Insolvency Proceedings 2000,
<b>"Category 2 Disbursements"</b>	The Joint Administrators firm's internal costs and expenses in dealing with the Administration,
<b>"DBIS"</b>	the Department for Business Innovation and Skills,
<b>"RPO"</b>	Redundancy Payments Office, and
<b>"Agents"</b>	GVA Grimley Limited

## 1 INTRODUCTION

- 1 1 John Neville Whitfield and Matthew Ingram of Duff & Phelps were appointed Joint Administrators of the Company on 26 October 2011 by Centric, the holder of a qualifying floating charge under paragraph 14 of Schedule B1 to the Act
- 1 2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Administrators
- 1 3 The purpose of this report is to provide creditors with details of the progress of the Administration, in accordance with Rule 2.47(1) of the Rules for the six month period to 26 April 2012

## 2 JOINT ADMINISTRATORS' REPORT AND STATEMENT OF PROPOSALS

- 2 1 The Joint Administrators' issued their Report to Creditors together with their Proposals on 12 December 2011
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- Rescuing the Company as a going concern, or
  - 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
- 2 3 As previously advised, the Joint Administrators anticipate that the second objective will be achieved as it is expected, subject to successful realisation of the book debts, that a better realisation of the Company's assets will be achieved than would have been possible in a winding up scenario. It is anticipated that Centric will receive a floating charge distribution and preferential creditors will be paid in full. A Prescribed Part dividend will be set aside for the benefit of the unsecured creditors from floating charge realisations

## 3 PROGRESS OF THE ADMINISTRATION

- 3 1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below

### **Book debts**

- 3 2 As advised in the Proposals the Company's books and records showed outstanding debts owed to the Company of £247,780 as at the date of appointment
- 3 3 Upon review of the book debt ledger, it was discovered there were a number of accounts which were no longer collectable due to the debtors having entered into insolvency proceedings themselves
- 3 4 The value of bad debts totals £97,406, however, this figure includes small debtor discounts for early payments and clearance of account balances

- 3 5 Book debt collections to date total £109,831. The remaining debtor balance is currently £40,543, which comprises of three debtors. This balance is subject to a number of disputes, therefore the Joint Administrators are passing these across to lawyers to pursue.

**Stock and Chattel Assets**

- 3 6 As stated in the Proposals, the Company held no stock at the date of appointment.
- 3 7 The other remaining chattel assets of the Company consisted of a racking system and a Company car. The car was sold at auction and realised £1,400. These funds are currently held by our Agents and will be transferred to the estate account shortly. No realisations are anticipated from the racking system.

**Cash at Bank**

- 3 8 The sum of £2,185.90 has been received from Yorkshire Bank in relation to cash at bank.

**Fuel Refund**

- 3 9 The Joint Administrators have received a fuel refund totalling £6,500, this relates to a deposit placed in respect of a fuel card account for the Company.

**Sundry refunds**

- 3 10 The Joint Administrators have received a further £2,299.27 in relation to a rates refund.

**4. INVESTIGATIONS**

- 4 1 The Joint Administrators have a statutory obligation to file a report with the DBIS regarding the conduct of all Directors of the Company that served in the three years prior to the appointment. The content of this report is confidential and was submitted to the Insolvency Practitioners Compliance Unit on 24 April 2012.

**5. DIVIDEND PROSPECTS / PRESCRIBED PART**

**Secured Creditors**

- 5 1 As at the Appointment Date Hex's indebtedness to Centric was approximately c£1.621m subject to accruing interest and charges. It is expected that there will be a shortfall to Centric from the realisations of the Administration of Hex.
- 5 2 As previously advised, as a result of this shortfall under the terms of the cross guarantee, and debenture granted to Centric a letter of demand to the Company was issued for £1.621m in relation to Hex's lending.
- 5 3 At the date of this report, Hex has collected book debts totalling c£2m.
- 5 4 In addition, the Company has made a £60,000 distribution to Centric leaving a remaining balance of c£460k, subject to accruing interest and charges.
- 5 5 It is anticipated that there will be insufficient realisations to repay Centric in full from assets of Hex and from the Company.

**Preferential Creditors**

- 5 6 Pursuant to the Directors' SOA, the estimated preferential claims are £467 00
- 5 7 The Joint Administrators are in the process of paying the preferential creditors in full

**Prescribed Part**

- 5 8 As previously advised, pursuant to section 176A of the Act where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors
- 5 9 Based on the current information, there is likely to be a distribution to non preferential creditors from the Prescribed Part. At present, however, it is not certain as to the quantum of any Prescribed Part distribution, this will be dependant on total debtor realisations

**Non-Preferential Creditors**

- 5 10 According to the Directors' SOA, non-preferential creditors total £464,624
- 5 11 Based upon the current information available, it is anticipated that there will not be sufficient realisations to enable a distribution to the non-preferential creditors of the Company, other than from the Prescribed Part

**6. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

- 6 1 A detailed receipts and payments account, for the period 26 October 2011 to 25 April 2012 is shown in Appendix 2
- 6 2 As at 25 April 2012 there was a cash balance of £55,371 58

**7 PRE-ADMINISTRATION COSTS**

- 7 1 The Joint Administrators incurred no pre-administration costs

**8. JOINT ADMINISTRATORS' COSTS AND EXPENSES**

- 8 1 The basis of remuneration was fixed on the basis of time properly charged as previously stated in the Proposals which were deemed to have been approved by creditors on 22 December 2012
- 8 2 The time costs charged in the period 26 October 2011 to 25 April 2012 total £28,831 by Duff & Phelps and are as analysed at Appendix 3
- 8 3 Remuneration of £23,000 plus VAT was billed and paid after the date of this report
- 8 4 Information regarding the fees of administrators called a "Creditors' guide to Administrators' fees" can be found on the Duff & Phelps' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office



8 5 In accordance with Rule 2 48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured creditor claims) or with the permission of the court, may make a request in writing for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which we have 14 days to respond.

8 6 In addition to the above, any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the total unsecured creditors) or with the permission of the court, may apply to the court on the grounds that the remuneration or basis fixed for our remuneration or the expenses incurred by us are considered to be excessive. In accordance with Rule 2 109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs.

## **9. EC REGULATION**

9 1 It is the Joint Administrators' opinion that the EC Regulations apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

## **10. CONCLUSION AND ENDING THE ADMINISTRATION**

10 1 The Joint Administrators' Proposals advised that Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.

10 2 The Joint Administrators anticipate there will be a distribution to be made to non-preferential creditors from the prescribed part. Therefore, the Joint Administrators recommend that the Company be moved into CVL which is a cost effective process in order to make a dividend distribution.

10 3 It is proposed that the Joint Administrators, currently John Whitfield and Matthew Ingram of Duff & Phelps Ltd be appointed as Joint Liquidators of the Company.

## **11. NEXT REPORT**

11 1 The Joint Administrators are required to provide a Progress Report within one month of end of the next six months of the Administration. This report will be provided no later than 19 October 2012 or earlier if the Administration has been finalised.

11 2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Georgina Wendon-Smith of this office.

  
John Neville Whitfield  
Joint Administrator

Enc

The affairs, business and liabilities of the Company are being managed by the Joint Administrators, John Whitfield and Mathew Ingram, who act as agents for the Company without personal liability. Both are licensed by the Insolvency Practitioners Association.

**APPENDIX 1**  
**Statutory Information**

**STATUTORY INFORMATION**

**Date of incorporation** 23 January 1934

**Registered number** 00283966

**Company director** Mr Nigel Adrian Hecks  
Mrs Adena Jenny Hecks

**Company secretary** Mrs Adena Jenny Hecks

**Shareholders** Hex Holdings Limited – 24,999 Ordinary Shares  
Mr Nigel Adrian Hecks – 1 Ordinary Shares

**Trading address** Unit 1  
Great Central Road  
Loughborough

<b>Registered Office</b>	<b>Current</b>	<b>Formerly</b>
	35 Newhall Street Birmingham B3 3PU	110 Regent Road Leicester Leicestershire LE1 7LT

**Any Other Trading Names** No previous name change

<b>Financial information</b>	<b>Year Ended 30 April 2009</b>	<b>Year Ended 30 April 2008</b>
	£	£
Assets	929 117	647,841
Liabilities	(928,415)	(647,142)
Total assets less current liabilities	<b>702</b>	<b>699</b>

**APPENDIX 2**

**Joint Administrators' Receipts and Payments Account**  
**For the Period 26 October 2011 to 25 April 2012**

**Autofactors Limited  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/10/2011 To 25/04/2012	From 26/10/2011 To 25/04/2012
	<b>ASSET REALISATIONS</b>		
160,000.00	Pre Appointment Debtors	109,831.03	109,831.03
2,000.00	Cash at Bank	2,185.90	2,185.90
6,000.00	Fuel Refund	6,500.00	6,500.00
	Rates Refund	2,299.27	2,299.27
	Bank Interest Gross	16.78	16.78
		<u>120,832.98</u>	<u>120,832.98</u>
	<b>COST OF REALISATIONS</b>		
	Employee Expenses	887.00	887.00
	Legal Fees	1,250.00	1,250.00
	Legal Disbursements	40.00	40.00
	Fuel Expenses	417.01	417.01
	Professional Fees	225.00	225.00
	Re-Direction of Mail	25.96	25.96
	Statutory Advertising	76.50	76.50
	Utility Costs	2.47	2.47
	Insurance of Assets	448.04	448.04
	Wages & Salaries	1,494.91	1,494.91
	PAYE & NI	272.72	272.72
	Bank Charges	56.79	56.79
		<u>(5,196.40)</u>	<u>(5,196.40)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(1,000.00)	Employee Arrears/Hol Pay	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
	<b>FLOATING CHARGE CREDITORS</b>		
(1,621,000.00)	Distribution to Centric	<u>60,000.00</u>	<u>60,000.00</u>
		<u>(60,000.00)</u>	<u>(60,000.00)</u>
	<b>UNSECURED CREDITORS</b>		
(465,000.00)	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
<u>(1,919,000.00)</u>		<u><b>55,636.58</b></u>	<u><b>55,636.58</b></u>
	<b>REPRESENTED BY</b>		
	Floating/main current account		55,371.01
	General VAT control account		265.57
			<u><b>55,636.58</b></u>

**APPENDIX 3**

**Analysis of Time Charged and Expenses Incurred**  
**For the Period 26 October 2011 to 25 April 2012**

**Autofactors Limited (In Administration)**  
**Joint Administrators' Progress Report to Creditors**  
**18 May 2012**

38491 AUTOFACTORS LIMITED - AUC015

ANALYSIS OF TIME COSTS FOR THE PERIOD 26/10/2011 to 25/04/2012

ADM-Admin - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review and Case Diary management	0.00	1.20	1.50	4.40	0.00	7.10	1,390.50	195.85
Cashiering & accounting	0.30	2.30	4.80	13.40	0.10	20.90	4,138.50	198.01
Dealings with Directors and Management	0.00	0.10	0.60	2.40	0.00	3.10	449.00	144.84
IPS set up & maintenance	0.00	0.30	0.10	1.90	0.00	2.30	345.50	150.22
Insurance	0.00	0.00	0.00	1.00	0.00	1.00	105.00	105.00
Statement of affairs	0.00	0.00	0.50	0.00	0.00	0.50	132.50	265.00
Statutory matters (Meetings & Reports & Notices)	0.00	1.00	7.70	24.70	0.00	33.40	5,058.00	151.44
Strategy planning & control	4.00	0.60	0.00	6.30	0.00	10.90	2,845.50	260.87
Tax Compliance/Planning	0.00	0.00	0.00	1.10	0.00	1.10	115.50	105.00
<b>Creditors</b>								
Communications with Creditors/Employees	0.00	0.00	0.20	4.30	0.00	4.50	555.00	123.33
Non Pref Creditors/Employee claims handling	0.00	0.00	0.00	5.40	0.00	5.40	635.00	117.59
Secured Creditors	3.00	2.10	0.80	0.00	0.00	5.90	2,292.50	388.56
<b>Investigations</b>								
CDDA & reports & Communication	0.00	0.30	0.00	7.90	0.00	8.20	1,567.00	191.10
Financial review and Investigations (S238/239 etc)	0.00	0.00	0.00	1.80	0.00	1.80	189.00	105.00
<b>Realisation of Assets</b>								
Book debts	10.50	0.60	0.30	23.50	0.40	35.30	8,594.00	243.46
Freehold and Leasehold Property	0.00	0.00	0.20	0.50	0.00	0.70	105.50	150.71
Other Tangible Assets	0.00	0.00	0.00	0.20	0.00	0.20	21.00	105.00
Stock and Work In Progress	0.00	0.00	0.00	1.80	0.00	1.80	189.00	105.00
<b>Trading</b>								
Trading - Operations	0.00	0.00	0.00	0.50	0.00	0.50	52.50	105.00
Trading - Retention of Title & Claims handling	0.00	0.00	0.00	0.50	0.00	0.50	52.50	105.00
<b>Total Hours:</b>	<b>17.80</b>	<b>8.80</b>	<b>16.70</b>	<b>101.60</b>	<b>0.80</b>	<b>145.10</b>		<b>198.70</b>
<b>Total Fees Claimed:</b>	<b>8,863.50</b>	<b>2,931.50</b>	<b>4,478.00</b>	<b>12,845.00</b>	<b>15.00</b>		<b>28,831.00</b>	

Category 2 Disbursements.