

# AM10

## Notice of administrator's progress report



Companies House

TUESDAY



\*A8EOG01T\*

A31

24/09/2019

#97

COMPANIES HOUSE

### 1 Company details

Company number 0 1 1 1 2 1 5 7

Company name in full Hallam Automotive Manufacturing Limited (Formerly A1 T)

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Sean

Surname Williams

### 3 Administrator's address

Building name/number Leonard Curtis

Street 36 Park Row

Leeds

Post town

County/Region

Postcode L S 1 5 J L

Country

### 4 Administrator's name ①

Full forename(s) Phil

Surname Deyes

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Leonard Curtis

Street 36 Park Row

Leeds

Post town

County/Region

Postcode L S 1 5 J L

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date 

d	2
d	7

m	0
m	2

y	2
y	0

y	1
y	9

To date 

d	2
d	6

m	0
m	8

y	2
y	0

y	1
y	9

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	2
d	3

m	0
m	9

y	2
y	0

y	1
y	9

# AM10

## Notice of administrator's progress report



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Anne Jack
Company name	Leonard Curtis
Address	36 Park Row Leeds
Post town	
County/Region	
Postcode	L S 1 5 J L
Country	
DX	
Telephone	0113 323 8890



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**HALLAM AUTOMOTIVE MANUFACTURING  
LIMITED (FORMERLY A1 TOWING LTD)  
(IN ADMINISTRATION)**

Registered Number: 01112157  
Court Ref: CR-2019-MAN-000090  
High Court of Justice Business and Property Courts  
in Manchester - Company & Insolvency List (CHD)

**Joint Administrators' First Progress Report in accordance  
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

**Report period  
27 February 2019 to 26 August 2019**

**20 September 2019**

Sean Williams and Phil Deyes - Joint Administrators  
Leonard Curtis  
36 Park Row, Leeds, LS1 5JL  
Tel: 0113 323 8890 Fax: 0113 323 8891  
General email: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)  
Ref: E/34/AJA/H890K/1010

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**STRICTLY PRIVATE AND CONFIDENTIAL  
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES  
ALL CREDITORS  
ALL MEMBERS**

**1 INTRODUCTION**

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules") to provide creditors with an update on the progress of the Administration of Hallam Automotive Manufacturing Limited (Formerly A1 Towing Ltd) ("the Company") for the period from 27 February 2019 to 26 August 2019. This is the Joint Administrators' First Progress Report to creditors.

**2 STATUTORY INFORMATION**

- 2.1 Sean Williams and Phil Deyes were appointed as Joint Administrators of the Company in the jurisdiction of High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD), number CR-2019-MAN-000090 on 27 February 2019. The Administration appointment was made by the Director. The Joint Administrators can confirm that there has been no change in office-holder since the date of Administration.
- 2.2 *The Administration is being handled by the Leeds office of Leonard Curtis which is situated at 36 Park Row, Leeds LS1 5JL.*
- 2.3 The principal trading address of the Company was Unit 2, 3 and 4, Parkway Link, Kettlebridge Road, Sheffield, Yorkshire S9 3AJ. The business traded under its registered name.
- 2.4 The registered office address of the Company at the date of the appointment of the Joint Administrators was Unit 3 Parkway Link, Kettlebridge Road, Sheffield, Yorkshire S9 3AJ. Following the appointment, this was changed to 36 Park Row, Leeds LS1 5JL. The registered number of the Company is 01112157.
- 2.5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Joint Administrators may be exercised by all or any of the persons holding that office.
- 2.6 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

**3 JOINT ADMINISTRATORS' PROPOSALS**

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were deemed approved by creditors on 3 May 2019.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.
- 3.4 The objective of the Administration is to realise property in order to make a distribution to one or more secured or preferential creditors.

3.5 The Company has two secured creditors, detailed below:

- Ultimate Finance Limited ("Ultimate")
- Lloyds Bank plc ("Lloyds")

3.6 We consider that the objective of the Administration has been achieved for the following reasons:

- Ultimate benefits from two Debentures incorporating Fixed and Floating Charges over all of the Company's assets. This includes a Fixed Charge over the Company's Goodwill. The pre-packaged sale of the business and assets (detailed at Section 4 below) maximised the value of the Company's Goodwill and enabled the repayment of part of the Company's indebtedness to Ultimate under its fixed charge security. This transaction was dealt with by way of a funds flow statement on completion of the sale to the Purchaser and this involved Ultimate assigning part of the Company's indebtedness to the value of £130,000 to the Purchaser. In the event of the Company's cessation of trade, a sale of the Goodwill would have been unlikely and a realisation from this category of asset would not have been available to distribute to Ultimate.
- In addition to the above, the Company operated an Invoice Finance Facility with Ultimate pursuant to a Debt Purchase Agreement. As a result, book debt collections are subject to Ultimate's Fixed Charge security. During the period of this report, collections have been sufficient to discharge Ultimate's indebtedness in full (including interest and charges) and a surplus balance is available to the estate.

3.7 After defraying the costs of the Administration, we do not anticipate that funds will be available to enable a distribution to Preferential Creditors.

#### **4 PROGRESS OF THE ADMINISTRATION**

4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 27 February 2019 to 26 August 2019.

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

4.2 A sale of the business and assets was completed on 27 February 2019 to a connected company, A1 Towbar Systems Limited (CRN: 11815140) for consideration totalling £170,000. The Purchaser is a connected company by virtue of Mark Terry who was a Director and Shareholder of the Company, and a Shareholder of the Purchaser. Former Directors of the Company, John Travis and James Ward are also Directors of the Purchaser, and John Travis is also a Shareholder of the Purchaser.

4.3 The sales consideration of £170,000 was apportioned as follows:

Category of asset	Value achieved £
<b>ASSETS SPECIFICALLY PLEDGED</b>	
Goodwill (including the Business Intellectual Property Rights, Business Name, the Customer Contracts and the Seller's Records).	130,000
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>	
Option to Purchase Third Party Assets	1
Office Furniture & IT Equipment	2,500
Plant and Machinery	29,999
Stock	7,500
<b>TOTAL</b>	<u>170,000</u>

## HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD) – IN ADMINISTRATION

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- 4.4 The total sales consideration is payable as follows:

Due Date	Notes	Amount Due £	Amount Received £	Overdue £
On Completion	A	145,000.00	145,000.00	-
27/03/2019		5,000.00	5,000.00	-
27/04/2019		5,000.00	570.30	4,429.70
27/05/2019		5,000.00	-	5,000.00
27/06/2019		5,000.00	-	5,000.00
27/07/2019		5,000.00	-	5,000.00
<b>Total</b>		<b>170,000.00</b>	<b>150,570.30</b>	<b>19,429.70</b>

**Notes:**

- A As Ultimate is funding the Purchaser, an amount totalling £130,000 was dealt with by way of a funds flow statement. This transaction involved Ultimate assigning part of the Company's indebtedness to the value of £130,000 to the Purchaser. The remaining balance of £15,000 was paid in cash on completion and this amount has been received by the Joint Administrators in full.
- 4.5 The deferred consideration has been secured by way of a personal guarantee from Mark Terry, John Travis and James Ward. A Debenture which incorporates Fixed and Floating Charges has also been obtained from the Purchaser which will rank behind Ultimate, who will fund the Purchaser. The Purchaser currently has deferred consideration arrears totalling £19,429.70. During the period of this report, we have taken steps to obtain a cash flow from the Purchaser to assess when the arrears will be brought up to date and have issued a legal letter outlining the Purchaser's obligations in accordance with the Sale and Purchase Agreement dated 27 February 2019. We are currently liaising with the Purchaser as regards a payment plan. An update on receipt of the consideration will be provided in my next report to creditors.
- 4.6 Please note that all 19 employees of the Company were transferred to the Purchaser under TUPE and this mitigated the level of Preferential and Unsecured Claims in the Administration.

**Licence to Occupy**

- 4.7 In conjunction with the sale, the Joint Administrators' granted the Purchaser a Licence to Occupy the Company's trading premises for a 6 month period. Under the terms of the Licence, the Purchaser is required to pay a Licence Fee equivalent to the rent and service charges payable by the Company under the terms of the lease. During the period of this report, a 2 month extension to the licence has been granted to the Purchaser.
- 4.8 An amount totalling £24,305.50 plus VAT has been received from the Purchaser to date in respect of the Licence Fee and an amount of £2,376.25 plus VAT has been received in respect of the services charges. Rent totalling £16,203 plus VAT and service charges totalling £1,901 plus VAT has been paid to the Landlord to date. The outstanding rent and service charges will be paid shortly.

**Land and Buildings**

- 4.9 The last set of accounts to 31 May 2017 attributed a book value of £54,454 to Land and Buildings.
- 4.10 At the date of the Administration, the Company traded from Leasehold premises in Sheffield. Given the age of the Company, the Joint Administrators considered it appropriate to conduct further investigations into this potential asset.

## HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD) – IN ADMINISTRATION

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- 4.11 The Joint Administrators initially made a number of requests to the Director of the Company who failed to provide any further information. The Company's accountant was subsequently approached who advised that on reviewing the accounts, the amount attributed to Land and Buildings related to expenditure of approximately £60k in the year ended 31 May 2013 and £30k in the year ended 31 May 2015. These costs were property expenses of a capital nature that related to Leasehold Property and as such these were depreciated in the accounts year on year.
- 4.12 The Joint Administrators do not anticipate to achieve any realisations from improvements made to the Leasehold Property. This is due to the nature of the improvements which are typically attached to the fabric of the building and not readily realisable. Furthermore, the costs of restoring the building to the position it would otherwise be in would significantly outweigh any benefit to the Administration estate in removing items (where possible) which are attached to the fabric of the building.
- 4.13 In addition to the information provided by the Accountant, the Joint Administrators have undertaken searches of the Land Registry to identify any Freehold Property in the name of the Company.

### Inter-Company Debts / Other Debtors

- 4.14 The Company's last set of statutory accounts to 31 May 2017 detail that the Company had the following debts:

	£
Amounts owed by Group Undertakings – The Towbar Group Ltd	88,438
Other Debtors	82,792
	<u>171,230</u>

- 4.15 For the avoidance of doubt, the Joint Administrators excluded these debts from the pre-packaged sale of the business and assets.
- 4.16 The Company's accountant has advised that the Other Debtors related to Prepayments made by the Company. Prepayments are amounts paid for by the business in advance of the goods or services being received at the year end. These amounts are included in the accounts as a deduction from expenses in order to show a true picture in the Profit and loss Account.
- 4.17 The Joint Administrators do not anticipate to receive any realisation from Prepayments made by the Company. This is either due to the Company having already received the goods and or services paid for, or alternatively, a creditor offsetting any refund due against the balance owed by the Company.
- 4.18 During the period of this report, we have investigated the movements in regard to an inter-company loan to Sheffield Automotive Holdings Limited (Formerly The Towbar Group Ltd) ("SAHL") for the period from 1 June 2017 and have obtained bank statements from the Company's bankers in order to reconcile the account. Bank statements have been provided for two accounts. A review of the accounts indicates that a number of payments were made and received from SAHL. In order to reconcile the position fully, the bank statements for the Company's third account are required and these have been requested from Lloyds.
- 4.19 To date, we have been unable to identify movements of the loan position in the Company's records that have been delivered up by the Director. The financial position of SAHL has yet to be established. Its last set of accounts to 31 May 2017 indicate that it has Fixed Assets of £228,724, Current Assets of £6,821 and Liabilities of £224,934 resulting in a Net Asset position of £10,611. No more recent financial information is available.
- 4.20 On confirmation of the balance owed at the date of Administration (if any) we will make demand on SAHL for payment. The progress made in regard to the recovery of this debt will be reported to creditors in due course. A recovery from this asset is at present uncertain.

**Cash at Bank**

- 4.21 The Company operated three bank accounts with Lloyds. The accounts were frozen by Lloyds prior to the Administration. Two of the accounts had debit positions of £32,011.58 and £25,447.78. One account was in credit for the sum of £6,563.80. Under the terms of the Agreement, Lloyds is entitled to offset the credit balance against the sums that they are owed.
- 4.22 Funds totalling £534.24 have been received into the bank account after the date of the Administration which have been forwarded to the Joint Administrators by Lloyds. No further amounts are anticipated to be received.

**Unencumbered Plant & Machinery**

- 4.23 The Company's last set of statutory accounts to 31 May 2017 attributed a value of £515,404 to Unencumbered Plant and Machinery.
- 4.24 A schedule of the Plant and Machinery was taken by CAM who attributed a value of between £16,225 (High Value) and £4,600 (Low Value) to this category of asset.
- 4.25 The Purchaser attributed a value of £29,999 in its offer for the Unencumbered Plant and Machinery detailed on the schedule prepared by CAM which was recommended for acceptance by CAM as this offer was in excess of their valuation. For the avoidance of doubt, the Plant and Machinery scheduled by CAM were the only items sold to the Purchaser.
- 4.26 Our investigations into the variance between book and realisable values of this asset are continuing. Any additional realisation from this category of asset is uncertain at this time.

**Stock**

- 4.27 The Company's last set of accounts to 31 May 2017 attribute a value of £368,330 to Stock. An inventory of stock was provided by the Director to CAM of the Stock prior to the Administration and CAM were advised that the Stock comprised two categories, showroom stock and Erich Yaeger stock.
- 4.28 CAM attributed a value of between £1,200 (High Value) and £300 (Low Value) for the showroom stock and £1,250 (High Value) and £250 (Low Value) for the Erich Yaeger stock.
- 4.29 The Purchaser attributed a value of £7,500 in its offer for the Stock listed on the inventory provided to CAM and this was recommended for acceptance by CAM as this offer was higher than their valuation.
- 4.30 We understand from discussions with the Director that Stock was not replenished given the financial position of the Company and was gradually reduced over a period of time.
- 4.31 We do not anticipate any further realisation from this category of asset.

**Bank Interest**

- 4.32 During the period of this report, bank interest totalling £22.19 has accrued on funds held in the Joint Administrators' bank account.

**Book Debts subject to Invoice Finance Facility**

- 4.33 The Company operated an Invoice Finance Facility with Ultimate pursuant to a Debt Purchase Agreement. At the date of the Administration, the Company had a Gross Debtor Ledger of £137,723.96 of which £124,648.51 had been approved for funding. Funds in use with Ultimate totalled £229,762.74, which included a loan of £130,000.00 (subject to interest and charges) provided to the Company to fund working capital.

- 4.34 The capital balance of Ultimate's indebtedness relating to book debts totalling £99,762.74 (excluding interest and charges) has subsequently been repaid in full from Book Debt collections which have been assigned to Ultimate in accordance with the Invoice Finance Facility agreement. Further collections resulted in a surplus of £22,404.64. It was subsequently agreed that Ultimate would forward 50% of the surplus to the Joint Administrators for the benefit of the estate, with the remainder being utilised against Ultimate's collection costs.
- 4.35 The balance of £11,202.32 was received from Ultimate shortly after the period of this report on 3 September 2019. As this receipt falls outside of the reporting period, this has not been included in the Receipts and Payments Account at Appendix B.
- 4.36 We are currently liaising with Ultimate as regards the reassignment of the ledger and will assess the prospect of further recoveries once the reassignment has been concluded. An update on collections (if any) will be provided in my next report to creditors.

## **5 ASSETS STILL TO BE REALISED**

- 5.1 The assets still to be realised in this matter are detailed at Section 4 above.

## **6 INVESTIGATIONS**

- 6.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 6.2 That assessment identified the inter-company loan, other debtors and land and buildings. These potential assets have subsequently been reviewed to identify any possible further realisations. Investigations into the inter-company loan and other debtors are currently ongoing. The Joint Administrators have concluded that no further investigations are required with regard to the land and buildings. If, however, any creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given at the front of this report.
- 6.3 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

## **7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### **Pre-Administration Costs**

- 7.1 On 22 May 2019, the secured creditors (Lloyds and Ultimate) consented to the following pre-Administration costs and expenses being paid as an expense of the Administration:

## HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD) – IN ADMINISTRATION

Charged by	Services provided	Total amount charged £	Total amount paid £	Total amount unpaid £
Leonard Curtis	Providing insolvency advice to the Director and the Company on the available options, attending meetings with management, marketing the business and assets, agreeing a sale of the business and assets. Reviewing and executing the sales documents, reviewing and executing appointment papers and filing appointment papers in Court.	30,719.50	10,250.00	20,469.50
Auctus Limited t/a Charles Taylor a Cerberus Asset Management ("CAM")	Valuation of Tangible Assets	2,500.00	-	2,500.00
Cerberus Receivables Management Limited ("CRM")	Valuation of Book Debts and Work in Progress	1,500.00	-	1,500.00
Debere Limited ("Debere")	Valuation of the Company's Goodwill	2,500.00	2,500.00	-
<b>Total</b>		<b>37,219.50</b>	<b>12,750.00</b>	<b>24,469.50</b>

- 7.2 The costs that have been paid are detailed in the receipts and payments account attached at Appendix B. The outstanding costs will be paid shortly.

### Joint Administrators' Remuneration

- 7.3 On 22 May 2019, the secured creditors (Lloyds and Ultimate) agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £65,002 as set out in a Fees Estimate.
- 7.3 The time charged by the Joint Administrators for the period of this report amounts to £42,133.50. This represents 130.9 hours at an average rate of £321.88 per hour. A summary of time costs incurred in the period is set out at Appendix C, together with a detailed description of work undertaken in the period, attributable to each category of time costs, and an explanation of why it was necessary for that work to be performed.
- 7.4 Attached, at Appendix D, is a summary of time costs incurred to 26 August 2019 compared with time costs as set out in the Joint Administrators' original fees estimate.
- 7.5 You will note that time costs incurred to 26 August 2019 do not exceed the time as set out in the Fees Estimate. As demonstrated at Appendix D, costs attributable to each category of time generally fall within those anticipated.
- 7.7 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred in dealing with this matter. The Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the Administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to the deemed approved for further approval. The information provided above is therefore for information purposes only.

- 7.8 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from:  
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
- 7.9 If you would prefer this to be sent to you in hard copy please contact Carl Lever of this office on 0113 323 8890.
- 7.10 No remuneration has been drawn in respect of the Joint Administrators remuneration to date.

## **8 JOINT ADMINISTRATORS' EXPENSES**

- 8.1 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.
- 8.2 Expenses are separated into the following categories:
- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
  - (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs).
- These are known as "Category 2 disbursements" and are subject to the approval of the creditors. On 22 May 2019, the secured creditors approved also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix F.
- 8.2 A copy of the Joint Administrators' statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix E.
- 8.3 You will note that, in general, the nature and value of expenses incurred to 26 August 2019 fall within those anticipated within the original statement of expenses.
- 8.4 During the Administration, the following professional advisors and / or subcontractors have been used:

<b>Name of Professional Advisor</b>	<b>Service Provided</b>	<b>Basis of Fees</b>	<b>Reason for Instruction</b>
Evolve IS Ltd (Formerly Insol Group (HR) Ltd) ("Evolve")	Assistance provided to employees immediately following our appointment in making claims to The National Insurance Fund for arrears of wages.	Fixed fee of £1,200 plus VAT.	The Joint Administrators instructed Evolve due to their expertise and experience in assisting employees of insolvent companies. In addition to providing on site assistance immediately following our appointment, Evolve also provides ongoing support to employees throughout the claims process. The work conducted by Evolve mitigates the amount of time spent by the Joint Administrators and their staff in handling employee claims which would likely be significant.
Insol Employee Solutions Limited ("Insol")	Investigating pension schemes operated by the Company and providing advice to the Joint Administrators in taking the appropriate steps to deal	£300 plus VAT For initial report and £1,000 for assistance provided in winding up the	Insol are specialists in assisting insolvency practitioners in investigating pension schemes. They provide a report on each scheme operated by the Company. This report provides advice on the duties and obligations of the officeholder to each

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- |  |  |   |
|--|--|---|
|  | with any outstanding scheme.<br>pension schemes. | scheme. Due to the nature of this work, the Joint Administrators considered it appropriate to instruct Insol. We consider Insol's costs to demonstrate fair and reasonable value for the work they have provided. |
|--|--|---|
- 
- |                                      |  |                            |   |
|--------------------------------------|--|----------------------------|---|
| Consultium Property Limited ("CAPA") | Property Audit to identify non-domestic rates refund | 25% of any refund obtained | CAPA are specialists in property audit. It was considered that to outsource this work would be of a benefit to the estate as the costs incurred by CAPA would likely be less than the Joint Administrators if they were to pursue a recovery of this prospective asset. CAPA has extensive experience in this area. No cost is incurred to the estate if no refund is obtained. |
|--------------------------------------|--|----------------------------|---|
- 
- 8.6 Attached at Appendix F is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.
- 8.7 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.
- 8.8 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 8.9 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 8.10 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.
- 9 ESTIMATED OUTCOME FOR CREDITORS**
- 9.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.
- 9.2 Secured Creditors**
- Ultimate**
- 9.3 As detailed above, Ultimate benefits from two Debentures incorporating Fixed and Floating Charges over all of the Company's assets. The first Debenture was created on 15 May 2017 and registered on 16 May 2017, and the second Debenture was created on 27 February 2019 and registered on 28 February 2019. The Company operated an Invoice Finance Facility with Ultimate pursuant to a Debt Purchase Agreement.
- 9.4 At the date of the Administration, the Company had a Gross Debtor Ledger of £137,723.96 of which £124,648.51 had been approved for funding. Funds in use with Ultimate totalled £229,762.74, which included a loan of £130,000.00 (subject to interest and charges) provided to the Company to fund working capital.
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- 9.5 The Company's Goodwill is subject to Ultimate's Fixed Charge security. The pre-packaged sale of the business and assets to the Purchaser (more details at Section 4 above) maximised the value of the Company's Goodwill and enabled the repayment of part of the Company's indebtedness to Ultimate under its Fixed Charge security. As Ultimate is funding the Purchaser, an amount totalling £130,000 was dealt with by way of a Funds Flow Statement on completion of this sale. This transaction involved Ultimate assigning part of the Company's indebtedness to the value of £130,000 to the Purchaser.
- 9.6 The capital balance of Ultimate's remaining indebtedness totalling £99,762.74 (excluding interest and charges) has subsequently been repaid in full from Book Debt collections which have been assigned to Ultimate in accordance with the Invoice Finance Facility agreement. Further collections resulted in a surplus of £22,404.64. It was subsequently agreed that Ultimate would forward 50% of the surplus to the Joint Administrators for the benefit of the estate, with the remainder being utilised against Ultimate's collection costs and interest. The balance of £11,202.32 was received from Ultimate shortly after the period of this report on 3 September 2019.
- 9.7 We are currently liaising with Ultimate as regards the reassignment of the ledger and will assess the prospect of further recoveries once the reassignment has been concluded. An update on collections (if any) will be provided in my next report to creditors.

#### **Lloyds**

- 9.8 As detailed at above, Lloyds benefits from a Debenture incorporating a Fixed and Floating Charge which was created on 4 September 2017, and an Omnibus Guarantee and Set off Agreement ("the Agreement") which was created on 4 December 2017. The Company operated three bank accounts with Lloyds. The accounts were frozen by Lloyds prior to the Administration. Two of the accounts had debit positions of £32,011.58 and £25,447.78. One account was in credit in the sum of £6,563.80. Under the terms of the Agreement, Lloyds are entitled to offset the credit balance against the sums that they are owed.
- 9.9 The Joint Administrators have obtained legal advice in relation to the Agreement and understand that as the bank accounts were frozen prior to the appointment of the Administrators, and Lloyds were in control of the credit balance, the set off is valid.
- 9.10 No further amounts are anticipated to be paid to Lloyds under the terms of its security in the Administration, and it is anticipated that Lloyds will incur a shortfall of £50,895.56.
- 9.11 Receipts paid into the bank account after the date of the Administration will be forwarded to the Joint Administrators.

#### **Prescribed Part**

- 9.12 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the Administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.
- 9.13 We anticipate that all distributions to the Secured Creditors will be made under the terms of their Fixed Charge Security and as such we do not intend to set aside a Prescribed Part in this case.

#### **Preferential Claims**

- 9.14 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.
- 9.15 All employees were transferred to the Purchaser upon completion of the sale pursuant to TUPE Regulations. Whilst this has mitigated the level of overall preferential claims, we anticipate to receive a preferential claim in relation to unpaid wages. Prior to the Administration, Employees had not received payment of wages for

approximately 7 weeks. Evolve was instructed on appointment by the Joint Administrators to assist the Employees in submitting their claims to The National Insurance Fund ("NIF"). Insol have estimated that a preferential claim of approximately £15,200 will be received in the Administration. The unsecured claim of the Employees in relation to arrears of wages is estimated at £46,411.

- 9.16 The Company is also understood to have operated a trust based pension scheme. Investigations into a potential scheme deficit are ongoing and we have instructed Insol to investigate the scheme and to advise on the appropriate steps to wind up the scheme. If appropriate, Insol will also assist in submitting a claim to the NIF to recover contribution arrears.
- 9.17 After defraying the costs and expenses of the Administration, we do not anticipate that funds will be available to enable a distribution to Preferential Creditors.

#### **Unsecured Claims**

- 9.18 At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix H. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.
- 9.19 From April 2017, the Joint Administrators have had the discretion to admit claims from creditors with claims under £1,000 without receiving a proof of debt. The Joint Administrators confirm that, to date, no claims have been admitted under the *small claims* provisions.

### **10 MATTERS STILL TO BE DEALT WITH**

- 10.1 Matters still to be dealt with before conclusion of the Administration include the following:
- The realisation of the remaining assets, as detailed in sections 4 and 5;
  - Surrendering / Assigning the lease to the Company's trading premises; and
  - The unpaid remuneration and expenses will need to be defrayed.

### **11 EXTENSIONS TO THE ADMINISTRATION**

- 11.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 11.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the context of this case, this may be done for a specified period not exceeding twelve months with the consent of each secured creditor of the Company.
- 11.3 *An extension to the Administration may be required to pursue the recovery of the deferred consideration. The appropriate body of creditors will be contacted in due course should an extension be required.*
- 11.4 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

### **12 NEXT REPORT**

- 12.1 The Joint Administrators are required to provide a progress report which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

**13 DATA PROTECTION**

- 13.1 Finally, when submitting details of your claim in the administration, you may disclose personal data to the Joint Administrators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The Joint Administrators act as Data Controllers in respect of personal data they obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. The Joint Administrators' privacy notice, which is attached to this report at Appendix I, explains how they process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.

Yours faithfully,

For and on behalf of

**HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD)**



**SEAN WILLIAMS  
JOINT ADMINISTRATOR**

Sean Williams and Phil Deyes are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 11270 and 9089, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

**SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS**

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Sean Williams and/or Phil Deyes be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Sean Williams and/or Phil Deyes be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

## APPENDIX B

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM  
27 FEBRUARY 2019 TO 26 AUGUST 2019

	Note	Per Estimated Financial Position £	Received to date by Joint Administrators £	Received to date by Ultimate £	Received to date by Lloyds £	Cumulative £
<b>RECEIPTS</b>						
<b>Asset Specifically Pledged</b>						
Goodwill (including the Business Intellectual Property Rights, Business Name, the Customer Contracts and the Seller's Records).		130,000.00	-	130,000.00	-	130,000.00
Trade Debtors	A	99,763.00	-	122,167.38	-	122,167.38
Cash at Bank		6,564.00	534.24	-	6,563.80	7,098.04
<b>Assets Not Specifically Pledged</b>						
Option to Purchase Third Party Assets	1		0.51	-	-	0.51
Office Furniture & IT Equipment		2,500.00	1,285.64	-	-	1,285.64
Plant and Machinery		29,999.00	15,427.22	-	-	15,427.22
Stock		7,500.00	3,856.93	-	-	3,856.93
Inter-Company Debts		Uncertain	-	-	-	-
Licence Fee		-	24,305.50	-	-	24,305.50
Service Charge		-	2,376.25	-	-	2,376.25
Bank Interest		-	22.19	-	-	22.19
<b>TOTAL RECEIPTS</b>		<u>276,327.00</u>	<u>47,808.48</u>	<u>252,167.38</u>	<u>6,563.80</u>	<u>306,539.66</u>
<b>PAYMENTS</b>						
<b>Pre-Appointment Fees</b>						
Leonard Curtis			(10,250.00)	-	-	(10,250.00)
Debere			(2,500.00)	-	-	(2,500.00)
<b>Post Appointment Costs</b>						
Agents' Fees & Expenses - Evolve			(1,200.00)	-	-	(1,200.00)
Rent			(16,203.00)	-	-	(16,203.00)
Service Charges			(1,901.00)	-	-	(1,901.00)
Category 1 Disbursements			(789.95)	-	-	(789.95)
Category 2 Disbursements			(9.75)	-	-	(9.75)
Bank Charges			(22.50)	-	-	(22.50)
<b>TOTAL PAYMENTS</b>			<u>(32,876.20)</u>	<u>-</u>	<u>-</u>	<u>(32,876.20)</u>
<b>DISTRIBUTIONS</b>						
Secured Creditor – Ultimate			-	(240,965.06)	-	(240,965.06)
Secured Creditor – Lloyds			-	-	(6,563.80)	(6,563.80)
<b>BALANCE IN HAND</b>			<u>14,932.28</u>	<u>11,202.32</u>	<u>-</u>	<u>26,134.60</u>

## NOTES

**A Trade Debtors / Ultimate Surplus**

Please note that the balance of £11,202.32 was received from Ultimate shortly after the period of this report on 3 September 2019. As this receipt falls outside of the reporting period, this has not been included in the Joint Administrators' column in the Receipts and Payments Account detailed above.

## APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD  
FROM 27 FEBRUARY 2019 TO 26 AUGUST 2019

	Total Units	Cost £	Average Hourly Rate £
Statutory & Review	112	4,860.00	433.93
Receipts & Payments	112	3,013.00	269.02
Insurance	15	505.50	337.00
Assets	143	5,200.00	363.64
Liabilities	141	4,785.50	339.40
Landlords	25	890.00	356.00
Debenture Holder	7	286.50	409.29
General Administration	111	2,712.50	244.37
Appointment	198	5,809.00	293.38
Planning & Strategy	15	615.00	410.00
Post Appointment Credits Decisions	96	3,504.00	365.00
Investigations	104	2,924.50	281.20
Legal Services	210	6,128.00	291.81
Preparation of documents	20	900.00	450.00

Total	1,309	42,133.50
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Average Hourly Rate (£)	321.88
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All Units are 6 minutes

## DESCRIPTION OF TIME SPENT BY CATEGORY

### Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned. Allocation of staff, management of staff, case resourcing and budgeting.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

To date, time has been spent reviewing the time costs data for inclusion in this report and ensuring the compliance with Statement of Insolvency Practice 9. Further time has been spent reviewing the case diary, submitting statutory filings to Companies House and placing an advert in the London Gazette advertising the appointment of the Administrators. Additional time has been spent conducting a review of the case file.

### Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account(s) to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

To date, time has been spent opening the case bank account arranging payment for costs from the Joint Administrators' office account in lieu of estate receipts and preparing the receipts and payments account for inclusion in this statutory report. In addition, the Estimated Outcome Statement has been prepared and reviewed regularly. Additional time has been spent making payments to the Landlord and collecting the licence fee from the Purchaser.

### **Insurance, Bonding and Pensions**

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Reviewing and progressing any pre-appointment insurance claims;
- Notification and progression of post-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pension's legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.
- Liaising with pension companies to arrange for prompt wind up of schemes;

To date, time has been spent reviewing the insurance requirements for the assets of the Company. The initial bond has been prepared and submitted. Time has also been spent preparing the s120 pensions notice and issuing letters in accordance with s22. The Joint Administrators have instructed Insol to assist with the pension scheme.

### **Assets**

Time recorded to this category relates to:

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

Completing the sale of the business and assets on 27 February 2019 to the Purchaser. Time was subsequently spent collating all original sales documents and taking steps to register the Debenture at Companies House. Further time has been recorded to the preparation of a report detailing the pre-packaged sale of the Company pursuant to Statement of Insolvency Practice 16.

Time has also been spent monitoring payment of the deferred consideration, correspondence with the Purchaser and its funder in relation to obtaining payment and issuing legal letters outlining the Purchasers obligation under the sale agreement. This includes time spent meeting with the Purchaser and corresponding with the Purchaser as regards a proposal to pay the arrears.

#### **Trading Premises**

In conjunction with the sale, the Joint Administrators also granted the Purchaser a licence to occupy the Company's trading premises for a 6 month period. During the period of this report, the Joint Administrators have extended the licence period by 2 months. Time was spent preparing an extension to the licence, discussing this with the Purchaser and reviewing the document.

Time has been spent in the Administration to date liaising with the Landlord and requesting rent invoices. Time has also been spent monitoring the receipt of the licence fee and arranging payment to the Landlord. Time incurred in this respect has been spent issuing legal letters to the Purchaser outlining their obligations under the Licence.

### **Land and Buildings**

Time has been spent investigating the Land and Buildings noted in the Company's last set of filed accounts. This has included correspondence with the Director and the Company's accountant. We have also requested information from the Land Registry.

### **Inter-Company Debts / Other Debtors**

Time has been spent investigating the extent of the Company's inter-company loan liability and other debtors which were not subject to the Invoice Finance Facility provided by Ultimate. This has involved reconciling the available bank statements, requesting further statements from Lloyds, conducting a review of the financial information obtained from the Company and requesting information from management in relation to the debts. Time has also been recorded to this category in assessing the financial position of the connected company debtor. Time has also been spent reconciling the position.

### **Book Debts**

Time has been spent meeting with Ultimate and assisting with debtor recoveries where appropriate. Time has also been spent monitoring payments and corresponding with Ultimate with regards to the surplus balance and the collection costs. Future time is anticipated to be spent reclaiming VAT on collection charges applied by Ultimate, and assessing the reassigned ledger for further recoveries.

### **Cash at Bank**

Time has been spent corresponding with Lloyds in relation to the bank position and requesting historic statements. This includes obtaining legal advice with regard to the amount set off by Lloyds against its debt.

### **Unencumbered Plant & Machinery**

We have spent time in the Administration requesting further information in relation to the Unencumbered Plant & Machinery and the movements in the value from the last set of accounts. This has involved correspondence with management.

### **Stock**

Time has been spent in the Administration requesting information in relation to the Stock position and the movements in value from the last set of accounts. This has involved correspondence with management.

### **Retention of Title**

We have spent time in the Administrators dealing with ROT claims. This has included reviewing the claims and correspondence with the claimants, the Director and the Purchaser.

In addition to the above, time has been recorded to this category generally in relation to:

- Agreeing strategy for realisation of any further assets which are identified;
- Instruction of and liaising with agents as required; and
- Identification and return of third party assets.

### **Liabilities**

This category of time includes both statutory and non-statutory matters.

#### *Statutory*

- Processing of claims from the Company's creditors

## **HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD) – IN ADMINISTRATION**

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- Processing of claims from the Company's employees
- Preparation, review and submission of pre-appointment tax and VAT returns; and
- Preparation and submission of periodic progress reports to creditors

### *Non-statutory*

- Dealing with enquiries from the Company's creditors; and
- Dealing with enquiries from the Company's employees

To date, time has been spent logging creditor claims and providing confirmation to the creditors where requested to do so. In addition, time has been spent liaising with Insol and Evolve in respect of the employees' preferential and unsecured claims.

### **Landlords**

- Review of the current lease in respect of the Company premises;
- Liaising with the Purchaser in relation to payment of the Licence Fee;
- Correspondence with the Landlord in regard to payments and the Purchaser's occupation;
- Monitoring payments from the Purchaser; and
- Liaising with landlords in respect of the premises generally.

### **Debenture Holder**

Time will be spent in the Administration periodically providing Ultimate and Lloyds with an update on the Administration. Time will also be spent arranging a distribution from Goodwill realisations.

### **General Administration**

- General planning matters;
- Setting up and maintaining the Administrators' records;
- Arranging collection and storage of company records; and
- Dealing with general correspondence and communicating with directors and shareholders.

### **Appointment**

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

### **Post Appointment Creditors' Decisions**

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

### **Planning & Strategy**

- This relates to time spent managing the phases of the Administration and implementing strategies to recover assets in order to realise funds for the creditors benefit; and
- Time will also be spent setting out the terms of investigation of the company and provision of instructions to the company's accountant to review tax recovery options, if appropriate.

### **Investigations**

- Collecting and reviewing the Company's records;

## **HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD) – IN ADMINISTRATION**

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- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

### **Legal Services**

Time recorded to date relates to the completion of a sale of the business and assets to the Purchaser and issuing letters to the Purchaser outlining its obligations under the Sale Agreement. Additional time has been spent preparing the extension to the licence to occupy agreement.

### **Preparation of Documents**

Time has been recorded to this category by a senior member of the Joint Administrators' team in relation to reviewing documents related to the sale of the business.

## APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS' TOTAL TIME COSTS TO 26 AUGUST 2019  
INCORPORATING A COMPARISON WITH THE JOINT ADMINISTRATORS' APPROVED FEE ESTIMATE

feb	FEES ESTIMATE			INCURRED TO 26 AUGUST 2019			VARIANCE	
	Total			Total				
	Units	Cost	Average hourly rate	Units	Cost	Average hourly rate	Cost	£
	No	£	£	No	£	£	£	£
Statutory & Review	164	5,059.50	308.51	112	4,860.00	433.93	199.50	199.50
Receipts & Payments	69	2,107.50	305.43	112	3,013.00	269.02	(905.50)	(905.50)
Insurance	24	715.00	297.92	15	505.50	337.00	209.50	209.50
Assets	360	13,551.50	376.43	143	5,200.00	363.64	8,351.50	8,351.50
Liabilities	360	11,048.50	306.90	141	4,785.50	339.40	6,263.00	6,263.00
Landlords	83	3,034.00	365.54	25	890.00	356.00	2,144.00	2,144.00
Debenture Holder	50	1,661.50	332.30	7	286.50	409.29	1,375.00	1,375.00
General Administration	101	2,789.00	276.14	111	2,712.50	244.37	76.50	76.50
Appointment	198	6,765.50	341.69	198	5,809.00	293.38	956.50	956.50
Planning & Strategy	41	1,484.50	362.07	15	615.00	410.00	869.50	869.50
Post Appointment Creds Decisions	156	5,053.00	323.91	96	3,504.00	365.00	1,549.00	1,549.00
Investigations	99	3,512.50	354.80	104	2,924.50	281.20	588.00	588.00
Legal Services	211	8,220.00	389.57	210	6,128.00	291.81	2,092.00	2,092.00
Preparation of documents	-	-	-	20	900.00	450.00	(900.00)	(900.00)
	1,916	65,002.00	339.26	1,309	42,133.50	321.88	22,868.50	22,868.50

## APPENDIX E

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES  
FROM 27 FEBRUARY 2019 TO 26 AUGUST 2019  
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'  
STATEMENT OF LIKELY EXPENSES**

**Standard Expenses**

Type	Description	Notes	Estimated Amount £	Total Amount Incurred to Date £	Amount Paid £	Amount Unpaid £
AML Checks	Electronic client verification		20.00	15.00	15.00	-
Bond Fee	Insurance bond		40.00	135.00	95.00	40.00
Land Registry	Search for land and buildings owned by the Company		10.00	-	-	-
Document Hosting	Hosting of documents for creditors		84.00	42.00	42.00	-
Software Licence Fee	Case management system licence fee		87.00	87.00	87.00	-
Statutory Advertising	Advertising		83.02	85.95	85.95	-
Storage Costs	Collection and storage of books and records	<b>A</b>	100.00	523.38	465.00	58.38
	<b>Total standard expenses</b>		424.02	888.08	789.95	98.13

**NOTES****A Storage Costs**

The costs incurred to date includes a fee of £465 charged by a courier to collect the books and records and transport these to a secure location. This transport fee was not anticipated at the outside.

**Case Specific Expenses**

Type	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Paid £	Amount Unpaid £
Accountancy Fees	Assistance with the preparation of the Statement of Affairs, a tax review and reconciliation of the Loan Account position.	1,500.00	-	-	-
Legal / Agents' Fees	Assistance with the recovery of the Loan Accounts	4,000.00	-	-	-
Agents' Fees	Assistance with employee claims – Evolve	-	1,200.00	1,200.00	-
Agents' Fees	Assistance with pension scheme – Insol	-	-	-	-
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	100.00	9.75	9.75	-
Bank Interest	CHAPS fee – Allied Irish Bank	-	22.50	22.50	-
	<b>Total case specific expenses</b>	5,600.00	1,232.25	1,232.25	-

**APPENDIX F****LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

<b>6 Jan 2014 onwards</b>	<b>Standard</b>	<b>Complex</b>	<b>1 Aug 2019 onwards</b>	<b>Standard</b>	<b>Complex</b>
	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

**Subcontractors**

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Expenses**

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) **Standard Expenses** – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

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Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table><tr><th>Type</th><th>First 100</th><th>Every addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr></table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See <b>disbursements</b> section below	See <b>disbursements</b> section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof

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Storage of office files (6 years)  
Business mileage

£81.25 per box  
45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Secured	Preferential	Unsecured
	£'000	£'000	£'000
Amount available to class of creditor	252	-	374
Amount due to creditor per Estimated Financial Position	(241)	(46)	(374)
Estimated dividend rate (as a %)	100%	0%	%

**Proof of Debt – General Form**  
**Relevant date: 27 February 2019**

**Please e-mail completed form to:**

**claims.manchester@leonardcurtis.co.uk quoting ref: H890K/AJA/PROOF**

**Name of Company in Administration:**

Hallam Automotive Manufacturing Limited  
(Formerly A1 Towing Ltd)

**Company registered number:**

01112157

1. Name of creditor (if a company, provide registration number)
2. Correspondence address of creditor (including email address)
3. Total amount of claim (£) at relevant date (include any Value Added Tax)
4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)
5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)
6. Details of any security held, the value of the security and the date it was given

**HALLAM AUTOMOTIVE MANUFACTURING LIMITED (FORMERLY A1 TOWING LTD) – IN ADMINISTRATION**

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7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. **Please e-mail completed form to:**

**[claims.manchester@leonardcurtis.co.uk](mailto:claims.manchester@leonardcurtis.co.uk) quoting ref: H890K/AJA/PROOF**

**PRIVACY NOTICE**

**LEONARD CURTIS  
PRIVACY NOTICE FOR CREDITORS**

**Information we collect and hold about you**

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

**Legal justification for processing your Personal Data**

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

**How we use your information**

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

**Who we share your information with**

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

**How long will we hold your Personal Data for?**

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

**Your rights in respect of your Personal Data**

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

**Your right to complain**

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You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

### **Contacting us**

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5<sup>th</sup> Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: [privacy@leonardcurtis.co.uk](mailto:privacy@leonardcurtis.co.uk).

**Data Controller: LEONARD CURTIS**