

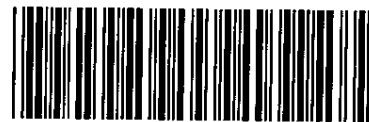
AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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LD2

09/10/2019

#39

COMPANIES HOUSE

1 Company details

Company number 0 3 7 8 8 1 9 4

Company name in full JD Classics Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Mark Granville

Surname Firmin

3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country United Kingdom

4 Administrator's name ①

Full forename(s) Richard Dixon

Surname Fleming

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

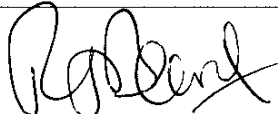
6 Period of progress report

From date	d 1 0	m 0 3	y 2 0 1 9	
To date	d 0 9	m 0 9	y 2 0 1 9	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
--	--

8 Sign and date

Administrator's signature	Signature X  X	
Signature date	d 0 8	m 1 0

**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 **Alex Godfrey**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country **United Kingdom**

DX

Telephone **020 7715 5200**

**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 or email 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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Richard James
Surname Beard

3 Insolvency practitioner's address

Building name/number Suite 3 Regency House
Street 91 Western Road
Post town Brighton
County/Region
Postcode B N 1 2 N W
Country United Kingdom

JD CLASSICS LIMITED (IN ADMINISTRATION)

Joint Administrators' second progress report for the period 10 March 2019 to 9 September 2019

8 October 2019


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1 Executive summary

- This progress report covers the period from 10 March 2019 to 9 September 2019 for JD Classics Limited (in administration) ("the Company").
- Material realisations in the Company during the period of this report include:
 - i) The sale of 56 motor vehicles and motorbikes held within the Company's inventory, for gross consideration of £12.5 million; and
 - ii) Recoveries of £3.0 million arising from litigation and claims against third parties.
- We have continued to carry out investigations into the events and transactions leading up to our appointment and have spent a significant amount of time developing complex litigation cases against various parties, which have the potential to generate significant future recoveries for creditors.
- Given the time spent on investigations and litigation, we are requesting creditor approval to increase our total fees estimate from £5.0 million to £6.5 million (refer to section 5 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- As a result of the complexity of the ongoing legal matters (and the resulting costs) we have increased our total expenses estimate from £10.4 million to £13.4 million (refer to sections 2.3 and 2.4 and A5 Appendix).
- An interim dividend of £1 million was declared and paid to Lloyds Bank plc, as agent for the Secured Lenders, during August 2019. Estimated net realisations from the Company's assets are unlikely to be sufficient to enable the Secured Lenders to be repaid in full (refer to section 3 – Dividend prospects).
- Preferential creditors have been repaid in full and we have not received any further preferential claims against the Company (refer to section 3 – Dividend prospects).
- Based on our current estimates, it is highly unlikely that unsecured creditors will receive a distribution other than in respect of the Prescribed Part.
- The secured and preferential creditors of the Company granted a twelve-month extension to the period of the administration on 24 April 2019. As a result, the administration has been extended to 9 September 2020, in order to:
 - allow ongoing legal disputes/litigation to be resolved;
 - finalise outstanding tax matters;
 - realise the remaining assets;
 - distribute funds in the estate to the Secured Lenders;
 - distribute the Prescribed Part to unsecured creditors; and
 - close the administration.

- Please note you should read this progress report in conjunction with our previous progress report and proposals which were issued to the Company's creditors and are available on the Creditors' Portal or from the Companies House website. Unless stated otherwise, all amounts in this progress report and appendices are stated gross of VAT.

A handwritten signature in black ink, appearing to read 'R Beard', with a stylized flourish at the end.

Richard Beard

Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

The administration strategy during the period of this report has been to:

- Realise the Company's remaining inventory and related assets (including classic vehicle inventory, registration numbers and automobilia);
- Collect the remaining book debts;
- Continue to pursue recoveries from legal claims against third parties; and
- Progress outstanding tax matters with HMRC.

The following section of this report outlines the detailed progress made in each of the above areas and should be read in conjunction with the receipts & payments account at A2 Appendix.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (A2 Appendix).

Summaries of the most significant realisations during the period are provided below.

Classic vehicles and related assets

Company inventory realised during the period included:

- 56 classic vehicles, which sold for total gross consideration of £12.5 million, including proceeds of vehicle sales which were subject to title disputes, with some of those proceeds being directed to third parties as a result of those disputes being resolved. See settlement payments at section 2.3 below;
- The remaining fleet vehicles, which sold for total gross consideration of £116,950;
- Registration numbers, which sold for gross consideration of £114,533; and
- Automobilia, which sold for gross consideration of £30,525.

Recoveries from legal disputes/claims against third parties

We continue to pursue various litigation cases as part of our administration strategy and have realised the following amounts during the period:

- £2.8 million received in settlement of a sellers' lien claim against a third party; and
- £150,000 received for a costs order awarded in favour of the Company connected to an ongoing legal dispute.

Rent received

Woodham Mortimer Ltd ("WML") continues to occupy the Company's premises at Wycke Hill and Galliford Road and remits a licence fee to the Company on a monthly basis. The Company has received rent of £364,103 from WML during the period covered by this report.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (A2 Appendix).

Summaries of the most significant payments made during the period are provided below.

Joint Administrators' fees of £2.9 million were paid in the period of this report. Refer to section 5 of this report for further details in relation to fees incurred and paid by the Joint Administrators.

Legal fees of £2.1 million were paid in the period of this report. A significant proportion of this cost has been incurred to progress the various ongoing legal matters and claims that the Company is progressing. The balance of the legal costs is in relation to general insolvency / administration matters.

Rent

The Company has paid rent of £684,333 to the landlords of the Wycke Hill and Galliford Road properties during the period covered by this report. This relates to:

- Rent received from WML and paid to the landlords during the period of this report (£364,103); and
- Rent received from WML in the prior period which was paid to the landlords in the period of this report (£320,231).

Repairs and maintenance (i.e. vehicle related costs)

WML are engaged by the Company to perform restoration and maintenance services on Company vehicles, in order to increase the resale value of vehicles and maximise returns for creditors. During the period of this report, the Company has paid repair and maintenance costs of £560,010 in relation to various vehicles, the majority of which were also sold in the period.

Sales commission

Commission payments of £1.1 million were made during the period of this report. Commissions are remitted to WML under the Agency Agreement for Company-owned vehicles sold by/referred by WML. Commission payments were also made to auction houses where cars have been sold via auction.

Litigation settlement payments

Certain vehicles sold by the Company during the period of this report were subject to title disputes. Settlement payments of £3.1 million as a result of certain dispute resolutions were made during the period of this report.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (A3 Appendix).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Significant expenses incurred but not yet paid

Joint Administrators' time costs	£840,699	- Total time costs incurred in the period is £1,656,991 (refer to A6 Appendix). £816,292 was paid during the period of this report. - See section 5.1 for further details in relation to the Joint Administrators' remuneration.
Legal fees	£344,711	- The Company's legal advisors (Pinsent Masons and Quinn Emanuel) have incurred legal fees in relation to ongoing legal matters, which have not yet been invoiced to the Company.
VAT	£67,661	- VAT is payable on vehicle sales in line with a margin scheme and in relation to expenses of the administration.

We have attached a revised expenses estimate at A5 Appendix. Our previous expenses estimate will be exceeded mainly due to additional unforeseen legal costs in relation to ongoing litigation.

3 Dividend prospects and dividends paid

3.1 Secured creditors

The Secured Lenders have submitted a claim in the administration for £76.2 million in respect of their secured indebtedness.

During the period, the Joint Administrators have distributed £1.0 million to Lloyds Bank plc, as agent for the Secured Lenders, all of which relates to floating charge realisations.

Net realisations from the Company's assets are unlikely to be sufficient to enable the Secured Lenders to be repaid in full.

3.2 Preferential creditors

The preferential creditors have been repaid in full.

3.3 Unsecured creditors

Based on current estimates, we anticipate that the unsecured creditors will receive a distribution from the Prescribed Part. It is highly unlikely there will be a distribution in excess of the Prescribed Part as it is likely that there will be a shortfall with respect to the secured debt.

4 Other matters

4.1 Decision procedure

Notice of seeking a decision by correspondence is available on the Portal. The decision by correspondence is being used to seek approval for a revision of our fees estimate.

Please note that where a Creditors' Committee is formed, the votes cast by creditors in relation to the proposed decision above will be disregarded.

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the procedures set out below are followed.

Requests for a physical meeting must be made within five business days of the date on which notice of the decision procedure was delivered. They must include:

- a statement of the requesting creditors' claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting.

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a physical creditors' meeting, please make the request via the Portal or contact our office with the above details.

5 Joint Administrators' remuneration and disbursements

5.1 Joint Administrators' remuneration and disbursements

During the period, the Company's secured and preferential creditors approved our revised fees estimate of £5.0 million, as provided in our previous progress report.

However, it has become apparent during the period that we will exceed our previous fees estimate largely as a result of the complex ongoing legal matters and claims which the Company is progressing. Therefore, we are now seeking approval from the Secured Lenders and preferential creditors that we be authorised to draw additional remuneration of £1.5 million as per the revised fees estimate included at A4 Appendix.

Should the circumstances of the administration change, we reserve the right to revert to the Secured Lenders and preferential creditors in order to seek approval for a further revision to our fees estimate.

5.1.1 Time costs

In the period from 10 March 2019 to 9 September 2019, we have incurred time costs of £1,656,991. These represent 3,810 hours at an average rate of £435 per hour.

5.1.2 Remuneration

During the period we have drawn remuneration of £2,899,116, comprising £40,039 in respect of fixed charge matters and £2,859,077 in respect of floating charge matters.

5.1.3 Disbursements

During the period, we have incurred disbursements of £5,058. Of that, £3,136 has been paid.

5.1.4 Additional information

We have attached a revised fees estimate at A4 Appendix. Our previous fees estimate will be exceeded due to:

- Additional unforeseen costs dealing with complex asset disputes and actions commenced against third parties in order to recover value for creditors of the Company; and
- Previously unanticipated and extensive time revising pre-appointment VAT returns and attending to HM Revenue & Customs' enquiries.

This additional expense may result in financial benefit for the creditors, however the quantum of this benefit is unknown at this stage.

We could not reasonably have estimated costs for these matters at the time our previous progress report was distributed.

We have attached at A4 Appendix an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Alvarez & Marsal Europe LLP for the period from our appointment to 9 September 2019. We have also attached our charging and disbursements policy.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs and property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Continuing to market and sell the Company's remaining classic vehicle stock, registration numbers and automobilia;
- Pursuing actions against third parties with a view to recovering assets for the estate;
- Continuing to defend legal actions where it is appropriate to do so;
- Finalising the Company's tax affairs;
- Distributing funds in the estate to the Secured Lenders;
- Distributing the Prescribed Part to unsecured creditors; and
- Undertaking procedures to exit the administration.

6.2 Extension of the administration

The duration of the administration is restricted to twelve months from the date of commencement unless it is extended with the permission of the creditors or the Court.

During the period the Company's secured and preferential creditors granted a twelve-month extension to the period of the administration.

The administration is currently due to end on 9 September 2020.

6.3 Discharge from liability

The Company's Secured Lenders and preferential creditors granted approval that we be discharged from liability in respect of any actions as Joint Administrators upon filing our final receipts and payments account with the Registrar of Companies.

6.4 Future reporting

We will provide a further progress report within one month of 9 March 2020 or earlier if the administration has been completed prior to that time.

A1 Appendix – Statutory information

Company information

Company name	JD Classics Limited
Date of incorporation	11 June 1999
Company registration number	03788194
Trading address	Unit 5-8, Wycke Hill Business Park, Wycke Hill, Maldon, Essex CM9 6UZ
Previous registered office	Unit 5-8, Wycke Hill Business Park, Wycke Hill, Maldon, Essex CM9 6UZ
Present registered office	Suite 3, Regency House, 91 Western Road, Brighton, East Sussex BN1 2NW
Company directors	Martyn Thomas Evans, Christopher Joseph Lister Fielding, Jean Marc Gales, John Philip Madden III and Michael Anthony Woulfe
Company secretary	None presently appointed

Administration information

Administration appointment	The administration appointment made effective in the High Court of Justice, case number CR-2018-007197
Appointor	The directors of JD Classics Limited
Date of appointment	10 September 2018
Joint Administrators	Richard Dixon Fleming, Mark Granville Firmin and Richard James Beard, all of Alvarez & Marsal Europe LLP
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	9 September 2020
Prescribed Part	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for unsecured creditors (section 3.3).
Estimated values of the net property and Prescribed Part	Estimated net property is unascertained, however the estimated Prescribed Part is likely to be £600,000.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.

A2 Appendix – Joint Administrators' receipts and payments account

Statement of Affairs £	From 10/03/2019 To 09/09/2019 £	From 10/09/2018 To 09/09/2019 £
	FIXED CHARGE ASSETS	
	Bank Interest	NIL
231,000.00	Plant & Machinery	8.83
		<u>40,030.00</u>
		40,038.83
	FIXED CHARGE COSTS	
	Administrators' Fees	40,038.83
		<u>(40,038.83)</u>
		(40,038.83)
	ASSET REALISATIONS	
	Automobilia	30,525.00
11,193,990.00	Book Debts - pre appt	31,175.00
	Cash at Bank	3,204,246.22
	Fleet Motor Vehicles	71,590.84
	Parts	225,196.67
	Registration Numbers	523,930.00
	Rent Received	114,533.33
	Secured Lender Loan	698,641.10
21,038,000.00	Stock	700,000.00
	Work in Progress	12,493,389.44
		<u>19,000,462.57</u>
		140,710.00
		13,135,173.55
		24,710,485.73
	OTHER REALISATIONS	
	Bank Interest Gross	5,637.28
	Cost Order Recoveries	7,041.46
	Credit Card refund	150,000.00
	Funds Received in Error	150,000.00
	Other Realisations	12,231.82
	Processing Fee Received	NIL
	Settlement Recoveries	(1,042.00)
	Storage Receipts	79.68
	Sundry Refunds	831.83
	Third Party Funds Received	10,000.00
	Trading Surplus/(Deficit)	2,825,000.00
		<u>2,825,000.00</u>
		3,197.10
		1,536.87
		20,815.64
		NIL
		1,221,684.00
		<u>(19,228.16)</u>
		2,981,211.83
		4,231,573.69
	COST OF REALISATIONS	
	Administrators' Expenses	33,471.05
	Administrators' Fees	33,471.05
	Agents/Valuers Fees	2,859,077.17
	Bank Charges	13,716.48
	Cost Orders Payable	45,424.56
	ERA Solutions	361.00
	Insurance of Assets	36,964.83
	Interest paid re Secured Lender Loan	NIL
	Irrecoverable VAT	200.00
	Legal Fees	132.30
	Margin Scheme VAT	116,995.76
	Other Property Expenses	2,222.39
	Professional Fees	400.00
	Ransom Payments	14,380.15
	Rates	2,141,638.85
		<u>3,063,109.19</u>
		68,266.09
		5,414.50
		34,157.95
		10,000.00
		NIL
		16,737.33

Statement of Affairs £	From 10/03/2019 To 09/09/2019 £	From 10/09/2018 To 09/09/2019 £
Re-Direction of Mail	NIL	980.00
Registration Costs	1,659.36	1,779.36
Rent Paid	684,333.47	723,641.17
Repairs & Maintenance	560,009.91	1,074,486.93
Repayment of Secured Lender Loan	NIL	700,000.00
Repayment of Third Party Funds	NIL	556,194.56
Sales Commission	1,085,483.20	1,717,809.68
Security	50,846.00	163,448.98
Settlement Payments	3,129,734.19	3,129,734.19
Specific Bond	NIL	200.01
Stationery & Postage	NIL	5,861.00
Statutory Costs	NIL	71.15
Storage Costs	76,725.71	169,885.72
Third Party Funds Paid	NIL	653,629.61
Transportation costs	145,489.19	169,536.19
Utilities	1,299.14	1,681.99
	(10,837,594.50)	(15,376,472.70)
PREFERENTIAL CREDITORS		
Subrogated EP(C)A Claim	NIL	5,001.37
	NIL	(5,001.37)
FLOATING CHARGE CREDITORS		
Floating Charge Creditor	1,000,000.00	1,500,000.00
	(1,000,000.00)	(1,500,000.00)
32,462,990.00	4,238,752.05	12,060,585.35
REPRESENTED BY		
Bank Current - Floating		5,496,763.17
Bank Fixed Term Money Market		5,003,755.50
Fixed Ch Vat Receivable		8,007.77
Vat Payable		(312,929.18)
Vat Receivable		1,864,988.09
		12,060,585.35

A3 Appendix – Schedule of expenses

A3.1 Schedule of expenses

A summary of expenses incurred during the period of this report is set out below:

Schedule of expenses			
Expense	Incurred in the prior period but not accrued for (£)	Incurred and paid in the period (£)	Incurred in the period and not yet paid (£)
Agents/valuers fees	-	13,716	-
Bank charges	-	377	-
Cost orders payable	-	36,965	-
Insurance of assets	-	132	-
Legal fees	-	1,290,027	344,711
Margin scheme VAT	89,931	-	12,894
Professional fees	-	16,253	-
Registration costs	-	1,659	-
Rent paid	303,333	356,000	-
Repairs & maintenance	91,071	555,998	-
Sales commission	45,592	1,065,957	-
Security	-	50,846	-
Settlement payments	-	3,129,734	-
Storage costs	-	66,989	5,646
Transportation costs	-	145,489	-
Utilities	1,504	-	-
VAT paid/payable	8,044	114,005	54,767
Total	539,475	6,827,894	418,018

Please note that there is a difference between the payments made during the period of £10.8 million (per the receipts and payments account) and the expenses incurred and paid in the period of £6.8 million (per the schedule of expenses). This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period, and this excludes the Joints Administrators' remuneration and disbursements.

A3.2 Requests for further information and right to challenge our remuneration and expenses

A3.2.1 Requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to JD Classics Limited (in administration) at Alvarez & Marsal Europe LLP, at Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW.

A4 Appendix – Joint Administrators’ revised fees estimate

Basis of fees and fees estimate

The basis of our remuneration is on a time cost basis.

Details of our firm’s hourly charge-out rates are set out in our Charging and Disbursement policy at A6 Appendix.

Our initial fees estimate of £2.0 million was provided in our proposals and a revised fees estimate of £5.0 million was provided in our progress report dated 9 April 2019, however we anticipate that we will exceed this previous estimate.

An updated fees estimate of £6.5 million is therefore provided below, together with a narrative description of the work to be carried out and the reasons for the increased estimate.

Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

the fees for the work undertaken have been agreed to be undertaken.

We set out below the tasks to be undertaken during the administration and the main reasons for the increase in our fees estimate as compared with the fees estimate for the engagement disclosed in our previous progress report dated 9 April 2019.

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
Engagement control	<ul style="list-style-type: none"> - Formulating, monitoring and reviewing the administration strategy; - Briefing our staff on the administration strategy and matters in relation to various work-streams; - Regular case management and reviewing of process, including regular team update meetings and calls; - Meeting with management to review and update strategy and monitor progress; - Reviewing and authorising junior staff correspondence and other work; - Dealing with queries arising during the appointment; - Reviewing matters affecting the outcome of the administration; - Allocating and managing staff/case resourcing and budgeting exercises and reviews; - Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters; and - Complying with internal filing and information recording practices, including documenting strategy decisions. 	<ul style="list-style-type: none"> - Due to added complexity in the engagement arising from litigation and dealing with other counterparties, additional time has been incurred in respect of updating and progressing the administration strategy.
Appointment and risk	<ul style="list-style-type: none"> - Collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets; - Providing initial statutory notifications of our appointment to the Registrar of Companies, 	<ul style="list-style-type: none"> - Additional time has been spent and is anticipated to be spent investigating the relevant insurance policies; and - Due to the complexity of litigation, additional time has been spent on

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	<p>creditors and other stakeholders and advertising our appointment;</p> <ul style="list-style-type: none"> - Writing to all customers, suppliers, finance providers and brokers who have had dealings with the Company since 2011, to notify them of our appointment; - Liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; - Liaising with the health and safety specialists with regards to the administration and ongoing health and safety compliance; - Arranging ongoing insurance cover for the Company's business and assets; - Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover is in place; and - Periodically assessing the level of insurance premiums. 	<p>consultation around risks of pursuing and defending legal claims.</p>
Reports, decision making and remuneration	<ul style="list-style-type: none"> - Uploading information to the Creditors' Portal; - Drafting and publishing our Proposals; - Seeking approval from the Secured Lenders for approval of the basis of our remuneration; - Documenting decision procedures; - Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; - Preparing and reviewing the fees estimate; - Preparing and reviewing the expenses estimate; and - Providing further detail on remuneration and fee estimates to secured lenders. 	<ul style="list-style-type: none"> - This includes additional work associated with the 12 month extension of the administration, including the associated additional statutory reporting requirements (for example, additional progress reports and SIP9 analysis) and maintaining/updating the estimated outcome statement for reporting to lenders.

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
Correspondence and statutory filing	<ul style="list-style-type: none"> - Preparing statutory receipts and payments accounts; - Arranging bonding and complying with statutory requirements; - Ensuring compliance with all statutory obligations within the relevant timescales; - Providing written and oral updates to the Secured Lenders regarding the progress of the administration and case strategy; and - Dealing with creditor queries. 	<ul style="list-style-type: none"> - As above, it is anticipated that there will be additional statutory reporting requirements (such as preparing additional statutory receipts and payments accounts) as a result of the 12 month extension of the administration; and - Due to added complexity of the investigations and litigation workstreams, it is anticipated that additional written and oral updates regarding the progress of litigation and the administration generally need to be provided to representatives of the Secured Lenders.
Investigations	<ul style="list-style-type: none"> - Locating relevant Company books and records, arranging for their collection, review and ongoing storage; - Imaging and storing electronic books and records, exporting this data to our systems and preparing this data for investigation; - Obtaining Company records held by third parties (e.g. lawyers); - Conducting initial interviews with certain Company employees and directors; - Initial calls and meetings with counterparties who have raised disputes against the Company; - Reviewing Company and directorship searches and advising the directors of the effect of the administration; - Liaising with management to produce the Statement of Affairs and filing it with the Registrar of Companies; 	<ul style="list-style-type: none"> - We anticipate significant additional time will need to be incurred in relation to the investigation of the affairs of the Company, and dealing with documentation around legal disputes between the Company and third parties; - Time is anticipated to be incurred with regards to planning, commencing and progressing actions against third parties. - Further time is anticipated to be incurred in defending various legal actions from third parties, and preparing and submitting counterclaims, where applicable; and - Further time is anticipated developing strategies and claims against various third parties and considering legal advice.

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	<ul style="list-style-type: none"> - Reviewing questionnaires submitted by the directors of the Company; - Arranging for the redirection of the Company's mail; - Reviewing the questionnaire submitted by the directors of the Company; - Reviewing pre-appointment transactions; - Drafting the statutory report on the directors' conduct and submitting to the relevant authority; and - Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation. 	
Trading	<ul style="list-style-type: none"> - Liaising with customers and their agents to arrange for the return of assets stored on the premises; - Ensuring adherence to the terms of the SPA with WML, including the terms of the Agency Agreement and the licence to occupy; - Preparing cash flow statements to monitor the cash position; - Attending to supplier customer queries and correspondence; - Raising, approving and monitoring purchase orders and setting up control systems for trading; - Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions in order to ensure continued support; - Dealing with issues in relation to stock and other assets required for trading; 	n/a

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	<ul style="list-style-type: none"> - Communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions; - Monitoring stock and carrying out stock reconciliations; - Securing stock and reconciling to Company records; and - Ensuring ongoing provision of emergency and other essential services to site. 	
Sale of business	<ul style="list-style-type: none"> - Executing the strategy for the sale of business and assets to WML, including liaison with professional advisers; - Dealing with queries from interested parties and managing the information flow to potential purchasers; - Fielding due diligence queries and maintaining a record of interested parties; - Carrying out sales negotiations with WML; - Collating relevant Company information and producing schedules of assets and work in progress to be included in the sale; and - Seeking legal advice regarding the sale of business, including the drafting and negotiation of the SPA. 	<ul style="list-style-type: none"> - Additional time was spent dealing with the continuation of the SPA.
Asset realisations	<ul style="list-style-type: none"> - Collating information from the Company's records regarding assets, specifically compiling historical Company records on motor vehicles, records of purchase and part exchange trading of the vehicles; - Carrying out DVLA and HPI checks to investigate ownership rights in relation to vehicles; 	<ul style="list-style-type: none"> - Significant time has been incurred, and is anticipated to be incurred, investigating and settling disputes in relation to title and rights of assets of the Company; and - Additional time is expected to be incurred in respect of planning, commencing and progressing actions against third parties with respect to

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	<ul style="list-style-type: none"> - Liaising with finance companies in respect of assets subject to finance agreements; - Engaging with WML on the sales strategy for agency stock; - Liaising with agents regarding the sale of assets; - Arranging the sale of motor vehicle inventory, by liaising with customers, auctioneers and WML; - Liaising with third parties in relation to Company motor vehicle stock held offsite; - Liaising with suppliers on retention of title claims to parts held at the Company's premises or already fitted to motor vehicles; - Coordinating the auction of certain Company motorbike stock; - Dealing with issues associated with the sale of stock; - Reviewing outstanding debtors and management of debt collection strategy; - Liaising with Company credit control staff and communicating with debtors; - Seeking legal advice in relation to book debt collections; - Liaising with Pinsent Masons regarding debtor recoveries; - Reviewing the inter-company debtor position between the Company and other group companies; - Reviewing the Company's leasehold properties, including review of leases; - Communicating with landlords regarding rent, property occupation and other property issues and implementing the terms of the WML license to occupy; 	<p>specific assets, some of which may result in litigation; and</p> <p>Further time is expected to be incurred defending third party actions with respect to specific assets.</p>

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	<ul style="list-style-type: none"> - Communicating with third parties and landlords regarding potential assignments of certain leasehold premises; - Initiating the surrender of the property leases no longer required; and - Performing Land Registry searches. 	
Costs of realisation	<ul style="list-style-type: none"> - Liaising with third parties regarding costs incurred; - Collecting and paying the rent due on the Company's remaining premises (under the terms of the licence to occupy); - Reviewing and agreeing invoices from WML in relation to the storage of Company vehicles and restoration services provided to the Company; - Reviewing costs incurred to ensure recorded accurately; and - Arranging payment of the costs in a timely manner as and when funds allow. 	n/a
Tax	<ul style="list-style-type: none"> - Gathering initial information from the Company's records in relation to the taxation position of the Company; - Submitting relevant initial notifications to HM Revenue and Customs; - Liaising with the Company's pre-appointment tax advisors to understand the Company's pre-appointment corporation tax and VAT position; - Investigation pre-appointment tax returns; - Analysing and considering the tax effects of various sale options, tax planning in relation to potential taxable assets; - Working initially on tax returns relating to the periods affected by the administration; - Analysing VAT related transactions; 	<ul style="list-style-type: none"> - Significant additional time has been incurred revising pre-appointment VAT and corporation tax returns and attending to detailed enquiries from HM Revenue & Customs in relation to pre- and post-appointment returns, for the benefit of the estate.

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
Cashiering	<ul style="list-style-type: none"> - Reviewing the Company's duty position to ensure compliance with duty requirements; and - Dealing with post appointment tax compliance. 	
	<ul style="list-style-type: none"> - Setting up administration bank accounts and dealing with the Company's pre-appointment accounts; - Preparing and processing vouchers for the payment of post-appointment invoices; - Creating remittances and sending payments to settle post-appointment invoices; - Making payroll payments on behalf of WML whilst new banking facilities were arranged and dealing with salary related queries; - Reviewing and processing WML employee expense requests; - Reconciling post-appointment bank accounts to internal systems; and - Ensuring compliance with appropriate risk management procedures in respect of receipts and payments. 	<ul style="list-style-type: none"> - Our previous estimate was not sufficient to capture the time required to open and manage administration bank accounts, receive monies and make payments for the extended duration of the administration.
Employees and pensions	<ul style="list-style-type: none"> - Dealing with queries from employees regarding various matters relating to the administration and their employment; - Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; - Holding initial employee briefing meetings to update employees on progress in the administration; - Commencing an employee consultation process immediately on our appointment and subsequently confirming to all employees that 	n/a

Fees estimate narrative

Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	<p>they had transferred to WML under TUPE regulations;</p> <ul style="list-style-type: none"> - Communicating and corresponding with HM Revenue and Customs; - Ensuring security of assets held by employees; - Collection of company assets held by employees; - Collating information and reviewing the Company's pension schemes; - Review of pre-appointment unpaid pension contributions; - Ensuring compliance with our duties to issue statutory reports; - Liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment; - Ensuring death-in-service cover for employees remains in place; and - Notifying the trustees of the pension scheme, the Pensions Regulator and the Pensions Protection Fund of our appointment. 	
Claims and distributions	<ul style="list-style-type: none"> - Reviewing and updating the Company's list of unsecured creditors; - Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; - Responding to creditors regarding queries about the administration and their potential claims; and - Dealing with suppliers with retention of title claims, including reviewing supporting 	<p>Given the number and complexity of unsecured claims received to date, additional time has been allocated to process and adjudicate claims and distribute a Prescribed Part dividend to unsecured creditors.</p>

Fees estimate narrative		
Task category	Tasks to be undertaken during the administration	Reasons for the increase in our fees estimate since our previous progress report
	documentation and arranging stock inspection visits.	
Exit routes and closure	- Dealing with all closure related formalities.	n/a

A5 Appendix – Joint Administrators’ revised expenses estimate

We provided an expenses estimate in the previous report, however we anticipate to exceed this previous estimate, mainly due to additional unforeseen legal costs in relation to ongoing litigation.

An updated expenses estimate is therefore provided overleaf, together with a narrative description of the work to be carried out and the reasons for the increased estimate.

Revised expenses estimate			Estimated expenses for the engagement disclosed in our progress report dated 9 April 2019		Revised estimate of the Joint Administrators' expenses for the engagement		Variance in estimated expenses for the engagement
Category	Paid to date (£)	Estimated future (£)	Total estimated costs (£)	Paid to date (£)	Estimated future (£)	Total estimated costs (£)	Total estimated costs (£)
Agents/valuers fees	31,708	4,050	35,758	45,425	-	45,425	9,666
Bank charges	735	1,515	2,250	1,111	1,139	2,250	-
Contingency	-	500,000	500,000	-	250,000	250,000	(250,000)
Costs orders payable	-	-	-	36,965	-	36,965	36,965
ERA solutions	200	-	200	200	-	200	-
Insurance	116,863	88,833	205,697	116,996	88,701	205,697	-
Interest paid re Secured Lender loan	2,222	-	2,222	2,222	-	2,222	-
Legal fees	921,470	4,500,000	5,421,470	3,063,109	5,136,891	8,200,000	2,778,530
Margin scheme VAT	-	-	-	68,266	39,044	107,310	107,310
Other property expenses	5,415	-	5,415	5,415	-	5,415	-
Postage	5,861	1,500	7,361	5,861	1,500	7,361	-
Professional fees	17,905	37,392	55,297	34,158	21,139	55,297	-
Ransom payments	10,000	-	10,000	10,000	-	10,000	-
Rates	16,737	-	16,737	16,737	-	16,737	-
Redirection of mail	980	-	980	980	-	980	-
Registration costs	120	500	620	1,779	-	1,779	1,159
Rents payable	39,308	-	39,308	-	-	-	(39,308)
Repairs and maintenance	514,477	580,845	1,095,322	1,074,487	190,240	1,264,726	169,405
Sales commissions	632,326	1,307,512	1,939,839	1,717,810	325,091	2,042,901	103,062
Security	120,220	13,500	133,720	171,066	-	171,066	37,346
Specific bond	200	-	200	200	-	200	-
Statutory costs	71	142	213	71	142	213	-
Storage (for vehicle stock)	93,160	157,616	250,776	169,886	24,107	193,993	(56,783)
Subcontractors	2,500	-	2,500	2,500	-	2,500	-
Transportation costs	24,047	-	24,047	169,536	-	169,536	145,489
Utilities	383	-	383	1,682	-	1,682	1,299
VAT paid/payable	7,076	616,669	623,745	14,380	609,365	623,745	-

Revised expenses estimate		Estimated expenses for the engagement disclosed in our progress report dated 9 April 2019			Revised estimate of the Joint Administrators' expenses for the engagement			Variance in estimated expenses for the engagement	
Category		Paid to date (£)	Estimated future (£)	Total estimated costs (£)	Paid to date (£)	Estimated future (£)	Total estimated costs (£)		
Workshop parts		9,111	-	9,111	9,111	-	9,111		-
Total		2,573,097	7,810,074	10,383,171	6,739,953	6,687,359	13,427,312		3,044,141

Notes:

- Settlement payments of £3.1 million have not been included in the above table given that they are a settlement cost which is netted off against stock realisations. Settlement payments are described at section 2.4 of this report; and
- Rental expenses are not included in the above expenses estimate, as all rent paid to landlords by the Company is received from WML under the terms of the licence to occupy. Accordingly, the previous expenses estimate of £39,308 has been removed from the estimate.

Narrative descriptions of the expenses which are anticipated to be incurred during the administration and which are significant or otherwise material in the context of the case, have been disclosed in our proposals and previous progress report.

Our explanation for the revision of the expenses estimate is provided below.

Expenses estimate narrative	
Agents/valuers fees	- The realisation strategy with respect to some vehicles has changed since the last report, with certain vehicles being placed into auction which increased agency/valuation costs.
Contingency	- £250,000 of the £500,000 contingency has been released given the increased understanding of the third-party actions. - Note that some or all of the remaining contingency may not be used.
Costs orders payable	- A costs order of £36,965 in relation to a legal claim was ruled against the Company during the period. This was not previously included in the expenses estimate.
Legal fees	- The increase in our estimate for legal fees is as a result of the increased number and complexity of third-party actions being pursued by the Company.
Margin scheme VAT	- Based on tax advice received during the period of this report, we have estimated VAT payable under the margin scheme for vehicles sold during the administration.
Registration costs	- Some vehicles required registration renewals as they took longer to sell than originally anticipated.
Rents payable	- Refer to the notes on the previous page for details.
Repairs and maintenance (i.e. vehicle related costs)	- Additional costs have been incurred and are anticipated to restore vehicles for the purpose of maximising realisable value.
Sales commissions	- Commission of £276,000 in relation to the sale of a vehicle at auction was not previously included in our expenses estimate. - Our estimate for other sales commissions has decreased due to the reduction in estimated realisable values of vehicle stock, and consequently sales commissions estimated with respect to those vehicles.
Security	- Security was retained at the Company's premises for longer than anticipated, increasing costs incurred.
Storage	- Estimated storage costs has decreased due to a reduction in the number of vehicles stored.
Transportation costs	- The transport costs in relation to the sale of a vehicle outside of the UK were not previously included in our expenses estimate.
Utilities	- Additional utility costs were incurred, which were not previously estimated. Note that these costs are reimbursed by WML.

A6 Appendix – Joint Administrators' charging and disbursement policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and pensions from A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditor's Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact INS_JDCL@alvarezandmarsal.com or write to us at JD Classics Limited (in administration), Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring	
Grade	£/hour from 10 September 2018
Managing Director	675
Senior Director	635
Director	595
Assistant Director	535
Senior Associate	455
Associate	335
Analyst	225
Support	165

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both 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, and equivalent costs reimbursed to the officeholder or his or her staff.

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.

Category 2 disbursements charged by A&M Restructuring include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration. No category 2 disbursements were incurred during the period.

We have incurred the following disbursements from 10 March 2019 to 9 September 2019:

Disbursements incurred for the period 10 March 2019 to 9 September 2019	
	£
Category 1	
Travel	350.86
Courier	44.92
Subsistence	194.5
Other	4,467.75
Total category 1 disbursements incurred	5,058.03
Total disbursements incurred	5,058.03

Refer to the table below for a detailed breakdown of the Joint Administrators' time and cost summary in accordance with SIP 9.

JD Classics Limited (in administration)

Time costs for the period 10 March 2019 to 9 September 2019

Classification of work function	Total hours	Total time costs (£)	Average hourly rate (£)
Engagement acceptance	-	-	-
Engagement control	306.0	118,736	338
Pre-appointment	-	-	-
Appointment and risk	20.1	6,187	309
Proposals, remuneration and reporting	312.2	121,599	390
Correspondence and statutory filing	164.3	80,967	493
Investigations	1,308.3	595,533	454
Trading	-	-	-
Sale of business	3.9	2,321	595
Asset realisations	717.6	335,050	467
Costs of realisation	62.2	20,698	333
Tax	773.1	336,126	435
Cashiering	96.7	26,740	277
Employees and pension	-	-	-
Claims and distributions	45.9	15,036	328
Exit routes and closure	-	-	-
Totals	3,810.1	1,656,991	435
Brought forward time (appointment date to SIP 9 period start date)	6,005.6	2,774,812	462
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	3,810.1	1,656,991	435
Carry forward time (appointment date to SIP 9 period end date)	9,815.7	4,431,804	451

SIP 9 narrative for the period 10 March 2019 to 9 September 2019

Engagement control	<ul style="list-style-type: none"> - Monitoring and reviewing the administration strategy; - Briefing our staff on the administration strategy and matters in relation to various work-streams; - Regular case management and reviewing of process, including regular team update meetings and calls; - Meeting with management to review and update strategy and monitor progress; - Reviewing and authorising junior staff correspondence and other work; - Dealing with queries arising during the appointment; - Reviewing matters affecting the outcome of the administration; - Allocating and managing staff/case resourcing and budgeting exercises and reviews;
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SIP 9 narrative for the period 10 March 2019 to 9 September 2019

	<ul style="list-style-type: none"> - Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters; and - Complying with internal filing and information recording practices, including documenting strategy decisions.
Appointment and risk	<ul style="list-style-type: none"> - Periodically assessing the level of insurance premiums; - Reviewing policies and revising cover based on asset sales; and - Reviewing anti-money laundering procedures and performing checks.
Reports, proposals and remuneration	<ul style="list-style-type: none"> - Uploading information to the Creditors' Portal; - Drafting and publishing our progress reports; - Running decision procedures; - Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; - Monitoring the fees estimate; and - Monitoring the expenses estimate.
Correspondence and statutory matters	<ul style="list-style-type: none"> - Preparing statutory receipts and payments accounts; - Renewing bonding and complying with statutory requirements; - Ensuring compliance with all statutory obligations within the relevant timescales; - Providing written and oral updates to the Secured Lenders regarding the progress of the administration and case strategy; - Filing notice of the extension of the administration; and - Dealing with creditor queries.
Investigations	<ul style="list-style-type: none"> - Managing and reviewing Company books & records database; - Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation; - Obtaining records from third parties; - Conducting interviews with counterparties and officeholders; - Enquiring with counterparties who have raised disputes against the Company; - Reviewing pre-appointment transactions; and - Documenting investigations.
Sale of business	<ul style="list-style-type: none"> - Reviewing terms of SPA - Seeking advice regarding extension of SPA

SIP 9 narrative for the period 10 March 2019 to 9 September 2019

Asset realisations	<ul style="list-style-type: none"> - Collating information from the Company's records regarding assets, specifically compiling historical Company records on motor vehicles, records of purchase and part exchange trading of the vehicles; - Liaising with finance companies in respect of assets subject to finance agreements; - Engaging with WML on the sales strategy for agency stock; - Liaising with agents regarding the sale of assets; - Arranging the sale of motor vehicle inventory, by liaising with customers, auctioneers and WML; - Liaising with third parties in relation to Company motor vehicle stock held offsite; - Liaising with suppliers on retention of title claims to parts held at the Company's premises or already fitted to motor vehicles; - Dealing with issues associated with the sale of stock; - Reviewing outstanding debtors and management of debt collection strategy; - Liaising with Company credit control staff and communicating with debtors; - Seeking legal advice in relation to book debt collections; - Liaising with Pinsent Masons regarding debtor recoveries; and - Communicating with landlords regarding rent, property occupation and other property issues and implementing the terms of the WML license to occupy.
Costs of realisation	<ul style="list-style-type: none"> - Liaising with third parties regarding costs incurred; - Collecting and paying the rent due on the Company's remaining premises (under the terms of the licence to occupy); - Reviewing and agreeing invoices from WML in relation to the storage of Company vehicles and restoration services provided to the Company; - Reviewing costs incurred to ensure recorded accurately; and - Arranging payment of legal costs in a timely manner.
Tax	<ul style="list-style-type: none"> - Investigation and review of the Company's pre-appointment corporation tax and VAT position; - Analysing and considering the tax effects of various sale options, tax planning in relation to potential taxable assets; - Working on tax returns relating to the periods affected by the administration; - Analysing VAT related transactions; - Reviewing the Company's duty position to ensure compliance with duty requirements; and - Dealing with post appointment tax compliance.

SIP 9 narrative for the period 10 March 2019 to 9 September 2019

Cashiering	<ul style="list-style-type: none">- Reconciling post-appointment bank accounts to internal systems;- Preparing and processing vouchers for the payment of post-appointment invoices;- Creating remittances and sending payments to settle post-appointment invoices; and- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Claims and distributions	<ul style="list-style-type: none">- Reviewing and updating the Company's list of unsecured creditors;- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;- Responding to creditors regarding queries about the administration and their potential claims; and- Dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging stock inspection visits.
Exit routes and closure	<ul style="list-style-type: none">- Seeking approval of creditors for the extension of the administration; and- <i>Publishing the relevant notifications of the extension.</i>

A7 Appendix – Glossary

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Defined terms	Definition
A&M	Alvarez & Marsal Europe LLP
Charme	Charme Capital Partners
Court	The High Court of England and Wales
Company or JDCL	JD Classics Limited (in administration)
Creditors' Portal	Online gateway for the exchange of information between creditors and the Joint Administrators
DBL	Daytona Bidco Limited (in administration)
Facilities	Lending facilities provided by the Secured Lenders, comprising a £53 million term loan, a £20 million accordion loan and a £5 million revolving credit facility
Galliford Road	10 Galliford Road, Maldon, Essex CM9 4XD
HPS	HPS Investment Partners LLC
JDCHL	JD Classics Holdings Limited (in administration)
Joint Administrators/we/our/us	Richard James Beard, Mark Granville Firmin and Richard Dixon Fleming
Lloyds Bank	Lloyds Bank plc
Pinsent Masons	Pinsent Masons LLP
Proposals	Joint Administrators' proposals dated 2 November 2018
Quinn Emanuel	Quinn Emanuel Urquhart & Sullivan, LLP
Secured Lenders	Lloyds Bank plc and HPS Investment Partners LLC
SPA	Sale and Purchase Agreement under which certain of the business and assets of JDCL were sold to WML
WML	Woodham Mortimer Ltd
Wycke Hill	5-8 Wycke Hill Business Park, Wycke Hill, Maldon, Essex CM9 6 UZ

A8 Appendix – Notice: About this progress report

This progress report been prepared by Richard Dixon Fleming, Mark Granville Firmin and Richard James Beard , the Joint Administrators of JD Classics Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Richard Dixon Fleming, Mark Granville Firmin and Richard James Beard are authorised to act as insolvency practitioners by the ICAEW.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.