

AM03

Notice of administrator's proposals



Companies House

TUESDAY



A24 *A7I4J5Q8* #129
06/11/2018
COMPANIES HOUSE

1 Company details

Company number 03788194

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 BN1 2NW

Country

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

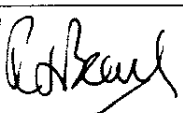
County/Region

Postcode BN1 2NW

Country

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

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature ✕  ✕		
Signature date	d 0 d 2 m 1 m 1 y 2 y 0 y 1 y 8		

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. ^①
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

① 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
- LIQ2, LIQ3, 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

JD Classics Limited (in administration)

Joint Administrators' Proposals

2 November 2018

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1 Executive summary

Background information (section 3 1)

- JD Classics Limited (in administration) (the “Company” or “JDCL”), which was incorporated on 11 June 1999, built a reputation for world class craftsmanship and engineering, alongside the trading of classic cars and customer racing activities. It operated from a showroom and restoration facility at Wycke Hill Business Park, Maldon, Essex, along with from four other facilities in Maldon and leased a showroom in Mayfair, London. The Company had 63 employees at the date of the Joint Administrators’ appointment.
- In August 2016, Charme Capital Partners (“Charme”) acquired a majority stake in the group. As part of the transaction, Derek Hood, the founder of JD Classics, retained a stake in the group.
- Certain entities in the group entered into secured senior lending facilities (the “Facilities”) with Lloyds Bank plc and a number of funds under the control of HPS Investment Partners LLC (“HPS”) (together, the “Secured Lenders”). At the time of the transaction the Company’s classic car inventory was understood to be valued at in the region of £98 million.

Events leading to the administration (section 3 3)

- In January 2018, Daytona Bidco Limited (in administration) (“DBL”), a holding company in the JDCL group structure, commenced an investigation into the Company’s affairs and recent financial performance. The investigation identified a number of irregularities, including concerns around title to certain vehicles which were purported to be owned by JDCL; issues around the provenance of certain vehicles; concerns around the nature of a number of transactions entered into by JDCL in the recent past; and significant concerns over the carrying value of the car stocks of JDCL in its books and records.
- Around the same time, the Company had been dealing with a claim in the High Court, brought by Mr. Michael Tuke, a customer of the Company, in respect of his dealings with the Company over the period from April 2011 to January 2016. In April 2018, in the High Court, Mr Tuke was successful in obtaining a judgment against JDCL for liability, with quantum to be assessed.
- Around this time, it became clear that there were a number of claims to title by third parties and disputes in relation to a number of vehicles that were held by JDCL. Given the issues around title disputes, third party claims and the provenance of certain vehicles, the management team undertook a further valuation of the classic car inventory in late June 2018. This work indicated that the value of inventory, which appeared to not be subject to title disputes or third-party claims, was in the region of £31 million
- In June 2018, Derek Hood, the chairman and former chief executive officer, left the Company. Jean Marc Gales was appointed chief executive officer on 6 June 2018 and was formally appointed as a Company director in July 2018. In July 2018, Mr Hood ceased to be a director of the Company.
- Given the impact of the ongoing litigation and third-party claims against JDCL, the directors of JDCL and the Secured Lenders formed the view that a sale of JDCL’s business and assets was required. In late July 2018, A&M was engaged by the Company and the Secured Lenders to conduct an accelerated sale process, with a view to selling JDCL’s business and assets.
- Whilst there was significant interest in the Company’s business and assets during the sale process, no bids were received by the binding bid deadline of 3 September 2018. Following this deadline, HPS, which had declared its interest in purchasing the

Company's business and assets during the sale process, commenced its due diligence process. The Company engaged in discussions with HPS in relation to a potential sale.

Appointment of Joint Administrators (section 3 5)

- The directors resolved on 24 August 2018 to place the Company into administration and to appoint Mark Firmin, Richard Beard and Richard Fleming as Joint Administrators. The directors appointed us as Joint Administrators at 1.30pm on 10 September 2018 when notice of our appointment was lodged at The High Court of Justice. Our appointment therefore became effective as at 1.30pm on 10 September 2018.

Trading (section 4 1 1)

- Considering the ongoing sale discussions with HPS, the Administrators took the decision to keep trading the business for a short time, in the hope that a deal could be agreed. In the event that no deal could be achieved, the Administrators only option would have been to cease operations, make the employees redundant and commence a piecemeal disposal of the Company's assets.

Post-appointment sale of business (section 4 1 2)

- The Joint Administrators continued discussions with HPS in relation to a potential sale of the business and assets of JDCL. In the initial days of the administration, there were a number of negotiations with HPS and its advisers around the structure of a sale and in relation to the detailed terms of the sale and purchase agreement ("SPA") including the level of consideration.
- In the absence of any other credible parties and on the basis the consideration for the business and assets offered by HPS was in excess of the break-up value of the Company's assets and to avoid potential ongoing trading losses, we concluded that we should proceed and complete the sale to HPS. On 18 September 2018, the Joint Administrators entered into a SPA for the sale of certain of the Company's business and assets with Woodham Mortimer, Ltd. ("WML"), a company that is indirectly controlled by HPS. The sale included the business and certain assets relating to the trading, restoration and racing businesses. The Company's classic car and motorbike inventory was excluded from the sale (including any vehicles subject to a dispute).

Anticipated outcome for secured creditors (section 5 1)

- At the date of our appointment, Company records indicated that the Company had total secured indebtedness of £76.2 million owed to the Secured Lenders. The net realisations from the Company's assets may not be sufficient to enable the Secured Lenders to be repaid in full and there may therefore be a shortfall in respect of their lending.

Anticipated outcome for preferential creditors (section 5 2)

- We are not aware of any preferential claims against the Company.

Anticipated outcome for unsecured creditors (section 5 3)

- Based on current estimates, it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part.

Approval of the Joint Administrators' proposals (section 7)

- The Joint Administrators' proposals will be deemed approved with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part.

Basis and approval of remuneration and disbursements (section 8)

- We propose to seek approval from the secured creditors (note that we are not aware of any preferential creditors) that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix A3 and the charge-out rates included in Appendix A5; and
- disbursements for services provided by A&M (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with A&M's policy as set out in Appendix A5.

Anticipated exit from administration (Section 6.1)

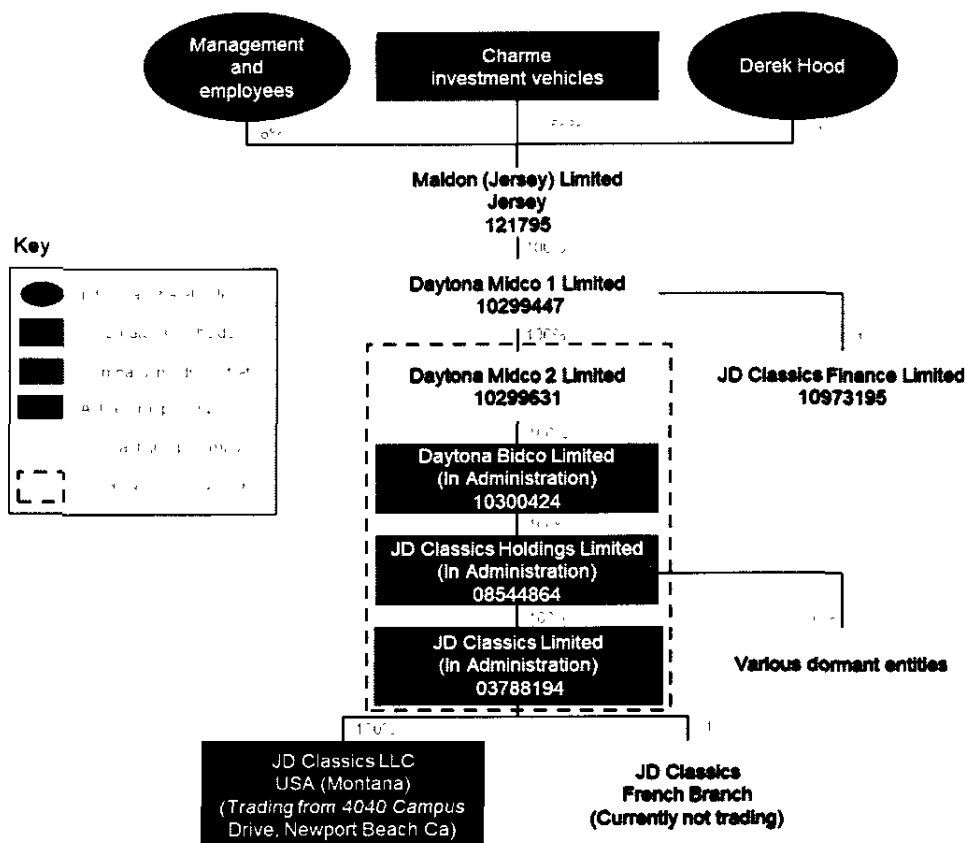
- At this stage we anticipate that the most likely exit route from administration will be dissolution, as we do not anticipate distributions to unsecured creditors other than under the Prescribed Part. However, should the investigations into the Company's affairs require a liquidator to be appointed to pursue certain legal actions or to take other action within a liquidation process, we may need to take steps to place the Company into liquidation.
- This document in its entirety is our statement of proposals. A summary list of the proposals is included in Section 9, together with the relevant statutory information by way of appendices. Unless stated otherwise, all amounts in these proposals are stated net of VAT.



Richard Beard

Joint Administrator

2 Group structure



Group summary

The group's main shareholder is Charme Capital Partners ("Charme") which, through a number of investment vehicles, owns 55% of the share capital in the group's holding company, Maldon (Jersey) Limited. The remaining share capital is held by Derek Hood, the JD Classics founder and former chief executive officer (37%) and certain management and employees of the group (8%).

The following entities are in administration:

- JD Classics Limited (in administration) ("JDCL" or the "Company");
- JD Classics Holdings Limited (in administration) ("JDCHL"); and
- Daytona Bidco Limited (in administration) ("DBL").

The three companies in administration, as well as Daytona Midco 2 Limited ("Midco 2"), have all granted security in the form of fixed and floating charges in favour of Lloyds Bank plc and a number of funds under the control of HPS (together the "Secured Lenders"). The financing arrangements are referred to in more detail in section 3.2.

JDCL is the main operating company within the group, operating from premises in Maldon, Essex. JDCL had 63 employees at the date of the Joint Administrators' appointment.

The Company's wholly-owned subsidiary, JD Classics LLC, operates a dealership from a leased premises, in Newport Beach, California.

These proposals relate to JDCL.

3 Background and events leading to the administration

3.1 Background information

JDCL, which was incorporated on 11 June 1999, built a reputation for world class craftsmanship and engineering, alongside the trading of classic cars and customer racing activities. It operated from a showroom and restoration facility at Wycke Hill Business Park, Maldon, Essex. It operated from four other facilities in Maldon and leased a showroom in Mayfair, London. The Company had 63 employees at the date of the Joint Administrators' appointment.

The Company's wholly-owned subsidiary, JD Classics LLC, operates a dealership from leased premises in Newport Beach, California.

In August 2016, Charme acquired a majority stake in the group. As part of the transaction, Derek Hood, the founder of JD Classics, retained a stake in the group. Certain entities in the group entered into secured senior lending facilities (the "Facilities") with Lloyds Bank plc and a number of funds under the control of HPS Investment Partners LLC.

Under the Facilities, the Secured Lenders provided funding of £78 million, as set out in further detail in Section 3.2. Around the time of the Charme transaction, the most recent independent valuation of the classic car inventory of the Company, which was dated 6 September 2016, indicated an open market value of the inventory of £98 million.

3.2 Funding and financial position of the group

Funding

DBL, the primary borrower in the group, entered into the Facilities on 12 August 2016 which comprised a £53 million term loan, a £20 million accordion loan and a £5 million committed revolving credit facility.

Under a debenture also dated 12 August 2016 (the "Debenture"), DBL and Midco 2 granted security to the Secured Lenders.

Under a deed of accession dated 6 September 2016, JDCL and JDCHL acceded to the terms of the Debenture. As such, the Secured Lenders have full fixed and floating charge security over the assets of DBL, Midco 2, JDCL and JDCHL.

The term loan and accordion loan were fully drawn at the time of our appointment. The revolving credit facility was drawn to the level of £1.5 million at the time of our appointment.

Funding was made available to JDCL using inter-company loan transactions. The directors' Statement of Affairs indicates an inter-company receivable in DBL of £84.8 million (receivable from JDCHL). JDCHL has an inter-company receivable of £84.8 million from JDCL.

A turnover provision in the inter-creditor agreement means that any distributions relating to repayment of these inter-company liabilities must be turned over to the Secured Lenders, until the Secured Lenders have been repaid in full.

Financial position

The Company's audited financial statements for FY17 (the year ending 30 April 2017) showed a profit before tax of £20.7 million and net assets of £60.4 million. Given the nature of the business, a large component of the Company's net assets comprised its classic car inventory, which was included in the balance sheet at £133 million as at 30 April 2017.

The audited financial statements for FY17 were filed at Companies House in October 2017.

A further valuation as at 30 April 2017 indicated a value of the classic car inventory on an open market value basis of £135 million.

3.3 Events leading to the administration

Summary of key events

In January 2018, DBL commenced an investigation into the Company's affairs and recent financial performance. The investigation, which ran for a number of months, identified a number of irregularities, including:

- concerns around title to certain vehicles which were purported to be owned by JDCL;
- issues around the provenance of certain vehicles;
- concerns around the nature of a number of transactions entered into by JDCL in the recent past; and,
- significant concerns over the carrying value of the car stocks of JDCL in its books and records.

Around the same time, the Company had been dealing with a claim in the High Court, brought by Mr. Michael Tuke, a customer of the Company, in respect of his dealings with the Company over the period from April 2011 to January 2016. Mr Tuke alleged that the Company acted as his agent in connection with the sale of a number of cars, whereas the Company alleged that it was in fact the purchaser of the cars in all cases except one. In his judgment dated 18 April 2018, Mr. Justice Lavender concluded that the Company had been appointed as Mr Tuke's agent to negotiate and conclude the sale of cars and to receive payments on Mr Tuke's behalf.

In April 2018, in the High Court, Mr Tuke was successful in obtaining a judgment against JDCL for liability, with quantum to be assessed.

The Company commissioned a further independent valuation of its classic car inventory as at 30 April 2018. This valuation indicated a value of the inventory on an open market value basis of £112 million.

In June 2018, Derek Hood, the chairman and former chief executive officer, left the Company. Jean Marc Gales was appointed chief executive officer on 6 June 2018 and was formally appointed as a Company director in July 2018. In July 2018, Mr Hood ceased to be a director of the Company.

Around this time, it became clear that there were a number of claims to title by third parties and disputes in relation to a number of vehicles which were held by JDCL.

Given the issues around title disputes, third party claims and the provenance of certain vehicles, the management team undertook a further valuation of the classic car inventory in late June 2018. This work indicated that the value of inventory which appeared to not be subject to title disputes or third-party claims was £31 million.

JDCL engaged Alix Partners LLP in June 2018 to advise the Company, including in relation to its business planning process.

Given the impact of the ongoing litigation and third-party claims against JDCL, the directors of JDCL and the Secured Lenders formed the view that a sale of JDCL's business and assets was required. In late July 2018, A&M was engaged by the Company and the Secured Lenders to conduct an accelerated sale process, with a view selling JDCL's business and assets.

Given the issues facing the Company, including the litigation commenced by Mr Tuke, third party claims and unsecured creditor pressure and legal action, it became clear that a rescue of the Company was not likely to be achievable.

Pre-appointment accelerated sales process

The Company commenced an accelerated sales process on 7 August 2018. Given the level of creditor pressure and legal actions facing the Company, the timeline for the sale process was likely to be limited to a few weeks, prior to any insolvency appointment.

An initial list of 40 potential interested parties was compiled shortly after the launch of the sale process on 7 August 2018 and contact was made with those parties in relation to the opportunity. Following the launch of the sales process, the Company and A&M was contacted by an additional 19 parties who had become aware of the sales process and expressed an interest in the Company or its business and assets.

A teaser document was provided to 48 parties in total, comprising 15 trade parties, 22 private equity or distressed investors and 11 individuals. Of these parties, 25 entered into non-disclosure agreements of which 24 were provided with an information memorandum and other information.

Four parties attended the Company's main premises at Maldon, Essex, for a site visit and a presentation by management. Given the level of interest in the opportunity, the original deadline to submit indicative offers was extended to allow those interested parties who were still conducting due diligence further time to finalise their due diligence and submit indicative offers. Three indicative offers were received around the time of the bid deadline.

On 24 August 2018, the directors of the Company resolved to file a Notice of Intention to Appoint Administrators ("NOI"), given the increasing creditor pressure facing the Company. The NOI was filed at Court on 28 August 2018.

On 29 August 2018, HPS, one of the Secured Lenders, formally declared its interest in the acquisition of certain business and assets of the Company, in the event that the sales process did not generate a deliverable offer for the business and assets satisfactory to the Secured Lenders.

Whilst the Company had received indicative offers and other expressions of interest during the sales process, at the time of the deadline for binding offers on 3 September 2018, some four weeks after the start of the process, no binding offers were received. The original intention was to effect a pre-packaged sale of the business and assets. However, in the absence of any bids, this was not achievable.

Following the binding bid deadline, the Company engaged in discussions with HPS in relation to its interest in the business. In addition, HPS commenced a due diligence process in relation to a potential acquisition.

On 6 September 2018, HPS submitted a further letter declaring its continued interest in the acquisition of certain of the business and assets of the Company.

As a result of this interest, a draft sale and purchase agreement ("SPA") was provided to HPS on 6 September 2018.

Winding up petition

A winding up petition was filed against the Company on 24 August 2018 by Gowling WLG (UK) LLP ("Gowling WLG") for allegedly outstanding legal fees totalling £789,041.81. Whilst the Company reserved and continues to reserve its right to dispute the full amount of the invoices, a settlement was reached whereby the Company agreed to pay Gowling WLG a proportion of its fees pursuant to which the winding up petition was withdrawn on 28 August 2018. A decision was taken by the Company to pay a proportion of these fees on the basis that it would provide additional time to progress the sale process for as long as possible outside of administration with a view to maximising the consideration received as part of any sale. In addition, the Company was keen to ensure as little disruption as possible to the Goodwood Revival auction on 8 September 2018 in respect of which the Company had entered a number of cars for sale.

Advisors prior to appointment

Prior to our appointment, the Company engaged the following advisors:

- Alix Partners LLP – to provide advice to the Company including in relation to its business planning process.
- Goodman Derrick LLP - to provide specialist legal advice in respect of classic car matters.
- Pinsent Masons LLP – to provide legal advice on restructuring and insolvency matters in the lead-up to a potential administration appointment.
- Alvarez & Marsal Europe LLP (“A&M”).

A&M was first engaged by the Secured Lenders and certain companies in the group with effect from 23 July 2018, following a recommendation from HPS. The scope of this engagement was to:

- provide advice and assistance in relation to an accelerated sales process for the business and assets of the Company; and
- provide advice in relation to contingency planning options in respect of JDCL, JDCHL and DBL.

3.4 Pre-administration work

Under terms of the A&M engagement letter referred to above, A&M worked with the Company and the Secured Lenders in the weeks prior to the administration to plan for a potential insolvency event at JDCL, JDCHL and DBL. This involved working with the Company's legal advisors to draft the relevant statutory appointment documents, as well as carrying out detailed day one planning. In parallel, we continued to advise on the accelerated sales process.

The element of our fees relating to pre-administration work totalled £92,108 and related to JDCL, JDCHL and DBL. All A&M fees were paid by JDCL prior to our appointment as Joint Administrators.

During this time, the Company's legal advisors also provided advice to the directors in relation to the potential appointment of administrators. For details of the unpaid legal fees, please refer to section 8.2 of this report.

At the time of our appointment, we disclosed to the Court details of the work carried out by A&M up to that time.

We are satisfied that the work carried out by A&M before the Administrators' appointment, including the pre-administration work summarised above, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

3.5 Appointment of Joint Administrators

The directors resolved on 24 August 2018 to take steps to place the Company into administration and to appoint us as Joint Administrators. The directors appointed us as Joint Administrators at 1.30pm on 10 September 2018 when notice of our appointment was lodged at The High Court of Justice. Our appointment became effective as at 1.30pm on 10 September 2018.

4 Strategy and progress of the administration to date

4.1 Strategy to date

A decision was taken to continue to trade the business of the Company, whilst progressing the sale process with a view to achieving a going concern sale of the Company's business and assets. This decision was taken in order to preserve value in the Company's three business units (classic car sales, restoration workshop and classic car racing) pending a possible sale.

4.1.1 Trading

Administration funding

The Secured Lenders agreed to provide funding of £0.7 million to the Administrators to support the administration strategy. Given the asset realisations to date (see section 4.2 below), £0.68 million of this funding had been repaid to the Secured Lenders at the date of our receipts and payments account in Appendix A2. The remaining £0.02 million of the funding has been repaid to the Secured Lenders since the date of our receipts and payments account.

Following the sale of a number of vehicles at the Goodwood Revival auction, the Administrators expected net receipts of approximately £3.1 million around the end of September to further support the funding of the administration.

Employee consultation during trading

As there was no certainty regarding a sale of the business and assets of the Company, the Joint Administrators commenced an employee consultation process with all 63 employees of the Company on 10 September 2018. This process involved:

- i) submitting an HR1 form to the Secretary of State for Business, Innovation and Skills on 10 September;
- ii) starting a consultation process with the employees, which included the election of employee representatives; and
- iii) providing regular updates on the administration and potential sale to the employee representatives.

After a number of days of negotiation following our appointment, a sale of certain of the Company's business and assets concluded on 18 September 2018 and all employees transferred to the new owner under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). All employees were paid their salary and benefits under their contractual terms of employment and, as a result, there are no preferential employee claims against the Company.

Communication with key stakeholders

All known creditors and suppliers of the Company were written to on 11 September 2018. In addition, we used the information in the Company's records to write to all known customers and suppliers which have had dealings with the Company since 2011. One objective of this circularisation was to seek to ensure that parties with any title or other claim to assets of the Company communicate the relevant details to the Joint Administrators. Any creditors which were subsequently identified as a result of this exercise were added to our systems and received an initial creditors' letter.

Creditors, suppliers, customers and employees were provided with an email address to make enquiries to the Administrators. The nature of enquiries received to date includes expressions of interest in specific cars and motorcycles, ongoing trading queries and enquiries regarding lodging proofs of debt.

4.1.2 Sale of business

Post-appointment sale negotiations

Following our appointment, we continued to pursue a sale of business strategy, in particular the interest of HPS, given that a sale would likely be in the best interests of the Company's creditors.

The Joint Administrators continued discussions with HPS in relation to a potential sale of the business and assets of JDCL. In the initial days of the administration, there were a number of negotiations with HPS and its advisers around the structure of a sale and in relation to the detailed terms of the SPA.

On 13 September, following ongoing negotiations between the Administrators and HPS, consideration for a potential sale was agreed.

On 11 September, the Administrators had received an expression of interest from a party which suggested that it would require until the end of September to conclude a transaction. The Administrators had concerns around the ability of this party to deliver a sale and had concerns around continuing to trade the business for a further period, how that would be funded and what the potential adverse impact on the business might be. On the basis this interested party would not agree to fund the ongoing trading losses for this period and for reasons relating to the viability of the sale, the Administrators concluded that they should proceed and complete the sale to HPS.

On the basis the negotiations were not concluded before the appointment of the Joint Administrators, and in this case a substantive amount of the negotiations took place following our appointment, in our view this transaction does not meet the criteria of a "pre-pack" sale.

Sale to Woodham Mortimer Ltd

On 18 September 2018, the Joint Administrators entered into a SPA for the sale of certain of the Company's business and assets to Woodham Mortimer, Ltd. ("WML"), a company that is indirectly controlled by HPS.

The sale included both tangible and intangible assets relating to the restoration and racing businesses of JDCL. The cash consideration was not specifically allocated to the assets included in the SPA. However, for the purposes of our receipts and payments account at Appendix A2, we have allocated the sale proceeds of £800,000 to the following tangible assets:

- Plant and machinery - £40,030
- Parts - £519,180
- Work in progress - £140,710
- Certain fleet vehicles used in the day-to-day business (excludes classic car vehicles held for sale) - £100,080

The following intangible assets were also included in the sale, but we have not allocated any value to these in our receipts and payments account at Appendix A2:

- Business intellectual property
- Business records
- Novation of customer contracts
- Goodwill
- Information technology
- Novation of supplier contracts

The sale excluded the Company's classic car inventory, memorabilia, registration plates and certain fleet vehicles.

In addition to the consideration, other key terms of the sale were:

- all Company employees transfer to WML under TUPE; and
- WML to act as the Company's agent to secure, market and sell the vehicles and registration plates owned by the Company (ownership of which remained with the Company). WML is entitled to a commission on sales, as per the terms set out in the SPA.

The Joint Administrators are comfortable with the value generated from the sale to WML, as in the lead up to a potential sale, we undertook an analysis of the outcome to creditors in the only alternative scenario, which was a break-up of the group. As part of this analysis we assessed the value of key asset categories and commissioned valuations of assets where practicable, using independent third-party agents including Gordon Brothers. We also assessed the likely costs associated with a break-up scenario.

Our analysis estimated a gross break-up value of £1.32 million. Taking into account cost savings of £0.64 million (including salaries, rent, preferential payments and professional fees), we estimated a net break-up value of £0.68 million.

This compares to gross consideration received of £0.8 million, less sale of business costs of approximately £0.07 million (as reflected in our SIP9 time and cost analysis at Appendix A5). Therefore, actual realisations achieved were in excess of the estimated break-up value by £0.05 million.

A further key consideration for the Joint Administrators was how best to preserve and maximise value in the Company's classic car inventory, which per the directors' statement of affairs, has a potential value of £21 million, which is significantly in excess of the value of the business and assets either through a sale or break-up basis.

Under a break up scenario, it is likely that the Joint Administrators would have needed to transfer the classic car inventory into storage facilities and release the inventory over time into car auctions. Under the sale to WML, the inventory remains in-situ at the sites in Maldon and, under the agency agreement, continues to be marketed with a view to selling over time either through private sale or through auction.

Under the circumstances, the WML sale and agency route is likely to deliver significantly more value from the classic car inventory than the alternative break-up scenario.

As a result of all of the above factors, the Joint Administrators concluded that the sale of the business and assets to WML represented the best outcome for the creditors of the Company.

The Administrators accepted the offer from WML and the sale completed on 18 September 2018.

For approximately two weeks after the sale, WML was unable to process its own trading payments while bank accounts were being set up. In order to ensure payments could be made on behalf of WML, WML advanced funds of £1.2 million to the Company, which made payments on behalf of WML for a limited period of time. The Company received a fee of £10,000 for the provision of this service. These transactions are included in our receipts and payments account included at Appendix A2.

WML continues to trade from the Wycke Hill address and another property in Maldon, under a licence to occupy granted by the Company. The Company has vacated all other sites.

4.2 Asset realisations

Realisations from the date of our appointment to 19 October 2018 are set out in the attached receipts and payments account (Appendix A2).

4.2.1 Asset realisations to date

Summaries of the most significant realisations to date are provided below.

Sale of business to WML

Total consideration of £800,000 was received from the sale of certain of the Company's assets and the restoration and racing divisions to WML.

As discussed at section 4.1.2 of this report, the total consideration received was allocated as follows:

- Plant and machinery - £40,030
- Parts - £519,180
- Work in progress - £140,710
- Certain fleet vehicles used in the day-to-day business (excludes classic car vehicles held for sale) - £100,080

Motorbikes

Prior to the administration, the Company had arranged to sell the majority of its motorcycle stock at an auction held on 23 September 2018.

Total net sales from the auction, or sales agreed shortly thereafter, totalled £1.05 million gross. We have received funds of £1.04 million in relation to these sales, with the balance due imminently.

Debtor collections / Goodwood

Prior to our appointment, nine vehicles were sold at the Goodwood Revival auction for net consideration of £3.1 million. This consideration was due from Bonham's within 21 days of the auction and has now been collected. These receipts are reflected in our receipts and payments account.

In addition, the Administrators collected a book debt with respect to a motorbike transaction of £32,000.

Classic car inventory

Two vehicles were sold during the period to 19 October 2018 for total gross consideration of £653,000 (less sales commission of £80,850).

4.2.2 Investigations

We are investigating the affairs of the Company to identify any actions available to the Administrators against third parties in respect of antecedent transactions or other litigation that would increase realisations for creditors.

Given the commercially sensitive nature of these investigations, it is not appropriate to elaborate on these potential claims at this time.

If you wish to bring to our attention any matters which you believe to be relevant please do so by emailing INS_JDCL@alvarezandmarsal.com or by writing to us at JD Classics Limited (in administration), Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

4.3 Costs

4.3.1 Expenses estimate

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix A4).

4.3.2 Costs incurred to date

Payments made from the date of our appointment to 19 October 2018 are set out in the attached receipts and payments account (Appendix A2).

Summaries of the most significant costs to date are provided below:

Newco funding

- The Administrators received funds of £1.2 million on behalf of WML to enable the Administrators to make payments on behalf of WML as discussed in section 4.1.2 of this report. In the period to 19 October 2018, we made payments on behalf of WML totalling £0.39 million and returned £0.56 million to WML. Therefore, at 19 October 2018, we were holding funds on behalf of WML totalling £0.25 million to cover accrued rent and trading costs payable on behalf of WML.
- In addition, we have collected a debtor balance of £0.02 million on behalf of WML which has been returned to WML.

Sales commissions

- Third party agency commissions with respect to the motorbike auctions facilitated by Bonhams total £0.1 million.

Rent account

- Rent paid to the Company by WML in respect of the licence to occupy the Wycke Hill and Galliford Road premises, totalling £0.22 million.

Trading deficit

- The Administrators incurred trading costs whilst trading the business prior to the sale to WML. This trading helped to facilitate a sale of the Company's business and subsequent realisation of Company assets.

5 Dividend prospects

5.1 Secured creditors

The Company's legal advisors, Pinsent Masons LLP, carried out a security review on 12 September 2018, which confirmed the security and priority arrangements in the Company.

At the date of our appointment, Company records indicated that the Company had total secured indebtedness of £76.2 million owed to the Secured Lenders. The net realisations from the Company's assets may not be sufficient to enable the Secured Lenders to be repaid in full and there may therefore be a shortfall in respect of their lending.

5.2 Preferential creditors

We are not aware of any preferential claims against the Company. All Company employees transferred to WML as part of the sales process described above.

5.3 Unsecured creditors

Based on current estimates, it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, as detailed in Appendix A6.

6 Ending the administration

6.1 Exit from administration

We consider it prudent to retain all the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution, as we do not anticipate distributions to unsecured creditors other than under the Prescribed Part.

Notwithstanding the above, should the investigations into the Company's affairs require a liquidator to be appointed to pursue certain legal actions or to take other action within a liquidation process, we may need to take steps to place the Company into liquidation. In this scenario, we would propose to seek appointment as Joint Liquidators of the Company

6.2 Discharge from liability

We propose to seek approval from the secured creditors that we will be discharged from liability in respect of any action as Joint Administrators upon filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

7 Approval of proposals

7.1 Deemed approval of proposals

The Joint Administrators' proposals will be deemed approved with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, as detailed in Appendix A1.

On expiry of eight business days from the date our proposals are delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of the creditors request that a decision procedure is convened. Further details of the steps required to convene a procedure are detailed below.

Creditors' Committee

A Creditors' Committee will be formed if the creditors decide that one should be formed, and sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five.

Function of the Creditors' Committee

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a Creditors' Committee is formed it is for that body to approve, for instance:

- The basis of our remuneration
- The drawing of Category 2 disbursements
- The payment of unpaid pre-administration costs
- Our discharge from liability in respect of any actions as Joint Administrators

Members of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

7.2 Creditors' right to request a decision

We will use a decision-making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were 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 decision.

In addition, the expenses of the decision procedure 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 decision, please complete and return the decision requisition form available on the Portal.

8 Joint Administrators' remuneration, disbursements and pre-administration costs

8.1 Approval of the basis of remuneration and disbursements

8.1.1 Basis of remuneration

From the date of our appointment to 19 October 2018, we have incurred time costs of £1,034,937.40. These represent 2,219.4 hours at an average rate of £466.31 per hour.

We propose to seek approval from the secured creditors (note that we are not aware of any preferential creditors) that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided A3 Appendix A3 and the charge-out rates included in Appendix A5; and
- disbursements for services provided by A&M (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with A&M's policy as set out in Appendix A5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

8.1.2 Disbursements

We have incurred disbursements of £5,727.72 during the period. None of these have yet been paid.

8.1.3 Additional information

We have attached (Appendix A5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by A&M for the period from our appointment to 19 October 2018. We have also attached our charging and disbursements policy.

8.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 3.4:

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
A&M pre-administration costs	92,108	-	92,108
Pre-administration legal fees (time costs)	-	69,470	69,470
Pre-administration legal fees (disbursements)	-	1,092	1,092
Total	92,108	70,562	162,670

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

9 Summary of proposals

9.1 Primary objective

In the absence of a buyer for the Company as a going concern and due to the significant liabilities of the Company, a rescue of the Company as a going concern in accordance with Paragraph 3(1)(a) was not achievable.

Therefore, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

9.2 General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have; and
- to seek an extension to the administration period if we consider it necessary.

9.3 Distributions

- to make distributions to the secured creditors where funds allow (note that we are not aware of any preferential creditors);
- to make distributions to the unsecured creditors if funds become available and to apply to the Court for authority to do so, where applicable.

9.4 Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the directors;
- formulate a proposal for either a Company Voluntary Arrangement ('CVA') or a Scheme of Arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into Creditors' Voluntary Liquidation ('CVL'). In these circumstances we propose that Richard Fleming, Mark Firmin and Richard Beard be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into Compulsory Liquidation and to consider, if deemed appropriate, appointing Richard Fleming, Mark Firmin and Richard Beard as proposed Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

9.5 Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix A3 and the charge-out rates included in Appendix A5;
- disbursements for services provided by A&M (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with A&M's policy as set out in Appendix A5;
- unpaid pre-administration costs be an expense of the administration.

9.6 Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint administrators upon filing of our final receipts and payments account with the Registrar of Companies.

A1 Appendix – Statutory information

Company information	
Company and trading name	JD Classics Limited t/a JD Classics
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 (if any)	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 Michael Anthony Wolfe
Company Secretary	None presently appointed
Administration information	
Administration appointment	The administration appointment granted 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	Mark Granville Firmin, Richard Dixon Fleming and Richard James Beard, all of Alvarez & Marsal Europe LLP
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
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 2019
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5.3)
Estimated values of the Net Property and Prescribed Part	Estimated net property is uncertain. Estimated Prescribed Part is likely to be the statutory limit of £600k
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

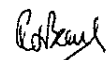
Application of the EC Regulation

The EC Regulation applies and these proceedings will be Main Proceedings as defined in Article 3 of the EC Regulation.

A2 Appendix – Joint Administrators' receipts and payments account

JD Classics Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 10/09/2018 To 19/10/2018 £	From 10/09/2018 To 19/10/2018 £
231,000.00	FIXED CHARGE ASSETS		
	Plant & Machinery	40,030.00	40,030.00
		40,030.00	40,030.00
	ASSET REALISATIONS		
	Fleet Motor Vehicles	102,996.67	102,996.67
21,038,000.00	Stock	2,280,924.00	2,280,924.00
	Stock/Work in Progress	140,710.00	140,710.00
11,193,990.00	Book Debts - Vehicles	3,128,800.00	3,128,800.00
	Cash at Bank	18,566.75	18,566.75
		5,671,997.42	5,671,997.42
	OTHER REALISATIONS		
	Book debt - Pre-appt workshop/racing	46,049.10	46,049.10
	Sundry Refunds	15,589.02	15,589.02
	Trading Surplus/(Deficit)	(19,228.16)	(19,228.16)
	Funds received from Newco	1,200,000.00	1,200,000.00
	Receipts on behalf of Newco	21,684.00	21,684.00
		1,264,093.96	1,264,093.96
	COST OF REALISATIONS		
	Repairs & Maintenance	500.00	500.00
	Interest paid re Secured Lender Loans	2,222.39	2,222.39
	Transportation costs	12,945.66	12,945.66
	Irrecoverable VAT	7,076.00	7,076.00
	Agents/Valuers Fees (1)	37,250.00	37,250.00
	Security	22,075.67	22,075.67
	Legal Fees	51,193.00	51,193.00
	Professional Fees	10,112.70	10,112.70
	Payments on behalf of Newco	941,664.61	941,664.61
	Sales Commission	103,206.00	103,206.00
	Stationery & Postage	5,019.19	5,019.19
	Re-Direction of Mail	490.00	490.00
	Rents Payable	24,307.70	24,307.70
	Bank Charges	237.80	237.80
		(1,218,300.72)	(1,218,300.72)
32,462,990.00		5,757,820.66	5,757,820.66
	REPRESENTED BY		
	Vat Receivable		27,216.02
	Bank 1 Current- Fixed		40,030.00
	Bank 2 Current - Floating		5,494,979.85
	Bank 2 Rent Account		221,600.06
	Secured Lenders Loan Account		(19,574.53)
	Vat Payable		(6,430.74)
			5,757,820.66



Richard James Beard
Joint Administrator

A3 Appendix – Joint Administrators' fee estimate

Basis of fees and fee estimate

As stated above we are seeking to be remunerated on a time cost basis.

Details of our firm's hourly charge-out rates are set out in our Charging and Disbursement policy at Appendix A5.

Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fee estimate and to provide it to each creditor of whose details we are aware, so that the estimate can be approved at the same time as the basis of our remuneration.

Our fee estimate for the administration is therefore set out below. 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.

Fee estimate			
Category	Hours	Time Cost (£)	Average hourly rate (£/h)
Engagement Acceptance & Engagement Control	196.3	90,217.60	459.59
Pre-appointment, Appointment and Risk	21.3	9,687.50	454.81
Proposals, Reporting and Remuneration	391.7	177,638.25	453.56
Correspondence and Statutory Filing	390.6	181,040.00	463.49
Investigations	1,551.8	652,708.45	420.62
Trading	328.3	149,979.50	456.84
Sale of business	115.6	71,938.00	622.30
Asset Realisations	873.7	421,228.25	482.15
Costs of Realisation	122.8	47,903.25	390.25
Tax	155.5	75,549.20	485.78
Cashiering	162.5	61,319.50	377.35
Employees and Pensions	28.6	14,440.00	504.90
Claims and Distributions	84.9	36,275.50	427.27
Exit Routes and Closure	25.0	10,075.00	403.00
Total	4,448.5	2,000,000.00	449.59

Narrative description of work proposed to be undertaken

It is anticipated that the following work will be carried out by us and our staff during the administration. Please note that this includes the work which has been carried out to date.

Fee estimate narrative

Engagement Acceptance & 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 resourcing and budgeting exercises and reviews- Liaising with legal advisers regarding the various instructions, including agreeing terms of engagement- Complying with internal filing and information recording practices, including documenting strategy decisions
Pre-appointment, 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, creditors and other stakeholders and advertising our appointment- Writing to all customers, suppliers, finance providers and brokers who have had dealings with the Company since 2011, to notify them of our appointment (given the title issues around assets of the Company)- 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- Assessing the level of insurance premiums
Reports, Decision Making, Correspondence and Statutory	<ul style="list-style-type: none">- Uploading information to the Creditors' Portal- 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

	<ul style="list-style-type: none"> - Drafting and publishing our proposals and progress reports - Seeking approval from the secured creditors for approval of the basis of our remuneration - Dealing with queries from suppliers, customers, finance providers and brokers
Remuneration and Time Costs	<ul style="list-style-type: none"> - 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 - Providing further detail on remuneration and fee estimates to 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 key word searches on Company data to assist our understanding of certain transactions and asset disputes - Conducting initial interviews with certain Company employees and directors - Conducting follow up interviews with key Company employees and directors, as well as key third parties - 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 - Reviewing questionnaires submitted by the directors of the Company - Reviewing pre-appointment transactions - Reporting on the conduct of the directors to the relevant authority - 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 - Engaging legal advisors to assist with ongoing asset disputes and with the strategy and approach to litigation matters generally
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 sales agency agreement and the license to occupy - Liaising with customers and WML to secure sales of the classic car inventory - Preparing cash flow projections to monitor the cash position and cash flow estimates - Attending to supplier and customer queries and correspondence

	<ul style="list-style-type: none"> - 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 - Securing stock and reconciling to Company records - 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 - Seeking legal advice regarding the sale of business, including the drafting and negotiation 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. - Dealing with issues associated with the sale of classic car inventory - Carrying out DVLA and HPI checks to investigate ownership rights in relation to vehicles - Liaising with finance companies in respect of assets subject to finance agreements - Engaging with WML on the sales strategy for agency stock - 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 including those fitted to motor vehicles - Coordinating the auction of certain Company motor bike stock - Reviewing outstanding debtors and managing the debt collection strategy - Liaising with Company credit control staff and making initial contact with known debtors - Seeking legal advice in relation to book debt collections - Reviewing the inter-company debtor position between the Company and other group companies - Reviewing the Company's leasehold properties, including a review of leases

	<ul style="list-style-type: none"> - Communicating with landlords regarding rent, property occupation and other property issues and implementing the terms of the WML license to occupy - Communicating with third parties and landlords regarding potential assignments of certain leasehold premises - Organising the surrender of the property leases no longer required - Engaging third party agents to carry out a review of the historic property rates position
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 license 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 - Arranging payment of the costs in a timely manner - Arranging for the redirection of the Company's mail
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 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 - Analysing and considering the tax effects of various sale options, tax planning in relation to potential tax assets - Working initially 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 - Dealing with post appointment tax compliance
Cashiering	<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, including payment of trading invoices on behalf of WML in the period shortly after the sale - Creating remittances and sending payments to settle post-appointment invoices, including payment of trading invoices on behalf of WML in the period shortly after the sale - 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

	<ul style="list-style-type: none"> - Ensuring compliance with appropriate risk management procedures in respect of receipts and payments
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 they had transferred to WML under TUPE regulations - 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 contributions - Ensuring compliance with our duties to issue statutory reports - Notifying the trustees of the pension scheme, the Pensions Regulator and the Pensions Protection Fund
Claims & Distributions	<ul style="list-style-type: none"> - Reviewing and updating the Company's schedule 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 - 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"> - Dealing with all closure related formalities

A4 Appendix – Joint Administrators' expense estimate

Expenses estimate

Prior to creditors determining the basis upon which we are to be remunerated, we are also obliged to produce an expenses estimate and provide it to each creditor of whose details we are aware.

Expenses estimate			
Category	Paid to date (£)	Estimated future costs (£)	Total estimated costs (£)
Auction commission	(101,766.00)	(53,938.00)	(155,704.00)
Bank charges	(237.80)	-	(237.80)
Contingency	-	(750,000.00)	(750,000.00)
Costs on behalf of WML	(941,664.61)	-	(941,664.61)
Insurance	-	(40,000.00)	(40,000.00)
Interest paid	(2,222.39)	-	(2,222.39)
IT & software	-	(40,000.00)	(40,000.00)
Legal fees	(61,305.70)	(566,194.30)	(627,500.00)
Postage	(5,509.19)	-	(5,509.19)
Rent	(24,307.70)	-	(24,307.70)
Restoration work on stock vehicles	-	(765,886.25)	(765,886.25)
Security	(29,693.17)	(37,804.17)	(67,497.34)
Storage (for vehicle stock)	-	(272,314.17)	(272,314.17)
Subcontractors	(2,500.00)	-	(2,500.00)
Transport	(12,945.66)	-	(12,945.66)
Valuation fees	(37,250.00)	-	(37,250.00)
VAT paid/payable	(7,076.00)	(128,740.00)	(135,816.00)
Vehicle running costs	(500.00)	-	(500.00)
Sales commissions	-	(1,948,560.00)	(1,948,560.00)
Workshop parts	(9,110.66)	-	(9,110.66)
Total	(1,236,088.88)	(4,603,436.89)	(5,839,525.77)

Narrative descriptions of expenses anticipated to be incurred

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, are provided below.

Expenses estimate narrative

Auction commission	-	Commission incurred on the Alexandra Palace motorbike auction. Charged at 6% of 'hammer' price
	-	No further auctions are currently forecast

Contingency	<ul style="list-style-type: none"> - Based on the anticipated duration of the administration, the nature of the assets held for realisation and potential scope and complexity of prospective third-party actions, the Administrators have included a contingency for estimated expenses to capture the potential additional costs of the administration - The Administrators note that some of all of the contingency may not be used in the Administration
Costs on behalf of WML (reimbursable)	<ul style="list-style-type: none"> - As discussed earlier in this report, the purchaser of the business, WML, had not been capable of opening an operating bank account for a short period after the sale was affected. In this regard, the Administrators made payments on WML's behalf with respect to trading costs, payroll and other operational costs to the business due/required for payment during the period - These costs were reimbursable by WML and the Company was repaid by an offset of funding received from WML on effectuation of the sale
Insurance	<ul style="list-style-type: none"> - Costs in relation to insurance covers inception/continued in relation to the business (for the period of the Administration the business traded under the control of the Administrators) and its assets (for the period the Administrators anticipate to hold Company assets)
Interest paid	<ul style="list-style-type: none"> - Interest paid with respect to the funding provided by WML before returning the balance of funding
IT & software	<ul style="list-style-type: none"> - Forecast for costs to utilise relevant software for investigative purposes
Legal fees	<ul style="list-style-type: none"> - Anticipated legal fees in relation to general insolvency advice for the duration of the appointment, any statutory investigation-related advice and an estimate of fees with respect to known prospective third-party actions
Rent	<ul style="list-style-type: none"> - No rent has been incurred in the Administration - Rent was prepaid for the period prior to the business sale at Wycke Hill, Galliford Road and TEC - Rent was prepaid for the period prior to vacation at West Station Road, Mill Lane and Mayfair
Restoration work on stock vehicles	<ul style="list-style-type: none"> - Anticipated costs restoring stock vehicles for the purpose of optimising the realisable value of the assets
Security	<ul style="list-style-type: none"> - Costs estimated with respect to securing and preserving Company assets at Wycke Hill and Galliford Road whilst the Administrators hold Company assets (i.e. vehicles)
Storage (for vehicle stock)	<ul style="list-style-type: none"> - Anticipated costs of storing Company assets in premises licensed to WML during the period in which the Administrators estimate to hold Company assets (i.e. vehicles)
Subcontractors	<ul style="list-style-type: none"> - Payment for services in relation to an automotive process review
Valuation fees	<ul style="list-style-type: none"> - Valuation fee for the stock vehicles

VAT paid/payable	- Estimated VAT payable on profit from vehicle sales and net VAT payable/receivable from trading activity and costs of realisation
Vehicle running costs	- Costs relating to costs to preserve fleet vehicles including fuel
Sales commissions	- Estimated commission payable under the agency agreement
Workshop parts	- Purchase of parts for the workshop required in the ordinary course of business during the period the Administrators traded prior to the sale to WML

A5 Appendix – Joint Administrators' charging and disbursement policy

Joint Administrators' charging 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 data capture 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 email 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 (£/hour)	
Grade	£/hour from 10 September 2018
Managing Director	675
Senior Director	635
Director	595
Associate Director	535
Senior Associate	455
Associate	335
Analyst	225
Support	165

Policy for the recovery of disbursements

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 staff include mileage at a rate of 45p per mile. When carrying an A&M member of staff as a passenger, no additional cost per passenger will be charged.

JD Classics Limited (in administration)
Disbursements incurred for the period 10 September 2018 to 19 October 2018

	£
Category 1	
Accommodation	1,812.74
Travel	2,446.38
Postage	308.49
Supplies	266.00
Subsistence	695.21
Total category 1 disbursements incurred	5,528.82
Category 2	
Travel	198.90
Total category 2 disbursements incurred	198.90
Total disbursements incurred	5,727.72

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.

Joint Administrators' time and cost summary in accordance with SIP 9

Refer to the table on the following page 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 September 2018 to 19 October 2018

Classification of work function	Total hours	Total time costs (£)	Average Hourly Rate (£)
Engagement acceptance	10.6	5,374.00	506.98
Engagement control	135.6	63,896.00	471.21
Pre-appointment	-	-	-
Appointment and risk	21.3	9,687.50	454.81
Proposals, remuneration and reporting	135.7	67,988.25	501.20
Correspondence and statutory filing	209.6	101,205.00	482.85
Investigations	309.8	133,748.45	431.74
Trading	262.3	119,909.50	457.15
Sale of business	115.6	71,938.00	622.30
Asset realisations	747.7	358,658.25	479.71
Costs of realisation	38.8	14,323.25	369.63
Tax	49.5	25,549.20	515.94
Cashiering	117.5	37,344.50	317.83
Employees and pension	28.6	14,440.00	504.90
Claims and distributions	36.9	10,875.50	294.73
Exit routes and closure	-	-	-
Total	2,219.4	1,034,937.40	466.31

SIP 9 narrative

Engagement Acceptance & 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 resourcing and budgeting exercises and reviews - Liaising with legal advisers regarding the various instructions, including agreeing terms of engagement - Complying with internal filing and information recording practices, including documenting strategy decisions
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, creditors and other stakeholders and advertising our appointment

	<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 - Assessing the level of insurance premiums
Reports, Decision Making, Correspondence and Statutory	<ul style="list-style-type: none"> - Uploading information to the Creditors' Portal - 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 - Drafting and publishing our proposals - Seeking approval from the secured creditors for approval of the basis of our remuneration - Dealing with creditor queries
Remuneration and Time Costs	<ul style="list-style-type: none"> - Reviewing time costs to date and producing an analysis of time incurred which is compliant with SIP 9 - Preparing and reviewing the fees estimate - Preparing and reviewing the expenses estimate - Providing further detail on remuneration and fee estimates to 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 - - Reviewing questionnaires submitted by the directors of the Company

	<ul style="list-style-type: none"> - Reviewing pre-appointment transactions - Reporting on the conduct of the directors to the relevant authority - 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 sales agency agreement and the license to occupy - Preparing cash flow projections to monitor the cash position and cash flow estimates - Attending to supplier and 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 - Securing stock and reconciling to Company records - 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 - Seeking legal advice regarding the sale of business, including the drafting and negotiation 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 - Liaising with finance companies in respect of assets subject to finance agreements - Engaging with WML on the sales strategy for agency stock - 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

	<ul style="list-style-type: none"> - 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 motor bike stock - Reviewing outstanding debtors and managing the debt collection strategy - Liaising with Company credit control staff and making initial contact with known debtors - Reviewing the inter-company debtor position between the Company and other group companies - Reviewing the Company's leasehold properties, including a review of leases - Communicating with landlords regarding rent, property occupation and other property issues and implementing the terms of the WML license to occupy - Communicating with third parties and landlords regarding potential assignments of certain leasehold premises - Initiating the surrender of the property leases no longer required
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 license 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 - Arranging payment of the costs in a timely manner - Redirection of Company mail
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 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 - Analysing and considering the tax effects of various sale options, tax planning in relation to potential tax assets - Working initially 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 - Dealing with post appointment tax compliance
Cashiering	<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, including payment of trading invoices on behalf of WML in the period shortly after the sale - Creating remittances and sending payments to settle post-appointment invoices, including payment of

	<p>trading invoices on behalf of WML in the period shortly after the sale</p> <ul style="list-style-type: none"> - 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 - Ensuring compliance with appropriate risk <i>management procedures in respect of receipts and payments</i>
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 they had transferred to WML under TUPE regulations - Communicating and corresponding with HM Revenue and Customs - Ensuring security of assets held by employees - <i>Collection of Company assets held by employees</i> - Collating information and reviewing the Company's pension schemes - Review of pre-appointment unpaid contributions - Ensuring compliance with our duties to issue statutory reports - Notifying the trustees of the pension scheme, the Pensions Regulator and the Pensions Protection Fund of our appointment
Claims & Distributions	<ul style="list-style-type: none"> - Reviewing and updating the Company's schedule 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 - Dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging stock inspection visits

A6 Appendix – Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

The attached Statement of Affairs was prepared by Mike Woulfe on behalf of the Company.

We have not carried out anything in the way of an audit on the information provided and that the figures do not take into account the costs of the Administration.

A schedule of the known creditors' names, addresses, debts and details of any security held is included with the Statement of Affairs.

Creditors should be aware that as the Company may not have completed updating its ledgers as at the date of appointment and therefore the balances stated may be revised.

The information provided has been extracted from the Company's books and records and we have not carried out anything in the way of an audit on the information. The figures do not take into account the costs of the Administration.

The actual level of asset recoveries and claims against the Company might differ materially from the amounts included in the financial information below.

Statement of Affairs

Name of Company
JD Classics Limited (In Administration)

Company number
03788194

In the
High Court of Justice
(full name of Court)

Court case number
CR 2018-007197


Statement as to the affairs of JD Classics Limited

on the 10th of September 2018 the date the company entered Administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 10 September 2018

Full Name M. A. Woolfe

Signed 

Date 30.10.18

A - Summary of Assets

ASSETS

	Book Value (£)	Estimated to realise (£)	Note
Assets subject to fixed charge:			
Plant and equipment, fixtures and fittings	758,616	231,000	
Investment in US subsidiary	1,560,000	-	
Total assets subject to fixed charge	2,318,616	231,000	
Less: Amount(s) due to fixed charge holder(s)	(76,237,375)	(76,237,375)	1
Surplus/(shortfall) to fixed charge holder	(73,918,759)	(76,006,375)	
Assets subject to floating charge:			
Car stock	46,978,000	21,038,000	
Vehicle (subject to HP)	89,000	60,000	
Less: Amount due to HP financier	(68,000)	(60,000)	
Software	108,149	-	
Bike stock	2,312,655	1,600,000	
Spare parts	802,717	902,164	
Registration plates	489,067	489,067	
Trade debtors	15,155,019	11,193,990	
Prepayments	2,115,497	-	
Intercompany loan - JDC LLC	1,861,691	-	
Corporation tax receivable	936,320	936,320	
VAT receivable	1,136,867	494,928	
Cash at bank	73,706	73,706	
Total assets subject to floating charge	71,990,688	36,728,175	
Estimated total assets available for preferential creditors	71,990,688	36,728,175	

Notes

1. JDCL is an obligor to the facilities held between DBL and Lloyds/HPS. The facilities have been called upon and the full balance due to the Lenders is recognised above. With the exception of the outcome of any third party actions for which DBL or JDCHL may be beneficiaries, the majority of any return to the Lenders will be derived from JDCL asset realisations.

Signed

Date

30.10.18

A1 - Summary of Liabilities

	Book Value (£)	Estimated to realise (£)	Note
Estimated total assets available for preferential creditors (from A)	71,990,688	36,728,175	
Liabilities			
Preferential creditors.		-	2
Estimated (deficiency)/surplus as regards preferential creditors		36,728,175	
Less uncharged assets (only if a surplus to preferential creditors)		-	
Net property		36,728,175	
Estimated prescribed part of net property (where applicable) (carried down)		(600,000)	
Estimated total assets available for floating chargeholders		36,128,175	
Debts secured by floating charge		(76,006,375)	
Estimated (deficiency)/surplus as regards floating chargeholders		(39,878,200)	
Estimated prescribed part of net property (where applicable) (brought down)		600,000	
Uncharged assets			
Total assets available to unsecured creditors		600,000	
Unsecured trade creditors		(5,372,026)	
Unsecured intercompany loans		(84,795,000)	
Estimated (deficiency)/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(89,567,026)	
Shortfall to preferential creditors			
Shortfall to fixed chargeholder(s)		(8,000)	
Shortfall to floating chargeholder (brought down)		(39,878,200)	
Estimated (deficiency)/surplus as regards creditors		(129,453,226)	
Issued and called up share capital		(100)	
Estimated (deficiency)/surplus as regards members		(129,453,326)	

Notes:

2. A small outstanding balance of unpaid pension as at the appointment of Administrators was paid by the Company's purchaser, WML.

Signed



Date

30.10.18

Secured creditors

Name of creditor	Amount of debt (£)	Details of security held	Date Security Given	Value of security
Reliance Standard Life Insurance Company	2,071,971	Fixed and floating charge	18/08/2016	
SIF CX Lux Sarl II	2,085,784	Fixed and floating charge	18/08/2016	
Specialty Loan				
Institutional Fund Lux	2,481,381	Fixed and floating charge	18/08/2016	
Specialty Loan				
Institutional Holdings	3,453,285	Fixed and floating charge	18/08/2016	
Red Cedar Lux Sarl II	3,461,918	Fixed and floating charge	18/08/2016	
Private Loan Opps Lux Sarl II	4,491,342	Fixed and floating charge	18/08/2016	
Specialty Loan Fund Lux Sarl II	7,452,438	Fixed and floating charge	18/08/2016	
Cactus Direct Lux Sarl II	8,294,790	Fixed and floating charge	18/08/2016	
Specialty Loan Sector A Fund Lux Sarl II	20,778,560	Fixed and floating charge	18/08/2016	
Lloyds	21,665,908	Fixed and floating charge	18/08/2016	

Signed 

Date 30.10.18

Name of creditor	Address (incl postcode)	Amount of preferential debt (£)	Connected Party (please mark as such where applicable)
TOTAL		0	

Date 30.10.18

COMPANY TRADE CREDITORS

Note: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire purchase, chattel leasing or conditional sale agreements by stating which if any of these are applicable in the columns below. Must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROT box. Note: Some creditors on the company's records had negative balances as at the Administrators' appointment; however these values are subject to final claims in the administration.

Name of creditor	Address (incl postcode)	Amount of debt (£)	HP/Chattel/Conditional Sale	Claiming ROT
10 Classics Holdings Limited (In Administration)	Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW	84,795,000	No	No
1 Search Limited	Clarendon House, 42 Clarence Street, Cheltenham, Gloucestershire, GL50 3PL	1,050	No	No
1G Communities	Phoenix House, Desborough Park Road, High Wycombe, Buckinghamshire, HP12 3BQ	30	No	No
Abbott Fasteners Limited	Unit 4B The Gloucesters, Lushy Lane, Pippa Hill Ind Estate, Basildon, SS14 1AX	54	No	No
Access Group	The Old School, Stratford St Mary, Colchester, Essex, CO7 6L7	15,512	No	No
Ace Vintage Plates	Dublin 74, Ireland D24 QW32	166	No	No
Active Signs and Designs	The Gun, Gun Mill, Dedham, Colchester, CO1 6HP	2,174	No	No
Advanced Dent Proan Ltd	13 Freeman Avenue, Henley, Ipswich, Suffolk, England, IP6 0AZ	120	No	No
Aerospace and Engineering Tools Ltd	Unit 2 Riverside, Waters Meeting Foss, Bolton, Lancashire, BL1 8WJ	93	No	No
A.G.H. Engraving	Unit 8, Home Farm Units, Heybridge, Essex, CM9 4NH	50	No	No
ADT Fasteners	No 119 Bruden Road, Manor Trading Estate, Benfleet, Essex, SS7 4PS	9	No	No
Alvarez & Marsal	1 Finsbury Circus, London, EC2M 7EB	60,740	No	No
Alpha Courier Express (East Anglia) Ltd	3 Warners Mill, Sicks Way, Braintree, Essex, CM7 4SH	250	No	No
Anglian Water Services Ltd	Anglian House, Ampury Road, Huntingdon, Cambridgeshire, PE23 3NZ	607	No	No
Anglo American Oil Company Ltd	3 Holly Close, Lindford, Wrexham, Denbigh, SH20 7QE	2,213	No	No
Un disclosed	Un disclosed	2,100	No	No
Answer Forge Engineering Ltd	Unit 4 Woodbury Business Park, Woodbury, Exeter, Devon, EX5 1AY	41	No	No
Aston Scott Ltd	Whiling House, Town Hill, West Malling, Kent, ME19 5QL	2,805	No	No
Autosmart	420 Avenue West, Great Valley, Braintree, Essex, CM7 7AA	216	No	No
Automotive Callaghan Ltd	143 Kingston Road, Wembley, London, W9 1LU	1,092	No	No
AW5 Engineering	Unit 1 Eurobus Entry, Elements Lane, Shipston on St. A, Warwickshire, CV35 4HP	793	No	No
Word Options	Unit 655 Business Centre, Todd Hall Road, Cars Industrial Estate, Haslingden, B34 5HU	117	No	No
BG Developments Ltd	Waterside, Stoke New, Bromsgrove, Worcs, B60 4PD	51	No	No
Birmingham Windows Ltd	Cardborough House, Ellerslie, Henley in Arden, CV35 5XS	51	No	No
BOC Ltd	The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY	440	No	No
Boddy Ltd	First Floor Radius House, 51 Clarendon Road, Watford, Herts, WD17 1HP	327	No	No
Brantwood Lock & Safe	133a Chygar Road, Brentwood, Essex, England CM15 9DL	2,473	No	No
Bryce Fabrications	Unit F3, Northfleet Industrial Estate, Lower Road, Northfleet, DALL 9SW	472	No	No
British Gas Trading Limited	c/o Baker Tilly Creditor Services LLP, 6th Floor, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	0	No	No
Guy Broad	Brocton Park, Watlington Road, Convey, Coventry, CV7 6QD	777	No	No
Brooklands Motor Company	Cedar House 76 Railway Road, Adlington, Chorley, Lancashire, England, PR5 9NB	588	No	No
F.H. Bumble	24-36 Lamson Road, Rannham, Essex, RM13 9YT	124	No	No
Bryan Cave Leighton Partner LLP	Adelaide House, London Bridge, London, EC4R 3HA	24,000	No	No
BST Packaging Supplies Limited	20-21 Eilon Way, Hockley, Essex, SS5 4AD	253	No	No
BT Payment Services Ltd	Correspondence Centre, Providence Row, Durham, Co Durham, DH98 1BT	425	No	No
Burien Ltd	Spitfire House, Cattle Road, Salsbury, Wiltshire, SP1 3SA	633	No	No
Car Colour Services	72-94 Mawney Road, Romford, Essex, RM7 7JB	2,274	No	No
CARS Motorsport	The Old Airfield, Bury Road, Chesham, Bucks, HP23 4UD	1,723	No	No
CARS UK	The Old Airfield, Bury Road, Chesham, Bucks, HP23 4UD	1,074	No	No
CCS Windscreen Ltd	Osier Works, Navigation Road, Chelmsford, Essex, CM2 6HD	540	No	No
Chelmsford Auto Electrics Ltd	Unit 4 Cromwell Centre, Springfield, Witham, Essex, CM8 3TH	1,142	No	No
Chelmsford Safety Supplies	21 Robobus Road, Widdow Industrial Estate, Chelmsford, Essex, CM1 3AG	1,501	No	No
Cherries	901 Hancroft Lane, Stanmore, Middlesex, HA7 1AR	547	No	No
Church Bodyworks	Unit 8 West Station, Industrial Estate, Maldon, CM9 6TR	540	No	No
Class Alfa	Unit 21 The Centre, 57a Croydon Road, Croydon, CR0 3QW	327	No	No
Classic Silicone Hoses	Lansdale, High Street, Lutterm, Leicestershire, LE17 4AD	739	No	No
CL Classics - Part of CL Group	2-3 & 5 Harrison Drive, Brimtree, Essex, CM7 1DE	11,028	No	No
Colchester Radiator Specialist	Unit 2 Grange Farm Road, Whitehall Industrial Estate, Colchester, Essex, CO2 3W	126	No	No
Colt Security Systems Ltd	Unit 7 The Cannock Centre, Craney Farm Road, Basildon, Essex, SS14 3JF	3,441	No	No
Colts - 3rd Floor Ltd	82 Grosvenor Street, London, W1K 3JF	99,248	No	No
County Coachbuilders Ltd	Unit 33, Mayfair Industrial Estate, Watson Road, Letchington, Essex	52,252	No	No
Cromwell Group (Holdings) Ltd	Po Box 14, Charwell Drive, Watton, Leicestershire, LE18 1AF	118	No	No
Cromwell & Gardner Ltd	Hodge Farm, Surted, East Sussex, TN22 4AK	470	No	No
Curtis Edge	20 Maldon Road, Chelmsford, CM1 6E	292	No	No
Dane UK Ltd	Birch Road, Wilton, Birmingham, B5 7JB	4,389	No	No
Danbury Auto Electrical	Station Road, Danbury, Chelmsford, Essex, CM3 4DU	134	No	No
Dash Motors Limited	991 Wellesborough Road, Osibury, Warwick, West Midlands, B69 4NJ	0	No	No
DC Electronics - Motor Sport Specialist	Unit 1 & 2 Quayway Industrial Park, Maldon, Essex, CM9 5FA	870	No	No
Demon Treas	15 Ash Road, Wrotham Industrial Estate, Wrotham, Cambs, CB9 9UG	609	No	No
Derry Planting Services Ltd	148 Abbey Street, Derby, DE22 3SE	6,930	No	No
Design Plus Ltd	2 High Street, Burnham On Crouch, Essex, CM9 6AA	660	No	No
Disposal Press Limited	Unit 23 West Station Ind Estate, Spital Road, Maldon, Essex, CM9 5TS	341	No	No
DPS - Technology Group Ltd	1st Floor, 3 Cranwell Court, Greylarks Road, Ipswich, Suffolk, IP1 1UP	1,899	No	No
Druckman Motorsports Ltd	Unit 11, Little Ridge, Welwyn Garden City, Herts, AL7 3B4	3,572	No	No
Dual Energy	Premium House, The Esplanade, Waltham, West Sussex, BN11 2BJ	2,370	No	No
Duranti Enterprises Ltd	245 Farnham Road, Lakeville, CT 06039	9,233	No	No
Dural Parts	51 Russett Road, BP 90002, 94701	3,403	No	No
DVAL	Chelmsford Local Office, Swift House, 18 Hoffmanns Way, Chelmsford, CM1 1GU	1,018	No	No
D.W. Clark & Son Ltd	Unit 11, Bealingsham Business Park, Bealingsham Street, Tollesunt Major, Maldon, CM9 6LZ	74	No	No
ECSS Ltd	River House, First Floor, 1 Maidstone Road, Sedge, Kent	278	No	No
Eco-Regate Technology Ltd	Rye Hill Close, Lodge Farm Industrial Estate, Northampton, NN5 7UN	6,300	No	No
Engine Parts UK Ltd	Unit 17 Thurrock Commercial Park, Burfield Industrial Park, South Oxendon, Essex, RM15 4YA	122	No	No
Estanel	Stafford Park & Telford, Shropshire, TF3 3AT	1,414	No	No
Escape Limited	The Workshop, Hall Road, Heybridge, Maldon, CM9 4NE	370	No	No
Essex Window Cleaning and Maintenance	231 Cressing Road, Braintree, Essex, CM7 3PH	285	No	No
Euro Loop Ltd	Fura House, West Hanningfield Road, Chelmsford, Essex, CM2 7TA	126	No	No
ET Electric Power Steering	Unit 12 Manning's Yard, Exeter Road, Dawlish, Devon EX7 0LX	329	No	No
ETDA UK Limited	Po Box 119, Coventry, CV1 4DD	20	No	No
Ferrari Spa	Via Abbotone Inferiore No.4, 141053 Maranello, Italy	728,135	No	No
Ferris	Longfield, Church Road, Thurmington, Essex, CO7 8HH	216	No	No
Fine Creations Ltd	Lower House Farm, Lower Road, Mackworth, Derby, DE22 4NG	116	No	No
Freightliner Co Ltd	30 St Dunstan's Street, Canterbury, Kent, CT2 6QG	358	No	No
Fuel Genie	Po Box 6139, 1 Trinity Court, Brooklands, Wolverhampton, WV1 9RQ	427	No	No
GasPrem Energy	5TH floor, Bohlhaus, 22 Quay Street, Manchester, M3 3GY	335	No	No
George Tins Services	118 Wantz Road, Maldon, Essex, CM9 5DE	147	No	No
George Inter Engineering Ltd	Queens Business Park, Woburn Road, Cambridge, Cambridgeshire, CB21 5GT	1,007	No	No
Glencoe Ltd	Glencoe House, Drake Avenue, Gresham Road, Staines, TW18 2AW	706	No	No
Global Sports Development (GSD)	The Gatties, K'Adenbach, Off Park Lane, Norwich, RG5 2HP	1,536	No	No
Goodman Derrick LLP	10 St Bride Street, London, EC4A 4AD	72,523	No	No
Gordon Shedden Racing	Bankhead, Auchterarder, Perthshire, PH3 1PF	14,000	No	No
Gowling WLG (UK) LLP	4 More London, Riverside, London, SE1 2AU	108,915	No	No
Green Recycling Ltd	Quayway Industrial Park, Bates Road, Maldon, Essex, CM9 5FA	800	No	No
Gregg Technology Ltd	Northover House 132a Bourneham Road, Chardlers Ford, Eastleigh, Hants, England, SO53 1AL	0	No	No
GTO Parts	GTO House, Floral Mill, Hare Hatch, Berkshire, RG10 9FS	1,309	No	No
Hanzler for	180 Piccadilly, St James's, London W1J 9HF	71,344	No	No
Hartley Seals and Mouldings Ltd	Unit C1 Churcham Business Park, Churcham, Gloucestershire, GL2 8AX	95	No	No
HavenPower Limited	The Havens, Ravenscroft, Ipswich, IP3 9SU	442	No	No
Hawk Cart Ltd	Oakdene, Wadhurst Road, East Sussex, TN3 9EP	480	No	No
Haymarket Media Group Ltd	Accounts Receivable Dept, Teddington Studios, Broom Road, Teddington, TW11 9BE	7,650	No	No
Hew Happy Homes	Unknown	173	No	No
Howard & Scott	Units 10 & 11 Nobel Square, Burnt Mills Ind Estate, Basildon, Essex, SS14 1LS	8,940	No	No
Hebels BSC V O F	Croy 27, 5639 ID, Eindhoven, NEDERLAND, Netherlands	400	No	No
Hemmings Motor News	Po Box 100, Bennington, VT 05201, USA	155	No	No
Hillie	Unknown	1,659	No	No
Un disclosed	Un disclosed	36	No	No
Helden Vintage & Classic	Union Trading Estate, Bromyard, Herefordshire, HR7 4QT	86	No	No
Un disclosed	Un disclosed	170,903	No	No

30.10.18

Company Shareholders

Name of shareholder	Address (incl postcode)	Number of shares held	Nominal value (£)	Details of shares held
JD Classics Holdings Limited (In Administration)	Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW	100	100	Ordinary
TOTAL		100	100	

Signed W/c

Date 30.10.18

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	JD Classics Limited (in administration)
DBL	Daytona Bidco Limited (in administration)
Debenture	Debenture dated 12 August 2016 in favour of the Secured Lenders
EC Regulation	The Insolvency Regulation (Regulation(EU) No. 2015/848)
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
FCA	Financial Conduct Authority
HPS	HPS Investment Partners LLC
JDCL	JD Classics Limited (in administration)
JDCHL	JD Classics Holdings Limited (in administration)
Joint Administrators/we/our/us	Mark Firmin, Richard Beard and Richard Fleming
NOI	Notice of Intention to appoint Administrators
Secured Lenders	Lloyds Bank plc and HPS Investment Partners LLC
SPA	Sale and purchase agreement
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
WML	Woodham Mortimer Ltd

A8 Appendix – Notice: About this statement of proposals

This statement of proposals ("proposals") has been prepared by Mark Firmin, Richard Beard and Richard Fleming, the Joint Administrators of JD Classics Limited ('the Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.

These proposals have not been prepared in contemplation of them being used, and are 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 these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 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 these proposals.

Richard Beard and Mark Firmin are authorised to act as insolvency practitioners by the ICAEW. Richard Fleming is authorised to act as an insolvency practitioner by the IPA.

We are bound by the Insolvency Code of Ethics.

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

AM03 Notice of Administrator's Proposals



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							
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 and dated 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