

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03871320

Name of Company

Schlegel Automotive Europe Limited

I/We

Situl Devji Rathatha, 38 De Montfort Street, Leicester, LE1 7GS

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 23/09/2013 to 22/09/2014

Signed



Date

17/09/2014

Springfields Business Recovery & Insolvency Limited
38 De Montfort Street
Leicester
LE1 7GS

Ref SC1509/SDR/DRR

THURSDAY



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04/12/2014

#202

COMPANIES HOUSE

**TO ALL KNOWN SHAREHOLDERS &
CREDITORS**

Our ref SC1509/DRR/3B
Your ref:
Date. 17 November 2014

When telephoning please ask for
Deviesh Raikundalia
Direct Dial 0116 249 2011
E deviesh.r@springfields-uk.com

Dear Sir / Madam

**Schlegel Automotive Europe Limited - In Creditors' Voluntary Liquidation
("the Company")
Former Trading address: Beveridge Lane, Bardon Hill, Coalville, Leicester LE67 1TA**

I write following the end of the first anniversary of the Liquidation I detail below my report on the progress of the Liquidation for the period 23 September 2013 to 22 September 2014 ("the Period") and should be read in conjunction with my previous reports as Administrator

1. Company and Liquidator's Details

Company Name	Schlegel Automotive Europe Limited
Company Registered number	03871320
Registered Office	38 De Montfort Street Leicester LE1 7GS
Former Registered Office	Beveridge Lane Bardon Hill Coalville Leicestershire LE67 1TA
Name of Liquidator	Situl Devji Raithatha, Licensed Insolvency Practitioner of Springfields Business Recovery & Insolvency Ltd 38 De Montfort Street Leicester LE1 7GS
Date of Appointment	23 September 2013



2. Receipts and payments & the Liquidator's actions since appointment

I enclose a summary of my Receipts and Payments ("R&P") account for the Period. Please note that the receipts and payments are shown exclusive of VAT.

I report on the progress of the Liquidation below.

2.1 Trading

As detailed in my previous reports, the Company continued trading whilst in Administration, with production concluding in mid-January 2013.

There remained a number of outstanding matters from the trading period that required finalising, such as collection of trade debtors, payment of trade creditors and conclusion of tax matters. Of the trade debtors, there is a small residual balance due from a customer and which I expect to receive shortly. All trade creditors have been agreed and discharged.

I have instructed the Company's former accountants to prepare the Corporation Tax returns and associated accounts and computations for the Administration period and these are in the process of being finalised.

2.2 Debtors

At the time of Liquidation, there remained outstanding pre-Administration debtors with an outstanding book value of circa £19k. These debts have been disputed and may prove uncollectable.

2.3 Refund of copying costs

I have been in dialogue with a number of insurers and their legal representatives for illness claims relating to ex-employees that have brought claims during their time in employment at the Company prior to Administration.

2.4 Employment Tribunal claims

As previously reported, all staff were made redundant over the course of on-going trading in the Administration as a sale of the business as a going concern was not achieved. As a result of these redundancies, claims were issued against the Company in the Employment Tribunal for unfair dismissal, redundancy pay and protective awards.

Spearing Waite LLP were instructed to act and in April 2014, a settlement was reached. The necessary claims have been made to the Redundancy Payments Service ("RPS") and I am led to believe that payments were issued by the RPS in and around June 2014. The RPS have submitted a subrogated claim in the Liquidation.

I trust you will find the remaining entries in the R&P self-explanatory.

3. Investigations

I conducted an initial assessment of the Company considering the information acquired in the course of appraising and realising the assets of the Company, together with any information provided by creditors. Questionnaires were sent to all people who acted as a director of the Company in the three years prior to Administration. A comparison of the assets listed in the statement of affairs with the last filed accounts was undertaken in order to ascertain whether all assets were identified and material movements could be properly explained. At present no areas which could lead to further realisations have been identified.

I fulfilled my statutory duties and reported to the Department for Business Innovation and Skills ("BIS") regarding the directors' conduct. The contents of my report must remain confidential and I cannot comment on what action, if any, may be taken by the BIS.

4. Outcome for creditors

4.1 Secured Creditors

An examination of the Company's mortgage register, held by the Registrar of Companies, showed that there is a valid fixed and floating charge debenture in favour of State Bank of India ("the Bank") dated 13 May 2009.

Distributions have been made to the Bank in the Administration period which repaid the Company's indebtedness to the Bank in full.

4.2 Preferential Creditors

On 11 September 2013 a dividend of 100p in the £ was paid to preferential creditors.

A final claim has recently been received from the RPS which indicates that a further preferential payment of £2,422.69 may be due. This may be as a result of further claims received after the dividend was declared on 11 September 2013.

4.3 Crown Creditors

The Statement of Affairs anticipated circa £2.4M owed to H M Revenue & Customs ("HMRC"). I have received a final claim from HMRC for outstanding PAYE and NIC in the sum £1,053,325.37 and a provisional claim for outstanding VAT in the sum of £741,026.58 to date.

4.4 Unsecured Creditors

The Statement of Affairs estimated 195 unsecured claims (excluding HMRC) in the sum of £7,569,226.70. I have received claims from 133 creditors totalling £4,321,470.78 to date. I have not received claims from 82 unsecured creditors with estimated claims on the Statement of Affairs totalling £2,768,766.58.

There are sufficient funds to enable a distribution to the unsecured creditors. The timing and amount of any such distribution is uncertain at present and depends upon future realisations, finalisation of the Company's tax affairs, agreement of creditor claims and costs. It is expected that the total funds available to distribute to the unsecured creditors will be larger than £600,000, the maximum amount of the prescribed part as detailed in Section 176A of the Act

5. Liquidator's remuneration

The Administrator's remuneration was authorised and approved by the preferential and secured creditors on 13 December 2012 to be drawn on a time cost basis. In accordance with Rule 4.127(5A) of the Insolvency Rules 1986, my remuneration is deemed agreed on the same basis as the Administrator's and therefore agreed also on a time cost basis. I enclose a summary of my time costs (subject to posting of timesheets), for the Period, together with cumulative figures (where applicable)

Details of any amounts drawn on account of this are shown on the receipts and payments schedule. I also enclose a schedule of my firm's current charge out rates for your information

A description of the routine work undertaken in the liquidation to date is as follows

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required.
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS and DocuSoft
- Review and storage.
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Dealing with all outstanding tax issues

2 Cashiering

- Maintaining and managing the liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors.
- Processing employee claims and with the assistance of agents ERA Solutions Ltd submitting the appropriate forms to the Redundancy

- Payments Service
- Liaising with the Company's pension scheme managers regarding arrears of contributions
- Liaising with solicitors with regard to the Employment Tribunal claims brought

4 Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act.
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the company's bank regarding the closure of the account
- Finalisation of all outstanding trading issues

6. Liquidation Expenses

I attach a schedule breaking down the expenses incurred by me during the Period

The following agents or professional advisors have been utilised in this matter

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
Spearing Waite LLP	Legal work dealing with employment related issues	Time costs
ERA Solutions	Employee Matters	Per employee basis (paid in the Administration)
Haines Watts Limited	Accountancy and tax	Time costs

7. Creditors' Rights

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit

8. Summary

The Liquidation will remain open until all outstanding matters have been dealt with, to include finalisation of all trading matters and tax obligations. Once these issues have been dealt with, the Liquidation will be finalised and I will progress to close my files.

9. Disclaimer

This report has been prepared for the sole purpose of updating creditors and shareholders of the Company for information purposes to fulfil the necessary statutory requirements of the Liquidator(s). The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, or otherwise used by creditors or shareholders for any purpose other than updating them for information purposes, or any other person for any purpose whatsoever.

Dated 17 November 2014

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long horizontal line.

Situl Devji Raithatha
Liquidator

Schlegel Automotive Europe Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

**Statement
of Affairs**

**From 23/09/2013
To 22/09/2014**

TRANSFERRED FROM ADMINISTRATION

Cash at Bank	1,314,886 55
Trade Debtors	101,828 47
Trade Creditors	(10,412 02)
VAT	76,950 28
Insurance Refund	161 25
Unclaimed Dividends	37 58
	<u>1,483,452 11</u>

COSTS FROM ADMINISTRATION

Wages & Salaries	2,158 63
PAYE / NIC	1,421 94
Cash collection costs	175 28
Rates	100,931 60
Environment Permit	359 80
	<u>(105,047 25)</u>

ASSET REALISATIONS

Sundry Refunds	542 85
Bank Interest Gross	22,697 50
Refund of Copying Costs	4,888 00
	<u>28,128 35</u>

COST OF REALISATIONS

Photocopying & Printing	257 30
Company Searches	141 00
Accountancy Fees	364 00
Legal Fees	28,753 50
Storage Costs	1,449 60
Statutory Advertising	54 73
Bank Charges	248 80
Postage (ADM)	1,205 86
	<u>(32,474 79)</u>

1,374,058 42

REPRESENTED BY

Vat Receivable	5,039 51
Current A/c - Bank 1	34,350 27
Deposit A/c - Bank 1	1,335,611 19
Fixed Ch Vat Receivable	35 05
Vat Payable	-(977 60)

1,374,058 42

Time Entry - Detailed SIP9 Time & Cost Summary

SC1509 - Schlegel Automotive Europe Limited
From 23/09/2013 To 22/09/2014
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	0 00	0 70	3 50	0 00	4 20	737 50	175 60
101 Case Planning	1 60	0 50	0 00	0 00	2 10	730 00	347 62
102 Administrative set-up	1 60	0 50	0 00	0 00	2 10	718 00	341 90
103 Appointment Notification	1 10	1 80	0 00	0 00	2 90	814 00	280 69
104 Maintenance of Records	9 80	2 20	6 80	0 00	18 80	5 087 00	270 59
105 Statutory Reporting	0 00	4 60	0 00	0 00	4 60	1 012 00	220 00
106 VAT & Tax Returns	4 10	7 20	0 00	0 00	11 30	3 168 00	280 35
107 Case Monitoring	48 40	32 60	5 50	0 00	86 50	26 817 00	310 02
Administration & Planning	68 60	50 10	15 80	0 00	132 50	39 083 50	294 97
500 Creditors	0 00	1 20	0 10	0 00	1 30	283 50	218 08
501 Communication	14 90	33 40	91 00	0 00	139 30	24 892 00	178 69
502 Claims inc emp prefs	23 30	21 00	0 00	0 00	44 30	13 888 00	313 50
503 Report/secured creditor	2 70	0 00	0 00	0 00	2 70	1 028 00	380 00
505 Final Report	9 50	0 00	0 00	0 00	9 50	3 610 00	380 00
Creditors	50 40	55 60	91 10	0 00	197 10	43 699 50	221 71
202 CDDA reports	0 00	0 90	0 00	0 00	0 90	198 00	220 00
Investigations	0 00	0 90	0 00	0 00	0 90	198 00	220 00
301 Ident Sec. Insuring	7 50	3 00	0 00	0 00	10 50	3 576 00	340 57
303 Debt collection	59 60	4 20	0 00	0 00	63 80	23 677 00	371 11
304 Sale of prop bus assets	0 00	0 10	0 00	0 00	0 10	22 00	220 00
305 Legal matters	0 80	0 00	0 00	0 00	0 80	304 00	380 00
Realisation of Assets	67 90	7 30	0 00	0 00	75 20	27 579 00	366 74
401 Management of operations	0 00	15 90	0 00	0 00	15 90	3 921 00	246 60
402 Accounting for trading	51 00	0 70	0 00	0 00	51 70	19 555 00	378 24
403 On-going employee issues TRADING RELATED	1 20	7 80	0 00	0 00	9 00	2 190 00	243 33
Trading	52 20	24 40	0 00	0 00	76 60	25 666 00	335 07
Total Hours	237 10	138 30	106 90	0 00	482 30	136 226 00	282 45
Total Fees Claimed						0 00	

Schlegel Automotive Europe Limited - In Creditors' Voluntary Liquidation**Details of expenses incurred from 23 September 2013 to 22 September 2014****Expenses**

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Company Searches	-	141 00	141 00	-
Accountancy Fees	-	364 00	364 00	-
Legal Fees & Disbursements	1,200 00	27,553 50	28,753 50	-
Statutory Advertising	-	54 73	54 73	-
Postage	1,205 86	-	1,205 86	-
Wages & Salaries	2,158 63	-	2,158 63	-
PAYE / NIC	1,421 94	-	1,421 94	-
Cash collection costs	175.28	-	175.28	-
Business Rates	100,931 60	-	100,931 60	-
Environment Permit	359 80	-	359 80	-
Former Administrator's Fees	53,077 00	-	-	53,077 00
TOTAL	160,530 11	28,113 23	135,566 34	53,077 00

Category 2 Disbursements

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Photocopying & Printing	-	258 80	257 30	1 50
Storage Costs*	-	1,449 60	1,449 60	-
TOTAL	-	1,708 40	1,706 90	1 50

Notes

- * Please note that storage costs continue to accrue and are billed periodically

Charge out rates and disbursements policy for Insolvency Department

With effect from 1st August 2014 (subject to annual review)

Hourly Rate effective 1 August

Grade	2014	2013 (comparative)
	(£)	(£)
Director	390	380
Manager	225 – 295	220 – 285
Administrator	130 – 200	125 – 195

Time is recorded in units of 6 minutes (prior to 08/01/2007 this was 15 minutes).

Disbursements policy

Disbursements incurred in the course of an appointment are recharged to the case in accordance with SIP 9 on all insolvency appointments. These fall into two categories:

Category 1 disbursements are costs which comprise external supplies and are paid to an independent third party. These generally include, for instance, advertising, bond, travel expenses (excluding mileage) and external storage of records.

Category 2 disbursements are costs which are directly referable to the appointment but not a payment to an independent third party. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, e.g. business mileage. Category 2 disbursements require approval by creditors before they can be drawn

Category 2 disbursements

Photocopying / printing	10p per sheet
Internal storage of books and records	Initial £6.10 per box; £4.80 per box per annum
Internal room hire	£100 per statutory meeting
Mileage (own car usage)	45p per mile

Creditors' Guide to Fees

(Produced by the Association of Business Recovery Professionals)

Creditors should note that a copy of the appropriate Creditors' Guide to Fees is available on request from this office or a copy can be accessed on the Insolvency Practitioners Association website www.insolvency-practitioners.org.uk under the heading 'Regulation and Guidance' and then by following the link to 'Creditors' Guide to Fees'

All amounts detailed above are shown exclusive of VAT, which will be charged at the prevailing rate.



Directors

S D Rathatha FCCA MIPA FABRP
D R Ratkundalia ACCA MIPA MARRP
All office holders are licensed in the United Kingdom to act as insolvency practitioners by the Association of Chartered Certified Accountants

www.springfields-uk.com

Springfields is a trading name of Springfields Business Recovery & Insolvency Limited
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