

## 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 Raithatha, 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 23/09/2014 to 22/09/2015

Signed



Date

20/11/15

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

Ref SC1509/SDR/DRR

SATURDAY



\*A4KNW409\*

A08

21/11/2015

#330

COMPANIES HOUSE

**TO ALL KNOWN SHAREHOLDERS &  
CREDITORS**

Our ref SC1509/NG/LL/3B  
Your ref:  
Date 20 November 2015

When telephoning please ask for.

Luke Littlejohn  
Direct Dial 0116 249 2018  
E Luke.l@springfields-uk.com

Dear Sir(s)

**Schlegel Automotive Europe Limited - In Creditors' Voluntary Liquidation ("the Company")**

**Former Trading address: Beveridge Lane, Bardon Hill, Coalville, Leicestershire LE67 1TA**

I write following the end of the second anniversary of the Liquidation I detail below my report on the progress of the Liquidation for the period from 23 September 2014 to 22 September 2015 ("the Period") This report should be read in conjunction with my previous reports, including those issued during the Administration period

**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



**Directors**

S D Raithatha FCCA MIPA FABRP

D R Raikundalia ACCA MIPA MABRP

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](http://www.springfields-uk.com)

Springfields is a trading name of Springfields Business Recovery & Insolvency Limited  
Registered in England & Wales number 4851970  
Registered office 38 De Montfort Street Leicester LE1 7GS

Date of Appointment

23 September 2013

## **2. Receipts and payments & the Liquidator's actions in the period**

I enclose a summary of my receipts and payments account for the Period. Please note that the receipts and payments are shown exclusive of VAT.

### **2.1 Trading**

As detailed in my previous report, the Company's former accountants were instructed to prepare Corporation Tax Returns for the Administration period. I can confirm that these returns have now been finalised and submitted.

A residual trade debt of £1,200.44 was received and no further funds are expected. All trade liabilities have been discharged.

### **2.2 Book Debts**

The sum of £1,221.52 was received from one of the Company's former customers. I have since been contacted by the customer who claims that the payments were made in error. I am in the process of investigating their claim which, if valid, would result in the funds being returned.

### **2.3 Rent**

In light of the decision reached in the case of *Re Game Station Ltd (Pillar Denton Ltd v Jervis [2014] EWCA Civ 180)*, a payment of £23,476.02 was paid to the landlord of the Company's former trading premises. The payment was in respect of rent due in relation to the Company's occupation of the former trading premises at the start of the Administration period, which now constitutes an expense of the Administration rather than an unsecured claim.

I trust that you will find the remaining receipts and payments self-explanatory.

## **3. Investigations**

No further investigatory issues arose in the Period.

## **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 distribution at a rate of 100p in the £ was paid to preferential creditors, including to the Redundancy Payments Service ("RPS") who made subrogated claim in respect of amounts paid out to employees

Since the distribution, I have been advised that further payments have been made by the RPS, thus increasing their claim. The RPS has a residual preferential claim of £2,422.69, which will be paid in full.

#### **4.3 Unsecured, non-preferential creditors**

The Statement of Affairs estimated claims from HM Revenue & Customs ("HMRC") of circa £2.4 million. I have received claims from HMRC totalling £1,794,351.85 to date.

The Statement of Affairs estimated 195 unsecured claims of £7,569,226.70 excluding claims from HMRC. I have received claims from 128 creditors totalling £6,734,056.88 to date. I have not received claims from 83 unsecured creditors with estimated claims of £2,603,914.41 on the Statement of Affairs.

##### **4.3.1 Prescribed Part Provisions**

The provisions of Section 176A of the Insolvency Act 1986 (as amended) require a calculation to be made of the prescribed part of the Company's net property for distribution to the unsecured creditors for all debentures created after 15 September 2003. It is expected that the total funds to be distributed to creditors will exceed £600,000, the maximum amount of the prescribed part under the above provisions.

##### **4.3.2 Employment Tribunal Awards**

As detailed in my previous report, all staff were made redundant during the course of ongoing trading as a sale of the business as a going concern was not achieved. As a result of those redundancies, claims were issued against the Company through an Employment Tribunal for unfair dismissal, redundancy and protective awards. A settlement was reached after obtaining advice from a specialist employment lawyer.

A proportion of the claims awarded to the employees were paid by the RPS, who has in turn registered a subrogated claim in the Liquidation. I am in the process of reviewing these claims to determine whether there are any residual claims above the amounts paid by the RPS, with the assistance of specialist agents. I hope to provide creditors with further information regarding the quantum of these claims when I next report.

##### **4.3.3 Dividend Prospects / Future Action**

I am in the process of agreeing creditor claims and have been in correspondence with a number of creditors where there are queries regarding their claims.

It has been necessary to obtain professional advice regarding the claim of the Company's largest unsecured creditor (with the exception of the claims from crown departments) My agents are currently in correspondence with the creditor and it is hoped that an agreement will be reached shortly As the treatment of the claim will have a material impact on the funds available for other creditors, I am unable to take steps to distribute the funds and finalise the Liquidation until this issue has been resolved

Once an agreement has been reached with the creditor, it is my intention to issue formal Notice of Intention to Declare a Dividend with a view to paying a First and Final Dividend to creditors shortly thereafter I am unable to provide an estimate of the timing and quantum of the distribution at this stage

## **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 There was a balance of £53,077 plus VAT outstanding in respect of these costs, which was paid in the Period

In accordance with Rule 4 127(5A) of the Insolvency Rules 1986, my remuneration as Liquidator is deemed to be agreed on the same basis as the Administrator's and therefore also agreed 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

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 electronic filing software
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

- 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 proofs of debt received from creditors
- 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
  - Recovery of trade debts

## 6.     **Liquidation Expenses**

I enclose a schedule of my expenses for the Period     This includes category 2 disbursements

The following professional advisors were used in the Period

<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
Edward Symmons LLP (now part of Lambert Smith Hampton)	Advice on creditor claim	Time costs
Haines Watts Limited	Accountancy and tax	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charges have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

## **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 creditor claims have been agreed and a First and Final Dividend paid.

## **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. 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 20 November 2015



**Situl Devji Raithatha**  
Liquidator

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

Statement of Affairs	From 23/09/2014 To 22/09/2015	From 23/09/2013 To 22/09/2015
<b>TRANSFERRED FROM ADMINISTRATION</b>		
Cash at Bank	NIL	1,314,886 55
Trade Debtors	1,200 44	103,028 91
Trade Creditors	NIL	(10,412 02)
VAT	NIL	76,950 28
Insurance Refund	NIL	161 25
Unclaimed Dividends	NIL	116 79
	<u>1,200 44</u>	<u>1,484,731 76</u>
<b>COSTS FROM ADMINISTRATION</b>		
Wages & Salaries	NIL	2,158 63
PAYE / NIC	NIL	1,421 94
Cash collection costs	NIL	175 28
Rates	NIL	100,931 60
Environment Permit	NIL	359 80
	<u>NIL</u>	<u>(105,047 25)</u>
<b>ASSET REALISATIONS</b>		
Sundry Refunds	NIL	542 85
Bank Interest Gross	17,301 71	39,999 21
Refund of Copying Costs	NIL	4,888 00
	<u>17,301 71</u>	<u>45,430 06</u>
<b>COST OF REALISATIONS</b>		
Liquidator's Remuneration	251,328 50	251,328 50
Photocopying & Printing	110 90	368 20
Administrator's Remuneration	53,077 00	53,077 00
Company Searches	NIL	141 00
Accountancy Fees	1,415 00	1,779 00
Agents/Valuers Fees	7,135 96	7,135 96
Legal Fees	4,800 00	33,553 50
Courier Costs	26 66	26 66
Corporation Tax	4,539 40	4,539 40
Postage	403 27	403 27
Storage Costs	2,103 75	3,553 35
Statutory Advertising	NIL	54.73
Rent	23,476 02	23,476.02
Bank Charges	12 00	263 80
Postage (ADM)	NIL	1,205.86
	<u>(348,428 46)</u>	<u>(380,906 25)</u>
	<u><b>(329,926.31)</b></u>	<u><b>1,044,208.32</b></u>
<b>REPRESENTED BY</b>		
Vat Receivable		25,940 56
Current A/c - Bank 1		15,354 86
Deposit A/c - Bank 1		1,002,912 90
		<u><b>1,044,208 32</b></u>

# Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

SC1509 - Schlegel Automotive Europe Limited  
From 23/09/2014 To 22/09/2015  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£Average Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
100 Administration & Planning	0.00	0.00	3.50	0.00	3.50	587.00	167.71	1,324.50
101 Case Planning	0.00	0.80	2.80	0.00	2.80	487.00	173.93	1,217.00
-- 102 Administrative set-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	718.00
-- 103 Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	814.00
104 Maintenance of Records	0.70	0.00	3.30	0.00	4.00	804.00	201.00	5,891.00
105 Statutory Reporting	7.70	1.30	0.00	0.00	9.00	3,295.50	366.17	4,307.50
106 VAT & Tax Returns	23.70	0.30	3.60	0.00	27.60	9,884.50	358.13	13,052.50
107 Case Monitoring	47.20	1.90	6.30	0.00	55.40	19,564.50	360.19	46,771.50
<b>Administration &amp; Planning</b>	<b>79.30</b>	<b>4.30</b>	<b>18.70</b>	<b>0.00</b>	<b>102.30</b>	<b>35,012.50</b>	<b>234.80</b>	<b>74,096.00</b>
602 Case Specific 2	0.00	0.00	10.00	0.00	10.00	1,526.00	152.60	1,526.00
<b>Case specific matters</b>	<b>0.00</b>	<b>0.00</b>	<b>10.00</b>	<b>0.00</b>	<b>10.00</b>	<b>1,526.00</b>	<b>152.60</b>	<b>1,526.00</b>
500 Creditors	0.00	3.00	102.50	0.00	105.50	16,050.00	152.13	16,333.50
501 Communication	25.40	0.10	15.40	0.00	40.90	12,274.50	300.11	37,166.50
502 Claims inc emp. prefs	73.70	66.80	60.90	0.00	201.40	53,275.50	264.53	67,163.50
-- 503 Report/Secured creditor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,026.00
-- 505 Final Report	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,610.00
<b>Creditors</b>	<b>99.10</b>	<b>69.90</b>	<b>178.80</b>	<b>0.00</b>	<b>347.80</b>	<b>81,800.00</b>	<b>234.62</b>	<b>125,299.50</b>
202 CDDA reports	0.00	0.00	1.20	0.00	1.20	185.00	154.17	383.00
<b>Investigations</b>	<b>0.00</b>	<b>0.00</b>	<b>1.20</b>	<b>0.00</b>	<b>1.20</b>	<b>185.00</b>	<b>154.17</b>	<b>383.00</b>
301 Ident. Sec. Insuring	0.00	0.00	0.80	0.00	0.80	120.00	150.00	3,696.00
302 ROT	0.00	0.00	3.60	0.00	3.60	540.00	150.00	540.00
303 Debt collection	2.60	0.00	0.00	0.00	2.60	1,014.00	390.00	24,691.00
-- 304 Sale of prop bus assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.00
305 Legal matters	0.00	0.00	0.50	0.00	0.50	75.00	150.00	379.00
<b>Realisation of Assets</b>	<b>2.60</b>	<b>0.00</b>	<b>4.90</b>	<b>0.00</b>	<b>7.50</b>	<b>1,749.00</b>	<b>233.20</b>	<b>29,328.00</b>
-- 401 Management of operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,921.00
-- 402 Accounting for trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,555.00
-- 403 On-going employee issues TRADING REDUCED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,190.00
<b>Trading</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>NAN</b>	<b>25,666.00</b>
<b>Total Hours</b>	<b>181.00</b>	<b>74.20</b>	<b>213.60</b>	<b>0.00</b>	<b>468.80</b>	<b>120,072.50</b>	<b>256.13</b>	<b>256,298.50</b>
<b>Total Fees Claimed</b>						<b>251,328.50</b>		

# Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

SC1509 - Schlegel Automotive Europe Limited  
From 23/09/2014 To 22/09/2015  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)Average Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
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\*\* - Denotes codes included in cumulative data that are not present in the period

**Springfields Business Recovery & Insolvency Ltd**  
**Charge out rates and disbursements policy for Insolvency Department**  
**With effect from 1<sup>st</sup> August 2015 (subject to periodic review)**

**Hourly Rate effective 1 August**

Grade	2015	2014 (comparative)
	(£)	(£)
Director	410	390
Manager	240 – 310	225 – 295
Administrator	140 – 210	130 – 200

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

In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a percentage uplift on standard hourly rates may be sought. The percentage uplift sought will vary depending upon the circumstances of each case.

**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 charge for intake £6.10 per box Storage £0.40 per month per box in storage at month end
Internal storage of PC/IT equipment	Storage £3.60 per month per item in storage at month end
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](http://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.

**Schlegel Automotive Europe Limited - In Creditors' Voluntary Liquidation**

Details of expenses incurred from 23 September 2014 to 22 September 2015

**Expenses**

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Accountancy Fees	-	1,415 00	1,415 00	-
Legal Fees & Disbursements	-	4,800 00	4,800 00	-
Agents/Valuers Fees	-	10,135 96	7,135 96	3,000 00
Rent	-	23,476 02	23,476 02	-
Courier Costs	-	26 66	26 66	-
Corporation Tax	-	4,539 40	4,539 40	-
Postage	-	403 27	403 27	-
<b>TOTAL</b>	-	44,796 31	41,796 31	3,000 00

**Category 2 Disbursements**

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Photocopying & Printing	1 50	136 30	110 90	26 90
Storage Costs*	-	2,224 55	2,103 75	120 80
<b>TOTAL</b>	-	2,360 85	2,214 65	147 70

**Notes**

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