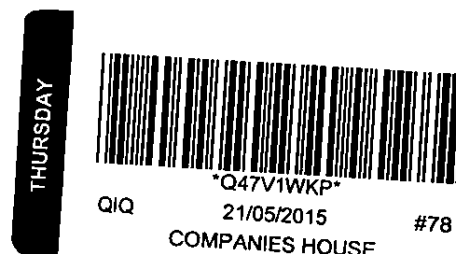


AUTOSCAN Q A LIMITED – IN COMPULSORY LIQUIDATION

**BIRMINGHAM DISTRICT REGISTRY NO 8252 OF 2011
LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS
FOR THE YEAR ENDING 29 MARCH 2015**

STATUTORY INFORMATION

Company name	AUTOSCAN Q A LIMITED
Registered office	Haslers Old Station Road Loughton IG10 4PL
Former registered office	2 Albert Street St Georges Telford Shropshire TF2 9AT
Registered number	<u>03999630</u>
Liquidator's name	Richard A J Hooper
Liquidator's address	Haslers Old Station Road Loughton IG10 4PL
Liquidator's date of appointment	30 March 2012

**LIQUIDATOR'S ACTIONS SINCE LAST REPORT**

Since my last report I have received advice from solicitors regarding potential claims and I have been considering whether and if so which claims should be made. This is discussed further, later in this report.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 30 March 2014 to 29 March 2015 is attached.

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ASSETS

VAT REFUND

The VAT refund of £11,407.62 is still being held in a suspense account as the Receiver acting on behalf of a secured creditor had claimed that this sum was due to the secured creditor. The Receiver has ceased to act and no further claim has been made. I am seeking to determine whether any further monies remain due.

ISA INTEREST

The sum of £59.32 has been received in respect of interest from the ISA account.

LIABILITIES

SECURED CREDITORS

There is one secured creditor, Cable Finance Limited, who held a fixed charge registered over the company's freehold property. That property has been sold and I have been seeking to review that transaction. I have also been seeking to determine whether further monies remain due to the secured creditor, or whether a repayment may be due.

PREFERENTIAL CREDITORS

There are no preferential creditors.

CROWN CREDITORS

HMRC's claim of £744,035.22 has been received.

NON-PREFERENTIAL UNSECURED CREDITORS

Unsecured claims received to date total £792,940. All creditors who have not yet submitted a proof of debt form are requested to do so as soon as possible.

DIVIDEND PROSPECTS

SECURED CREDITORS

I am unable to comment on the likelihood of any dividend being payable to secured creditors at this time as I am in the process of considering the merits of their claim.

ORDINARY UNSECURED CREDITORS

I am unable to comment on the likelihood of a dividend being payable to unsecured creditors at this time as it depends entirely on the successful recovery of assets mentioned elsewhere in this report.

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INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, funds likely to be available to fund an investigation, and the costs involved

I previously reported that my investigations were ongoing and were of a confidential nature. In my view, aspects of this case remain so.

I took the following action where I considered that further investigation was justified:

I have reviewed the books and records of the company delivered up to me. I have reviewed the former Administrator's files, the transactions recorded in the company's records and its bank statements to determine how the company's funds were utilised by the directors.

I have also identified, located and made enquiries of the company's directors, former accountant, solicitors, bankers, Receivers and others to assist with my review.

I have identified a number of transactions for which I have requested explanations. To date, adequate explanations have not been received. I have referred a number of matters to my solicitors and have been considering with them whether any action or claims can, or should, be made and, if so, how this should be funded.

I will provide an update on progress in this matter in my next report and creditors will be provided with full details when ongoing investigations are complete.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 7 June 2012 to be drawn on a time cost basis. My total time costs to 29 March 2015 amount to £87,268.17, representing 302.67 hours of work at an average charge out rate of £288.33 per hour, of which £8,910.17, representing 28.07 hours of work, was charged in the period between 30 March 2014 and 29 March 2015 at an average charge out rate of £317.46 per hour.

I have not been able to draw any remuneration in this matter. A schedule of my time costs incurred to date is attached.

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

1. Administration and planning
 - Liaising with the Official Receiver in relation to handover documents and other pre-appointment matters.
 - 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.
 - Review and storage.
 - Case bordereau.
 - Case planning and administration.

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- 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
- Liaising with the former appointees in relation to the secured creditor
 - 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
- Collection, review and storage of books and records
 - Investigations into potentially recoverable assets
 - Conducting 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
- Liaising with the company's bank regarding the closure of the account
 - Reviewing the records to determine whether any other assets may be identified and recovered

In addition to the routine work above, I have spent additional time in investigation unusual transactions as set out above

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at the link <http://www.haslers.com/services/insolvency-and-recovery-services/> A hard copy can be obtained on request, free of charge

LIQUIDATOR'S EXPENSES

My expenses to 30 March 2015 amount to £556.25 of which £24.74 was incurred in the period between 30 March 2014 and 29 March 2015. I have not been able to draw any expenses in this matter.

The following expenses have been incurred but have not yet been paid

<u>Type of expense</u>	<u>Amount incurred to date</u>	<u>Amount still to be paid</u>
	£	£
Statutory Advertising	76.50	76.50
Land registry searches	66.00	66.00
Insolvency Bond	40.00	40.00
Courier	147.13	147.13
Travel	207.88	207.88
Court fee	6.00	3.00
Postage	12.74	12.74

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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>
Moon Beever	Solicitor	Conditional fee arrangement

Moon Beever, Solicitors, currently have unbilled work in progress amounting to approximately £4,400 including disbursements (but excluding VAT)

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 charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

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.

SUMMARY

The Liquidation will remain open until the matters under investigation and the claims previously made by or on behalf of the secured lender have been fully resolved. I estimate that this will take approximately 18 months and once resolved the Liquidation will be finalised and our files will be closed.

Should you have any queries regarding this report, or the Liquidation in general, please contact Ann Quartermain on 0208 418 3432.

At Haslers we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to this office. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP

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Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner, or you can email ip.complaints@insolvency.gov.uk, or you may phone 0845 602 9848 - calls are charged at between 1p and 10 5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you are calling from the UK

A handwritten signature in black ink, appearing to be 'R' followed by a large, stylized loop.

**RICHARD HOOPER
LIQUIDATOR**

AUTOSCAN Q A LIMITED
(In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 30/03/2012 To 29/03/2014 (£)	From 30/03/2014 To 29/03/2015 (£)	Total (£)
VAT Refund		11,407 62	0 00	11,407 62
ISA interest		48 48	59 32	107 80
		11,456.10	59 32	11,515 42

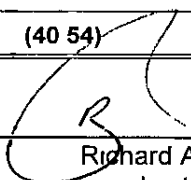
PAYMENTS

Official Receivers Remuneration		2,235 00	0 00	2,235 00
Tax on ISA interest		9 69	11 86	21 55
ISA Quarterly Charges		168 00	88 00	256 00
Trade and Expense Creditors	(703,335 38)	0 00	0 00	0 00
Ordinary Shareholders	(100 00)	0 00	0 00	0 00
		2,412 69	99 86	2,512 55

Net Receipts/(Payments)		9,043 41	(40 54)	9,002 87
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MADE UP AS FOLLOWS

Insolvency Service Account (ISA)	(2,403 00)	(88 00)	(2,491 00)
ISA Suspense Account	11,446 41	47 46	11,493 87
	9,043 41	(40 54)	9,002 87


 Richard A J Hooper
 Joint Liquidator

Analysis of time costs from 30/03/12 to 29/03/15

Categories	Time recorded (Hours)					Total Time
	Partner	Manager	Senior Administrator	Administrator	Junior	
Administ & Planning	0 50		2 50			3 00
Case Planning	1 30	1 1 20	5 70	12 18	2 10	32 48
Administrative Set-up			2 60			2 60
Appointment Notification			0 50			0 50
Maintenance of Records	15 20	4 72	8 30	6 42	0 10	34 73
Statutory Reporting	0 30	7 20	5 40	8 15	1 00	22 05
Investigations	6 50	13 90	0 30			20 70
Investigating Antecedent Transactions	12 00	156 55		4 50		173 05
Identifying, Securing, Insuring Assets		0 10	0 30			0 40
Debt Collection		1 00				1 00
Property, Business and Asset Sales			0 40			0 40
Communications With Creditors		2 35	1 10	0 90		4 35
Creditors' Claims (Inc Employees and Preferential		0 20	0 40			0 60
Case Specific Matters		0 30	0 70			1 00
Non-formal app Work		1 50				1 50
INS Cashiering		0 30	1 20	2 80		4 30
	35 80	199 32	29 40	34 95	3 20	302 67

Autoscan Q A Limited

Analysis of time costs from 30/03/14 to 29/03/15

Categories	Time recorded (Hours)						Total Sum of Charge	Average Hourly Rate
	Partner	Manager	Senior Administrator	Administrator	Junior	Total Time		
Case Planning	9 30	1 40			2 10	3 50	626 50	179 00
Maintenance of Records	0 30	3 97				13 27	5,277 17	397 78
Statutory Reporting		6 40			1 00	7 70	2,062 50	267 86
Investigating Antecedent Transactions		2 30				2 30	741 00	322 17
Communications With Creditors		0 20				0 20	62 00	310 00
Creditors' Claims (inc Employees and Preferential		0 20		0 90		0 20	55 00	275 00
INS Cashiering						0 90	86 00	95 56
	9 60	14 47		0 90	3 10	28 07	8,910 17	317 46

TIME AND DISBURSEMENT POLICIES OF HASLERS APPLICABLE TO INSOLVENCY ESTATES AS AT 1 JANUARY 2015

Policies implemented by my firm that have a bearing on the time costs and disbursements charged to the estate are as follows

- 1 All professional staff are obliged to complete daily timesheets which analyse time spent on each assignment in units of 6 minutes. Less than one unit may be charged to cases where applicable. The cashiering functions on estates are performed by professional staff, again the time being charged directly to each assignment.
- 2 Where outside sub-contractors are used, their time is charged out at equivalent rates to permanent staff members. Secretarial personnel and support staff are not charged to cases save in circumstances where a disproportionate effort is required, for example in dealing with bulk mailings to an exceptional number of members, creditors, or debtors.
- 3 The Office Holder assigns the appropriate grades of staff to work on specific cases or activities. Current chargeout rates are as follows:

Grade	Hourly Rate £
Partner/Office Holders	375 – 510
Managers	285 – 320
Senior Administrators	195 – 250
Administrators	95 – 165
Insolvency Accounting	100

Rates are subject to review on the 1st January each year

- 4 Charge out rates are set by the firm on a standard formula used throughout the industry, based on staff salaries uplifted by a factor of 2.5. In the case of insolvency and recovery work, this is subject to a further uplift to take account of additional financial risk factors and the likelihood of a practitioner, having been appointed to office, being obliged to carry out statutory duties in relation to assignments for which the firm will not be paid. This uplift is also standard practice within the industry.
- 5 Haslers is located in the Greater London Area, just within the M25. It would be unreasonable to compare rates with other practices in Central London where salaries and overheads are highest. On the information available to us, our charge out rates compare favourably with firms of a similar size and peripheral location.
- 6 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 % uplift on standard hourly rates may be sought. The % uplift sought will vary depending upon the circumstances of each case.

- 7 Haslers has no financial or proprietary interest in any of the firms of agents or solicitors employed by the Office Holder. Unless otherwise specified, agents and solicitors are engaged on a normal commercial basis.
- 8 Selection of agents and solicitors to act in individual cases will be based on a number of criteria:
 - a Their expertise to carry out the assignment, and
 - b Their ability and proven track record to progress the matter diligently towards a successful conclusion, and
 - c Cost
 - d Evidence of adequate professional indemnity insurance

Where creditors are wholly reliant upon the ultimate success of litigation, the Office Holder will place a lower priority on cost considerations when selecting a solicitor.

- 9 An external firm may be used to carry out specific work that would normally be carried out by this firm only in circumstances where the instructed firm would be uniquely placed to provide a more cost efficient service and hence value for money to creditors.

Direct Expenses (Category 1)

- 10 Disbursements incurred by an estate, for example statutory advertising, storage, postage and agents' fees, are paid directly from the estate. Alternatively, these are paid by the firm and reclaimed at cost from the estate when funds permit or when the case is finalised and the total costs can be ascertained.

Other Expenses (Category 2)

- 11 Category 2 disbursements are costs which include elements of shared or allocated costs. It is not Haslers' policy to charge for such costs.