

The Insolvency Act 1986

**2.24B****Administrator's progress report**

Name of Company Car Cosmetics (Manchester) Ltd	Company number 04072772
In the High Court Manchester District Registry [full name of court]	Court case number 2393 of 2012

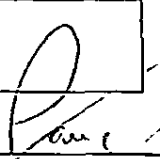
We  
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Administrators of the above company attach a progress report for the period

from 1 February 2013	to 31 July 2013
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Signed

  
Joint Administrators

Dated

13 August 2013

**Contact Details**

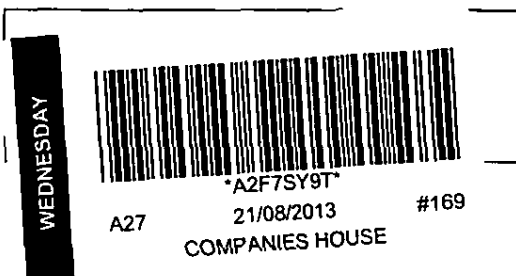
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Ryan Manuel KPMG LLP St James' Square Manchester M2 6DS United Kingdom DX Number DX 724620 Manchester 42		Tel DX Exchange
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When you have completed and signed this form please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff





**Car Cosmetics (Manchester) Ltd (in  
Administration)**

**Progress report  
for the period 1 February 2013 to  
31 July 2013 pursuant to Rule  
2.47 of the Insolvency Rules  
1986**

KPMG LLP  
13 August 2013  
*This report contains 14 Pages*



*Car Cosmetics (Manchester) Ltd (in Administration)*

*Progress report*

*KPMG LLP*

*13 August 2013*

## **Notice: about this report**

This Report has been prepared by Paul Andrew Flint and Brian Green, the Joint Administrators of Car Cosmetics (Manchester) Ltd, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose

It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context. This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Car Cosmetics (Manchester) Ltd or other companies in the same group

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk

To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person

Paul Andrew Flint is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Brian Green is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

The Joint Administrators act as agents for Car Cosmetics (Manchester) Ltd and contract without personal liability

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.

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## Glossary

Act	Insolvency Act 1986 (as amended)
Administration	The Administration order granted by the High Court of Justice, Chancery Division, Manchester District Registry in respect of Car Cosmetics (Manchester) Ltd dated 14 March 2012 Court case number 2393 of 2012
Agents/Eddisons	Eddisons Commercial Ltd
Bank/RBS	The Royal Bank of Scotland Plc
Car Cosmetics/Company	Car Cosmetics (Manchester) Ltd (in Administration)
Director(s)	David Gage, director of Car Cosmetics (Manchester) Ltd
EC Regulations	Council Regulations (EC) No 1346/2000
Fixed Charge Receivers	Paul Andrew Flint and Brian Green of KPMG LLP over Units 3, 8 and 10/11 Monde Trading Estate
HMRC	HM Revenue and Customs
HP	Hire Purchase
Joint Administrators	Paul Andrew Flint and Brian Green of KPMG LLP
KPMG	KPMG LLP
Lombard	Lombard North Central Plc
Parkway	Parkway Prestige (Arc) Ltd
Period	1 February 2013 to 31 July 2013
Solicitors	Addleshaw Goddard LLP
The Partnership	Gage and McCauley Holdings
Unit 10/11	Unit 10/11 Monde Trading Estate
Unit 8	Unit 8 Monde Trading Estate
VAT	Value Added Tax

## 1 **Executive summary**

- ❑ This progress report covers the period from 1 February 2013 to 31 July 2013
- ❑ During the period of reporting, the Joint Administrators have
  - collected licence fees from Parkway for the use of assets of the Company prior to their sale,
  - progressed and completed the sale of the Company's plant and machinery to Parkway,
  - progressed and completed the sale of the Company's HP equipment
  - agreed unsecured creditor claims in advance of a prescribed part distribution
- ❑ A Notice of Intended Dividend has been issued to unsecured creditors who have not yet claimed in the Administration. This expires on 16 August 2013, and a dividend will be paid shortly after that. Subject to costs and additional claims the dividend is likely to be in the region of 5p in the £
- ❑ An extension of the Administration to 13 September 2013 has previously been agreed with the consent of the secured creditor. The extension was required to enable the Joint Administrators to deal with post sale completion matters and make distributions to the secured and unsecured creditors
- ❑ It is currently expected that the Administration will be formally concluded before 13 September 2013 after which the Company will be dissolved
- ❑ Full details of the Joint Administrators' progress report are attached together with all the relevant statutory information included by way of Appendices

Yours faithfully



Paul Andrew Flint  
*Joint Administrator*

## **2 Statement of proposals**

The Joint Administrators' Statement of Proposals was circulated on 8 May 2012

Pursuant to Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, a meeting of creditors was not convened and one was not subsequently requisitioned. As a result the Statement of Proposals as circulated was deemed to have been approved on 28 May 2012 pursuant to Rule 2.33 (5A) with the exception of any proposals in relation to the Joint Administrators' fees or discharge of liability.

## **3 Progress of the Administration to date**

### **3.1 Licence fees**

Following the appointment of Joint Administrators, a licence to use the assets of the Company was granted to Parkway whilst the Joint Administrators evaluated the various options available to realise the assets of the Company. The agreement required Parkway to pay a weekly licence fee for the use of the Company's assets.

Licences to occupy the trading premises (Units 10/11), and for the use of Unit 8 as a storage facility, were also granted to Parkway by the Fixed Charge Receivers.

During the period, licence fees collected relating to the use of the Company's assets totalled £7,952. The Company's assets were subsequently sold to Parkway as detailed in paragraph 3.2 below.

### **3.2 Plant and machinery**

As previously reported, following a period of marketing and after consulting with the secured creditor, and our Agents, an offer from Parkway was accepted for the car body shop facility which included the Company's assets as well as assets subject to a HP agreement with Lombard.

Funds of £74,999 have been received from our Solicitors in the reporting period in respect of the sale of the Company's assets.

In respect of the assets subject to the HP agreement with Lombard, a sale between Lombard and Parkway was agreed for £175,000 plus VAT. This amount was collected in the Administration and the funds subsequently transferred to Lombard.

### **3.3 Communication**

On 14 March 2012, all potential creditors were contacted by letter by the Joint Administrators informing them of their appointment.

The Joint Administrators' Statement of Proposals was circulated to all creditors of the Company on 8 May 2012.

Notice of deemed acceptance of the Joint Administrators' Statement of Proposals was circulated to all creditors of the Company on 28 May 2012

A 6 month progress report to creditors was circulated to all creditors of the Company on 10 October 2012

A 12 month progress report to creditors was circulated to all creditors of the Company on 14 March 2013

### 3.4 **Costs of realisation**

Since 1 February 2013, the Administrators have been engaged in

- dealing with post appointment VAT and tax matters,
- agreeing unsecured creditor claims and dealing with general creditor queries and correspondence,
- issuing and collecting licence fees from Parkway for the use of the Company's assets,
- progressing and completing sale of the Company's assets to Lombard and Parkway,
- facilitating the sale of assets subject to a HP agreement with Lombard to Parkway,
- statutory filing and reporting associated with the Administration

The KPMG team working on the case includes the Joint Administrators, case manager, case administrators and support team

The Joint Administrators' time costs incurred during the Period are £31,420 representing 123 hours at an average hourly rate of £255. A full analysis of the Administrators' costs to date in accordance with the provisions of the Statement of Insolvency Practice 9 is attached at Appendix 3

In accordance with Rule 2.106 of the Act, the basis of the Administrators' fees was agreed on 4 March 2013 with the secured creditor. No fees have been drawn to date although the Joint Administrators are currently in the process of agreeing their final fees with the secured creditor. Full details of fees drawn will be provided in the next progress report.

A creditor's guide to fees can be found at

[http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP%209%20E&W.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf)

However if you are unable to access this guide and would like a paper copy, please contact Ryan Manuel on +44 (0) 161 838 4151

Additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A of the Insolvency Rules 1986. This request must be made within 21 days of receipt of this report. The full text of that rule can be provided on request.



In addition, creditors are reminded that the quantum of any fees drawn can be challenged by unsecured creditor(s) with at least 10% in value including that creditors claim by making an application to court in accordance with Rule 2.109 of the Insolvency Rules 1986. The full text of this rule can also be provided on request.

The Joint Administrators have instructed KPMG LLP Global Sustainability Services, Pension, Tax and VAT specialists to carry out assessments of the Company's position.

Full details of costs incurred to date are included at section 6 of this report.

## **4 Creditors**

### **4.1 Secured creditors**

RBS hold a debenture over the fixed and floating assets of the Company. The debenture was created on 12 September 2007. Our Solicitors have reviewed the Bank's security and have confirmed the validity of the debenture.

At the date of appointment approximately £379,000 was due to RBS. The Joint Administrators have previously distributed £40,000 to RBS and will shortly make a final distribution to the secured creditor which is likely to be in the region of £32,000.

### **4.2 Preferential creditors**

We understand that the employees of the Company were made redundant on 29 February 2012 and that all employees were paid up to that date. As such, no preferential claims have been received in the Administration.

### **4.3 Unsecured creditors**

The Joint Administrators will shortly be in a position to make a distribution from the prescribed part.

The prescribed part is a proportion of the net floating charge realisations after costs of the Administration and preferential creditors have been paid in full, to be distributed exclusively to unsecured creditors.

Subject to costs and any additional claims it is currently estimated that a dividend of circa 5p in the £ will be paid to unsecured creditors.

This should be paid to creditors on or before the automatic end date of 13 September 2013.

## **5 Outstanding matters**

### **5.1 Conclusion of the Administration**

The majority of issues have now been completed, however there are still a small number of issues that remain.

The following matters are still outstanding

- ▣ settlement of outstanding costs of the Administration including the Joint Administrators' fees,
- ▣ submission of final corporation tax and VAT returns,
- ▣ distributions to the secured creditor,
- ▣ agreement and payment of a prescribed part dividend,
- ▣ conclusion of outstanding statutory and administrative matters

The Joint Administrators currently expect to be in a position to conclude the Administration by the automatic end date of 13 September 2013 after which they will seek the dissolution of the Company

## **6 Comments on the Appendices**

### **6 1 Appendix 1: Statutory information**

Statutory information associated with the Administration is detailed in Appendix 1

### **6 2 Appendix 2: Receipts & payments account for the period 1 February 2013 to 31 July 2013**

An analysis of the receipts and payments for the Period is attached at Appendix 2

Funds held in the Joint Administrators' bank account as at 31 July 2013 totalled £119,325

The Joint Administrators comment on the major receipts and payments in the period below. These figures are exclusive of VAT

#### **6 2 1 Receipts**

##### **6 2 1 1 *HP/Leasing asset***

As referred to above, the gross sum of £210,000 was received following the sale of the Company's HP plant and machinery. The net sum of £187,500 after costs of sale was paid over to the HP creditor, Lombard

##### **6 2 1 2 *Plant and Machinery***

The sum of £74,999 has been received in respect of the sale of the Company's other assets to Parkway

##### **6 2 1 3 *Licence fees***

During the Period, licence fees of £7,952 have been received from Parkway for use of the Company's assets

**6.2.2 Payments****6.2.2.1 Legal fees**

The sum of £3,000 has been paid to Lombard for professional charges incurred in connection with the sale of the HP assets

**6.2.2.2 Agents'/Valuers' fees**

A total of £4,000 was paid to Eddisons for attending site, undertaking inventories and valuations and assisting with the marketing and sale of the Company's assets. This total is for fees incurred dealing with both fixed and floating charge assets.

**6.2.2.3 Hire of equipment**

The sum of £11,308 was paid to Lombard for the use of their assets prior to their sale.

**6.2.2.4 Legal fees and disbursements**

Fees of £14,001 and disbursements of £874 were paid to Addleshaw Goddard for work in connection with the sale of the Company's assets, preparing and obtaining approval from the Court to pay the dividend to unsecured creditors in the Administration, and for other advice provided throughout the Administration.

**6.2.2.5 Debt collection costs**

The sum of £8,137 was paid to Parkway for their previous assistance with the collection of outstanding book debts from the Company's book debt ledger.

**6.3 Appendix 3: Analysis of Joint Administrators' time costs and disbursements**

As discussed in section 3.8 total time costs during the Period are £31,420.

Time costs of £5,720 have been incurred in preparing statutory reports to creditors.

Time costs of £4,995 have been incurred in completing the sale of the plant and machinery.

Time costs of £3,120 have been incurred in agreeing unsecured creditor claims.

Time costs have also been incurred in dealing with general creditor correspondence and dealing with post appointment VAT amounting to £4,045 and £4,225 respectively.

**6.4 Appendix 4: Schedule of expenses for the period 1 February 2013 to 31 July 2013**

Expenses for this period total £65,642 including accrued costs for the Administrators' remuneration.

A full breakdown is enclosed at Appendix 4.



*Car Cosmetics (Manchester) Ltd (in Administration)*

*Progress report*

*KPMG LLP*

*13 August 2013*

Details of the amount accrued for the office holders' remuneration and other amounts that require explanation are discussed above. Additional information about expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A of the Insolvency Rules 1986 and to challenge the Joint Administrators' remuneration and expenses under Rule 2.109 of the Insolvency Rules 1986 are explained above.

## **Appendix 1 – Statutory information**

### **Appointment**

For period	1 February 2013 to 31 July 2013
Company name	Car Cosmetics (Manchester) Limited
Date of incorporation	15 September 2000
Court details	The Administration Order was made on 14 March 2012 in High Court Manchester District Registry number 2393 of 2012
Date of appointment	14 March 2012
Office holder details	Paul Andrew Flint and Brian Green were appointed on 14 March 2012 and are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales
Registered number	04072772
Previous registered office	Unit 10/11 Monde Trading Estate Westinghouse Road Trafford Park Manchester M17 1LP
Present registered office	c/o KPMG LLP St James' Square Manchester M2 6DS
Issued share capital	£100
Shareholders	David Gage Anthony McCauley Gillian Gage West Register
Directors	David Gage
Company secretary	Gillian Gage



*Car Cosmetics (Manchester) Ltd (in Administration)*

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*13 August 2013*

**Appendix 2 – Joint Administrators' receipts and payments account  
for the period 1 February 2013 to 31 July 2013**

**Car Cosmetics (Manchester) Ltd**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 01/02/2013 To 31/07/2013	From 14/03/2012 To 31/07/2013
<b>FIXED CHARGE ASSETS</b>		
Bank interest, gross	28 21	28 21
Records	1 00	1 00
	<u>29 21</u>	<u>29 21</u>
<b>FIXED CHARGE COSTS</b>		
Legal fees	3,000 00	3,000 00
Agents'/Valuers' fees	2,000 00	2,000 00
Bank charges	20 00	20 00
	<u>(5,020 00)</u>	<u>(5,020 00)</u>
<b>HP/LEASING</b>		
HP/Leasing asset	210,000 00	210,000 00
HP/Leasing creditor	<u>(187,500 00)</u>	<u>(187,500 00)</u>
	22,500 00	22,500 00
<b>ASSET REALISATIONS</b>		
Plant & machinery	74,999 00	74,999 00
Book debts	NIL	72,114 04
Third party funds	1,369 20	1,369 20
License Fees	7,951 65	55,820 54
	<u>84,319 85</u>	<u>204,302 78</u>
<b>OTHER REALISATIONS</b>		
Bank interest, gross	180 40	318 97
Sundry refunds	195 03	4,365 80
	<u>375 43</u>	<u>4,684 77</u>
<b>COST OF REALISATIONS</b>		
Hire of Equipment	11,307 66	40,384 50
Agents'/Valuers' fees	2,000 00	2,750 00
Legal Fees	14,000 56	14,000 56
Legal disbursements	873 50	1,488 94
Debt collection costs	8,137 52	8,137 52
Storage costs	70 26	200 86
Re-direction of mail	NIL	81 72
Statutory advertising	NIL	67 50
Bank charges	20 00	60 00
	<u>(36,409 50)</u>	<u>(67,171 60)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating charge	40,000 00	40,000 00
	<u>(40,000 00)</u>	<u>(40,000 00)</u>
	<u><b>25,794.99</b></u>	<u><b>119,325.16</b></u>
<b>REPRESENTED BY</b>		
Floating ch VAT rec'able		5 01
Fixed charge current		17,286 56
Floating charge current		102,288 04
Floating ch VAT payable		(254 45)
		<u><b>119,325.16</b></u>

### Appendix 3 – Joint Administrators' time costs, charge out rates and expenses for the period 1 February 2013 to 31 July 2013

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
<b>Cashiering</b>							
General (Cashiering)			14 60		14 60	£2,727 00	£186 78
Reconciliations (& IPS accounting reviews)			1 80		1 80	£450 00	£250 00
<b>Statutory and compliance</b>							
Appointment and related formalities	0 50				0 50	£242 50	£485 00
Checklist & reviews			5 50		5 50	£1 375 00	£250 00
Reports to debenture holders	0 10				0 10	£48 50	£485 00
Strategy documents		3 70			3 70	£1,665 00	£450 00
<b>Tax</b>							
Post appointment corporation tax		4 10			4 10	£1,496 50	£365 00
Post appointment VAT		4 60	11 90		16 50	£4,225 50	£256 09
<b>Creditors</b>							
<b>Creditors and claims</b>							
Agreement of unsecured claims		3 00	18 00		21 00	£3,120 00	£148 57
General correspondence			20 50	0 50	21 00	£4 045 00	£192 62
Notification of appointment			1 00		1 00	£185 00	£185 00
Payment of dividends			3 50		3 50	£875 00	£250 00
Statutory reports	1 00	14 00			15 00	£5 720 00	£381 33
<b>Realisation of assets</b>							
<b>Asset Realisation</b>							
Plant and machinery		13 00	1 00		14 00	£4 995 00	£356 79
Vehicles			1 00		1 00	£250 00	£250 00
<b>Total in period</b>					<b>123 30</b>	<b>£31 420 00</b>	<b>£254 83</b>
<b>Pre appointment time (if any irrecoverable)</b>					7 00	£1 225 00	
<b>Brought forward time (appointment date to SIP9 period start date)</b>					435 65	£102 690 25	
<b>SIP9 period time (SIP9 period start date to SIP9 period end date)</b>					123 30	£31,420 00	
<b>Carry forward time (appointment date to SIP9 period end date)</b>					558 95	£134 110 25	





*Car Cosmetics (Manchester) Ltd (in Administration)*

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*KPMG LLP*

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**Chargeable rates from 1 October 2012**

<b>Grade</b>	<b>Rate per hour (£)</b>
Partner	565
Associate Partner	485
Director	485
Senior Manager	450
Manager	365
Assistant Manager	250
Assistant	185
Support	115

**Expenses**

	<b>£</b>
Category 1 b/t	70
Category 2 b/f	12
Expenses in the Period – Printing costs	12
	<hr/>
Expenses c/t	96
	<hr/>

## Appendix 4

### Schedule of expenses for the period 1 February 2013 to 31 July 2013

Section	Account	Accrued	Paid	Total
Fixed costs	Legal fees	-	3,000 00	3,000 00
	Agents'/Valuers' fees	-	2,000 00	2,000 00
	Bank charges	-	20 00	20 00
<b>TOTAL</b>		-	<b>5,020.00</b>	<b>5,020.00</b>
Costs of realisation	Hire of Equipment		6,307 66	6,307 66
	Administrators' fees	31,420 00	-	31,420 00
	Legal fees	-	14,666 06	14,666 06
	Debt collection costs	-	8,137 52	8,137 52
	Storage costs	-	70 26	70 26
	Bank charges	-	20 00	20 00
		<b>31,420.00</b>	<b>29,201.50</b>	<b>60,621 50</b>
<b>TOTAL</b>		<b>31,420.00</b>	<b>34,221.00</b>	<b>65,641.50</b>