

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
A & R Accident Repair Centre Limited

Company number
04620881

In the Chancery Division, Leeds District Registry (full name of court)
--

Court case number
194 of 2012

(a) Insert full
name(s) and
address(es) of
administrator(s)

We
Paul Boyle
Harrisons Business Recovery and Insolvency
Limited
4 St Giles Court
Southampton Street
Reading
RG1 2QL

John Sallabank
Harrisons Business Recovery and Insolvency
Limited
4 St Giles Court
Southampton Street
Reading
RG1 2QL


*Delete as
applicable

attach a copy of our proposals in respect of the administration of the above company

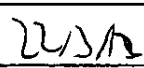
A copy of these proposals was sent to all known creditors on

22 March 2012

Signed


Joint Administrators

Dated



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 researchers of the public record

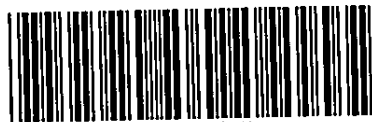
Paul Boyle
Harrisons Business Recovery and Insolvency Limited
4 St Giles Court
Southampton Street
Reading
RG1 2QL

DX Number

0118 951 0798
DX Exchange

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

FRIDAY



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30/03/2012

#311

COMPANIES HOUSE

**A & R Accident Repair Centre Limited
In Administration**

**Report and Joint Administrators' Proposals
to Creditors Pursuant to Paragraph 49
of Schedule B1 of the Insolvency Act 1986**

A & R Accident Repair Centre Limited – In Administration
Report and Joint Administrators' Proposals

CONTENTS

- 1 Glossary
2. Statutory Information
3. Introduction
- 4 Background and Events Leading to the Administration
5. Purpose and Progress of the Administration
 - 5.1 Purpose of the Administration
 - 5.2 Progress of the Administration
 - 5 3 Other Matters
- 6 Statement of Affairs
7. Creditors' Meeting
- 8 Joint Administrators' Proposals

Appendices

- I Draft Estimated Statement of Affairs
- II Creditor and Shareholder Details
- III Schedule of Time Costs and Guide to Insolvency Office Holders & Their Associates
- IV Statutory Forms & Notices

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

1. GLOSSARY

Administrators	Paul Boyle and John Sallabank of Harrison's Business Recovery and Insolvency Limited ('Harrison's'), 4 St Giles Court, Southampton Street, Reading, RG1 2QL.
Appointors	Bibby Financial Services Limited ('Bibby'), 105 Duke Street, Liverpool, L1 5JQ
Administration Application	The Administration documentation was filed at the Chancery Division, Leeds District Registry on 2 February 2012 and allocated Court Number 194 of 2012.
Company:	A & R Accident Repair Centre Limited ('the Company')

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986

2. STATUTORY INFORMATION

Company Number	04620881		
Date of Incorporation	18 December 2002		
Registered Office	4 St Giles Court Southampton Street Reading Berkshire RG1 2QL		
Former Registered Office	Shepley Bridge Marina Shepley Bridge Mirfield West Yorkshire WF14 9HR		
Principal Trading Address	Liversedge Mills Huddersfield Road Mirfield West Yorkshire WF14 9DQ		
Nature of Business	Motor car repair & maintenance		
Company Directors		Appointed	Resigned
	Andrew John Mellor	18 Dec 2002	Present
	Richard Michael Matthews	18 Dec 2002	Present
Company Secretary	Richard Michael Matthews	18 Dec 2002	Present

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

Shareholding	2 ordinary £1 shares issued and fully paid and held as follows		
	-		
Shareholders	Andrew John Mellor		1
	Richard Michael Matthews		1
			<hr/> 2
Bankers	Barclays Bank PLC Dewsbury Area Dewsbury West Yorkshire WF13 1PT		
Charges Register	A debenture conferring of fixed and floating charges over all property and assets in favour of Bibby was created on 28 October 2011 and registered at Companies House on 31 October 2011.		

3. INTRODUCTION

Paul Boyle and John Sallabank of Harrisons were appointed as Joint Administrators of the Company on 2 February 2012 upon Bibby filing a Notice of Appointment of an Administrator at the Chancery Division, Leeds District Registry in accordance with Paragraph 14 of Schedule B1 of the Insolvency Act 1986.

We can advise that pursuant to Paragraph 100(2) of Schedule B1 Insolvency Act 1986 the functions of the Joint Administrators are being exercised by either or both of the Administrators

In accordance with Paragraph 49 of Schedule B1 Insolvency Act 1986 we the Joint Administrators now set out our proposals for achieving the purpose and conduct of the Administration.

This report also includes certain information for creditors that is a requirement under Rule 2.33 of the Insolvency Rules 1986 Please read this in conjunction with our Disclosure report dated 15 February 2012.

4. BACKGROUND AND EVENTS LEADING TO THE ADMINISTRATION

The Company was incorporated on 18 December 2002 by Andrew Mellor ('AM') and Richard Matthews ('RM') as directors, with AM and RM owning an equal shareholding in the Company

The Company's principal trading activity was that of *accident repairs and motor services*. AM and RM had previous experience working within the motor servicing and repairs industry for many years The Company was initially funded by capital introduced by AM.

The Company leased secured yard premises from A & R Properties at Liversedge Mills, Huddersfield Road, Mirfield, West Yorkshire, WF14 9DR.

The Company originally began with two directors and two members of staff, however the number of employees subsequently grew over the years to five members of staff all of whom have extensive knowledge of the industry. Whilst AM remained a director of the Company he assigned the day to day running of the Company to RM.

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

The Company traded successfully for many years achieving turnover between £180k and £250k. This resulted in the Company making profits year after year with the exception of March 2009 where the Company made a small loss. Following the loss in 2009, the Company achieved profits in 2010 of £12k.

In 2011 the Company began to experience financial difficulties due to the general economic climate which led to a drop in turnover. In addition, the Company was also struggling to get monies in from customers in respect of outstanding debts, which had a significant impact on the Company's cash flow.

Furthermore, as a result of the Company's financial difficulties, AM took a more active role in the day to day running.

In order to improve the cash flow position, the Company entered into a factoring agreement with Bibby in October 2011. As a result of the financing Bibby registered a fixed and floating charge over the Company's assets.

Unfortunately, this did not improve the Company's cash flow position sufficiently and as a result AM sought advice from Harrisons on 17 January 2012 who confirmed that the Company was insolvent within the meaning of Section 123 of the Insolvency Act 1986 and should be wound up. Subsequently, at a meeting with Harrisons on 25 January 2012, the appropriate notices were signed to convene meetings of the members and creditors to place the Company into creditors voluntary liquidation on 10 February 2012.

However, due to the absence of RM, as one of the Company's shareholders it was not going to be possible to hold a quorate meeting to place the Company into liquidation and therefore an alternative solution had to be considered.

As a result of this, the marketing of the Company began on 1 February 2012, and on the 2 February 2012, under its rights as a secured creditor, Bibby filed a Notice of Appointment of Administrators at the Leeds District Registry for Paul Boyle and John Sallabank to be appointed Joint Administrators.

5. PURPOSE AND PROGRESS OF THE ADMINISTRATION

5.1 Purpose of the Administration

The Company could not be saved as a going concern in accordance with Paragraph 3(1)(a), since there were insufficient funds available to finance the continued trading of the Company or to enable a contribution based voluntary arrangement.

The purpose of the Administration, in accordance with Paragraph 3(1)(b) is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

5.2 Progress of the Administration

5.2.1 Receipts and Payments Account

No receipts or payments have been transacted since the commencement of the proceeding on 2 February 2012.

Detailed below are the expenses incurred in the proceedings which have yet to be disbursed which will be addressed in due course.

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

5.2 Progress of the Administration Cont...

Nature of Expense	Creditor	Net	VAT
		£	£
Advertising	Harrisons	110 69	22 14
Mileage	Harrisons	280.80	56 16
Company Searches	Harrisons	5 00	1 00
Bordereau	Harrisons	30 00	6.00
		£426.49	£85.30

5.2.2 Sale of Business

We would refer you to the Disclosure report circulated to you previously in relation to the sale of the business of the Company. However for ease of reference we have detailed again an outline of the sale. On 2 February 2012 the assets scheduled below were sold subject to a Sale and Purchase Agreement ('SPA') to A & D Accident Repair Centre Limited ('A & D') for the total sum of £9,000 -

	£
Intellectual Property Rights & Goodwill	200
Chattel Assets	7,050
Motor Vehicles	1,650
Customer Contracts	100
	£9,000

The effective date of the transaction was 2 February 2012. The SPA provided for an initial payment of £4,000 to be received within ten days of completion. The remaining balance of £5,000 will be paid in three monthly instalments as follows:-

Due Date	£
29 February 2012	1,666.66
30 March 2012	1,666.66
30 April 2012	1,666 68

A personal guarantee was given by AM, director of A & D at the time of completion along with a debenture in the Company's favour against which will be registered against A & D.

As at the date of this report, the sum of £5,666 66 is due under the terms of the SPA. We confirm that £4,500 has been received and is currently being held by our solicitors, Walker Morris. The sums due are covered by personal guarantees and debenture provided by way of security for the original sale agreement. Should payment not be received within a timely manner, steps will be taken to collect any sums due under the personal guarantee.

We confirm that negotiations with A & D were conducted by us as Administrators. The SPA specifically excludes the Company's book debts, which are subject to the invoice factoring agreement with Bibby.

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

5.2.3 Book Debts

The Company's outstanding sales ledger is subject to a factoring agreement with Bibby. Bibby's have advised that the Company's outstanding sales ledger totals £5,144 that is estimated to realise £1,250. Bibby's have confirmed that they have an outstanding liability of £4,649.

Based on the current information available and following the application of Bibby's final termination charges it is unlikely that there will be a surplus of funds available to the administration estate.

5.2.4 Directors' Loan Accounts

The latest set of draft financial statements for the period ended 30 November 2010 show that the directors of the Company had overdrawn loan accounts totalling £55,578. We understand that these loan accounts remain outstanding but this requires further investigation.

5.2.5 Secured Creditor

A debenture containing fixed and floating charges over all tangible and intangible assets of the Company was granted to Bibby on 28 October 2011 and registered with the Registrar of Companies on 31 October 2011.

Section 176A of the Insolvency Act 1986 provides that, where the Company has created a floating charge after 15 September 2003, the Administrator must make a Prescribed Part of the Company's Net Property available for the unsecured creditors and not distribute it to the floating chargeholder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. Net Property means the amount which would, were it not for this provision, be available to floating chargeholders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realisation). The Prescribed Part is calculated by reference to a sliding scale as follows -

- 50% of the first £10,000 of Net Property;
- 20% of Net Property thereafter;
- up to a maximum amount to be made available of £600,000.

An Administrator will not be required to set aside the Prescribed Part if -

- the Net Property is less than £10,000 and he thinks the cost of distributing the Prescribed Part would be disproportionate to the benefit, (Section 176A(3)); or
- he applies to the Court for an order on the grounds that the cost of distributing the Prescribed Part would be disproportionate to the benefit and the Court orders that the provision shall not apply (Section 176A(5)).

In accordance with Rule 2.33 of the Insolvency Rules 1986, we would advise that since the floating charge was created after 15 September 2003 the Prescribed Part will be applied pursuant to Section 176A of the Insolvency Act 1986 and made available to unsecured creditors, as detailed in the attached Statement of Affairs.

On present information we confirm that it is not our intention to make an application to the Court under Section 176A(5). However, we reserve our position generally in this regard should circumstances materially change.

In accordance with Rule 2.33 of the Insolvency Rules 1986, we would advise that, since net property is estimated to be below the prescribed minimum of £10,000 and we consider that the cost of distribution will be disproportionate to the benefit, there will be no Prescribed Part pursuant to Section 176A of the

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

Insolvency Act 1986 available to unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change

5.2.6 Employees

At the commencement of the proceedings the Company retained all the employees. We would advise that all of the employees' contracts have been adopted by A & D under the terms of the Agreement with all employment rights being transferred in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006

5.3 Other Matters

5.3.1 Joint Administrators' Remuneration & Disbursements

In accordance with Rule 2.106(5A) our remuneration and disbursements have been agreed with the floating chargeholder, Bibby. However, a schedule of our time costs to date, together with a Creditors' Guide to Insolvency Office Holders & Their Associates and our fee and disbursement policy are attached Appendix III for your information

5.3.2 Pre-Administration Costs

During the pre appointment period, costs have been incurred as a result of preparing and issuing the relevant documentation for filing at Court and dealing with the marketing and sale of the business and assets. We confirm approval has been sought and granted by Bibby, for us to recover these costs.

5.3.3 EC Regulations

EC Regulations apply. The proceedings are main proceedings as defined by Article 3 of the EC Regulation

5.3.3 Relevant information pursuant to Rule 2.33 of the Insolvency Rules 1986

No trading has taken place during the Administration as a result of the prompt sale and therefore the terms of Rule 2.33(2)(o)(ii) do not apply

5.3.4 Dividend Prospects

It is apparent from the information available at this time that there is no possibility of there being sufficient funds available to enable a distribution to the unsecured creditors.

6. STATEMENT OF AFFAIRS

At the date of writing this report the Statement of Affairs has not yet been received and no explanation has been given in respect of this non-compliance

We have therefore prepared an estimated draft Statement of Affairs as at 2 February 2012 for the purposes of this report which is attached at Appendix I

7. CREDITORS' MEETING

Since there is no possibility of there being sufficient funds available to enable a distribution to the unsecured creditors it is not our intention to call a meeting of creditors at this time, in accordance with Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986

A & R Accident Repair Centre Limited – In Administration

Report and Joint Administrators' Proposals

However, in accordance with Paragraph 52(2) a meeting of creditors shall be held if, within 8 business days of the date of this report, creditors whose debts amount to at least 10% of the total debts of the Company request it. Therefore, should you require a meeting of creditors to be held please contact us upon receipt of this report, providing a statement of the purpose of the proposed meeting.

If no meeting is requisitioned by creditors, the proposals set out below will be deemed to have been approved by creditors after the expiry of 8 business days of the date of this report.

8. JOINT ADMINISTRATORS' PROPOSALS

We the Joint Administrators propose the following: -

1. Should the Joint Administrators believe that it is appropriate to do so and/or beneficial to realisations and/or in satisfaction of the sums due to the secured creditor, they be authorised to extend the term of office for 6 months from the automatic end date of 1 February 2013, in accordance with Paragraph 76(2) of Schedule B1 of the Insolvency Act 1986.
2. Since there are insufficient assets available to enable a distribution to the unsecured creditors the Joint Administrators shall conclude the Administration pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, moving from Administration to dissolution. This will be carried out once all matters have been finalised.
3. If there are insufficient funds available to make a distribution to unsecured creditors and a creditor indicates its written intention to petition for the winding up of the Company or provides a written request that the Company be placed into compulsory winding up for the purpose of the Official Receiver conducting an investigation, the Joint Administrators are granted authority to exit the Administration under Paragraph 80 of Schedule B1 of the Insolvency Act 1986 thereby creating the opportunity for a creditor to petition for a compulsory winding up order.
4. In accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators are discharged from any liability with regards to the Company and granted their release from office when the proceedings come to an end and upon the filing of the appropriate documentation at Companies House.
5. Although it is unlikely that there will be sufficient assets available to enable a distribution to the unsecured creditors the Joint Administrators reserves its position in this regard and propose that the Joint Administrators shall be permitted to conclude the Administration and place the Company into Creditors' Voluntary Liquidation in accordance with Paragraph 83(1) of Schedule B1 of the Insolvency Act 1986 and that Paul Boyle and John Sallabank be appointed Joint Liquidators. On appointment, any act required or authorised to be done by the Liquidators can be done by either one of the proposed Joint Liquidators. In accordance with Paragraph 83(7)(a) and Rule 2.117A(2)(b), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are accepted.

If you have any questions in relation to this report please do not hesitate to contact our Reading office.



Paul Boyle
Joint Administrator

23 March 2012

Insolvency Act 1986

A & R Accident Repair Centre Limited
Estimated Statement Of Affairs as at 2 February 2012

	Book Value £	Estimated to Realise £	£
ASSETS			
Book Debts	5,144 00	1,250 00	
Bibby Financial Services Limited	(4,649 00)	(4,649 00)	
Deficiency c/d		(3,399 00)	
Chattel Assets	19,701 00		3,670 00
Motor Vehicles	1,411 00		1,450 00
Directors' Loan Accounts	55,578 00		Uncertain
			5,120 00
LIABILITIES			
PREFERENTIAL CREDITORS -			
			<u>NIL</u>
			5,120 00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			5,120 00
Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			5,120 00
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
Deficiency b/d		3,399 00	
			<u>3,399 00</u>
			1,721 00
Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			1,721 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		22,877 00	
Barclays Bank Plc		719 00	
HM Revenue & Customs (PAYE/NI)		46,216 00	
HM Revenue & Customs (VAT)		6,563 00	
			<u>76,375 00</u>
Estimated deficiency/surplus as regards non-preferential creditors			
(excluding any shortfall in respect of F C's post 14 September 2003)			
			<u>(74,654 00)</u>
			(74,654 00)
Issued and called up capital			
Ordinary Shareholders		2 00	
			<u>2 00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u>(74,656 00)</u>

A & R Accident Repair Centre Limited **B - Company Creditors**

Key	Name	Address	£
CA00	Adminquick Limited	Shepley Bridge Marina, Shepley Bridge, Mirfield, WF14 9HR	1,913 25
CA01	Apparelmaster	150 Stoney Rock Lane, Harehills, Leeds, LS9 7BL	521 08
CA02	Auto Boutique	9 Blenheim Chase, Scissett, Huddersfield, HD8 9UA	204 76
CB00	Barclays Bank PLC	Dewsbury Area, Dewsbury, West Yorkshire, WF13 1PT	719.47
CC00	Carlac Limited	Units 16 - 17 Ashfield Way, Whitehall Ind Estate, Whitehall Road, Leeds, LS12 5JB	4,098 12
CC01	CE Chem	55 Bowland Road, Glossop, Derbyshire, SK13 6PE	158 40
CC02	Bodyshop Solutions Limited (Celette)	Unit 9 Stephenson Close, Drayton Fields, Daventry, Northamptonshire, NN11 8RF	1,741 44
CC03	Coleman Milne	Wigan Road, Westthroughton, Bolton, BL5 2EE	446 12
CC04	Central Solutions (GB)	Askern Ind Estate, Moss Road, Askern, Doncaster, DN6 0DD	156 46
CD00	Distinct Disposables	Concept House, Huddersfield Road, Meltham Holmfirth, West Yorkshire, HD9 4AN	61.97
CE00	EMA Computer Solutions Limited	Unit 9, Sharp Street, Dewsbury, WF13 1QZ	300 00
CE01	Euro Cup	7 Paddock Road, West Pimbo, Skelmersdale, Lancs, WN8 9PL	53 53
CF00	Fleet Factors Limited	Gibraltar Island Road, Leeds, LS10 1RJ	561 79
CF01	Footprint Recycling LLP	Meal Hill House, Sheffield Road, Jackson Bridge, Holmfirth, HD9 7HS	222.80
CH00	H M. Customs & Excise	Southern Region Debt Management., Compass House, Romsey Road, Maybush, Southampton, SO16 4HP, (For the attention of Des Callow)	6,563 05
CH01	HM Revenue & Customs (ICHU)	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne NE1ZZ	46,216 47
CH02	Harratts Leeds	Sackville Approach, Sheepscar, off Scott Hall Road, Leeds, LS7 2BH	685.76
CH03	Heatons Plants	46 Old Lane, Nethertown, Drighlington, BD11 1LU	204.00
CH04	Howarth's Garage	Units 245 & 247, Huddersfield Road, Mirfield, WF14 9DL	1,374 00
CH05	HM Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AA	0 00
CH06	HM Revenue & Customs	Insolvency & Securities , 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0 00
CH07	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	0 00
CK00	Kent Barnes	Pitreavie Crescent, Pitreavie Business Park, Dunfermline, Fife, KY11 8UQ	153 32
CK01	Kirklees Council	Business Rates Section, Civic Centre 1, Huddersfield, HD1 2NF	3,445 11
CL00	Leeds Unique Ford Centre Ltd	Unit 9, United Business Park, Lowfields Road, Leeds, LS12 6UB	3,196 56
CL01	Lyreco UK Ltd	Deer Park Court, Donnington Wood, Telford, Shropshire, TF2 7NB	37.38
CM00	Metatec Industrial	Metaflux Building, Fitzherbert Road, Farlington, Hants, PO6 1RG	243.47
CN00	Neil Thorpe Supplies		101 58
CO00	O2		221 84
CR00	RK Fabrications	260 Bath Road, Slough, Berkshire, SL1 4DX	30 00

Signature _____

A & R Accident Repair Centre Limited
B - Company Creditors

Key	Name	Address	£
CS00	Sandal Wakefield	Dewsbury Road, Wakefield, WF2 9BE	134 70
CS01	Stapletons	Telford Way, Wakefield 41 Ind Estate, Wakefield, WF2 0XW	939 36
CS02	Supertune	291 Elland Road, Leeds, LS11 8AX	1,085.49
CU00			0 00
CW00	Wurth (UK) Ltd	1 Centurian Way, Erith, Kent, DA18 4AE	391 51
CY00	Yorkshire Cleaning	57 Belle Vue Avenue, Scholes, LEEDS, LS15 4AG	116.40
CY01	Yorkshire Water	PO Box 52, Bradford, BD3 7YD	77.16
37 Entries Totalling			76,376.35

Signature _____

Harrisons Business Recovery and Insolvency Limited
A & R Accident Repair Centre Limited
C - Shareholders

Key	Name	Address	Pref	Ord	Other	Total
HM00	Richard Matthews	121 Melting Point, Firth Street, Huddersfield, HD1 3BB	0	1	0	1
HM01	Andrew Mellor	North Forest, Forest Hill Road, Holywell Green, West Yorkshire, HX4 9LB	0	1	0	1
2 Entries Totalling						2

Signature _____

APPENDIX III

SCHEDULE OF TIME COSTS

AND

GUIDE TO INSOLVENCY OFFICE HOLDERS & THEIR ASSOCIATES

ARACC

A & R Accident Repair Centre

SIP 9 - Time & Cost Summary

Period 02/02/12 21/03/12

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	2 20	1 25	13 20	0 40	17 05	3,583 25	210 16
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 00	9 00	5 00	0 00	14 00	2,925 00	208 93
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 10	0 00	0 10	18 00	180 00
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Brought forward time	0 00	0 00	0 00	0 00	0 00	0 00	0 00
In House Legal	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	2 20	10 25	18 30	0 40	31 15	6,526 25	209 51
Total Fees Claimed						0 00	

1. Harrisons Business Recovery and Insolvency Limited fee policy

Charge out rates and policy regarding staff allocation, support staff, the use of subcontractors and the recharge of disbursements.

The following information relating to the policy of Harrisons is considered to be relevant:-

2. Charge out rates

With effect from 1 April 2011 the following hourly charge out rates apply to all assignments undertaken by Harrisons -

	£
Directors	300-400
Managers	200-275
Senior Case Supervisors	175-200
Case Supervisors	100-160
Assistants	75-140

3. Staff allocation, support staff & the use of subcontractors

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged. Details of any subcontractor(s) used are given in the attached report.

4. Professional advisors

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographical location.

5. Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursements". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses. Included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the insolvency practitioners' remuneration. Such expenditure is referred to as a "category 2 disbursement" The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:-

Photocopying	15p a sheet
Letterhead	12p a sheet
Fax	40p a sheet
Mileage	65p per mile
Meeting Room	£50
Registered Office Fee	£60 per annum
Document Storage	Storage charge of £3 per box per quarter

STATEMENT OF INSOLVENCY PRACTICE 9 - (ENGLAND AND WALES)

PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES

Introduction

1 The particular nature of an insolvency office holder's position renders transparency and fairness in all dealings of primary importance. Creditors and other interested parties with a financial interest in the level of payments from an insolvent estate should be confident that the rules relating to charging have been properly complied with.

Principles

- 2 Payments to an office holder or his or her associates should be appropriate, reasonable and commensurate reflections of the work necessarily and properly undertaken.
- 3 Those responsible for approving the basis or bases upon which payments to an office holder are to be calculated should be provided with sufficient information to make an informed judgement about the reasonableness of the office holder's requests.
- 4 Requests for additional information about payments to an office holder or his or her associates should be viewed upon their individual merits and treated by an office holder in a fair and reasonable way. The provision of additional information should be proportionate to the circumstances of the case.

KEY COMPLIANCE STANDARDS

Provision of general application

5 The information provided and the way in which the approval of payments to insolvency office holders and their associates for remuneration is sought should enable creditors and other interested parties to exercise properly their rights under the insolvency legislation.

6 An office holder should disclose

- a) payments, remuneration and expenses arising from an insolvency appointment to the office holder or his or her associates,
- b) any business or personal relationships with parties responsible for approving his or her remuneration or who provide services to the office holder in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

7 An office holder should inform creditors and other interested parties of their rights under insolvency legislation. Information on how to find a suitable explanatory note setting out the rights of creditors should be given in the first communication with creditors following appointment and in each subsequent report to creditors.

Suggested format

8 A suggested format for the provision of information is in the Appendix, including the suggested levels at which the provision of further information may be appropriate.

Provision of Information when fixing the basis of remuneration

9 When seeking approval for the basis or bases of remuneration, an office holder should provide sufficient supporting information to enable the approving body, having regard to all the circumstances of the case, to make an informed judgement as to whether the basis or bases sought is/are appropriate. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought.

10 If any part of the remuneration is sought on a time costs basis, an office holder should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

11 An office holder should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his or her staff.

12 If work has already been carried out, an office holder should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the office holder should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. An office holder should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the office holder or his or her staff.

Provision of information after the bases of remuneration has been fixed

13 The requirements in this section are in addition to reporting requirements under insolvency legislation.

14 When reporting periodically to creditors, an office holder should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the office holder must fulfill certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

15 Where any remuneration is on a time costs basis, an office holder should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity.

16. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable.

17 An office holder should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the office holder or his or her staff.

Disbursements

18 Costs met by and reimbursed to an office holder in connection with an insolvency appointment should be appropriate and reasonable. Such costs will fall into two categories:

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to 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 office holder or his or her staff.
- b) 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.

19 Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

20 Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made.

21 The following are not permissible:

- a) a charge calculated as a percentage of remuneration,
- b) an administration fee or charge additional to an office holder's remuneration,
- c) recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

22 If an office holder has obtained approval for the basis of category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the office holder is replaced.

Pre appointment costs

23 When approval is sought for the payment of outstanding costs incurred prior to an office holder's appointment, disclosure should follow the principles and standards contained in this statement

Payments to associates

24 Where services are provided from within the practice or by a party with whom the practice, or an individual within the practice, has a business or personal relationship, an office holder should take particular care to ensure that the best value and service is being provided. An office holder should also have regard to relationships where the practice is held out to be part of a national or international association

25 Payments that could reasonably be perceived as presenting a threat to the office holder's objectivity by virtue of a professional or personal relationship should not be made unless approved in the same manner as an office holder's remuneration or category 2 disbursements

Provision of information to successive office holders

26 When an office holder's appointment is followed by the appointment of another insolvency practitioner, whether or not in the same proceedings, the prior office holder should provide the successor with information in accordance with the principles and standards contained in this statement.

Provision of information to interested parties

27 Where realisations are sufficient for payment of creditors in full with interest, the creditors will not have the principal financial interest in the level of remuneration. An office holder should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards contained in this statement.

APPENDIX - SUGGESTED FORMAT FOR PROVISION OF INFORMATION

Introduction

1 Information provided by an office holder should be presented in a manner that is transparent, consistent and useful to the recipient, whilst being proportionate to the circumstances of the case. The level of disclosure suggested below may not be appropriate in all instances and the office holder may take account of proportionality considerations. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

2 It is a matter for each office holder to decide what detailed information and explanations are required, having regard to the circumstances of the case. However, the importance of consistency and clarity should be recognised, and this Appendix sets out suggestions in relation to the presentation of information in a standard way. Those receiving the information ought to be able to make an informed judgement about the reasonableness of the office holder's request. The information provided should facilitate comparisons between cases.

A narrative overview of the case

3 In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are

- a) the complexity of the case,
- b) any exceptional responsibility falling on the office-holder,
- c) the office-holder's effectiveness,
- d) the value and nature of the property in question

4 The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include

- a) an explanation of the nature, and the office-holder's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- b) initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- c) any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- d) the reasons for subsequent changes in strategy,
- e) the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- f) any existing agreement about remuneration,
- g) details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees,
- h) in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- i) details of work undertaken during the period,
- j) any additional value brought to the estate during the period, for which the office holder wishes to claim increased remuneration

Time cost basis

5 Where any part of the remuneration is or is proposed to be calculated on a time costs basis requests for and reports on remuneration should provide

- a) An explanation of the office-holder's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes
- b) A description of work carried out, which might include

- details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the office-holder wishes to make
- c) Time spent and charge-out summaries, in an appropriate format.

6 It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case, in particular to facilitate comparisons between cases. ALL INFORMATION PROVIDED BY HARRISONS IS IN THE SUGGESTED tabular format.

7 The level of disclosure suggested by the standard format will not be appropriate in all instances and the office holder should take account of proportionality considerations -

- a) where the cumulative time costs are, and are expected to be, less than £10,000 the office holder should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- b) where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- c) where cumulative time costs exceed, or are expected to exceed £50,000, further and more detailed analysis or explanation will be warranted

"other interested parties" means those parties with rights pursuant to the prevailing insolvency legislation to information about the office holder's receipts and payments. This may include creditors' committee, the members (shareholders) of a company, or in personal insolvency, the debtor

Effective Date: This SIP applies to insolvency appointments starting on or after 1 November 2011. However, insolvency practitioners are encouraged to apply the SIP to all cases regardless of the starting date where to do so would not be onerous or give rise to excessive costs

**In the matter of A & R Accident Repair Centre Limited
In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration 2 February 2012

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the administrator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:- (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date	