

# 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

05100822

Name of Company

Ability Tyres & Motorcare Limited

~~++~~We  
Simon David Chandler  
45 Church Street  
Birmingham  
B3 2RT

Scott Christian Bevan  
45 Church Street  
Birmingham  
B3 2RT

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 24/02/2014 to 23/02/2015

Signed



Date 2 April 2015

Mazars LLP  
45 Church Street  
Birmingham  
B3 2RT

Ref ABILITY/SDC/scb/EH/bw/HZB/A

TUESDAY



A24 21/04/2015 #59  
COMPANIES HOUSE  
A44000AFD  
A07 07/04/2015 #200  
COMPANIES HOUSE

**Ability Tyres & Motorcare Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 23/02/2015**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
19,500 00	Plant & Machinery	9,000 00	
7,300 00	Motor Vehicles	6,000 00	
NIL	Stock	NIL	
1,908 00	Book Debts	1,685 99	
38,338 00	Cash at Bank	37,952 36	
Uncertain	Director's Loan Account	21,750 00	
	Sundry Refund	969 42	
	Bank Interest Gross	89 12	
			77,446 89
	<b>COST OF REALISATIONS</b>		
	Preparation of SofA and disbursements	5,928 50	
	3rd Party SoA Fee	1,500 00	
	Liquidator's Fees	23,625 00	
	Liquidator's Disbursements	240 00	
	Accountants Fees for P45 Prep	130 00	
	Agents/Valuers Fees	2,900 00	
	Agents/Valuers Disbursements	2,509 46	
	Legal Fees (1)	917 96	
	Storage Costs	212 41	
	Statutory Advertising	141 50	
			(38,104 83)
	<b>PREFERENTIAL CREDITORS</b>		
(7,328 00)	Employees Wage Arrears & Holiday Pay	4,038 65	
			(4 038 65)
	<b>UNSECURED CREDITORS</b>		
(89,318 00)	Trade & Expense Creditors	NIL	
(51,703 00)	RPO - PILON & Redundancy Pay	NIL	
(7,247 00)	HMRC re VAT	NIL	
(3,226 00)	HMRC re PAYE & NI	NIL	
(2 736 00)	HMRC re Corporation Tax	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	
			NIL
<b>(94,514.00)</b>			<b>35,303.41</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		2,194 21
	Floating Charge Current NIB		33,109 20
			<b>35,303.41</b>

## **ABILITY TYRES & MOTORCARE LIMITED - IN LIQUIDATION**

### **Progress Report to Creditors & Members**

This is the liquidators' annual progress report to all known creditors and members

#### **1. Statutory information**

- 1 1 I was appointed joint liquidator of the company together with Mr Simon David Chandler at a meeting of creditors held on 24 February 2014. Our address is 45 Church Street, Birmingham, B3 2RT
- 1 2 We are both authorised to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association
- 1 3 The company formerly traded from Unit 3-5 Ketley Business Park, Ketley, Telford, Shropshire, TF1 5JD. The business traded under the name Ability Tyres & Motorcare Limited
- 1 4 The registered office of the company is 45 Church Street, Birmingham, B3 2RT. Its registered number is 05100822

#### **2. Details of progress**

##### **2 1 Plant & Machinery**

Plant & Machinery was valued by independent agents, Kumar & Company Limited, in the sum of £19,500 on an in-situ basis and £9,000 on an ex-situ basis. An offer of c £9,000 was made for the plant by an unconnected company creditor who was already in the industry. The offer was recommended to be accepted by the agents due to a reduction in costs of not having to remove the assets from site. The creditor then expressed an interest in also purchasing the phone number and customer database but for no additional cost, the revised offer was essentially an ultimatum to try and obtain the in-situ business but at an ex situ value.

As this revised offer was significantly below the in-situ value, the offer which effectively amounted to the business was rejected as advised by agents. Subsequently, no agreement was able to be reached and as a result of this, the sale fell through as the original offer for the plant was retracted. Subsequently, the agents were instructed to remove the assets from site, for which they incurred disbursements totalling £2,387.50 plus VAT.

The Plant & Machinery was subsequently sold via private treaty for the sum of £9,000 plus VAT.

##### **2 2 Motor Vehicles**

The company's 4 motor vehicles were valued by agents, Kumar & Company Limited in the sum of £7,300 on an in-situ basis and £6,000 on an ex-situ basis. The motor vehicles were sold for £6,000 via private treaty.

### 2.3 Stock

The Company's stock had a book value of £3,857 as per the books and records, however, the Director advised that the majority of the stock would be subject to retention of title claims. Upon Liquidation the agent identified that the stock on site was of very minimal value and was subsequently left on site. No stock realisations have been achieved.

### 2.4 Book Debts

As at the date of Liquidation the company had 4 outstanding debtors in the sum of £1,907.71. £221.72 was written off due to a valid contra claim. The final sum of £1,685.99 has been realised.

### 2.5 Cash at Bank

The company operated a current account with Lloyds Bank plc. The sum of £37,952.36 was received on 29 April 2014. The amount received was less than the £38,338 stated on the Director's Statement of Affairs due to service and closure charges.

### 2.6 Director's Loan Account

The Director's Statement of Affairs stated the loan account had a book value of £18,000. Upon Liquidation, the level of the director's loan was looked into to ascertain the actual amount owed. Bank Statements were reviewed along with information provided by the company's accountants and it was ascertained that the sum of £27,575 was due to the company by the Director. After numerous discussions with the director and after a review of his income and expenditure details a full and final settlement offer of £21,750 was accepted on 24 April 2014. This amount has been received in full.

### 2.7 Sundry refunds

Refunds in the sum of £335.37 were received from BT Plc in respect of a credit balance on the account, £78.85 was received for the Vehicle and Operator Services Agency and £558.20 was received from Telford & Wrekin Council in respect of credit balances on the accounts.

### 2.8 Bank Interest Gross

Bank interest received to the date of the anniversary totals £89.12.

## 3. Receipts and payments Account

### 3.1 A summary of receipts and payments covering the period from the 24 February 2014 to 23 February 2015 is attached at Appendix A

#### **4. Liabilities**

##### **4.1. Secured Creditors**

There are no secured creditors

##### **4.2. Preferential Creditors**

A first and final dividend was paid to preferential creditors on 19 January 2015 in the sum of £4,038 65 representing a payment of 100 p in the £

##### **4.3. Unsecured Creditors**

To date claims received in the Liquidation amount to £156,657 36 compared with the directors' Statement of Affairs of £161,618 07

A Notice of Intended Dividend was issued to non proving creditors with a deadline for proving of 17 March 2015. A dividend will be paid within 2 months of this date being 17 May 2015

The current level of the dividend to unsecured creditors is not yet known as it depends on the level of final claims agreed. It is anticipated, however, that the dividend will be in the region of 15p in the £

#### **5. Prescribed Part**

7 1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims

7 2 In this instance there is no floating charge and therefore the prescribed part does not apply

#### **6. Remuneration and disbursements**

6 1 You will recall that at the meeting of creditors held on 24 February 2014, a resolution was passed to enable the joint liquidators to draw remuneration by reference to the time properly given by the joint liquidators and their staff in attending to the matters arising in the winding-up

6 2 To the anniversary date the joint liquidators have incurred time costs of £23,688 50. This represents 131 20 hours at an average hourly rate of £180 55. An amount of £23,625 00 plus VAT had been drawn as at the anniversary date

6 3 Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the joint liquidators. Any matter of particular

complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the joint liquidators

6 4 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

6 5 Details of the charge out rates of the team members employed on the assignment during the period covered by this report are below

Grade of personnel	Current charge out rate per hour, effective from 1 September 2014	Current charge out rate per hour, effective from 1 September 2013
Partner	440 00	430 00
Director	390 00	380 00
Manager	215 00 – 260 00	210 00 - 260 00
Administrator	90 00 – 175 00	110 00 – 195 00
Cashier	100 00 – 130 00	80 00 – 130 00

6 6 I attach a summary of time spent during the period covered by this report in accordance with SIP9

6 7 I would advise you that pursuant to rule 4 49E of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the liquidators for further information about the remuneration and expenses set out in this progress report.

6 8 Additionally, pursuant to rule 4 131 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds

- the remuneration charged by the liquidators, or
- the basis fixed for the liquidators' remuneration, or
- expenses incurred by the liquidators

is or are in all of the circumstances, excessive or inappropriate

6 9 In accordance with SIP 9, a guide entitled "A creditors' guide to Liquidators' fees" is available to download from the website <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104> or alternatively will be provided free of charge upon written request to this office.

6 10 Disbursements incurred and paid by the Joint Liquidators are noted below

	£
Bond	120 00
Mail Redirection	120 00
	<hr/> 240 00

## 7. Professional advisors

7 1 The professional advisors used on this assignment are as follows

Name	Nature of Work	Basis of fee Arrangement
Turner Peachy	Assisting with the preparation of the statement of affairs	Fixed fee basis – Costs incurred and paid total £1,500 00 plus VAT
	Assisting with payroll information	Fixed fee basis – Costs incurred and paid total £130 00 plus VAT
Kumar & Company	Assisting with the valuation and sale of the company assets	Fixed fee basis – Costs incurred and paid total £2,900 00 plus VAT and disbursements incurred and paid total of £2,509 46 plus VAT
Weightmans LLP	Providing professional services in respect of the position with the landlord	Time cost basis – Costs incurred and paid total £792 00 plus VAT
	Assisting with the collection of book debts	Fixed fee basis of 15% for of sums recovered – Costs incurred and paid total £125 96 plus VAT

7 2 The liquidators' choice was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them

7 3 The liquidator has reviewed the fees incurred to date and is satisfied that they are reasonable in the circumstances of the case

**8. Investigations**

- 8.1 The liquidator has reviewed the affairs of the company prior to the liquidation in discharging his duties under the Company Directors' Disqualification Act 1986
- 8.2 Creditors are reminded that the liquidator has a statutory obligation to consider the directors' conduct and to submit a return / report to the Department for Business Innovation & Skills' Disqualification Unit. The liquidator can confirm that this obligation has been complied with

**Dated 2 April 2015**



**S C Bevan**  
Joint Liquidator

*Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association*



**Ability Tyres & Motorcare Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 23/03/2015**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
19,500 00	Plant & Machinery	9,000 00	
7,300 00	Motor Vehicles	6,000 00	
NIL	Stock	NIL	
1,908 00	Book Debts	1,685 99	
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Uncertain	Director's Loan Account	21,750 00	
	Sundry Refund	969 42	
	Bank Interest Gross	89 12	
			77,446 89
	<b>COST OF REALISATIONS</b>		
	Preparation of SofA and disbursements	5,928 50	
	3rd Party SoA Fee	1,500 00	
	Liquidator's Fees	23,625 00	
	Liquidator's Disbursements	240 00	
	Accountants Fees for P45 Prep	130 00	
	Agents/Valuers Fees	2,900 00	
	Agents/Valuers Disbursements	2,509 46	
	Legal Fees (1)	917 96	
	Storage Costs	212 41	
	Statutory Advertising	216 00	
			(38,179 33)
	<b>PREFERENTIAL CREDITORS</b>		
(7,328 00)	Employees Wage Arrears & Holiday Pay	4,038 65	
			(4,038 65)
	<b>UNSECURED CREDITORS</b>		
(89,318 00)	Trade & Expense Creditors	NIL	
(51,703 00)	Employees PILON & Redundancy Pay	NIL	
(7,247 00)	HMRC re VAT	NIL	
(3,226 00)	HMRC re PAYE & NI	NIL	
(2,736 00)	HMRC re Corporation Tax	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	
			NIL
(94,514 00)			35,228 91
	<b>REPRESENTED BY</b>		
	Vat Receivable		2 209 11
	Floating Charge Current NIB		33,019 80
			35,228.91



Scott Christian Bevan  
Joint Liquidator

# **ABILITY TYRES & MOTORCARE LIMITED – in Liquidation**

**Analysis of Liquidators' time costs for the period 24/02/2014 to 23/02/2015**

Classification of Work Function	Hours					Total	Time	Av hourly
	Partner	Director	Manager	Administrator	Support	Hours	Cost	Rate
							£	£
2 Admin & Planning		0 60	0 20	6 10	0 30	7 20	895 00	124 31
3 Taxation		0 10	2 40	5 80	0 10	8 40	1,295 00	154 17
4 Investigations		1 10	5 70	3 20	0 00	10 00	1,955 00	195 50
5 Realisation of Assets		7 40	6 30	9 90	0 10	23 70	5,381 50	227 07
7 Employees			0 20	8 60	0 00	8 80	1,397 50	158 81
8 Creditors		0 20	15 30	16 20	0 00	31 70	5,712 50	180 21
9 Reporting		1 50	0 60	2 40	0 00	4 50	907 00	201 56
10 Distributions		0 20	1 30		0 30	1 80	396 50	220 28
11 Cashiering			2 80	3 20	8 50	14 50	1,846 00	127 31
12 Statutory & Compliance	2 80	0 40	3 00	14 20	0 20	20 60	3,902 50	189 44
<b>Total Hours</b>	<b>2 80</b>	<b>11 50</b>	<b>37 80</b>	<b>69 60</b>	<b>9 50</b>	<b>131 20</b>		
<b>Total Time Costs (£)</b>	<b>1,204 00</b>	<b>4,379 00</b>	<b>8,007 10</b>	<b>9,082 40</b>	<b>1,016 00</b>		<b>23,688 50</b>	
<b>Av Hourly Rate</b>	<b>430 00</b>	<b>380.78</b>	<b>211 83</b>	<b>130 49</b>	<b>106.95</b>			<b>180 55</b>