

Liquidator's Progress Report

Pursuant to section 92A, 104A, and 192 of the
Insolvency Act 1986

S. 192

To the Registrar of Companies

Company Number

05547493

Name of Company

(a) Insert full name
of company

(a) A & B AUTOS LIMITED - IN LIQUIDATION

(b) Insert full name(s)
and address(es)I^(b) Asher Miller of David Rubin & Partners LLP, 26 - 28 Bedford Row,
London, WC1R 4HE

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 7 July 2011 to 6 July 2012

Signed



Date 2 August 2012

Presenter's name,
address and reference
(if any)

David Rubin & Partners LLP
26 - 28 Bedford Row
London WC1R 4HE

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WEDNESDAY



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08/08/2012

COMPANIES HOUSE

#82

IN THE MATTER OF
A & B AUTOS LIMITED - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S FIRST ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 6 JULY 2012**

A & B AUTOS LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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(a) Introduction

The Company was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under section 98 of the Insolvency Act 1986 on 7 July 2011. This report provides an update on the progress in the liquidation for the year ended 6 July 2012.

Rule 4.49C-CVL(5): Progress Report

(b) Statutory Information

Company name	A & B Autos Limited
Registered office	26-28 Bedford Row, London, WC1R 4HE
Company number	05547493
Trading address	Dorking Road, Kingsfold, Horsham, West Sussex RH12 3SD

(c) Liquidator's names and address:

Asher Miller of David Rubin & Partners LLP, 26-28 Bedford Row, London WC1R 4HE was appointed Liquidator of the Company on 7 July 2011.

(d) Liquidator's Remuneration

Basis of remuneration

- 1.1 At the first meeting of Creditors a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There has not been any material increase in the rates during this appointment. Our current hourly chargeout rates, exclusive of VAT, are as follows -

	£
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

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1.3 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

(e) Liquidator's remuneration

My time costs for the year under review are £79,111.50. This represents 352.5 hours at an average rate of £224.62 per hour. I attached as Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade.

To date £72,318 has been paid on account of these time costs.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME a325_aba@sharesrvr.com PASSWORD ab*523A*

Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff is the following -

- i) Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims
- ii) Sending the Notice of Intended Dividend and the adjudication of creditors' claims
- ii) Agreeing preferential claims and paying a preferential dividend
- iii) Carrying out all necessary investigations, including the examination of the company's statutory books and books of accounts and records in order to enable me to prepare and submit a Liquidator's report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986
- iv) Correspondence with the Company's bankers in respect of the closure of its bank account
- v) Filing the appropriate documents relation to the liquidation at Companies House
- vi) Publishing the necessary statutory advertisements in respect of the liquidation proceedings
- vii) Opening a designated bank account and dealing with the movement of funds

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- viii) Preparation and submission to HM Revenue & Customs of the relevant VAT and Corporation Tax returns
- ix) Correspondence with former employees and the Redundancy Payments Office ("RPO") and the submission of the relevant Redundancy Payment forms to the RPO
- x) Reconciling and monitoring the Company's book debt collection
- xi) Liaising with the Company's secured creditors and with Keystone Law regarding the validity of the debentures

(f) Liquidator's Expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments Accounts

(g) Details of progress for the period under review:

A Receipts and Payments Account is attached at Appendix A, which is further explained below

1. Receipts

1.1 Book Debts

At the date of liquidation the Estimated Statement of Affairs showed a book value of £136,895 and the estimated to realise value was £109,516

To date I have received £178,946 68 from the collection of book debts

1.2 Cash at Bank

The Company operated a bank account with National Westminster Bank plc. This figure represents the remaining funds held in the Company's account as at the date of my appointment

1.3 Bank Interest Gross

Interest earned on the funds in hand amounts to £62 37

1.4 Cash held on appointment

The amount of £9,000 was held by my firm, prior to my appointment as Liquidator, specifically for the purposes of meeting the costs of the Statement of Affairs fee as detailed below

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2. Payments

2.1 Statement of affairs fee

This fee relates to the assistance given to the Directors of the Company in notifying and convening the members and creditors meetings under section 98 of the Insolvency Act 1986, and the preparation of the statement of affairs and directors' report to creditors. This fee was approved at the first meeting of creditors.

2.2 Statutory advertising

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005.

2.3 Meeting Costs

The first meetings of members and creditors were held at my offices for which my firm charged a nominal rental of £150 plus VAT for the provisions of the boardroom and ancillary facilities.

2.4 Statutory advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the first meeting of the members and creditors, the notice of the appointment of the liquidator and to creditors to submit their claims in the liquidation.

2.5 Legal fees

The amount of £2,500 plus VAT was paid to Keystone Law in respect of their services in connection with reviewing and reporting on the validity of the debenture provided by the Company in favour of Mr Anthony Ash and Mr Laurence Ash. There is no amount outstanding in respect of legal fees.

Keystone Law have a specialist insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues. Keystone Law were paid a fixed fee for this work.

2.6 Mail redirection

The total sum of £27.20 was paid to Royal Mail for re-directing the Company's mail to the Liquidator's office.

2.7 Professional fees

Mr Anthony Ash, the Company's former Director was engaged to assist in the collection of the Company's books debts, due to his detailed knowledge of the debtors' ledger. Mr Ash was working on a commission only basis and with his assistance I have received £173,537.19. Mr Ash has been paid a total of £26,030.58.

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2.8 Statutory costs

The amount of £2 was paid in respect of fees for various searches and information obtained from Companies House

(h) Details of any assets that remain to be realised and outstanding matters

All assets have been realised

(i) Investigations

1.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents

Shortly after my appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report.

(j) Creditors' rights – Rule 4.49E and Rule 4.131

- i) Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report
- ii) Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive

(k) Any other relevant information:

(i) (a) Secured creditors

Mr Anthony Ash and Mr Laurence Ash ("the Chargees") hold a fixed and floating charge over the Company's assets, created on 14 April 2011 and registered at Companies House on 15 April 2011. As mentioned above, Keystone Law reviewed the debenture and they reported that the debenture grants valid security in favour of the Chargees over all amounts advanced on or after the date of the grant of the debenture, as well as any amounts owing in respect of services provided after that date. However, the debenture does not grant valid security over the pre-existing debts.

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In view of the foregoing, I wrote to the Chargees on 14 May 2012 advising them that as the monies they personally loaned the Company was prior to the date the debenture was created, the loans will not be covered by the debenture and as such they will be classed as unsecured creditors in the liquidation

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts

As mentioned above, the debenture is only valid in respect of new monies therefore this regulation does not apply

(ii) Preferential creditors

I have received a preferential claim from the RPO for £4,987.07. There are also preferential claims of fifteen employees who are owed the balance of their holiday pay and arrears of pay amounting to £1,080.63 after the deduction of notional tax and NIC of £508.53

Preferential creditors were paid in full on 10 April 2012

(iii) Unsecured creditors

As funds have become available for unsecured creditors, I have been requesting creditors to submit their claims so that they can be adjudicated. As at the date of this report the claims of thirty seven creditors with a total value of £1,613,394.10, have been agreed. In addition, nine former employees have unsecured claims totalling £8,200.40 in respect of the shortfall from the RPO's distributions for their payment in lieu of notice claims

(iv) Dividend to the agreed unsecured creditors

1.1 On 24 April 2012 and 29 May 2012, I wrote to all of the unsecured creditors who had not submitted their claim in the liquidation and/or had not provided adequate supporting documentation and invited them to submit their claim by 22 June 2012 otherwise they would be excluded from any potential dividend payable after this date

1.2 At present, I anticipate that a dividend of approximately 4 pence in the £ will be paid to all agreed unsecured creditors

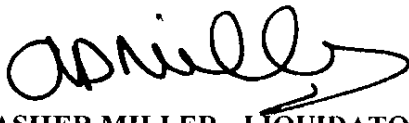
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(I) Next Report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager, Yin Lee, or her assistant, Matt Vines at this office



ASHER MILLER - LIQUIDATOR

DATE: 2 August 2012

A & B AUTOS LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 7 JULY 2011 TO 6 JULY 2012

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £
<u>Receipts</u>		
Book Debts	109,516 00	178,946 68
Cash at Bank	10,000 00	24,608 48
Bank Interest Gross		62 37
Cash held on appointment		9,000 00
		<u>212,617 53</u>
<u>Payments</u>		
Statement of affairs fee		13,466 00
Specific bond		316 80
Meeting costs		150.00
Statutory advertising		306 00
Legal fees		2,500 00
Mail redirection		27 20
Professional fees		26,030 58
Statutory costs		2 00
Office holder's fees		72,318 00
		<u>115,116 58</u>
Receipts less Payments		<u>97,500 95</u>
Preferential creditors 100p in the £		
Redundancy Payments Office		4,987.07
Fifteen employees		1,080.63
HM Revenue & Customs		508.53
		<u>6,576 23</u>
Balance		<u>90,924 72</u>
Represented by:-		
Cash at bank		87,524 72
VAT receivable		3,400 00
		<u>90,924 72</u>

A & B AUTOS LIMITED - IN LIQUIDATION							
JOINT LIQUIDATOR'S TIME COSTS FOR THE PERIOD 7 JULY 2011 to 6 JULY 2012							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance admin and planning	05 30	17 06	49 06	10 42	82 24	16,702 50	202 70
Investigations	09 30	15 18	17 36	00 00	42 24	10,097 00	238 14
Realisations of assets	14 00	22 24	28 12	00 00	64 36	16,008 50	247 81
Creditors	21 30	17 06	124 12	00 00	162 48	36,303 50	222 99
Total hours and costs	50 30	71 54	219 06	10 42	352 12	79,111 50	224 62

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate

Postage and stationery circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.