

The Insolvency Act 1986**Liquidator's Progress
Report****S. 192****Pursuant to section 192 of the
Insolvency Act 1986**

To the Registrar of Companies

For official use

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Company Number

01301260

Name of Company

(a) Insert full
name of company

(a) AUTOFACTORS PARTS AND DISTRIBUTION (UK) LIMITED

Limited

(b) Insert full
name(s) and
address(es)

I (b)

Jonathan Lord of Bridgestones Ltd, 125/127 Union Street, Oldham,
Lancashire, OL1 1TE, United Kingdomthe liquidator of the company attach a copy of my Progress Report under
section 192 of the Insolvency Act 1986

Signed



Date

05/8/14

Presenter's name,
address and
reference
(if any)Jonathan Lord
Bridgestones Ltd
125/127 Union Street
Oldham
Lancashire
OL1 1TE
United Kingdom

For Official Use

Liquidation

THURSDAY



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14/08/2014

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COMPANIES HOUSE

AUTOFACTORS PARTS AND DISTRIBUTION (UK) LIMITED – IN LIQUIDATION

**PROGRESS REPORT AND ACCOUNT OF THE LIQUIDATOR PURSUANT TO
SECTION 104A OF THE INSOLVENCY ACT 1986**

PERIOD. 10TH JUNE 2013 TO 9TH JUNE 2014

I write following my appointment as Liquidator of the above Company on 10th June 2013

It is now 1 year since my appointment in this matter, and I am therefore writing to all members and creditors in accordance with Section 104A of The Insolvency Act 1986, to advise you of my dealings in the liquidation and to lay before you an account of my receipts and payments

I enclose for your information a copy of my receipts and payments account for the period ended 9th June 2014. The receipts and payments account is self-explanatory and there is a balance in hand of £52 45

As regards to specific matters within the course of my appointment, I comment as follows

Background Information

Company Number	01301260
Director(s)	Martin Hurley Robin Michael Dony (resigned 31/01/13)
Nature of Business	Retail trade of motor vehicle parts and accessories
Trading Address	Unit 6 Demmings Road Industrial Estate, Demmings Road, Cheadle, Cheshire, SK8 2PE
Current Registered Office	125 / 127 Union Street, Oldham OL1 1TE
Liquidator	Jonathan Guy Lord
Liquidators Address	125 / 127 Union Street, Oldham OL1 1TE
Date of Instruction	8 th May 2013
Date of Appointment	10 th June 2013

Assets – Details Of Realisations To Date, And Any Assets That Remain To Be Realised

The following assets were listed on the Company's statement of affairs, which was drawn up to the date of liquidation. I have made comments in relation to the progress made in collection of each asset

Deferred Sale Agreement – Statement of Affairs value £20,000

Prior to the Company ceasing to trade, it entered into a sale agreement with Auto Battery Services Limited who agreed to purchase the remaining stock and plant & machinery for £20,000

The agreement was due to be paid in three instalments. I can confirm that the first two instalments of £5,000 and £7,500 were received however the final instalment of £7,500 due 30th July 2013 has not been paid

The purchaser claims that various items were off set against the agreed purchase price including the vehicles purchased were supposed to have been unencumbered. However, the purchaser had to pay in excess of £3,500 to finance companies etc.

No further monies will be received in relation to this.

Book Debts – Statement of Affairs value £NIL

The Company factored its debts with Positive Cashflow who at the time of liquidation expected to collect out in full.

Since appointment, the factors are still collecting the debts and at this present moment in time still have roughly £6,000 to collect in from a sales ledger of £55,000. The factors do not believe that they will collect in full the money that they have forwarded to the Company and that there will be a shortfall.

Rates Refund

A payment of £2,136.64 has been received from Stockport Metropolitan Borough Council in relation to overpayments the Company made.

Prescribed Part

There are provisions of the insolvency legislation that require a Liquidator, to set aside a percentage of a company's assets, for the benefit of the unsecured creditors in cases where the company gave a qualifying floating charge over its assets to a lender on, or after, 15 September 2003. This is known as the prescribed part of the net property. A company's net property is that which is left after paying the preferential creditors, but before paying the lender who holds a floating charge.

A Liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

Although there is a Qualifying Floating Charge holder in this instance, there is insufficient property to enable a distribution to creditors therefore the prescribed part provisions do not apply.

VAT Receipts

The VAT aspect of VAT rated expenses incurred in the running of the Liquidation is reclaimable as a VAT Refund. If money is available in the estate account to pay these expenses then the subsequent VAT refund is a receipt of the Liquidation. A sum of £2,033.33 has been received in this regard. The VAT refund represents expenses incurred after the Company entered Liquidation, and bears no relation to any claim the HM Revenue and Customs have lodged.

Duties and Investigations

A description of the routine work undertaken in the liquidation to date is as follows.

Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required

- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors
- Dealing with employee's claims from the redundancy payments fund, and other enquiries generated from employees requirements
- Generating P45, P35 and P60 Forms or dealing with the lack of information available to produce these documents

Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conducting investigations into the affairs of the Company
- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors
- Reviewing books and records and accounts to ensure that all assets have been disclosed, and obtaining explanations for any discrepancies revealed

Realisation of Assets

- Corresponding with debtors and, if appropriate, collection agents, and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the account
- Investigating whether additional recoveries could be made resulting in potential realisations from the sale of assets prior to the Liquidator's appointment
- Liaising with valuation and disposal agents to dispose of physical and intellectual property assets

Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax reporting obligations are met

I am continuing to investigate certain transactions undertaken by the Company in the period leading up to liquidation. This may or may not lead to further realisations into the estate.

As well as realising assets and investigating the affairs of the Company, my other duties as Liquidator include the adjudication and admission of creditors claims, assisting employees with pursuing claims from the Redundancy Payment Fund, where appropriate, and receiving and answering queries from creditors and interested parties.

In view of the low prospects of a repayment to creditors in this matter, and in order to reduce costs, I do not propose to spend time formally agreeing claims. I will hold claims, and I will only adjudicate on their validity if it becomes likely that a dividend will be paid.

I have dealt with investigations into the Company's practices and the reason behind the Company's failure.

I have undertaken a preliminary review of the Company's bank statements for the 6 months prior to liquidation to identify any unusual or exceptional transactions.

I have not been able to look through the Company's books and records as they have not been delivered up to the Liquidator despite being written to on numerous occasions.

I have compared the information within the statement of affairs with the last accounts produced by the Company to ascertain whether all significant assets can be identified and material movements in asset values can be explained.

I have undertaken work compulsory to my position, which includes submissions of returns to HM Revenue & Customs (where relevant), Companies House and specific penalty bonding. This is not an exhaustive list of my duties.

I have undertaken an investigation into the affairs of the Company and the conduct of the Directors. In accordance with my statutory duty I have submitted a Conduct Report to the Insolvency Services of the Department of Trade and Industry pursuant to the Company Directors Disqualification Act 1986 regarding the director. This report is confidential so I cannot disclose its content.

Outcome of investigation

My investigations are currently ongoing as I am looking into transactions made by the Company prior to it being placed into liquidation.

Progress Of Liquidation

Since my appointment I have realised the assets detailed above, and carried out the duties and investigations listed above. I have attached to this report a copy of my receipts and payments account for the period since my appointment.

Liquidation Income and Expenditure

Below is an explanation of the various headings shown on the attached receipts and payments account.

Receipts

Funds have been received into the liquidation account have already been detailed in this report.

Payments

Payments have been made from the liquidation account, as detailed below.

Specific Bond

This is an insurance policy taken out by the insolvency practitioner. This policy covers the value of the assets within the liquidation against possible theft by the insolvency practitioner responsible. It is required by law to be taken out in any case where there are assets and is for the benefit of the creditors.

Statutory Advertising

The liquidation must be advertised at various times in The London Gazette by law. These entries represent the costs associated with placing the advertisements.

Liquidator's Remuneration

At the first creditors meeting held on 10th June 2013 under Section 98 of the Insolvency Act 1986 a resolution was passed stating

- That the Liquidator be allowed to draw his remuneration on a time cost basis out of funds that are realised

For the information of the creditors, the total time costs to date relating to work performed by myself and my staff in administering the liquidation is £6,970, which equates to 35.30 hours charged at an average rate of £197.45 per hour. A schedule of my time costs incurred to date is attached.

I have drawn remuneration of £5,476.56

Liquidator's Outlays

Expenditure relating to the administration of the estate which is payable to a third party is recoverable from the estate without creditor consent.

If funds were available, costs such as these have been paid via the Company's estate. If funds were not available, then my firm has paid these costs, with a view to reimbursement, should estate funds be realised.

Third party assistance has been sought on the basis that the advisors have the relevant experience and qualifications to deal with matters that are beyond my realm of expertise.

Liquidator's Disbursements

At the first creditors meeting held on 10th June 2013 under Section 98 of the Insolvency Act 1986 a resolution was passed stating

- The Liquidator will draw disbursements relating to work carried out. These fees will cover all category 2 disbursements as classified in the "Creditors Guide to Insolvency Practitioner's Fees" and will be based on the following charges:

Photocopying	15p per copy
Box Storage	£2.50 per month
Printed Paper	15p per sheet
Copy Paper	10p per sheet
Mileage	10p – 40p per mile
Room Hire	£60 per half day

I have not drawn any category 2 disbursements

Basis of Remuneration

In accordance with Rule 4 127, the Liquidator's remuneration has been fixed by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the winding up

Preparation of the Statement of Affairs

At the meeting of creditors, held on 10th June 2013 under Section 98 of the Insolvency Act 1986, it was authorised that Bridgestones be paid £8,000 + VAT plus disbursements, for their assistance in the preparation of the Statement of Affairs and convening of the meeting, in accordance with Rules 4 38 and 4 62 of the Insolvency Rules 1986

Bridgestones have been paid this amount from the Company's estate

Remaining Balance

An amount of £52 45 remains in the estate. It is not intended to make a distribution of these funds to creditors at this time. It is my intention to draw this remaining balance in the near future to defray my outstanding time costs and other expenses associated with the closure of the case.

Dividend Prospects

Unsecured claims totalling £713,462 have been received, compared to the Statement of Affairs figure of £630,819

Due to lack of realisations no dividend is due to any class of creditors

Summary

The liquidation will remain open until the matters my investigations into the Company's affairs have been resolved, which I anticipate will be concluded in the next twelve months. When investigations are concluded a final meeting of creditors will be convened to seek the release of the Liquidator in this matter.

If these matters are not resolved within the next 12 months, a further annual progress report will be issued.

Creditor's Rights To Object To The Content Of This Report Under the Insolvency Act 1986 and The Insolvency Rules 1986 (As Amended)

In accordance with Rule 4 49E of the Insolvency Rules, within 21 Days of receipt of this report

- 1 A secured creditor
or
- 2 An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question)

or with the permission of the Court upon an application made within 21 days

- 1 Any unsecured creditor

is allowed to make a request in writing to the Liquidator for further information about the remuneration or expenses set out in a progress report in accordance with rule 4 49C

The Liquidator must then comply with the request by providing the information requested, or respond explaining that so far as the Liquidator considers

- 1 The time or cost of preparation of the information would be excessive
or
- 2 Disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person
or
- 3 The Liquidator is subject to an obligation of confidentiality in respect of the information

giving reasons for not providing all the information

Also any secured creditor or unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more order as set out below

Application may be made on the grounds that –

- 1 The remuneration charged by the Liquidator
or
- 2 The basis fixed for the Liquidator's remuneration under Rule 4 127
or
- 3 Expenses incurred by the Liquidator

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

The application must be made within 8 weeks of receiving this report

For further details refer to the Insolvency Act 1986 and The Insolvency Rules 1986 (as amended)

If you wish to raise any questions upon the contents of this report, then please feel free to attend the meetings, or alternatively, contact me at the above address

If you require any further information, please do not hesitate to contact Ian Dronsfield of this office



Jonathan Lord – MIPA
Liquidator
Autofactors Parts and Distribution (UK) Limited

Autofactors Parts and Distribution (UK) Limited - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 10 June 2013 To 09 June 2014

S of A £	As Previously Reported	10/06/13 to 09/06/14	Total £
RECEIPTS			
1 Goodwill	NIL	NIL	NIL
53,943 Book Debts	NIL	NIL	NIL
NIL Plant & Machinery	NIL	5,000 00	5,000 00
19,999 Stock	NIL	7,500 00	7,500 00
NIL Bank Interest Net of Tax	NIL	0 08	0 08
NIL Rates Refund	NIL	2,136 64	2,136 64
<u>73,943</u>	<u>NIL</u>	<u>14,636 72</u>	<u>14,636 72</u>
PAYMENTS			
Statement of Affairs Fee	NIL	8,000 00	8,000 00
Statutory Advertising	NIL	226 11	226 11
Bank Charges	NIL	1 20	1 20
Creditor report hosting	NIL	11 00	11 00
Liquidator's Remuneration	NIL	5,476 56	5,476 56
Vat Receivable	NIL	709 40	709 40
Specific Bond	NIL	50 00	50 00
Software Licence Fee	NIL	110 00	110 00
	<u>NIL</u>	<u>14,584 27</u>	<u>14,584 27</u>
CASH IN HAND	<u>NIL</u>	<u>52 45</u>	<u>52 45</u>

***INSOLV* Autofactors Parts & Distribution (UK) Limited in Creditor's Voluntary Liquidation**

No

Analysis of Time Costs for the Period from 10 June 2013 to 9 June 2014

Classification of work function	Hours							Average Hourly Rate (£)
	Insolvency Practitioner	Director	Senior Manager	Manager	Case Administrator	Cashiering	Support Staff	
Administration and Planning	3 70	0 00	9 00	0 00	0 00	0 20	0 00	244 42
Realisation of Assets	0 00	0 00	1 00	0 00	0 00	0 00	0 00	240 00
Creditors	1 50	0 00	2 00	0 00	1 00	0 00	0 00	248 89
Investigation	1 00	0 00	4 50	0 00	0 00	11 40	0 00	145 38
Total Hours	6 20	0 00	16 50	0 00	1 00	11 60	0 00	197 45
Total Fees Claimed (£)	2,232 00	0 00	3,340 00	0 00	180 00	1,218 00	0 00	

Hourly Rate Range	From	To
Insolvency Practitioner	360 00	360 00
Director	0 00	0 00
Senior Manager	200 00	240 00
Manager	0 00	0 00
Case Administrator	180 00	180 00
Cashier	105 00	105 00
Assistants & Support Staff	0 00	0 00