

The Insolvency Act 1986

**Notice of deemed approval of proposals**

Name of Company

Sol Car Rentals Limited

Company number

02974983

In the High Court of Justice  
Chancery Division  
Companies Court

(full name of court)

Court case number

9431 of 2012

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)We (a)  
A P Beveridge  
Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RBR K Grant  
Zolfo Cooper  
35 Newhall Street  
Birmingham  
B3 3PUS Wilson  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB(b) Insert name and  
address of the  
registered office of  
companyhaving been appointed administrator(s) of (b) Sol Car Rentals Limited,  
The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB(c) Insert date of  
appointment

on (c) 10 December 2012

(d) Insert name of  
applicant/appointer

by (d) the Directors

hereby give notice that

(e) Insert date

having made a statement under paragraph 52(1) of Schedule B1 and no meeting having been  
requisitioned under paragraph 49 of that Schedule, the proposals sent by me on (e) 1 February 2013  
were deemed to have been approved on (e) 13 February 2013

Signed

Joint Administrator

Dated

**Presenter's details**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

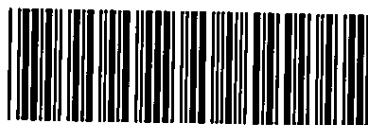
The contact information that you give will be visible to searchers of the

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SATURDAY



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16/02/2013

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COMPANIES HOUSE

When completed and signed please send it to the  
Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

# Joint Administrators' Statement of Proposals

Drive Assist UK Limited, Millennium Motor  
Group Limited and Sol Car Rentals  
Limited - in Administration

1 February 2013

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## 1 Statutory information

- 1.1 The respective entity names, registered numbers and Administration court references for Drive Assist UK Limited (**Drive Assist**), Millennium Motor Group Limited (**Millennium**) and Sol Car Rentals Limited (**Sol**) (together the **Companies**) are shown below

Company name	Registered number	Court reference
Drive Assist UK Limited	02737288	9429 of 2012
Millennium Motor Group Limited (trading as Nottingham Autopark)	03274158	9438 of 2012
Sol Car Rentals Limited	02974983	9431 of 2012

- 1.2 The registered office of the Companies has been changed from Tamworth House, Ventura Park Road, Bitterscote, Tamworth, B78 3HL (**Tamworth House**) to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB. Details of each of the trading locations of the Companies are provided at Appendix A

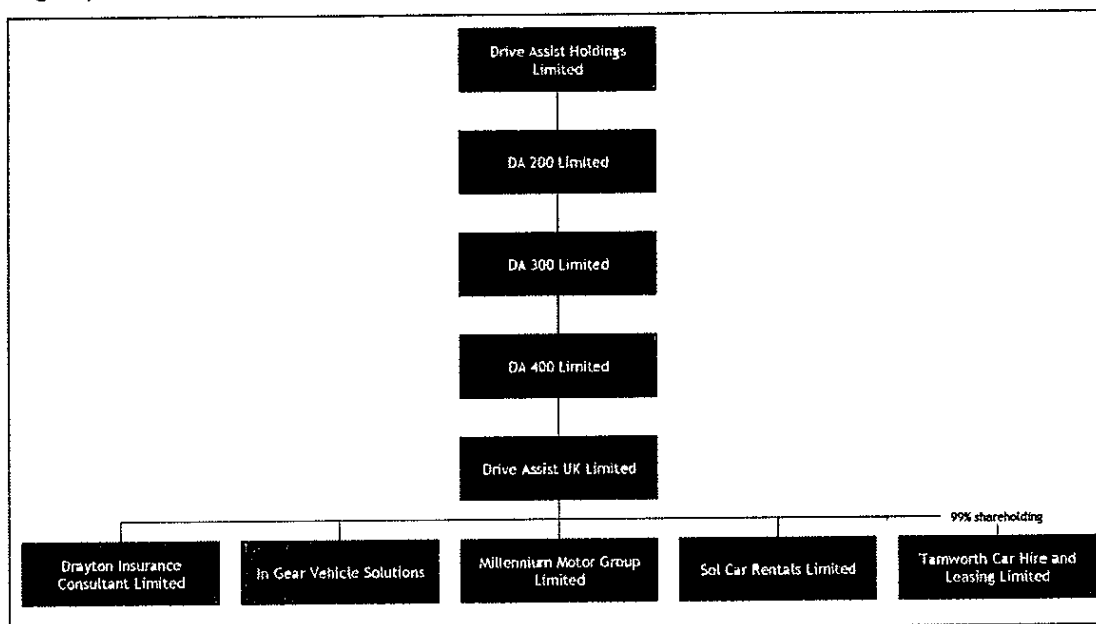
- 1.3 Details of the Companies' directors either at or immediately prior to the date of appointment are shown in the table below. None of the directors held any shares in the Companies as at the date of the Administrations

	Nigel Lowe Bardsley	Steven Paul Binch	Ralph Ferguson	Christopher John Wright
Drive Assist	Appointed 22 July 1996 Resigned 4 December 2012	Appointed 04 August 1992 Resigned 4 December 2012	Appointed 31 January 2007	Appointed 20 June 2000
Millennium	Appointed 08 November 1996 Resigned 4 December 2012	Appointed 08 November 1996 Resigned 4 December 2012	N/A	Appointed 31 January 2007
Sol	Appointed 15 February 2000 Resigned 4 December 2012	Appointed 14 April 1995 Resigned 4 December 2012	N/A	Appointed 31 January 2007

- 1.4 Christopher John Wright was the secretary of each of the Companies and was appointed on 20 June 2000.

## 2 Background to the Administrations

2.1 A group structure chart is shown as follows



2.2 The ultimate parent company of the Companies is Drive Assist Holdings Limited, with Drive Assist being the immediate parent of both Millennium and Sol

2.3 The primary trading activity of Drive Assist was the provision of replacement vehicles to individuals involved in non-fault vehicle accidents. The service also included the management of drivers' claims against the third party insurers (TPI) and in some instances Drive Assist also made arrangements for the damaged vehicles to be repaired

2.4 The principal work referrers to Drive Assist included major insurance companies or broker networks. However in 2012, Drive Assist lost a major contract which the Joint Administrators are advised had historically accounted for an average of 30% of Drive Assist's annual revenues. The loss of this contract significantly impacted the trading performance of the Drive Assist group

2.5 As Drive Assist provided hire vehicles on a credit basis and, where applicable, arranged for repairs to the damaged vehicles, there was a significant working capital requirement as costs would only be settled following the resolution of the individual claims. The resolution of such claims could take a number of months to be finalised and in many cases in excess of a year

2.6 On appointment, Drive Assist had a fleet of 7,458 vehicles, the vast majority of which were acquired on short-term purchase and buy-back agreements from manufacturers. Most of these vehicles were funded by three asset based lenders, Lombard North Central Plc, Fortis Lease UK Limited and United Dominions Trust Limited (together the Vehicle Funders)

2.7 The Companies also had banking facilities with a syndicate of banks including The Royal Bank of Scotland Plc (RBS), who acted as agent, Haymarket Financial Luxembourg 3 SARL, Hayfin Opal 3 S.a r.l and IKB Deutsche Industriebank AG, London Branch (together the Senior Lenders)

- 2 8 Millennium operated a retail outlet for the disposal of fleet vehicles. It traded under the name Nottingham Autopark from leasehold premises in Nottingham. Millennium was reliant on Drive Assist to provide vehicles, although it did acquire some vehicles from other sources via a separate stocking facility.
- 2 9 Sol was engaged in the short-term rental of vehicles to either individual or corporate customers, with around 900 vehicles on hire for durations ranging typically from between six and nine months. These hire periods appear to be in direct contravention of the Companies' financing agreements with the Vehicle Funders, which specifically prohibited hire periods of greater than 28 days.
- 2 10 Following difficult trading conditions, and concerns that the finance arrangements which the Companies had with the Vehicle Funders were not being operated in accordance with their terms, Deloitte LLP was engaged to perform a limited review of certain aspects of the businesses. Whilst this review was in progress, Zolfo Cooper LLP was engaged by the Senior Lenders to perform a contingency planning exercise, whilst the directors explored the options for further funding.
- 2 11 The loss of the contract noted at paragraph 2 4 of this report, together with uncertainties surrounding the ongoing trading performance of the Companies, resulted in an estimated funding requirement of £10 million for the three month period to the end of February 2013. As this could not be provided by the stakeholders of the Companies, and with no other viable alternative funding sources, the Companies' directors resolved to seek the appointment of administrators.
- 2.12 As a result, Alastair Beveridge, Ryan Grant and Simon Wilson, Insolvency Practitioners, were appointed Joint Administrators of the Companies by the directors on 10 December 2012.
- 2 13 All of the Joint Administrators are licensed in the UK by the Insolvency Practitioners Association.
- 2.14 Only the Companies were placed into Administration as these are the three key trading entities, even though DA 400 Limited and DA 300 Limited are obligors under the banking facilities referred to below.
- 2 15 The Administrations are registered in the High Court of Justice, Chancery Division, Companies Court, under the reference numbers shown in the table at paragraph 1 1 of this report.
- 2 16 The validity of the appointments has been confirmed by the Joint Administrators' legal advisor, Travers Smith LLP.
- 2 17 The EC Regulation on Insolvency Proceedings 2000 applies to the Administrations. The proceedings are main proceedings as defined by article 3 of the Regulation. Each of the Companies' centre of main interests is based in the UK.
- 2 18 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.

### **3 Administration strategy and objective**

- 3 1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- rescuing the Companies as a going concern, or

- achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration); or
  - realising property in order to make a distribution to one or more secured or preferential creditors
- 3.2 Due to the uncertainty over the Companies' trading performance and the associated significant funding requirement, it became clear that the Companies would not be able to continue to pay for the financing associated with its fleet and the associated operating costs. As a result, the Vehicle Funders made it clear that they would require the immediate return of all funded vehicles. Therefore, the Joint Administrators concluded that it would not be possible to trade the Companies in Administration. As a result, the strategy for the Administrations was to facilitate an immediate wind-down whilst aiming to maximise recoveries, and a total of 241 redundancies were announced on the date of appointment.
- 3.3 The first objective under the Administration regime is based on the survival of the Companies, which could be achieved through a Company Voluntary Arrangement (CVA) or a Scheme of Arrangement under part 26 of the Companies Act 2006. This option was not deemed viable as no further funding was to be provided by any party.
- 3.4 The Joint Administrators are therefore pursuing the second objective, that being of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration).

## Vehicle de-fleet and depot closure

### Drive Assist

- 3.5 At the date of the Joint Administrators' appointments there were a total of 7,458 vehicles in the Companies' fleet, almost all of which were financed by the Vehicle Funders. As detailed above, the Vehicle Funders wished to recover the vehicles as quickly as possible to preserve the residual value of the fleet and minimise the loss suffered.
- 3.6 It immediately became apparent that the Companies' existing processes for returning vehicles would not be cost effective and would take a significant period of additional time.
- 3.7 In order to preserve the income from existing ongoing hire customers and to ensure an efficient strategy for the return of the vehicles, the Joint Administrators worked with Drive Assist employees and the Vehicle Funders to implement a new de-fleet process, achieved using the Companies' existing network of depots.
- 3.8 As at 25 January 2013, 4,797 vehicles have either been returned, or are in transit to the Vehicle Funders, with a further 1,060 being available for collection either from depots or end users. The Joint Administrators continue to liaise with the Vehicle Funders and their respective collection agents (the **Collection Agents**) in order to deliver the current de-fleet strategy as efficiently as possible.
- 3.9 The de-fleet strategy has enabled the implementation of a controlled closure of the existing network of depots, ensuring that the costs associated with the depots are minimised. Drive Assist operated 13 depots across the country. To date, seven depots have been closed and a further 200 employees have been made redundant. The remaining six depots are expected to be closed by the end of January whereupon the remaining staff at each site will be made redundant. At this point, any remaining vehicles will be collected directly by the Collection Agents.

- 3 10 As part of the de-fleet process, requests have been made for refunds of any remaining road fund licences. To date, refunds of approximately £150,000 have been applied for, and to date £22,486 has been recovered.

## Sol

- 3.11 At the date of the Joint Administrators' appointment Sol held 900 vehicles, of which 215 were provided to the Companies' employees as company cars, with the remainder being on hire to third parties. As noted above, all of Sol's vehicles were financed by Drive Assist under their funding agreements with the Vehicle Funders.
- 3.12 As a result of the breach of the hire agreement as detailed at paragraph 2.9, the Vehicle Funders requested that the contracts be terminated with effect from 9 January 2013 in order to facilitate the recovery of these vehicles. To date, approximately 394 Sol vehicles have been returned to the Vehicle Funders and any vehicles not returned by the time the depots close will be collected directly by the Collection Agents.

## Debtors

### Summary of position

£000	Credit hire	Credit repair	Sundry claims	Commission	Sol	Millennium	Total
Gross ledger balance	85,200	12,000	2,704	1,737	412	772	102,825
Less							
Intercompany balances	-	-	-	-	(71)	(676)	(747)
Identified write offs	(22,578)	(651)	-	-	-	-	(23,229)
<b>Total</b>	<b>62,622</b>	<b>11,349</b>	<b>2,704</b>	<b>1,737</b>	<b>341</b>	<b>96</b>	<b>78,849</b>

## Drive Assist

- 3 13 As detailed above, Drive Assist provided car hire and vehicle repair services to non-fault drivers involved in motor vehicle accidents. Drive Assist would then seek to recover the cost of the hire and repair from the Third Party Insurer (the TPI) on behalf of the customer and repairer. Drive Assist operated a bespoke processing system detailing claims for the cost of vehicle hire and associated vehicle repair costs.
- 3 14 On appointment, the Drive Assist claims ledger showed a total gross ledger balance of approximately £101.6 million, in relation to 61,000 individual claims. Following a review of the ledger, a number of residual claim balances were found to relate to historic settlements or to claims that had been previously rejected by the TPI. These irrecoverable debts totalled approximately £23.2 million. In providing their Statement of Affairs, which is shown at Appendix C, the directors have deducted these irrecoverable debts and added an additional 30% provision to arrive at a book debt figure of £55.9 million in credit hire and credit repair debtors.
- 3 15 Settlement of the outstanding debts is often delayed by other claims being lodged against the TPI, such as personal injury claims, and it is not unusual for it to take in excess of 12 months for a claim to be settled.



- 3.16 The vast majority of the ledger relates to charges for car hire and vehicle repairs. However, Drive Assist also operate a number of sundry claims ledgers totalling £2.7 million, of which £1.7 million relates to claims arising from the costs of repairing fleet vehicles that had been damaged whilst on hire. Other sundry claims relate to items such as fines, damage to vehicles, late collection charges and direct hire.
- 3.17 Included within Drive Assist's ledger are outstanding commission debts totalling £1.7 million. These commission debts arise from the referral of personal injury claims linked to the vehicle accident, where Drive Assist are providing the hire and repair service to the non-fault driver.
- 3.18 To date, gross collections total £7,232,486. The Joint Administrators are working alongside Drive Assist's claim handling team to manage the collection of each of the above ledgers and further information on the Joint Administrators' strategy and expected realisations from this source will be available in the next report to creditors.
- 3.19 Certain repairers have claimed that they are entitled to a proportion of amounts collected from TPIs. The Joint Administrators are in discussions with their solicitors regarding the correct treatment of these receipts, which have currently been ring-fenced (see paragraph 3.27 for further details).

### **Millennium**

- 3.20 At the date of the Joint Administrators' appointment, Millennium had an outstanding ledger of approximately of £0.8 million, of which £0.7 million related to intercompany balances. The intercompany balances due from Drive Assist total £662,000, with £14,000 due from Sol. As these companies are also in Administration, the amounts due will rank as unsecured claims in the respective Administrations. The Joint Administrators continue to pursue the remaining ledger and to date collections total £46,191.

### **Sol**

- 3.21 Sol's outstanding ledger at the date of the Joint Administrators' appointment totalled approximately £0.4 million and represented 70 individual accounts. To date, recoveries total £68,799 and collections remain ongoing.

### **Unencumbered vehicles**

- 3.22 The Companies own 109 unencumbered vehicles; 26 in Drive Assist and 83 in Millennium. Some of these vehicles are currently being used as company cars or by the Companies' staff to assist in the collection and return of the fleet vehicles to the Vehicle Funders.
- 3.23 Once the de-fleet process has been finalised, the Joint Administrators will engage Hilco Appraisal Europe Limited (Hilco) to dispose of the vehicles on their behalf. The Joint Administrators have not provided an indication of the value of the vehicles as they do not wish to prejudice any disposal negotiations.

### **Property**

- 3.24 As detailed above, the Companies operated from 15 sites across the country. Drive Assist owns the freehold to its headquarters at Tamworth House and the Joint Administrators have instructed GVA Grimley Limited (GVA) to prepare the property for sale so that it can be brought to market at the earliest opportunity.

- 3 25 All of the Companies' remaining sites are leasehold premises and GVA have confirmed that they do not consider there to be any premium value in the leases. A surrender of these leases will be offered to the landlords as and when the premises are vacated. As at 25 January 2013, eight sites have been vacated and the landlords of seven have been invited to accept a surrender of the lease following vacation and return of keys. One depot was operating on a short term basis and no formal surrender was required.

### **Cash at bank**

- 3 26 At the date of the Joint Administrators' appointments, the Companies held a number of bank accounts provided by RBS. Drive Assist's accounts show cash at bank totalling approximately £16.1 million, Millennium had a balance of approximately £1.4 million and Sol approximately £1 million. Under the finance documents the Senior Lenders are entitled to set off cash held against the outstanding debt.
- 3 27 Drive Assist and Millennium undertook certain business activities which are regulated activities under the Financial Services and Markets Act 2000 and which potentially required them to account for various receipts into separate identifiable designated bank accounts. However, it appears that the Companies may not have adhered to the necessary requirements.
- 3.28 Additionally, Drive Assist had entered into an agreement with all repairers which indicated that monies received in respect of unpaid repair invoices would be paid into a separate FSA regulated account. Whilst a designated account appears to have originally been set up, the account was never utilised by Drive Assist. The Joint Administrators are, in conjunction with their lawyers, investigating these matters further.
- 3.29 Prior to the Joint Administrators' appointment, Drive Assist had received payments in relation to the sale of several hundred vehicles funded by the Vehicle Funders. All of these vehicles were subject to financing agreements with the Vehicle Funders and as such, the proceeds of sale should have been paid directly into a separate designated account, charged to the Vehicle Funders. However, these funds were paid directly into Drive Assist's main current account and some of the funds were subsequently used to provide additional working capital.
- 3.30 The Joint Administrators, with the agreement of both the Senior Lenders and Vehicle Funders, took independent legal advice on this matter to determine how this matter should be dealt with. This legal advice is confidential but has been shared with the Senior Lenders and Vehicle Funders and discussions are in progress to resolve this matter.
- 3.31 Drive Assist also managed claims on behalf of individuals whose own vehicles had been written off. In the event of recovery of a payment from the TPI for the written off value of the vehicle, Drive Assist were obliged to place these funds into a designated FSA regulated account prior to distributing to the individual in question.
- 3 32 Drive Assist appear to have managed this process correctly and two client accounts were opened. At the date of the Joint Administrators' appointment the funds held in these accounts totalled £248,190. Following a reconciliation of the accounts a total of £137,865 was due to Drive Assist in relation to the credit hire elements of the relevant claims. The Joint Administrators are currently seeking legal advice confirming their obligations in this regard.

## **Fixtures, fittings and other assets**

- 3.33 The Joint Administrators instructed Hilco to provide valuations of the fixtures and fittings at the various sites. The majority of the fixtures and fittings owned by the Companies are located at either Tamworth House or the call centre, which is also located in Tamworth. Please note that as the Joint Administrators have not yet realised the fixtures and fittings, the estimated realisable values have not been disclosed.
- 3.34 The Joint Administrators have reached an agreement, following advice from Hilco, for the sale of the fixtures and fittings owned by Millennium for £26,000 to the landlord upon vacation of the Nottingham site.
- 3.35 Discussions have taken place with interested parties with regard to other of the Companies' assets, such as the first notification of loss system, domain names and other intangible assets. These discussions remain ongoing, and the Joint Administrators will be able to update creditors in the next progress report regarding these assets.

## **4 Joint Administrators' receipts and payments**

- 4.1 A summary of receipts and payments for the Companies for the Administration period from the date of the Joint Administrators' appointments to 25 January 2013 is attached at Appendix B.

## **5 Financial position**

- 5.1 A summary of the directors' Statements of Affairs (SOA) of the Companies as at the date of the appointment of the Joint Administrators is attached at Appendix C.
- 5.2 The Joint Administrators have the following observations to make in relation to the SOA:
- The directors' SOA are before provision for the costs of the Administrations.
  - The directors have attributed a realisable value of £1.6 million for Drive Assist's freehold property. Please note that the Joint Administrators have not commented on a realisable value of the property as they do not wish prejudice the future disposal process.
  - As stated in paragraph 3.32, the balances held in the Companies' bank accounts at the date of the Joint Administrators' appointments, which are specifically held in segregated client accounts for the benefit of third parties, will not be available to the Administrations.
  - Drive Assist's SOA shows a corporation tax refund of £278,000. There are, however, significant arrears in relation to VAT and PAYE and NI deductions owed to HM Revenue and Customs. We are continuing to review the tax position and the extent of refunds that fall due.
  - The Joint Administrators are also aware of other potential tax liabilities in respect of deferred tax on disposal of vehicles and VAT arising on credit/repair hires, which if crystallised would reduce the level of realisations from the Companies available to creditors.

## 6 Proposals

- 6.1 It is proposed that the Joint Administrators continue to manage the affairs of the Companies in order to achieve the objective of the Administrations. In the circumstances it is proposed that the Joint Administrators progress with an orderly wind down of the Companies in order to achieve the intended objective outlined in section 3.
- 6.2 The Joint Administrators shall continue to realise the assets of the Companies, collect any outstanding pre and post appointment book debts, utilise realisations where appropriate and settle Administration expenses where such expenses are incurred for the purpose of the Administrations.
- 6.3 The Joint Administrators shall investigate and, as appropriate, pursue any claims the Companies may have. In addition, the Joint Administrators shall do all other things and generally exercise their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administrations or to protect and preserve the assets of the Companies or to maximise realisation or for any other purpose incidental to these proposals.
- 6.4 The Joint Administrators be authorised to agree the claims of all classes of creditors (where applicable) and the costs of doing so shall be met as a cost of the relevant Administrations as part of the Joint Administrators' remuneration.
- 6.5 The Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed (where applicable).
- 6.6 The Joint Administrators shall continue the Administrations for such period of time as necessary to achieve the purposes which the Administration orders were made and if necessary make an application to court to extend the terms of the Administrations beyond the one year statutory term.
- 6.7 If having realised the assets of the Companies, the Joint Administrators think that distributions will be available to unsecured creditors via the Unsecured Creditors' Fund (discussed at paragraph 10.5), they will file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Joint Administrators to an end and will move the relevant company automatically into creditors' voluntary liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that Alastair Beveridge, Ryan Grant and Anne O'Keefe will become the Joint Liquidators of the Companies and that in that event, any act required or authorised by the Joint Liquidators may be done by any or all of them. See Section 7 on Exit routes for further information on this process.
- 6.8 Alternatively, if considered appropriate, the Joint Administrators will submit an application to court for approval to make the distribution to unsecured creditors in the Administrations rather than move the relevant company into CVL. If granted, the relevant company would proceed to dissolution after the distribution had been made.
- 6.9 In the event that a dividend is available to unsecured creditors via the Unsecured Creditors' Fund only (see paragraph 10.5), and it is deemed uneconomical to distribute as the Joint Administrators think that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits, an application to court will be made that the Unsecured Creditors' Fund should not apply.
- 6.10 If the Joint Administrators believe that there are matters for any of the Companies that require further investigation and potential action by a subsequently appointed liquidator, but the circumstances do not allow them to move that company into CVL, or they do not

considered it appropriate to do so, they will make an application to court for the Administration to be terminated and for a winding up order to be made in respect of that company

- 6 11 If the Joint Administrators think that the Companies have no property which might permit a distribution to their unsecured creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the respective company. See section 7 below on Exit routes for further information on this process.
- 6 12 The Joint Administrators shall perform all such other duties, and generally exercise all of their powers as contained in schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administrations

## **7 Exit routes**

### **Creditors' voluntary liquidation**

- 7 1 Based on present information, the Joint Administrators think a dividend will only be paid to the unsecured creditors of Drive Assist and Millennium via the Unsecured Creditors' Fund, which is discussed further in paragraph 10 5. In the case of these two companies, unless it is considered more appropriate for distributions to be made in the Administration and an application is submitted to court in this regard, the Joint Administrators will file a notice with the Registrar of Companies in order that the relevant Administration will cease and that company will move automatically into CVL. It is proposed that Alastair Beveridge, Ryan Grant and Anne O'Keefe will also become the Joint Liquidators of the Companies
- 7 2 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination Alastair Beveridge, Ryan Grant and Anne O'Keefe will automatically become the Joint Liquidators in the subsequent CVLs and the basis or bases of their remuneration approved by creditors in the Administrations will also apply to the CVLs.

### **Compulsory liquidation of the Companies**

- 7 3 A liquidator of a company has greater powers to investigate, and if required, take action on behalf of a company to recover funds for the benefit of creditors, if prior to its insolvency transactions had been entered into by a company without commercial justifications, which diminished its net asset position. If the Joint Administrators become aware of transactions requiring further investigation and potential action by a liquidator, they may make an application to court to end the Administrations, and request that the court places the relevant company into compulsory liquidation, if funds are not available for unsecured creditors which would permit the Joint Administrators to exit into CVL. The Joint Administrators will send notice of any such application to the relevant company and its creditors

### **Dissolution of the Companies**

- 7 4 If the Joint Administrators think that one or more of the Companies has no property which might permit a distribution to its unsecured creditors, they will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution

of that company. The Joint Administrators will send copies of these documents to that company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

## Discharge from liability

- 7.5 Subject to the approval of the relevant creditors, the Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Joint Administrators ceases to have effect.

## 8 Pre-administration costs

- 8.1 Pre-appointment costs and expenses incurred are as follows

Charged by	Brief description of services provided	Total amount charged and unpaid
Zolfo Cooper LLP	Contingency and pre appointment planning	Drive Assist - £154,162.50 plus disbursements of £1,792.18
Travers Smith LLP	Pre-appointment legal fees	Drive Assist - £8,647 plus disbursements of £76.25 Millennium - £8,646 plus disbursements of £76.25 Sol - £8,646 plus disbursements of £76.25
Deloitte LLP	Limited scope financial review	Drive Assist - £48,000 plus disbursements of £1,218
Linklaters LLP	Pre-appointment legal fees	Drive Assist - £76,565.40 plus disbursements of £1,224.75

- 8.2 All of the fees charged and expenses incurred remain outstanding and no element of the above costs have already been paid by any party.
- 8.3 The pre-appointment costs incurred by the Joint Administrators were subject to an engagement letter dated 5 December 2012, which was agreed with the Senior Lenders. The pre-appointment work included detailed contingency planning, establishing an initial Administration strategy for the Companies, attendance at meetings with the Vehicle Funders, Senior Lenders, directors and meetings with key members of staff on site. In addition, this included the time costs incurred travelling to each depot to meet with each site team immediately prior to the appointment. This work was completed to protect the Companies' assets, to minimise costs upon appointment and to enable an initial strategy to be agreed with the Senior Lenders and Vehicle Funders.
- 8.4 Travers Smith LLP was engaged by the directors to provide them with legal advice regarding directors' responsibilities and the Administration appointments. They were engaged on a time-cost basis.
- 8.5 Deloitte LLP was engaged by the Companies' ultimate shareholders on a time-cost basis. This work was engaged to provide a limited scope financial review of certain aspects of the business. This work has been continued post appointment to provide clarity on the Companies' financial position. This has also significantly reduced the level of post-appointment costs that would have been incurred by the Joint Administrators in the event that Deloitte's work had not been undertaken.
- 8.6 Linklaters LLP was engaged by the Senior Lenders on a time-cost basis. Their work involved providing advice regarding the Companies' financial position, the contingency options available to the Senior Lenders, the Senior Lenders' rights and appointment process. All of these activities were required to facilitate the Joint Administrators' appointments.

- 8.7 Please note that the payment of unpaid pre-administration costs is subject to the approval of creditors, separately to the approval of the Joint Administrators' proposals. This approval will be the responsibility of the creditors' committee, if one is appointed. However, as the Joint Administrators think there will be no funds available to the unsecured creditors of the Companies, other than via the Unsecured Creditors' Fund (see section 10.5), approval will be sought from the secured and (if necessary) preferential creditors in accordance with rule 2.67A of the Insolvency Rules 1986

## 9 Joint Administrators' remuneration and disbursements

- 9.1 The basis of the Joint Administrators' remuneration may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Joint Administrators:
- a percentage of the value of the assets with which they have to deal, or
  - by reference to time properly spent by them and their staff dealing with matters arising in the Administrations, or
  - as a set amount.
- 9.2 If creditors' meetings are held, and creditors resolve to establish a committee, it shall as part of its duties determine the basis or bases of the Joint Administrators' remuneration and authorise their disbursements. The creditors' committee will assist the Joint Administrators in the conduct of their work.
- 9.3 Where no creditors' committee is appointed, the remuneration of the Joint Administrators shall be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administrations.
- 9.4 If there are no funds to distribute to unsecured creditors, other than by way of an Unsecured Creditors' Fund (see paragraph 10.5), it will fall upon the secured creditors and preferential creditors whose debts amount to more than 50% of the preferential debts of the Companies to approve the Joint Administrators' remuneration, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval. Separate approval will be sought from those creditors.
- 9.5 Subject to the approval of creditors, the Joint Administrators will draw remuneration following approval of the basis of their remuneration and when funds are available.
- 9.6 The Joint Administrators' time costs at 25 January 2013 in relation to the Companies are set out below:

	Time costs (£)	Number of hours	Average rate per hour (£)
Drive Assist	940,545	2,814	334
Millennium	46,083	149	310
Sol	55,019	192	287

- 9.7 Principal areas of activity during the period are detailed at Appendix D and are discussed below.
- **Creditors** - notifying all creditors of the appointments and preparing statutory reports. Time has also been spent dealing with employee claims and reporting to the Senior Lenders and Vehicle Funders.

- **Administration and planning** - formulating and implementing the initial Administration strategies, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Investigations** - conducting initial investigations into the directors' conduct together with the Companies' dealings prior to the appointment of the Joint Administrators
  - **Realisation of assets - fixed charge** - formulating a realisation strategy and complying with security and insurance requirements at the property
  - **Realisation of assets - floating charge** - liaising with Hilco to formulate a realisation strategy in respect of the fixtures and fittings and identifying the unencumbered vehicles. Time has also been spent dealing with a number of leasing companies to arrange for collection of the assets from the Companies' various sites. Time spent communicating with landlords in relation to the occupation and subsequent vacation of the sites is also charged here
  - **Realisation of assets - debtors** - reviewing the Companies' debtor ledgers and liaising with the Companies' staff regarding likely realisations. Time has been charged to communicating and negotiating with debtors regarding outstanding balances and dealing with disputes
  - **Trading** - Whilst the Joint Administrators have not traded the businesses, a significant amount of time has been spent dealing with the financiers with regards to the recovery of their vehicles. In addition, time has been spent liaising with suppliers to ensure continuity of supply whilst the return of the vehicles was undertaken. Time has also been spent in relation to placing purchase orders with suppliers, making related payments and paying the wages for the retained staff is also coded here.
  - **Creditors** - a significant amount of time has been spent dealing with creditors, including correspondence with repairers of customer/Companies' vehicles, the status of insurance claims and the position in relation to deposits. Time spent notifying all creditors of the appointment, preparing statutory reports, dealing with employee claims and reporting to the secured creditors is also charged in this section
- 9.8 A copy of 'A Creditors' Guide to Administrators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen. If you would prefer this to be sent to you in hard copy please contact the Joint Administrators and they will forward a copy to you. Time Analyses which provide details of the costs incurred by activity and by staff grade to 25 January 2013 are attached at Appendix D. The Joint Administrators propose drawing fees in accordance with the proposals outlined above.
- 9.9 The Joint Administrators intend to seek approval to draw disbursements which include an element of allocated cost, which are referred to in Statement of Insolvency Practice 9 as category 2 disbursements, and require authorisation in the same manner as the basis of their remuneration. Approval will be sought for the following category 2 disbursements:
- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
  - Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour
  - Business mileage for staff travel - charged at the rate of 45 pence per mile.
- 9.10 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of the current charge-out rates by staff grade is attached at Appendix E.



## 10 Estimated outcome

### Secured creditors

- 10 1 The Companies granted fixed and floating charges to the Senior Lenders on 1 February 2007 and 1 July 2011. At the date of appointment, the Senior Lenders were owed approximately £41 million (excluding accrued interest and charges) under their security and are expected to suffer a shortfall.
- 10 2 In addition to the above security, a £1 million facility was provided to Millennium by Barclays Bank Plc (Barclays) to enable it to purchase vehicles. This facility was guaranteed by RBS who, following the appointment of the Joint Administrators, have subsequently paid the outstanding balance to Barclays.
- 10 3 Drive Assist granted various fixed charges to the Vehicle Funders on 1 February 2007 and 1 July 2011. These consisted of a receivables and insurance charge and various charges over deposits held in bank accounts. In addition, the fleet vehicles which were financed by the Vehicle Funders were owned by them.

### Preferential creditors

- 10 4 Based on the directors' SOA attached at Appendix B, the estimated value of preferential creditor claims are, £174,000 for Drive Assist and £22,000 for Millennium. The preferential creditors are expected to be paid in full. Sol did not have any employees, therefore no preferential claims are expected in this entity.

### Unsecured Creditors' Fund

- 10.5 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the company's net property available for the benefit of the unsecured creditors (Unsecured Creditors' Fund), which is commonly known as the 'Prescribed Part'.
- 10 6 As the Companies granted floating charges to the Senior Lenders after 15 September 2003, the Joint Administrators are required to create Unsecured Creditors' Funds.
- 10 7 Based on Drive Assist's SOA, the value of the net floating charge property is estimated to be £42.3 million, which would result in the maximum Unsecured Creditors' Fund of £600,000 being available to unsecured creditors.
- 10 8 The SOA for Millennium discloses net property of £957,000 after deducting the cash at bank which is not recoverable as a floating charge realisation. This would result in an Unsecured Creditors' Fund of £194,000, before the inclusion of costs of realisation.
- 10.9 The Joint Administrators do not estimate that there will be sufficient realisations in Sol from which an Unsecured Creditors' Fund can be created, as the directors estimate of the net property after deducting the cash balances on appointment is only £230,000, which relates to debtor recoveries. As the customer contracts have been terminated we expected recoveries will be significantly below this amount and the costs of the Administration are expected to exceed the net recovered amount.

## Unsecured creditors

- 10 10 Based on the values stated in the respective SOA, unsecured creditors are estimated at approximately £37.9 million in Drive Assist, £2.8 million in Millennium and £0.7 million in Sol. The Joint Administrators anticipate that there will not be a surplus available for unsecured creditors of the Companies, with the exception of any monies arising under the Unsecured Creditors' Fund as discussed above. The Joint Administrators are unable to quantify the level or rate of any unsecured dividend arising under the Unsecured Creditors' Fund with any accuracy until the remaining assets are realised and claims have been agreed.

## 11 Next report

- 11 1 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administrations.

## 12 Meeting of creditors

- 12 1 The Joint Administrators think that the Companies have insufficient property to enable distributions to be made to unsecured creditors (other than by virtue of the Unsecured Creditors' Fund). In accordance with paragraph 52(1)(b) of schedule B1 of the Insolvency Act 1986, initial meetings of the Companies' creditors are therefore not being convened. However, the Joint Administrators are obliged to hold an initial creditors' meeting if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify us in writing in the prescribed form on or before 13 February 2013.

For and on behalf of  
The Companies



Simon Wilson  
Joint Administrator

Encs

## Summary of trading locations

## Appendix A

Location	Usage	Address
Bottesford	Depot and car storage	The Gatehouse, Roseland Business Park, Roseland Way, Long Bennington, Nottinghamshire, NG23 5FF
Falkirk	Depot	C/o Nationwide Crash Repair Centre, Locklands Ind Est, Larbert, Falkirk, FK5 3NS
Guildford	Depot	Normandy Business Park, Cobbett Hill, Normandy, Guildford, Surrey, GU3 2AA
Manchester	Depot	The Fleet Centre, Poppythorn Lane, Prestwich, Manchester, M25 3BS
Middlewich	Depot	Beta Road, Brook Lane Ind Est, Middlewich, CW10 0JG
Southampton	Depot	Nursling, Williams Shipping Open Storage - Plot 4, Station Road, Nursling, Southampton, SO16 0YD
Newport	Depot	South Dock, Westway Road, Alexandra Docks, Newport, NP20 2WD
Newton Abbot	Depot	Helton Business Park, Old Newton Road, Heathfield, Newton Abbot, Devon, TQ 6RW
Norwich	Depot	William Frost Way, Longwater Business Park, Costessey, Norwich, NR5 0JS
Orpington	Depot	Hewitts Farm, Hewitts Road, Orpington, Kent, BR6 7QR
Rickmansworth	Depot	Uxbridge Road, Mill End, Rickmansworth, WD3 8XA
Stourport	Depot	Barracks Road, Sandy Lane Industrial Estate, Stourport of Severn, DY13 9QB
Sunderland	Depot	Warehouse and Premises, South Side of North Hylton Road, Sunderland, SR5 3JE
Tamworth - Riverside	Call Centre	Unit R-T, Riverside Ind Est, Fazeley, Tamworth, Staffordshire, B78 3RW
Tamworth - Ventura	Head Office	Tamworth House, Ventura Park Road, Bitterscote, Tamworth, Staffordshire, B78 3HL
Millennium - Nottingham	Car dealership	Nottingham Autopark, 565-567 Woodborough Road, Mapperley, Nottingham, NG3 5GG

**Receipts and Payments Accounts for the period  
10 December 2012 to 25 January 2013 for each of  
Drive Assist, Millennium and Sol**

**Appendix B**

**Drive Assist Limited**

	£
<b>Floating charge assets</b>	
<b>Receipts</b>	
Hire claims	3,337,770
Repair claims	2,701,395
Repair claims trust account	826,255
Road tax refund	22,486
Third party funds	4,352
Total loss	136,400
Commission rebates	35,636
Excess, fines and damage	45,935
Direct hire	1,008
Sundry claims recovered	148,087
	<u>7,259,324</u>
<b>Payments</b>	
Category 1 disbursements	
Statutory advertising	905
Stationery, postage and photocopying	672
Payroll agent's fees	3,520
Fuel costs	33,473
Deposit for fuel	50,000
Ransom costs	36,838
Security costs	38,680
Rents	40,275
Wages and salaries	544,742
PAYE & National Insurance	227,792
Employee expenses	4,641
Utilities	559
Cleaning services	4,043
Road fund licences	11,460
IT costs	360
	<u>997,960</u>
<b>Total balance</b>	<u><u>6,261,364</u></u>
<b>Represented by</b>	
VAT receivable	24,748
Interest bearing account	6,075,893
Segregated account	826,255
VAT payable	(665,532)
	<u><u>6,261,364</u></u>

**Receipts and Payments Accounts for the period  
10 December 2012 to 25 January 2013 for each of  
Drive Assist, Millennium and Sol (cont'd)**

**Appendix B**

**Millennium Motor Group Limited**

	£
<b>Floating charge assets</b>	
<b>Receipts</b>	
Motor vehicles	738
Book debts	46,191
Third party deposits	3,890
	<u>50,819</u>
<b>Payments</b>	
Category 1 disbursements	
Stationery, postage and photocopying	222
Security costs	8,354
PAYE and National Insurance	2,469
	<u>(11,045)</u>
<b>Total balance</b>	<u><u>39,774</u></u>
<b>Represented by</b>	
VAT receivable	1,692
Interest bearing account	38,230
VAT payable	(148)
	<u><u>39,774</u></u>

**Receipts and Payments Accounts for the period  
10 December 2012 to 25 January 2013 for each of  
Drive Assist, Millennium and Sol (cont'd)**

**Appendix B**

**Sol Car Rentals Limited**

	£
<b>Floating charge assets</b>	
<b>Receipts</b>	
Book debts	68,799
	<u>68,799</u>
<b>Payments</b>	
Road fund licences	593
	<u>(593)</u>
<b>Total balance</b>	<u><u>68,206</u></u>
<b>Represented by</b>	
Interest bearing account	68,206
	<u><u>68,206</u></u>

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012**

**Appendix C**

**Drive Assist Limited**

Rule 2 29

Form 2 14B

**Statement of affairs**

Name of Company  
Drive Assist UK Limited Limited

Company number  
2737288

In the  
High Court of Justice, Chancery Division, Companies Court

Court case number  
9429 of 2012

(a) Insert name  
and address and  
registered office  
of the company

Statement as to the affairs of (a) Drive Assist UK Limited,  
Tamworth House, Ventura Park Road, Bitterscote,  
Tamworth, Staffordshire, B78 3HL

(b) Insert date

on the (b) 10 December 2012  
the date that the company entered administration

---

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete  
statement of the affairs of the above company as at (b) 10 December 2012, the date  
that the company entered administration

Full name CHRISTOPHER JOHN WRIGHT

Signed Chris Wright

Dated 9/1/13

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Drive Assist Limited**

**A - Summary of Assets**

**ASSETS**

	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge</b>		
Motor Vehicles (net of VAT)	91,237,359	93,062,106
Vehicle debtors - Drive Assist	4,010,682	3,810,148
Vehicle Debtors - DAD	801,006	760,956
Designated Bank Account	3,707,095	3,707,095
Balloon value of car sales proceeds in Main bank account	15,227,438	15,227,438
	114,983,580	116,567,743
<b>Less: Due to secured creditor</b>	(117,410,981)	(117,410,981)
<b>Surplus / (Shortfall) to secured creditor</b>	(2,427,401)	(843,238)
<b>Assets subject to floating charge</b>		
Investments	154,055	-
Freehold Property	2,132,263	1,599,197
Machinery, Fixtures and Fittings	33	10,000
Office Equipment	1	10,000
Computer Equipment	776,035	77,604
Leasehold Property Improvements	76,705	20,000
Bank balances	154,752	154,752
Petty Cash	7,952	7,952
Trade debtors - credit hire (30% provision)	43,835,630	26,301,378
Trade debtors - credit repair	12,032,049	8,422,434
Trade debtors - other hire and repair	3,191,902	957,571
Vehicle debtors - Millennium Motor Group	397,820	-
Unfunded vehicle fleet	845,872	812,037
Unfunded vehicle debtors - DA	36,976	29,581
Unfunded vehicle debtors - DAD	60,900	-
Other amounts due	292,624	175,574
WIP - uninvolved hire	3,404,536	2,042,722
Credit Repair Commissions	1,443,520	-
Prepaid rent	204,970	-
Prepaid rates	128,112	-
Prepaid purchase invoices	187,714	-
Prepaid RFL	46,164	-
Prepaid Lombard fees	270,316	-
Prepaid - other	2,028,240	101,412
Prepaid - Miscellaneous Income	1,473,684	-
Prepaid - price per policy	1,547,368	-
Review of other prepayments	1,343,000	-
Insurance claims on fleet	788,177	157,635
Employee loans	6,380	3,190
Amounts owed by subsidiary companies	1,511,612	-
Corporation Tax Recoverable	278,000	278,000
PI Income	1,493,520	746,760
Medicals Income	145,000	72,500
Other miscellaneous Income	84,000	42,000
ATE Income	623,400	187,020
Due from solicitors re delayed acceptances	410,000	205,000
Stolen vehicles	84,807	42,404
Sundry debtors	95,000	19,000
<b>Estimated total assets available for preferential creditors</b>	<b>81,439,034</b>	<b>42,475,722</b>

Signature

*Chris Wright*

Date

9/1/13



**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Drive Assist Limited**

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from page A)	42,475,722
Liabilities	
Preferential creditors -	(174,000)
Estimated deficiency/surplus as regards preferential creditors	42,301,722
Estimated prescribed part of net property where applicable (to carry forward)	600,000
Estimated total assets available for floating charge holders	41,701,722
Debts secured by floating charges	(46,237,106)
Shortfall to secured creditor (brought forward)	(843,238)
Estimated deficiency/surplus of assets after floating charges	(5,378,622)
Estimated prescribed part of net property where applicable (brought down)	600,000
Total assets available to unsecured creditors	600,000
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	
Trade creditors - Millennium Motor Group and Sol	(781,230)
Trade creditors - other	(16,328,480)
HMRC - VAT	(13,917,469)
HMRC - PAYE/NIC	(349,692)
Amounts due to subsidiaries	(562,998)
Unpresented cheques	(441,621)
Staff Pension Scheme	(16,408)
Due to vehicle manufacturer	(39,337)
Due for hire fleet insurance	(257,028)
Referral Commissions (not in Purchase ledger)	(5,259,675)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	(37,348,937)
Shortfall to floating charge holders (brought down)	5,378,622
Estimated deficiency/surplus as regards creditors	(42,727,559)
Issued and called up share capital	134,843
Estimated total deficiency/surplus as regards members	(42,862,402)

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Drive Assist Limited**

A copy of the list of creditors, attached to the SOA, can be downloaded from Zolfo Cooper's  
creditor portal (<http://www.zcinfoportal.com>)

**COMPANY SHAREHOLDERS**

Name of Shareholder	Address (with postcode)	No Of shares held	Nominal Value	Details of shares held
DA 400 Ltd	Ventura Park Road, Tamworth, Staffordshire, B78 3LY	131,417	£131,417	Ordinary shares of £1 each
DA 400 Ltd	Ventura Park Road, Tamworth, Staffordshire, B78 3LY	3,426	£3,426	Ordinary B shares of £1 each
<b>TOTALS</b>		<b>134,843</b>	<b>£134,843</b>	

Signature Chris Wright Date 9/1/13

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Millennium Motor Group Limited**

Rule 2.29

Form 2 14B

**Statement of affairs**

Name of Company  
Millennium Motor Group Limited

Company number  
3274158

In the  
High Court of Justice, Chancery Division, Companies Court

Court case number  
9438 of 2012

(a) Insert name  
and address and  
registered office  
of the company

Statement as to the affairs of (a) Millennium Motor Group  
Limited, Tamworth House, Ventura Park Road, Bitterscote,  
Tamworth, Staffordshire, B78 3HL

(b) Insert date

on the (b) 10 December 2012  
the date that the company entered administration

---

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete  
statement of the affairs of the above company as at (b) 10 December 2012, the date  
that the company entered administration

Full name CHRISTOPHER JOHN WRIGHT

Signed Chris Wright

Dated 9/1/13

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Millennium Motor Group Limited**

**A - Summary of Assets**

**ASSETS**

	Book Value £	Estimated to Realise £
Assets subject to fixed charge	-	-
Less Due to secured creditor	-	-
Surplus / (Shortfall) to secured creditor	-	-
Assets subject to floating charge		
Freehold property improvements	6,824	-
Machinery, Fixtures and fittings	12,493	15,000
Computer equipment	5	5
Used car stock	948,250	853,425
Parts Stock	59,047	17,714
Bodyshop WIP	27,691	-
Petty cash	240	240
Cash at Bank	1,489,451	1,489,451
Trade debtors - Drive Assist	662,076	-
Trade Debtors - Sol	14,113	-
Trade debtors - other	117,140	70,284
Inter company debtors - due from Drive assist	196,832	-
Prepayments	26,018	-
Deferred Tax	10,981	-
Estimated total assets available for preferential creditors	3,571,161	2,446,119

Signature

*Chris Wright*

Date

*9/1/13*

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Millennium Motor Group Limited**

**A1 - Summary of Liabilities**

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from page A)	2,446,119
Liabilities	
Preferential creditors -	(22,000)
Estimated deficiency/surplus as regards preferential creditors	2,424,119
Estimated prescribed part of net property where applicable (to carry forward)	487,824
Estimated total assets available for floating charge holders	1,936,295
Debts secured by floating charges	(46,237,106)
Shortfall to secured creditor	
Estimated deficiency/surplus of assets after floating charges	(44,300,811)
Estimated prescribed part of net property where applicable (brought down)	487,824
Total assets available to unsecured creditors	487,824
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade Creditors - Drive Assist	(1,217,550)
Trade Creditors - Sol	(7,157)
Trade Creditors - other	(518,832)
HMRC - VAT	(28,567)
Late purchase Invoices	(20,104)
Customer deposits	(11,634)
Barclays stocking facility (secured by bank guarantee)	(1,000,000)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	(2,316,020)
Shortfall to floating charge holders (brought down)	44,300,811
Estimated deficiency/surplus as regards creditors	(46,616,831)
Issued and called up share capital	100,000
Estimated total deficiency/surplus as regards members	(46,716,831)

Signature

*Chris Wadsworth*

Date

*16/12/13*

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Millennium Motor Group Limited**

A copy of the list of creditors, attached to the SOA, can be downloaded from Zolfo Cooper's  
creditor portal ([http //www.zcinfoportal.com](http://www.zcinfoportal.com))

**COMPANY SHAREHOLDERS**

Name of Shareholder	Address (with postcode)	No. Of shares held	Nominal Value	Details of shares held
Drive Assist UK Ltd	Ventura Park Road, Tamworth, Staffordshire, B78 3LY	24,000	£24,000	Ordinary shares of £1 each
Drive Assist UK Ltd	Ventura Park Road, Tamworth, Staffordshire, B78 3LY	76,000	£76,000	Preference shares of £1 each
<b>TOTALS</b>		<b>100,000</b>	<b>£100,000</b>	

Signature *Chris Wright* Date *9/1/13*

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Sol Car Rentals Limited**

Rule 2 29

Form 2 14B

**Statement of affairs**

Name of Company  
Sol Car Rentals Limited

Company number  
2974983

In the  
High Court of Justice, Chancery Division, Companies Court

Court case number  
9431 of 2012

(a) Insert name  
and address and  
registered office  
of the company

Statement as to the affairs of (a) Sol Car Rentals Limited,  
Tamworth House, Ventura Park Road, Bitterscote,  
Tamworth, Staffordshire, B78 3HL

(b) Insert date

on the (b) 10 December 2012  
the date that the company entered administration

---

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete  
statement of the affairs of the above company as at (b) 10 December 2012, the date  
that the company entered administration

Full name CHRISTOPHER JOHN WRIGHT

Signed Chris Wright

Dated 9/1/13

**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Sol Car Rentals Limited**

**A - Summary of Assets**

ASSETS

Assets subject to fixed charge

Less Due to secured creditor

Surplus / (Shortfall) to secured creditor

Assets subject to floating charge

Leasehold improvements

Cash at Bank

Trade Debtors - Drive Assist

Trade Debtors - Millennium Motor Group

Trade Debtors - Other

Amounts owed by Group companies - Millennium Motor Group

Deferred tax

Estimated total assets available for preferential creditors

Signature

*Chris Wright*

Date

Book Value £	Estimated to Realise £
-	-
-	-
34	-
981,975	981,975
78,799	-
6,835	-
288,112	230,490
2,439	-
277	-
1,358,471	1,212,465

9/1/13



**Directors' Statements of Affairs for each of Drive  
Assist, Millennium and Sol as at 10 December 2012  
(cont'd)**

**Appendix C**

**Sol Car Rentals Limited**

**A1 - Summary of LIABILITIES**

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from page A)	1,212,465
Liabilities	
Preferential creditors -	-
Estimated deficiency/surplus as regards preferential creditors	1,212,465
Estimated prescribed part of net property where applicable (to carry forward)	245,493
Estimated total assets available for floating charge holders	966,972
Debts secured by floating charges	(46,237,106)
Shortfall to secured creditor	-
Estimated deficiency/surplus of assets after floating charges	(45,270,134)
Estimated prescribed part of net property where applicable (brought down)	245,493
Total assets available to unsecured creditors	245,493
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	-
Trade Creditors	(76,511)
HMRC - VAT	(1,949)
Customer Deposits	(277,337)
Due to Group Company - Drive Assist	(384,566)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	(447,873)
Shortfall to floating charge holders (brought down)	45,270,134
Estimated deficiency/surplus as regards creditors	(45,718,007)
Issued and called up share capital	1
Estimated total deficiency/surplus as regards members	(45,718,008)

Signature

*Chris Wignall*

Date

*16/11/13*

## Appendix C

A copy of the list of creditors, attached to the SOA, can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>).

## COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. Of shares held	Nominal Value	Details of shares held
Drive Assist UK Ltd	Ventura Park Road, Tamworth, Staffordshire, B78 3LY	1	£1	Ordinary share of £1
TOTALS		1	£1	

Signature Chris Wingler Date 9/11/13

# Time Analyses for the period 10 December 2012 to 25 January 2013 for each of Drive Assist, Millennium and Sol

## Appendix D

### Drive Assist UK Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	2.2	32.1	2.5	11.7	48.5	16,822.50	347
Strategy and control	125.9	12.2	13.5	2.1	153.7	73,457.00	478
Statutory duties	1.5	7.8	1.2	0.6	11.1	4,516.50	407
Case administration	0.2	2.5	8.6	2.0	13.3	3,991.50	300
Accounting and treasury	0.3	17.5	9.4	11.2	38.4	11,530.50	300
Travel and waiting time	23.5	79.2	78.6	6.3	187.6	68,662.00	366
Internal documentation	1.3		2.5	7.8	11.6	2,592.00	223
<b>Investigations</b>							
Director conduct reports	1.0	0.5	0.5		2.0	807.50	404
Other investigations	36.0	22.4	125.3	14.0	197.7	67,009.50	339
Internal documentation	0.8			0.4	1.2	420.00	350
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy	5.0	0.5	0.6		6.1	2,968.00	487
Asset identification and valuation	0.3		4.2		4.5	1,416.00	315
Sale of assets	31.7		12.5	0.8	45.0	17,920.00	398
Recovery of assets			0.3	1.0	1.3	241.50	186
Dealing with third party assets		0.8			0.8	328.00	410
Asset accounting and administration				1.8	1.8	270.00	150
<b>Realisation of assets - debtors</b>							
Debt collection	15.3	97.6			112.9	46,752.00	414
Debtor litigation	0.7	15.0			15.7	6,465.00	412
Internal and external documentation	2.3				2.3	1,133.00	493
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy	0.7	13.0			13.7	5,125.00	374
Asset identification and valuation	8.7	8.7		2.1	19.5	7,999.00	410
Sale of assets	0.1	37.3			37.4	15,206.00	407
Recovery of assets		2.2		2.9	5.1	1,317.00	258
Dealing with third party assets	109.7	275.2	64.2	68.7	517.8	200,444.50	387
Asset accounting and administration				0.1	0.1	9.50	95
<b>Trading</b>							
Trading strategy	10.9	16.5	109.8	2.4	139.6	46,081.00	330
Trading activities	49.0	95.9	157.7	284.5	587.1	145,195.00	247
Accounting and administration	4.8	39.5	30.5	34.0	108.8	31,304.00	288
<b>Creditors</b>							
Creditor claims			1.0	6.5	7.5	1,280.00	171
Internal documentation	5.4	0.2		0.3	5.9	2,921.00	495
Creditor strategy	5.0			0.7	5.7	2,390.00	419
Reporting to creditors	51.9	21.1	21.5	6.2	100.7	40,890.50	406
Secured creditors	21.5	64.9	6.3		92.7	39,460.50	426
Unsecured creditors	19.0	7.0	80.0	172.4	278.4	61,152.00	220
Employees	0.4	23.7	2.6	11.6	38.3	12,467.50	326
<b>Totals</b>	<b>535.1</b>	<b>893.3</b>	<b>733.3</b>	<b>652.1</b>	<b>2,813.8</b>	<b>940,545.00</b>	<b>334</b>

**Time Analyses for the period 10 December 2012 to  
25 January 2013 for each of Drive Assist,  
Millennium and Sol (cont'd)**

**Appendix D**

**Millennium Motor Group Limited**

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.1	2.0	1.5	4.1	7.7	1,897.50	246
Statutory duties	1.5	3.8	0.3	0.5	6.1	2,587.00	424
Case administration	0.2	0.5	0.1	0.9	1.7	504.00	296
Accounting and treasury	0.2	0.2	0.2	3.7	4.3	713.50	166
Travel and waiting time		5.4			5.4	1,998.00	370
Investigations							
Director conduct reports		0.5	0.5		1.0	357.50	358
Other investigations		0.5			0.5	185.00	370
Realisation of assets - debtors							
Debt collection		7.0			7.0	2,590.00	370
Realisation of assets - floating charge							
Asset realisation strategy		20.5			20.5	7,585.00	370
Asset identification and valuation	0.3	2.5			2.8	1,060.00	379
Recovery of assets				2.4	2.4	360.00	150
Dealing with third party assets		13.3	2.6		15.9	5,714.00	359
Trading							
Trading activities	0.1	13.8		21.0	34.9	8,301.00	238
Accounting and administration	0.1		0.5	2.5	3.1	545.00	176
Creditors							
Creditor claims			6.6	1.2	7.8	2,193.00	281
Internal documentation	1.0				1.0	520.00	520
Reporting to creditors	0.5	1.8	2.8		5.1	1,840.00	361
Secured creditors	1.0	3.3			4.3	1,813.00	422
Unsecured creditors		0.1	12.6	1.2	13.9	3,925.00	282
Employees		3.4			3.4	1,394.00	410
<b>Totals</b>	<b>5.0</b>	<b>78.6</b>	<b>27.7</b>	<b>37.5</b>	<b>148.8</b>	<b>46,082.50</b>	<b>310</b>

**Time Analyses for the period 10 December 2012 to  
25 January 2013 for each of Drive Assist,  
Millennium and Sol (cont'd)**

**Appendix D**

**Sol Car Rentals Limited**

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning		2.9	-	1.1	4.0	1,354.00	339
Strategy and control		1.4	1.9	0.5	3.8	1,212.50	319
Statutory duties		2.3	-	0.8	3.1	1,070.00	345
Case administration	0.2	0.5	0.1	0.9	1.7	504.00	296
Accounting and treasury	0.1	0.2	0.4	1.9	2.6	495.50	191
<b>Investigations</b>							
Director conduct reports		0.5	0.5		1.0	357.50	358
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy	1.0				1.0	520.00	520
Dealing with third party assets		0.5	-		0.5	205.00	410
<b>Realisation of assets - debtors</b>							
Debt collection		17.0			17.0	6,970.00	410
Internal and external documentation		0.5			0.5	185.00	370
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy		1.2			1.2	444.00	370
Asset identification and valuation				14.0	14.0	2,100.00	150
Recovery of assets		3.0		1.3	4.3	1,305.00	303
Dealing with third party assets	0.5	42.6	16.4	32.9	92.4	27,201.50	294
Asset accounting and administration				6.6	6.6	990.00	150
<b>Trading</b>							
Trading activities	0.2			3.9	4.1	675.00	165
Accounting and administration			0.3	0.4	0.7	129.50	185
<b>Creditors</b>							
Creditor claims				0.2	0.2	30.00	150
Internal documentation	1.0				1.0	520.00	520
Reporting to creditors	1.0	3.7	2.8		7.5	2,883.00	384
Unsecured creditors			14.6	9.7	24.3	5,785.50	238
Employees		0.2			0.2	82.00	410
<b>Totals</b>	<b>4.0</b>	<b>76.5</b>	<b>37.0</b>	<b>74.2</b>	<b>191.7</b>	<b>55,019.00</b>	<b>287</b>

## Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9

## Appendix E

### 1 Policy

Detailed below is Zolfo Cooper's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors; and
- disbursements

#### 1.1 Staff allocation and the use of sub-contractors

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, the Joint Administrators advise that time spent by their treasury department in relation to specific tasks on an assignment is charged. The Joint Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	PAYCO ERA Limited	Rate per employee	3,520

#### 1.2 Professional advisors

On these assignments the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Travers Smith LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Hilco Appraisal Europe Limited (valuation and disposal advice)	Percentage of realisations
Linklaters LLP (legal advice)	Hourly rate and disbursements
Jones Day (legal advice)	Hourly rate and disbursements
Deloitte LLP (limited scope financial review)	Hourly rate and disbursements
GVA Grimley Limited (valuation and disposal advice)	Percentage of realisations

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignments and the basis of their fee arrangement with them.

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Joint Administrators and their staff.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the Joint Administrators' Statement of Proposals. Category 2 disbursements that may be incurred are as follows.

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying
- Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour
- Business mileage for staff travel - charged at the rate of 45 pence per mile

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below. Time is charged by partners and case staff in units of six minutes.

Description	£
<b>Partner/director</b>	
Partner 1*	575
Partner 2*	520
Director	450
<b>Senior associate</b>	
Senior associate 1*	410
Senior associate 2*	370
<b>Associate/analyst</b>	
Associate	305
Analyst*	280
<b>Junior analyst and support staff</b>	
Junior analyst*	150
Senior treasury associate	220
Treasury associate	150
Treasury analyst	95
Support	80
<b>*Key</b>	
<i>Partner 1 - partners with three or more years' experience at partner level</i>	
<i>Partner 2 - partners with fewer than three years' experience at partner level</i>	

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*Senior associate 1 - staff with two or more years' experience at senior associate level*

*Senior associate 2 - staff with fewer than two years' experience at senior associate level*

*Analyst - staff with more than one year's experience at analyst level*

*Junior analyst - staff with fewer than one year's experience at analyst level*

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