

The Insolvency Act 1986

**Notice of result of meeting of Creditors**

Name of Company

Just Motor Care Limited

Company number

03055918

In the  
High Court of Justice

(full name of court)

Court case number  
CR-2017-000351(a) Insert full name(s)  
and address(es) of the  
administrator(s)

I/We (a)

Richard Keley  
BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
CrawleyAndrew Pear  
BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawleyhereby report that a meeting of the creditors by correspondence of the above company was held  
at(b) Insert place of  
meeting

(b) Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex, RH11 7XL

(c) Insert date of meeting

on (c) 14 February 2017 at which

\*Delete as applicable

~~\*1 Proposals/revised proposals were approved~~~~\*2 Proposals/revised proposals were modified and approved~~~~The modifications made to the proposals are as follows—~~(d) Give details of the  
modifications (if any)~~(d)~~~~\*3 The proposals were rejected~~(e) Insert time and date of  
adjourned meeting~~\*4 The meeting was adjourned to (e)~~(f) Details of other  
resolutions passed~~\*5 Other resolutions~~

(f)

The Joint Administrators' pre-Administration costs and expenses as detailed in the Joint  
Administrators' report to creditors and for them to be drawn, plus VAT, were approvedRichard Keley and Andrew Pear would be appointed Joint Liquidators in the event that Just Motor  
Care Limited proceeds into Liquidation

FRIDAY



\*A60H8SE9\*

A21

17/02/2017

#233


COMPANIES HOUSE

Form 2.23B(CH) continued

~~The revised date for automatic end to administration is~~

A creditors' committee was not formed

Signed

  
Richard Keley, Joint Administrator

Dated

14 February 2017

\*Delete as applicable

A copy of the \*original proposals / ~~modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting

**TO THE MEMBERS AND ALL KNOWN CREDITORS**

Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley RH11 7XL

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Our ref SA/JUS001RK

23 January 2017

Dear Sirs

**Just Motor Care Limited t/a Just Motor Care and Just MOT's - In Administration ("the Company")**  
**Company Number: 03055918**

I write to advise you that Andrew Pear and I were appointed Joint Administrators of the Company on 16 January 2017, following an application by the directors of the Company.

Please find enclosed the Administrators' proposals to creditors, pursuant to paragraph 49 of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act") and rule 2.33 of the Insolvency Rules 1986 (as amended) ("the Rules")

If you consider that you have supplied goods subject to reservation of title, I should be grateful if you would notify me within the next 10 days. If you do not notify me within the next 10 days, I will assume that you have no such claim to any goods. Should you consider you have a retention of title claim, please submit the following documentation to this office in support of your claim:

- 1 a copy of your standard terms and conditions of supply of goods
2. copy evidence that the Company accepted such conditions
- 3 copies of delivery notes/proof of delivery
- 4 copies of unpaid invoices to which your claim relates
5. evidence that you supplied the goods in question, as opposed to any other supplier who may supply the same goods

In the event that your claim relates to leased or hired equipment, please forward proof of ownership and a detailed description of the items concerned together with early settlement values, if applicable

Pursuant to paragraph 43 of Schedule B1 of the Act, you will not be able to enforce any security or reservation of title claim without the Administrators' consent or that of the Court. Please also note that, no lien or right of set-off may be exercised over any goods that came into your possession from the date of Administration, in respect of sums that may be owed to you by the Company either subsequent to or prior to the Administration

Should you have any queries or require further information, please do not hesitate to contact Suzi Andrews on 01293 453648 or email [suzi.andrews@bm-advisory.com](mailto:suzi.andrews@bm-advisory.com)

Yours faithfully

**For and on behalf of**  
**Just Motor Care Limited**

  
**Richard Keley**  
Joint Administrator

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO  
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)  
DATED 23 JANUARY 2017**

**1. INTRODUCTION**

Richard Keley and Andrew Pear of BM Advisory of Arundel House, 1 Amberley Court, Whitworth Road, Crawley, RH11 7XL were appointed Joint Administrators of the Company on 16 January 2017, following an application by the directors of the Company. In accordance with paragraph 46(3) of Schedule B1 of the Insolvency Act 1986, I enclose formal notice of our appointment, Form 2 12B, at **Appendix I**

On 16 January 2017, a pre-packaged sale to Motest Southern Limited ("MSL") completed shortly after the appointment of Administrators. Details of the valuation, marketing strategy and sale process are included in this report pursuant to Statement of Insolvency Practice 16

The Joint Administrators' appointment specified that they would have the power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the Notice of Appointment.

Please note that the Joint Administrators are bound by the Insolvency Code of Ethics and the regulations of their licensing body when carrying out all professional work relating to this matter.

Statutory information relating to the Company is attached at **Appendix II**

**2. BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF JOINT ADMINISTRATORS**

**Company background**

Just Motor Care Limited was formed in May 1995 (under its former name - Just M.O.T's Limited) and was a car and van MOT, repair, maintenance and inspection service business operating from 13 leasehold sites across the South East. It had an annual turnover of circa £2.3m and employed 42 staff.

The Company's directors are Mr Peter Coats and Mr Igor Turevsky and they are both also shareholders holding 63.97% and 9.62% (indirectly) of the ordinary share capital respectively. There are 19 other ordinary shareholders. Peter Coats and Igor Turevsky also hold 62.3% and 10.66% of the preference share capital respectively.

**Summary of financial history**

In its early years of trading, the Company developed a high level of customer loyalty and expanded relatively quickly. However, more recently the directors believe that the speed of expansion created significant financial pressure on the Company.

A summary of the Company's recent trading performance is shown below

| <b>Profit and loss account</b>      | <b>Year ended<br/>30/09/2015<br/>Audited</b> | <b>Year ended<br/>30/09/2014<br/>Audited</b> | <b>Year ended<br/>30/09/2013<br/>Audited</b> |
|-------------------------------------|--|--|--|
|                                     | <b>£</b>                                     | <b>£</b>                                     | <b>£</b>                                     |
| Turnover                            | 2,335,882                                    | 2,202,538                                    | 2,096,043                                    |
| Costs of sales                      | <u>(1,474,688)</u>                           | <u>(1,331,514)</u>                           | <u>(1,250,821)</u>                           |
| <b>Gross margin</b>                 | <b>861,194</b>                               | <b>871,024</b>                               | <b>845,222</b>                               |
| <i>Gross margin %</i>               | <i>37%</i>                                   | <i>40%</i>                                   | <i>40%</i>                                   |
| Administrative expenses             | <u>(899,500)</u>                             | <u>(973,812)</u>                             | <u>(854,190)</u>                             |
| <b>Operating profit/(loss)</b>      | <b>(38,306)</b>                              | <b>(102,788)</b>                             | <b>(8,968)</b>                               |
| Profit/(loss) on disposal of assets | -  | -  | -  |
| Interest and finance charges        | <u>(32,486)</u>                              | <u>(57,558)</u>                              | <u>(7,991)</u>                               |
| Other non-operating costs           | -  | -  | -  |
| Exceptional items                   | -  | -  | -  |
| <b>Profit/(loss)</b>                | <b><u>(70,792)</u></b>                       | <b><u>(160,346)</u></b>                      | <b><u>(16,959)</u></b>                       |

Source Audited accounts

| <b>Balance sheet</b>            | <b>As at 30/09/2015<br/>Audited</b> | <b>As at 30/09/2014<br/>Audited</b> | <b>As at 30/09/2013<br/>Audited</b> |
|---------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                 | <b>£</b>                            | <b>£</b>                            | <b>£</b>                            |
| <b>Fixed assets</b>             | 210,525                             | 241,008                             | 271,634                             |
| <b>Current assets</b>           |                                     |                                     |                                     |
| Debtors                         | 414,438                             | 327,424                             | 399,522                             |
| Stock                           | 32,118                              | 21,696                              | 14,619                              |
| Cash at bank                    | <u>6,619</u>                        | <u>577</u>                          | <u>20,768</u>                       |
|                                 | <b>663,700</b>                      | <b>590,705</b>                      | <b>706,543</b>                      |
| <b>Liabilities</b>              |                                     |                                     |                                     |
| Creditors' within one year      | (461,950)                           | (324,544)                           | (400,850)                           |
| Creditors due after one year    | (160,482)                           | (154,101)                           | (32,886)                            |
| Provisions for liabilities      | <u>(23,719)</u>                     | <u>(22,874)</u>                     | <u>-</u>                            |
|                                 | <b>(646,151)</b>                    | <b>(501,519)</b>                    | <b>(433,736)</b>                    |
| <b>Net assets/(liabilities)</b> | <b><u>17,549</u></b>                | <b><u>89,186</u></b>                | <b><u>272,807</u></b>               |
| Called up share capital         | 827,373                             | 827,373                             | 797,373                             |
| Share premium account           | 20,933                              | 20,933                              | 20,933                              |
| Profit and loss account         | <u>(830,757)</u>                    | <u>(759,120)</u>                    | <u>(545,499)</u>                    |
|                                 | <b><u>17,549</u></b>                | <b><u>89,186</u></b>                | <b><u>272,807</u></b>               |

Source Audited accounts

### Reasons attributable to the appointment of Administrators

In the audited accounts for the year ended 30 September 2014, the directors reported that the Company experienced a challenging year, caused partly by the cost of investing for the future and partly from staff shortages and associated additional payroll expenditure. At that stage, seven of the 16 Just MOT's centres were rebranded to 'Just Motor Care' and the services offered extended to include minor repairs and servicing. This broader base was expected to provide higher margin work however it also resulted in increased levels of materials, IT and equipment investment

It was also considered that the improving economy during the year triggered a shortage of qualified testing staff which slowed the Company's turnover growth but also necessitated salary increases to retain existing staff and

to entice new staff to join. However the trading environment did not allow these increased costs to be passed immediately to customers.

In the audited accounts for the year ended 30 September 2015, the directors reported that turnover had increased by £133k however the difficulties experienced in the previous year were significantly reduced but not entirely extinguished so the net loss was reduced but not eliminated.

The core MOT testing business had continued to benefit from a high level of customer loyalty however it was considered that the market had, over recent years, become tighter due, in part, to the relative ease by which new cars were available through leasing. This ongoing trend underlined the potential benefit to the Company of diversification into vehicle repair and other related activities, which was also considered to flatten the seasonality which impacts MOT testing. It was reported that the Just Motor Care brand repair operation (in six centres) was, after a slow start, starting to develop successfully.

The lowest point of the Company's annual trade cycle occurred in December and January each year. In the year ended 30 September 2015, cash flow was strongly negative during this period. Given the cumulative impact of losses incurred prior to 31 December 2015, it was necessary to raise additional funding which was achieved by the sale, with payment made prior to the calendar year end (but subject to final documentation and external approvals), of the Hastings and Maidstone operations. Hastings was purchased by M&D Motor Care Limited which is owned and managed by Tony Perfect (CEO, a minority shareholder and former director of the Company) and Janet Perfect (former employee of the Company) together with Alan Perfect (unrelated to the Company). Maidstone was purchased by The MOT Test Company Limited which is owned by Mr Barrie-Jon Waters (a minority shareholder in the Company). These sales will be reviewed by the Administrators in accordance with their duties.

The Hastings centre was to be operated as a Just Motor Care franchise and continued to be included on the Company's website whilst the Maidstone centre was to be included on the website as an associate. It was thought that the Company would then be profitable and financially stronger.

However, insufficient funding was raised from the sale of the centres due to poor trading throughout 2016. The utilisation of the Company overdraft (with a limit of £65,000) provided by the secured charge holder, HSBC Bank Plc, grew until it became fully drawn in October and the Company was not able to meet the monthly salary payments in full which were due at the end of the month.

The directors explored alternative options including selling shares but it was decided that continued trading would not be viable. The directors sought professional advice and contacted BM Advisory via the internet. Richard Keley of BM Advisory initially met with the director, Mr Peter Coats on 26 October 2016 (and spoke to the other director, Mr Igor Turevsky by telephone conference) and advised the Company on its options. These comprised continuing the business by raising further funding, immediate closure via a Creditors' Voluntary Liquidation or attempting to sell the business via an Administration.

An accelerated sale process was immediately commenced via independent valuation and sale agents (this process is described in detail below) and the Company was placed into Administration on 16 January 2017 in order to complete a partial going concern sale.

Neither the Administrators nor BM Advisory have had any prior relationship with the Company, directors or shareholders. Although negotiations of the sale of assets took place pre-appointment and during a time that the Administrators were acting as advisers to the Company and its directors, independent agents were instructed to value, market, review offers received and recommend the best option to the Company. Thus it is considered that the Administrators can act, bearing in mind their obligations as office holders.

### **3. OBJECTIVES OF ADMINISTRATION AND STRATEGY FOR ACHIEVEMENT BY THE JOINT ADMINISTRATORS**

The Administrators are officers of the Court and must perform their duties in the interests of the creditors as a whole. The purpose of the Administration process is to achieve one of the three objectives set out in the Act, namely:-

- (a) rescue the Company as a going concern; or

- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as the financial circumstances of the Company meant that it could not be rescued as a going concern through a share sale. A Company Voluntary Arrangement was not appropriate due to lack of funding.

The purpose of the Administration is therefore objective (b), being to achieve a better result for the creditors as a whole than would be likely if the Company was placed directly into Liquidation. This has been accomplished by a pre-packaged partial going concern sale of the Company's business and assets which is described in more detail below.

The insolvency legislation gives a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either seek an extension from creditors as set out in The Rules or apply to court.

Further information can also be found at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk) which is designed to provide creditors with a step by step guide to the insolvency process.

#### 4. CONDUCT OF THE ADMINISTRATION

The term 'pre-packaged sale' refers to an arrangement under which the sale of all or part of a company's business and/or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator completes the sale immediately on, or shortly after, appointment. The following information has been prepared to assist creditors in understanding the circumstances and rationale for the sale.

Whilst every effort has been taken to set out all the relevant facts please contact us if you have any further questions or need any further clarification.

##### Valuation and marketing of the business and assets

An independent agent, namely Roland Cramp (MRICS) of Lambert Smith Hampton ("LSH"), was instructed by BM Advisory on the Company's behalf to carry out a valuation of the business and assets and to undertake an appropriate accelerated marketing process. The agents confirmed their independence to act in this matter and that they carry adequate professional indemnity insurance.

The valuation was prepared in October 2016 following LSH's instruction on a 'market value for removal' basis assuming either a four week marketing period or a one week marketing period. The first enabling a sufficient time to hold a formal sale of the equipment and the latter assuming an immediate sale and closure (due to cost of ongoing rents).

The valuation provided by the agents is summarised below by asset category.

| Asset valuation                  | Market value<br>for removal (4<br>week marketing<br>period)<br>£ | Market value<br>for removal (1<br>week marketing<br>period)<br>£ |
|----------------------------------|--|--|
| Goodwill                         | -  | -  |
| Plant & machinery                | 48,500   | 34,000   |
| Motor vehicles                   | 2,000  | 2,000  |
| Stock                            | -  | -  |
| Fixtures, fittings and equipment | -  | -  |
| <b>Total</b>                     | <b>50,500</b>  | <b>36,000</b>  |

Stock was considered by LSH to be of no net realisable value on either removal basis (the Company explained that minimal stock was held across the sites but no record of stock was kept) and thus might only be of interest to a purchaser intending to continue trading the centres. Fixtures, fittings and equipment were considered uneconomical to realise.

LSH initially prepared and circulated an information memorandum 'teaser' by email to circa 3,300 relevant potential interested parties on its databases on 28<sup>th</sup> October 2016. An advertisement was also placed on the 'business for sale' section of LSH's website on 28<sup>th</sup> October 2016. This marketing strategy was adopted as it was considered by the directors, LSH and BM Advisory that the most likely purchaser would be an established motor trade operator with existing MOT centres and an understanding of Driver and Vehicle Standards Agency ("DVSA") regulations. Accordingly, LSH targeted their motor trade database along with specific similar companies operating in the sector.

Specific approaches were also made by LSH to two competitors considered by Mr Peter Coats to be potential suitable purchasers of the business and assets. The 'teaser' was also circulated by BM Advisory to some 150 accountants, lawyers and corporate advisors in the South East who might introduce interested parties.

LSH received 14 requests for further information and 11 of those interested parties signed and returned non-disclosure agreements. These 11 parties were supplied with a sales information pack prepared by LSH which included company accounts, details of the premises and lease terms, a schedule of equipment and payroll information.

The marketing process undertaken by LSH resulted in the following offers:

1. An initial offer on 5 December 2016 from an unconnected third party for seven of the Company's 13 trading sites. The initial offer was for an amount less than the break-up value of the assets at those sites. It was subsequently negotiated upwards a number of times, finally to £65,000 (of which the majority was deferred) which included an eight month licence to occupy the seven sites. This offer preserved 18 of the 42 employees' jobs.
2. An offer of £65,000 was received from an unconnected third party, Motest Southern Limited ("MSL") on 15 December 2016 with unacceptable conditions attached. Those conditions were subsequently negotiated to an acceptable basis. MSL was interested in acquiring 11 of the 14 sites which meant that 29 of the employees' jobs would be preserved.
3. On 23 December 2016 we were advised by Mr Peter Coats that a shareholder had verbally offered £70,000 for 11 of the sites. This offer was not communicated directly to LSH or BM Advisory and was withdrawn on the same day.
4. In early January 2017 we were also advised by Mr Peter Coats that a business contact of another of the Company's shareholders wished to acquire 51% of the shares and recapitalise the business. However, we were later told that this interest could not progress further in the time available.

MSL's offer was conditional upon securing the transfer of the Company's MOT testing licences from the DVSA and for it to be granted a licence to occupy the 11 sites for up to nine months to allow it to negotiate an assignment of the leases or new leases. All rents and lease outgoings would be met by MSL during the licence period.

The marketing period lasted approximately 10 weeks. All interest was followed up and there was no indication of any other interest.

LSH recommended that MSL's offer be accepted and it was accepted on 23 December 2017. Isadore Goldman solicitors were instructed to prepare the Sale and Purchase Agreement and Licence to Occupy. MSL's offer was later increased to £66,500 to include the Company's vehicles as recommended by LSH.

Unbeknownst to BM Advisory, the directors had filed a Notice of Intention to Appoint Administrators ("NoI") on 9 December 2016 due to a fear of enforcement action by proprietary creditors. To continue the interim moratorium protection that was therefore in place, a second NoI was filed on 23 December 2016. The sale was planned for 16 January 2017 to allow the time required by MSL to transfer the Company's MOT testing licences at the DVSA. This required a third NoI which was filed on 11 January 2017. HSBC's consent to the appointment was also required to enable the Administration to take place on 16 January 2017 and HSBC's consent was received on 11 January 2017.



On Saturday 14 January 2017 we were advised that the landlord of the Hove premises had attempted to forfeit the lease and changed the locks overnight. The landlord was made aware of the interim moratorium protection which had been created by the filed NoI on the same day and provided with a copy of the NoI by BM Advisory. On the morning of Monday 16 January 2017 we also contacted the landlord's agent and instructed Isadore Goldman to liaise with the landlord and his agent and solicitors to re-obtain access to the premises. Access was granted that afternoon. Thereafter, at 15.06 on 16 January 2017 the Notice of Appointment of Administrators was filed at the High Court and the sale to Motest completed at 15.37.

### **Rationale for strategy adopted**

It was not appropriate to trade the business and offer it for sale as a going concern during the Administration due to lack of funding. I did not consider it appropriate to approach specialist funders as there was minimal stock and trade debtors (circa £21k) whilst the tangible assets had limited value on a removal basis (as above). Trading in Administration was also likely to erode the reputation and hence value and attractiveness of the business to buyers. It was also likely that trading would be unviable due to the negative cash flows incurred in the current low phase of the Company's seasonality.

Despite interest from a business contact of a shareholder, no formal offers were made to acquire the Company's share capital due to its insolvent position and a Company Voluntary Arrangement was not viable as the Company had run out of funding and its seasonality results in a low phase over winter.

An Administration was more appropriate than a liquidation as it facilitated a partial going concern sale of the business and preservation of the majority of the employees' jobs.

As explained, given the Company's financial circumstances and with no alternative funding available the only options were Administration or Liquidation. An estimated outcome statement which compares these options is attached at **Appendix III**.

The table shows a better outcome in Administration than in Liquidation due to the sale consideration achieved from the pre-packaged sale to MSL and the avoidance of employees' entitlements crystallising (which would have happened if the operations ceased and their jobs lost). It enables a repayment in part to the fixed charge holder, HSBC Bank Plc and it indicates a surplus available to unsecured creditors of £17,752. However, creditors should note that this estimate is for comparison purposes only and does not take into account the pre and post Administration costs of realisations.

### **Secured Charge holders**

The Company granted the following charges as registered at Companies House.

|  | <b>Type</b>               | <b>Creation date</b> | <b>Registration date</b> |
|--|---------------------------|----------------------|--------------------------|
| HSBC Bank Plc  | Fixed and floating charge | 26.03.2002           | 27.03.2002               |
| H & T Properties Limited                                 | Rent deposit deed         | 26.08.2008           | 29.08.2008               |
| Seput Nominee 75 Limited and<br>Seput Nominee 76 Limited | Rent deposit deed         | 11.04.2008           | 15.04.2008               |
| Daejan Investments Limited                               | Rent deposit deed         | 17.03.2003           | 18.03.2003               |
| Mwb Business Exchange Limited                            | Rent deposit deed         | 15.07.2002           | 23.07.2002               |

The Administrators consulted with HSBC Bank Plc (the only secured creditor holding a fixed and floating charge over the Company's assets) initially and during the sale process and it consented to the pre-packaged sale and appointment of the Administrators by the directors. The largest unsecured creditor, Michael Horley (who is also a shareholder and effectively a landlord of three sites), was also consulted by the directors.

The purpose of the Administration which was pursued and accomplished by completing the pre-packaged sale was to achieve a better result for the creditors as a whole than would be likely if the Company was placed directly into Liquidation. The business or business assets have not been acquired through an insolvency process within the previous 24 months.

## Details of the transaction and purchaser

Following the sale process and on the recommendation of LSH, the business and assets of 11 of the 13 sites (i.e. excluding Crayford and Medway sites) were sold to MSL for £66,500. This exceeded the valuation provided by LSH and enabled the TUPE transfer of 29 out of 42 employees, avoiding the crystallisation of approximately £125k of employee entitlements and thus reducing preferential and unsecured employee claims in the Administration. It has also reduced trade and expense creditors in respect of customers who had pre-paid for work to be carried out by the Company as these are being honoured by MSL. The sale should also assist in maximising debtor realisations in the Administration. The sale completed on the same day as our appointment, 16 January 2017, and the full consideration was received on completion.

At the same time, a licence to occupy the 11 purchased sites was granted to MSL for up to nine months to allow it to negotiate ongoing terms of occupation via an assignment of the leases to MSL or new leases with the various landlords. All rents and lease outgoings will be met by MSL during the licence and this has been personally guaranteed by the directors and shareholders of MSL, Mr John Ball and Mr Robert Foulston.

The purchaser is not related to the Company and was advised to take independent legal advice which it did.

No directors or former directors of the Company were transferred.

The sale price achieved was the best reasonably obtainable in the circumstances and its apportionment is given below and compared to the valuation received (split into fixed and floating asset realisations).

| Asset valuation against sale consideration achieved | Valuation<br>£ | Sale consideration<br>£ |
|---|----------------|-------------------------|
| <b>Assets subject to a fixed charge</b>             |                |                         |
| Goodwill  | -              | 4,999                   |
|   | -              | <b>4,999</b>            |
| <b>Assets subject to a floating charge</b>          |                |                         |
| Plant and machinery                                 | 48,500         | 60,000                  |
| Motor vehicles                                      | 2,000          | 1,500                   |
| Stock   | -              | 1                       |
|   | <b>50,500</b>  | <b>61,501</b>           |
| <b>Total</b>  | <b>50,500</b>  | <b>66,500</b>           |

### Notes

- Goodwill includes the commercial records, customer database, benefit of the customer contracts and the intellectual property rights
- Plant and machinery Includes the Crayford and Medway sites which were not part of the sale

The Administrators accepted £1,500 for the nine motor vehicles which is marginally lower than the valuation of £2,000. The vehicles were all at least 10 years old and either in the possession of employees (both transferring and being made redundant), being repaired or declared off the road. The alternative was to dispose of the vehicles on a break up basis which after costs would probably have resulted in lower realisations as some of the vehicles would likely have been abandoned.

As far as we are aware, neither HSBC Bank Plc nor any other current or previous funders to the Company provide funding to the purchaser.

The sale was not part of a wider transaction.

As noted above, as part of the sale 29 of the 42 employees of the Company have transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

## **Summary**

A pre-packaged sale was considered to be in the best interests of the creditors as a whole, as it has reduced employee claims which would otherwise have crystallised if the business had closed. The sale price was the best reasonably achievable in the circumstances

The pre-packaged sale has enabled the statutory purpose of the Administration to be achieved as the sale consideration is significantly higher than would have been likely in the event of liquidation whereby the business would have closed and assets would have likely been sold on a break up basis. It has also reduced trade and expense creditors as customers who had pre-paid for work to be carried out are being honoured by MSL (and otherwise would have been included as creditors on liquidation). The sale may also assist in enhancing debtor realisations in Administration. Thus a better result is achieved for the Company's creditors as a whole than would be likely if the Company had entered liquidation

## **Actions of the Administrators following appointment**

As outlined previously in this report, immediately following our appointment we effected the pre-packaged sale of the business and assets of 11 of the Company's 13 trading sites to MSL and issued the licence to occupy to MSL. We have written to the landlords of the sites transferred to MSL to advise them of the sale. We have also written to the landlords of the Crayford and Medway premises to advise that the business at those sites had ceased trading upon Administration and to the landlords of the Hastings and Eastbourne sites to advise of the Administration. We have written to the 13 employees made redundant and provided them with advice and instruction on how to make a claim for their outstanding entitlements. We have liaised with LSH regarding the marketing and sale of the assets located at the Crayford and Medway sites not sold to MSL. We have assessed the debtor position and discussed the same with the Company's former management as regards the recoverability of book debts. We have attended to all the statutory notification obligations, prepared this report and proposals and dealt with administrative matters

## **5. FINANCIAL POSITION OF THE COMPANY**

A Statement of Affairs ("SoA") was requested from the directors on 20 January 2017. In the meantime an estimated statement of affairs prepared by ourselves is attached at **Appendix IV**.

This statement includes the assets and liabilities at their estimated book value and realisable value at the date of the Administration together with details of the names, addresses and the amounts due to the Company's creditors

The creditor amounts are as per the books and records of the Company so may not be (wholly) correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title. Creditors' claims will be adjudicated if and when a dividend is available for distribution to creditors

In accordance with the standard format of an estimated statement of affairs, no provision has been made for the pre or post appointment costs of the Administration (including agents, legal and any other professional fees)

### **Basis of values in the Administrators' estimated Statement of Affairs**

#### **• Goodwill**

Goodwill was estimated to have no value on a 'market value for removal' basis (both four week and one week period). Goodwill comprises the Company's commercial records, customer database, benefit of any customer contracts and intellectual property rights. It has been sold to MSL for £5,000 as part of the pre-packaged going concern in-situ sale

- **Investments - Shares in subsidiaries and associates**

The Company holds ordinary shares in the following companies.

|                              | Shareholding (%) | Other shareholders                | Directors                                 | Status  |
|------------------------------|------------------|-----------------------------------|---|---------|
| Just Motor Cover Ltd         | 100%             | -                                 | Peter Coats                               | Dormant |
| Just Garage Software Ltd     | 100%             | -                                 | Peter Coats                               | Dormant |
| Just M O T's Ltd             | 100%             | -                                 | Peter Coats                               | Dormant |
| Just Eco Tech Ltd            | 50%              | New Eco Technologies Bulgaria sld | Peter Coats and Igor Turevsky             | Trading |
| JMC Motor Care Ltd ("JMCMC") | 49%              | Ata Mavyyev                       | Peter Coats, Ata Mavyyev and Tony Perfect | Trading |

The subsidiaries are dormant and non-trading except for JMCMC which trades from the Eastbourne site and we believe that Just Eco Tech Ltd holds some dormant intellectual property.

The Administrators intend to instruct LSH to assist in valuing and realising the shareholding in JMCMC and potentially Just Eco Tech Ltd as/if appropriate. The other subsidiaries will likely be struck off.

- **Plant and machinery**

LSH valued the Company's plant and machinery across its 13 sites at £48,500k on a market value for removal (four week marketing period) basis and £34,000 on a market value for removal (one week marketing period) basis. The plant and machinery based at the 11 sites purchased by MSL was realised for £60,000 as part of the pre-packaged sale.

LSH has been instructed in respect of the realisation of the assets at the other two sites being Crayford and Medway and is currently liaising with interested parties who have contacted us and will then proceed as appropriate as soon as possible.

- **Motor vehicles**

As noted above, the Company owned nine vehicles but all were old or off road, being repaired or being driven by employees. LSH valued the motor vehicles at £2,000 on a market value for removal basis on both a four week marketing period and one week marketing period. They have been sold to MSL for £1,500 as part of the pre-packaged sale.

- **Stock**

As noted earlier, stock was considered by LSH to be of nominal value and only of interest to a purchaser intending to continue trading the MOT centres. Thus a value of £1 was assigned to stock sold to MSL as part of the pre-packaged sale.

- **Fixtures, fittings and equipment**

Fixtures, fittings and equipment were considered to be uneconomical to realise on a removal basis. The fixtures, fittings and equipment based at the 11 sites purchased by MSL has been included in the sale.

- **Leasehold property**

There are 15 leases in the Company's name as follows

1. Unit 2, Knightsbridge Court, Middlesex Road, **Bexhill-on-Sea**, East Sussex, TN40 1LX
2. Unit 4, Shripney Trade Park, Shripney Road, **Bognor Regis**, West Sussex, PO22 9GH
3. Unit 7, Bell Tower Industrial Estate, Roedean Road, **Brighton**, East Sussex, BN2 5RU
4. Unit 4, Sheddingdean Business Centre, Marchants Way, **Burgess Hill**, West Sussex, RH15 8QY
5. Unit 9, Fleming Way Industrial Estate, Royce Road, **Crawley**, West Sussex, RH10 9NX

6. Unit 10, Upper Brents Industrial Estate, Upper Brents, **Faversham**, Kent, ME13 7DL
7. Unit 10, St Josephs Business Park, St Josephs Close, **Hove**, East Sussex, BN3 7ES
8. Workshop with parking situated on the north side of Davey's Lane, **Lewes**, East Sussex BN7 2BQ
9. 38 Morley Road, **Tonbridge**, Kent, TN9 1RA
10. Unit 3, Colebrook Industrial Estate, Longfield Road, **Tunbridge Wells**, Kent, TN2 3DG
11. Unit 6, Silverdale, Meadow Road, **Worthing**, West Sussex, BN11 2RZ
12. Unit 2, Acorn Industrial Park, Kent **Crayford**, Kent, DA1 4AL
13. Unit 17, Victory Park, Trident Close, Medway City Estate, **Medway**, Rochester, ME2 4ER
14. Unit 6, Hammonds Drive Industrial Estate, Lottbridge Drive, **Eastbourne**, East Sussex, BN23 6PW
15. Units 9 and 10, North Ridge Park, Haywood Way, Ivy House Lane, Ore, **Hastings**, TN35 4PL

Under the pre-packaged sale 11 sites were transferred to MSL (excluding Crayford, Medway, Eastbourne and Hastings) and a licence to occupy those sites for up to nine months granted to allow it to negotiate an assignment of the leases to MSL or new leases with the respective landlords. As mentioned earlier, it has been agreed that all rents and lease outgoings will be covered by MSL during this licence period which has been personally guaranteed by the owners of MSL. The rents and outgoings will be collected by the Administrators and remitted to the respective landlords.

The leases of the Eastbourne and Hastings sites are in the name of the Company however they have been sub-let to subsidiary company, JMCMC, and franchisee, M&D Motor Care Limited, respectively. The sub-tenants pay the rents and outgoings to the Company which remits them to the landlords. Whilst not adopting the leases, the Administrators have offered to continue this arrangement for a limited period whilst the sub-tenants agree terms of ongoing occupation with the landlords.

The leases of the Crayford and Medway sites will be surrendered by the Administrators in due course.

The franchisee has been permitted to use the trading name, 'Just Motor Care', and the Company's booking system for an annual fee of £5,000 plus VAT. The Administrators will review whether any sums are due in relation to this agreement and have advised the franchisee of the MSL sale and its implications.

We understand that Equipment leased by the Company is also located at both sites (and across the sites sold to MSL) and arrangements will need to be made in respect of that equipment and those leases.

The Administrators have sent letters to all 15 landlords in respect of the above issues.

#### • **Book debts**

The Company has debtors of £19,599 and £1,550 in respect of trade and retail debtors respectively. The amount realisable is unknown so has been estimated at 30%.

The Administrators have proposed an arrangement with MSL for it to assist with collection of the trade debtors. Otherwise the Administrators may consider instructing a debt collection agent to assist.

The directors have advised that the retail debtors are uncollectible.

#### • **Cash**

The Company held a bank account with HSBC Bank Plc however it was overdrawn. The Company also held an account with PayPal which had a nil balance as at the date of Administration.

#### • **Patents**

The Company held a patent in respect of the European registration of the Just Motor Care name and logo. A book value of £2,632 was included in the Company's audited accounts for the year ended 30 Sep 2015. As all trade names were included in the sale to MSL it is considered to be unrealisable.

#### • **Secured creditor**

The Company's mortgage register held by the Registrar of Companies shows that the Company granted a fixed and floating charge to HSBC Bank Plc on 26 March 2002 which was registered on 27 March 2002. The Company held an overdraft with HSBC Bank Plc with a limit of £65,000 which had a balance of approximately £41,000 as at the date of Administration.

There are four other charges which are all rent deposit deeds (detailed earlier) which are likely to be extinguished due to rent arrears.

- **Preferential creditors**

29 of the 42 employees transferred to MSL under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

The remaining 13 employees were immediately dismissed by the Administrators with effect from 16 January 2017 when the Company went into Administration and ceased trading. It is estimated that preferential claims will total £13,728 in respect of wages and holiday pay. The Administrators will submit the relevant forms to the Redundancy Payments Service in due course.

- **Unsecured creditors**

The Company's records indicate that trade and expense creditors total £82,021 as at the date of Administration. This figure includes pre-paid Crayford and Medway customers who are owed £1,629.

The Company has pre-administration liabilities to its landlords totalling £91,554 in respect of unpaid rent and service charge invoices.

The Company's records indicate that HM Revenue & Customs is owed £125,023 in relation to PAYE for the period from June 2016 to December 2016.

The dismissed employees' unsecured claims in respect of redundancy pay and notice pay (and wage arrears and holiday pay over the preferential limit of £800 per employee) have been estimated at £89,555. This includes £22,776 which is owed to one of the directors, Mr Peter Coats.

A shareholder, Michael Horley, loaned funds to the Company and £130,900 was owed as at the date of Administration.

## **6. PRESCRIBED PART**

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Act, as long as the floating charge was registered later than 15 September 2003. There is no floating charge registered after 15 September 2003 and therefore the prescribed part does not apply.

## **7. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

The Joint Administrators' receipts and payments account to 23 January 2017 is attached at **Appendix V** and reflects a nil balance. An interest-bearing estate bank account has been opened by the Administrators.

The sale consideration is currently held in Isadore Goldman solicitors' client account and will be remitted to the Administrators in due course.

## **8. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

In order to achieve the objective of the Administration of the Company, I propose to carry out the following:

- Realise the plant and machinery at the Crayford and Medway sites (if economically viable)
- Realise the Company's interest in its subsidiary and associate companies as appropriate
- Administer the licence to occupy

- Administer the collection and remittance of rent in relation to the two sub-let sites at Eastbourne and Hastings
- Investigate any potential realisations in respect of the Hastings franchise site.
- Review the transfers of the Hastings and Maidstone sites.
- Obtain meter readings from the sites sold and liaise with utilities suppliers
- Arrange and administer open cover insurance as appropriate.
- Realise the debtors.
- Realise any cash or cheques held by the Company
- Review any potential tax refunds (such as corporation tax, VAT, council tax etc )
- Review whether there is any equity in the rent deposits
- Assist ex-employees in submitting their online claims to the Redundancy Payments Service
- Finalise all administrative matters.

There are several exit routes available to the Administrators and the exit route chosen will largely depend upon the circumstances of the Administration. Based on current information, the most likely exit route will be to file notice of dissolution with the Registrar of Companies. The Administrators may seek an extension of their appointment as Administrators from the creditors and/or the Court if necessary.

In the event that there are sufficient funds available to enable a distribution to unsecured creditors, the Company will be placed into Creditors' Voluntary Liquidation ("CVL") and creditors will be invited to prove their debts.

If the Joint Administrators consider it appropriate to exit into a CVL, then pursuant to paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, the creditors may nominate a different person(s) as the proposed liquidator(s) provided that the nomination(s) is made after the receipt of the proposals but before the proposals are approved. If the Company exits into Compulsory Liquidation, the Joint Administrators propose to accept the appointment as Joint Liquidators, pursuant to section 140(1) of the Act.

## 9. DIVIDEND PROSPECTS

A dividend payment to unsecured creditors is considered unlikely in this matter (due to insufficient asset realisations) as the costs of the Administration are likely to extinguish the funds realised.

## 10. JOINT ADMINISTRATORS' INVESTIGATIONS

Under the insolvency legislation, the Administrators have a duty to consider the conduct of those persons who have been directors of the Company at any time within three years preceding the Administration. The Administrators are also required to consider whether any civil proceedings should be taken. Please provide information, using the attached form at **Appendix VI**, if there is any matter of which you believe the Administrators should be aware. This request for information forms part of my normal investigation procedure.

## 11. JOINT ADMINISTRATORS' REMUNERATION

The Administrators are proposing that they should be remunerated on a time costs basis, in accordance with their normal charge out rates as prevailing at the time the work is performed and by reference to the time properly given by them and their staff. Based on my previous experience, I believe this is an appropriate and reasonable basis for the nature and complexity of work required in this matter. I attach a fee estimate which sets out the work that will be undertaken, the average rates expected to be charged for each category and the time it is expected to take, at **Appendix VII**, together with details of my firm's charge out rates and disbursement rates. The amount set out in the fee estimate will act as a cap. Should my time costs exceed this cap, I will seek further approval as appropriate. Based on current information, I estimate that the total time costs in this matter will be £45,570.50.

Please note that the list of work to be undertaken includes tasks that typically arise in an Administration and are expected to be necessary in this matter. However, if any one task is not required it will not make a material difference to the estimated cost.

I consider this fee basis and amount being proposed is fair and reasonable considering the nature and quantity of assets to be realised, the requirement for the Administrators to administer the licence to occupy for 11 sites and collection and remittance of rent in respect of the two sub-let sites at Eastbourne and Hastings, collecting debtors, investigating potential realisations in respect of the Hastings franchise site, reviewing the transfers of the Hastings

and Maidstone sites, the employees' claims to be dealt with and work involved in the routine administrative functions, statutory functions and investigations of the Administration

I anticipate needing to seek additional fee approval in excess of this estimate if my investigations lead to potential further asset recoveries or legal proceedings, in addition to those reported

A copy of 'A Guide to Administrators' Fees' can be located on the following website which provides information relating to Administrators' remuneration. [www.r3.org.uk/index.cfm?page=1210](http://www.r3.org.uk/index.cfm?page=1210) A hard copy of this guide is available on request from this office

The approval of the basis of my remuneration as Administrator and Category 2 expenses forms part of these Proposals.

Attached at **Appendix VIII**, is a summary of my actual time costs to date and the work undertaken. Since the Administration commenced to 23 January 2017, a total of 72.1 hours at a cost of £20,596 has been incurred, resulting in an average hourly charge out rate of £286

The work undertaken to date and whether or not it provided financial benefit to creditors or was required by statute, is detailed within **Appendix VIII**. All work carried out was necessary to maximise asset realisations, enable the employees to submit their claims for payment from the Redundancy Payments Service and to comply with the Administrators' statutory obligations.

Detailed below are the expenses I expect to incur during the Administration and what I have incurred to date. The estimated figures are based on BM Advisory's policy on fees

|                       |            | <b>Estimated<br/>total cost<br/>£</b> | <b>Incurred/accrued<br/>to date<br/>£</b> |
|-----------------------|------------|---------------------------------------|---|
| Statutory advertising | Category 1 | 149.00                                | -   |
| Printing              | Category 2 | 100.00                                | -   |
| Creditor portal       | Category 2 | 30.00                                 | -   |
| Postage               | Category 1 | 350.00                                | -   |
| Room hire             | Category 2 | 150.00                                | -   |
| Storage               | Category 1 | 59.06                                 | -   |
| Bonding               | Category 1 | 162.00                                | -   |
| Insurance             | Category 1 | 2,500.00                              | -   |
| <b>Total</b>          |            | <b>3,500.06</b>                       | <b>Nil</b>                                |

The estimated cost for insurance is based on cover of the assets included in the sale to MSL for the period from the time of appointment of Administrators to the time of the sale, plus one year's public liability cover in respect of the leases in the Company's name and one year's cover for plant and machinery remaining at the Crayford and Medway sites, as quoted by the Administrators' insurers, Insolvency Risk Services. However it was advised that it may differ (either lower or higher) dependent on the total length of cover required in due course.

I will be using the following agents and professional advisors in this Administration and details of the agreed fee arrangements and costs incurred to date are detailed below

|                              | <b>Fee arrangement</b> | <b>Estimated total cost<br/>£</b> | <b>Fees incurred/accrued to<br/>date<br/>£</b> |
|------------------------------|------------------------|-----------------------------------|--|
| Agents' fees – LSH           | Time costs             | 20% of realisations               | Nil  |
| Legal fees – Isadore Goldman | Time costs             | 2,500                             | Nil  |

LSH are assisting the Administrators in selling the assets at the Crayford and Medway sites and in realising the Company's shareholding in JMCMC and potentially Just Eco Tech Ltd



Since the appointment of Administrators, Isadore Goldman solicitors have assisted in the completion of the pre-packaged sale and provided advice on the leases in the name of the Company. It is anticipated that the Administrators will seek general legal advice from Isadore Goldman throughout the Administration if considered necessary.

In addition to the above, I anticipate that further expenses may be incurred in respect of the collection of debtors either due to commission paid to the purchaser or a debt collection agent. It is currently estimated that 10% of realisations will likely be agreed to be paid to MSL in respect of the collection of debtors. Any appointment of an agent would be on a contingent fee basis with those fees based on a percentage of realisations, which would normally be in the region of 10%, depending on the difficulty and/or complexity of collection.

It is also considered likely that the Administrators will instruct an agent to review and recover any available rates refund. Any appointment would be on a contingent fee basis with those fees based on a percentage of realisations, usually 20% of realisations.

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of this assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances.

Category 1 expenses do not have to be approved, but when reporting to the creditors during the Administration, I will compare actual expenses incurred with the original estimate.

## **12. PRE-ADMINISTRATION COSTS**

Pre-Administration costs are the remuneration, charges and expenses incurred by the Administrators before the Company entered into Administration but with a view to its doing so. Pursuant to my engagement letter dated, 26 October 2016, the directors agreed that my firm's pre-Administration costs and expenses would be based upon time properly spent at the firm's standard charge out rates and the total costs. In addition to my own time, it was agreed that expenses would be incurred for agents' and legal fees.

The total costs for the pre-Administration period principally relate to:

- producing an independent valuation report and business sale memorandum
- marketing the business and assets of the Company and liaising with interested parties
- liaising with the secured creditor with regards to the Company's financial position
- negotiations with the interested parties and agreeing heads of terms for the sale of the business and assets and licence to occupy with the purchaser
- statutory planning work in relation to the appointment of Administrators
- arranging the preparation and filing of the Notice of Intentions to Appoint Administrators and appointment documentation.
- assessment of employee entitlements
- Liaising with the landlord of the Hove premises and Isadore Goldman solicitors in respect of the landlord's re-entry of the premises whilst the Notice of Intention to Appointment of Administrators moratorium was in place.
- Review of financial information including short term cash flow forecasts in considering the most appropriate options for the Company
- Advising the directors on compliance with their duties.

This work had to be undertaken prior to my appointment to facilitate the marketing and sale process to maximise the value of the assets which resulted in a pre-packaged sale of the Company's business and assets at 11 of the 13 sites. This was in the best interests of the creditors as a whole and allowed the purpose of the Administration to be achieved. The statutory and preparation work undertaken to assist the directors place the Company into Administration was required by statute and regulatory guidance, but does not produce any direct benefit for creditors.

BM Advisory's pre-Administration time costs amounted to £55,027 and expenses of £50 (plus VAT). However, we are seeking approval to draw only £35,000 in respect of these pre-Administration time costs.

In addition, pre-Administration expenses were incurred for agents' fees to LSH of £7,500 plus VAT, to value and market the business and assets for sale. There were also legal costs of £7,500 plus VAT, for Isadore Goldman.

solicitors to draft an appropriate sale agreement and licence to occupy and prepare the appointment documents to apply for Administration

The following statement sets out those pre-Administration expenses that were paid by the Company prior to the Administration and those where approval is being sought from the creditors by a separate resolution, to pay them as an expense of the Administration

|   | Paid prior to the<br>Administration | Seeking approval<br>to be paid |
|---|-------------------------------------|--------------------------------|
|   | £                                   | £                              |
| BM Advisory's pre-Administration fees and costs       | -                                   | 35,000                         |
| LSH – pre-Administration fees and costs               | -                                   | 7,500                          |
| Isadore Goldman – pre-Administration fees             | -                                   | 7,500                          |
| Isadore Goldman – pre-Administration<br>disbursements | -                                   | 100                            |

### 13. JOINT ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 of the Act, in order to achieve the objective of the Administration as set out in section 3 above, I formally propose to creditors that:

- (a) The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
- (i) they realise plant and machinery of the Company,
  - (ii) they realise the Company's interest in its subsidiary and associate companies;
  - (iii) they manage the leases under the licence to occupy,
  - (iv) they manage the leases in relation to the two sites sub-let to JMCMC and M&D;
  - (v) they manage the franchise agreement with M&D,
  - (vi) they seek to realise debtors and any cash balances of the Company;
  - (vii) they review and realise any potential tax refunds (such as corporation tax, VAT, council tax etc ) due to the Company,
  - (viii) they review any potential rate refunds,
  - (ix) they assist ex-employees submit their online claims to the Redundancy Payments Service;
  - (x) they deal with all administrative matters of the Company;
  - (xi) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
  - (xii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company,
  - (xiii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised (whilst economically viable to do so) and all liabilities incurred during the Administration have been discharged, or until such a time as deemed appropriate by the Administrators. Depending on the prevailing circumstances at the time, the Administration of the Company may end by:

- (i) filing notice of dissolution with the Registrar of Companies (if appropriate) The Company will then be automatically dissolved three months after the notice is registered, or
  - (ii) the Administration will end by placing the Company into Creditors' Voluntary Liquidation if a dividend is available for distribution to creditors, or
  - (iii) the Joint Administrators may propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act (if appropriate); or
  - (iv) the Administration could end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company (if appropriate); or
  - (v) the Administration could end by making an application to Court for an order that the Administration ceases (if appropriate)
- (c) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as Joint Liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into Creditors' Voluntary Liquidation, and in accordance with paragraph 83(7) and rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved
- (d) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Joint Administrators' statutory duties
- (e) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to matters as set out in their fee estimate. The Administrators' remuneration will be deemed approved should no creditors meeting be held. Should a meeting be held the Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals
- (f) They be at liberty to recharge category 2 disbursements as detailed in the circulated Creditors guide to Administrators' fees.
- (g) They be at liberty to pay costs and remuneration in relation to proposals (e) and (f) above when funds become available
- (h) They will consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators.
- (i) The Joint Administrators be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company

#### 14. APPROVAL OF PROPOSALS

The Joint Administrators propose to hold a meeting of creditors by correspondence to consider and vote on the proposals. The meeting of creditors by correspondence will also give creditors the opportunity to appoint a creditors' committee. A formal notice of conduct of business by correspondence (Form 2.25B) and proof of debt form are attached in this respect at **Appendix IX**. Please also forward any supporting documentation in order to validate your claim. I must receive your completed forms by no later than midday on 14 February 2017

You can only vote at the meeting by correspondence if you have completed and returned Form 2.25B and it is accompanied by a proof of debt form. You are not required to vote at the meeting by correspondence and if you do not then your rights against the Company will not be affected. Creditors whose claims are wholly secured are not entitled to vote at the meeting by correspondence

Should a creditors' committee not be appointed, a separate resolution is included on Form 2.25B to approve my pre-Administration costs and expenses as set out in this report. The approval of my remuneration as well as category 2 expenses will also be considered as part of these proposals.

Whilst a meeting by correspondence is being held, creditors may cause the Administrators to summon a physical creditors' meeting if:-

1. At least 10% of the creditors, measured against the Company's total debts, request a meeting; and
2. The request is made on Form 2.21B (available upon request) within 8 business days of the date of these proposals. It must also include a list of the creditors concurring with the request, showing the amounts of their respective debts, and confirmation of concurrence. Please note that the expenses of summoning and holding the meeting shall be paid by that person, in advance of the meeting.

## **15. FURTHER INFORMATION**

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom. These proceedings will therefore be the main proceedings as defined in article 3(1) of the EC regulation.

Information about our complaints procedure, Professional Indemnity insurance and the Provision of Services Regulations, can be found at [www.bm-advisory.com/about/legals-compliance/](http://www.bm-advisory.com/about/legals-compliance/).

Yours faithfully

**For and on behalf of  
Just Motor Care Limited**



**Richard Keley**  
Joint Administrator

The Insolvency Act 1986

**Notice of administrator's appointment**

Name of Company

Just Motor Care Limited

Company number

03055918

In the  
High Court of Justice

(full name of court)

Court case number  
351 of 2017(a) Insert full  
name(s) and  
address(es)

I/We (a)

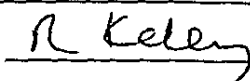
Richard Keley  
BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley  
RH11 7XLAndrew Pear  
BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley  
RH11 7XL

give notice that we were appointed as administrator(s) of the above company on

(b) Insert date

(b) 16 January 2017

Signed



Dated

16/01/17

Joint / Administrator(s) (IP No(s) 18072 &amp; 9016)

## JUST MOTOR CARE LIMITED – IN ADMINISTRATION

### STATUTORY INFORMATION

#### Company information

|                            |  |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
|----------------------------|--|---------------------|-----------------------|---------------|-----------------------|-----------------------|--------------------------|--------------|--------------------------|-------------------|--------------------------|
| Company Number             | 03055918   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Previous name(s)           | Just M O T's Limited (changed on 9 April 2014)   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Date of Incorporation      | 12 05 1995   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Principal trading activity | Car and van MOT, repair, maintenance and inspection services   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Trading name(s)            | Just Motor Care<br>Just MOT's  |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Trading Addresses          | See attached schedule  |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Registered Office          | 18 Hyde Gardens, Eastbourne, East Sussex, BN21 4PT   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Directors                  | The directors of the Company over the last 3 years are detailed below:<br><br><table><tr><td>Peter Herbert Coats</td><td>07 09 2005 to present</td></tr><tr><td>Igor Turevsky</td><td>13.08 2013 to present</td></tr><tr><td>David Eric Beardsmore</td><td>16 07 2013 to 06 09 2016</td></tr><tr><td>Tony Perfect</td><td>14.06 2011 to 09.09 2016</td></tr><tr><td>Barrie-Jon Waters</td><td>31 12 2015 to 16 08 2016</td></tr></table> | Peter Herbert Coats | 07 09 2005 to present | Igor Turevsky | 13.08 2013 to present | David Eric Beardsmore | 16 07 2013 to 06 09 2016 | Tony Perfect | 14.06 2011 to 09.09 2016 | Barrie-Jon Waters | 31 12 2015 to 16 08 2016 |
| Peter Herbert Coats        | 07 09 2005 to present  |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Igor Turevsky              | 13.08 2013 to present  |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| David Eric Beardsmore      | 16 07 2013 to 06 09 2016   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Tony Perfect               | 14.06 2011 to 09.09 2016   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Barrie-Jon Waters          | 31 12 2015 to 16 08 2016   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Company Secretary          | Peter Herbert Coats 30 09 2009 to present  |                     |                       |               |                       |                       |                          |              |                          |                   |                          |
| Related entities           | The Company holds ordinary shares in the following companies   |                     |                       |               |                       |                       |                          |              |                          |                   |                          |

|                              | Shares held (%) |
|------------------------------|-----------------|
| Just Motor Cover Limited     | 100%            |
| Just Garage Software Limited | 100%            |
| Just M O T's Limited         | 100%            |
| Just Eco Tech Limited        | 50%             |
| JMC Motor Care Limited       | 49%             |

#### Share Capital

The Company's authorised share capital consists of 831,373 ordinary shares with a nominal value of £1 each and 61,000 preference shares with a nominal value of £1 each

A full list of members can be obtained from the offices of BM Advisory on request

#### Registered charges

The Company granted the following charges as registered at Companies House

|  | Type                      | Creation date | Registration date |
|--|---------------------------|---------------|-------------------|
| HSBC Bank Plc  | Fixed and floating charge | 26.03 2002    | 27.03.2002        |
| H & T Properties Limited                                 | Rent deposit deed         | 26.08 2008    | 29.08 2008        |
| Seput Nominee 75 Limited and<br>Seput Nominee 76 Limited | Rent deposit deed         | 11 04 2008    | 15.04 2008        |
| Daejan Investments Limited                               | Rent deposit deed         | 17.03 2003    | 18.03 2003        |
| Mwb Business Exchange Limited                            | Rent deposit deed         | 15 07 2002    | 23.07 2002        |

**Appointment details**

Date of appointment 16 01 2017

Appointment made by the directors

Court name High Court of Justice, Chancery Division, Companies Court

Court reference CR-2017-000351

Joint Administrators Richard Keley  
Andrew Pear

## **Schedule of trading addresses**

1. 9 Fleming Way Industrial Centre, Royce Road, Crawley, West Sussex, RH10 9NX
2. 38 Deacon Trading Estate, Morley Road, Tonbridge, Kent, TN9 1RA
3. 3 Colebrook Industrial Estate, Longfield Road, Tunbridge Wells, Kent, TN2 3DG
4. 4 Marchants Way, Sheddingdean Industrial Estate, Burgess Hill, West Sussex, RH15 8QY
5. Unit 4, Shripney Trade Park, Shripney Road, Bognor Regis, West Sussex, PO22 9GH
6. 6 Silverdale, Meadow Road, Worthing, West Sussex, BN11 2RZ
7. 10 St Josephs Business Park, St Josephs Close, Hove, East Sussex, BN3 7ES
8. 7 Bell Tower Industrial Estate, Roedean Road, Brighton, East Sussex, BN2 5RU
9. Daveys Lane, Lewes, East Sussex, BN7 2BQ
10. 2 Knightsbridge Court, Middlesex Road, Bexhill on Sea, East Sussex, TN40 1LP
11. Unit 10, Upper Brents Industrial Estate, Upper Brents, Faversham, Kent, ME13 7DL
12. Unit 2, Acorn Industrial Park, Kent Crayford, Kent, DA1 4AL
13. Unit 17, Victory Park, Trident Close, Medway City Estate, Medway, Rochester, ME2 4ER



**JUST MOTOR CARE LIMITED**

| Estimated outcome statement  | Notes | Administration<br>(Pre-Pack sale) | Liquidation<br>(forced sale) |
|--|-------|-----------------------------------|------------------------------|
|  |       | £                                 | £                            |
| <b>Assets subject to a fixed charge</b>  |       |                                   |                              |
| Goodwill   | 1     | 4,999                             | -                            |
| Investments  | 2     | 100                               | 100                          |
| Less HSBC Bank Plc (Debenture, dated 26 03 2002)                                 | 3     | (41,000)                          | (41,000)                     |
| <b>ESTIMATED SHORTFALL FROM FIXED CHARGE REALISATIONS</b>                        |       | <b>(35,901)</b>                   | <b>(40,900)</b>              |
| <b>Assets subject to a floating charge</b>                                       |       |                                   |                              |
| Plant and Machinery (sale to MSL)  | 4     | 60,000                            | 34,000                       |
| Motor vehicles   | 5     | 1,500                             | 2,000                        |
| Stock  | 6     | 1                                 | -                            |
| Fixtures, fittings & equipment   | 7     | -                                 | -                            |
| Book Debts   | 8     | 5,880                             | 2,940                        |
| Patent   | 9     | -                                 | -                            |
| <b>Floating charge realisations</b>  |       | <b>67,381</b>                     | <b>38,940</b>                |
| <b>Preferential creditors</b>  | 10    | (13,728)                          | (39,422)                     |
| <b>Estimated surplus/(shortfall) available to floating chargeholders</b>         | 11    | <b>53,653</b>                     | <b>(482)</b>                 |
| <b>Floating chargeholders</b>  |       |                                   |                              |
| HSBC Bank Plc  |       | (35,901)                          | (40,900)                     |
| <b>ESTIMATED TOTAL SURPLUS/(SHORTFALL) FROM FLOATING CHARGE REALISATIONS</b>     |       | <b>17,752</b>                     | <b>(41,382)</b>              |
| <b>Unsecured creditors</b>   |       |                                   |                              |
| Trade and expense creditors  | 12    | (83,650)                          | (92,879)                     |
| Rent and service charge arrears  |       | (91,554)                          | (91,554)                     |
| HM Revenue & Customs   |       | (125,023)                         | (125,023)                    |
| Shareholder loan   |       | (130,900)                         | (130,900)                    |
| Directors (Peter Coats)  |       | (22,776)                          | (22,776)                     |
| Employees unsecured claims   | 10    | (89,555)                          | (188,374)                    |
|  |       | <b>(543,458)</b>                  | <b>(651,506)</b>             |
| <b>ESTIMATED TOTAL SURPLUS/(SHORTFALL) AS REGARDS NON-PREFERENTIAL CREDITORS</b> |       | <b>(525,706)</b>                  | <b>(692,888)</b>             |
| <b>ESTIMATED DIVIDEND TO UNSECURED CREDITORS p/£</b>                             |       | <b>0.03</b>                       | <b>NIL</b>                   |

**NOTES**

- 1 This statement does not include the pre or post Administration professional costs so any actual dividend to creditors is likely to differ to this estimate
- 2 The 49% shareholding in the Eastbourne operation may have some value but this is currently unknown. A nominal offer for £100 was received on 10 January 2017
- 3 HSBC Bank Plc has advised a balance of £41,000 as at Administration however it is subject to change as final interest and charges have not been applied
- 4 Administration basis relates to sale consideration received from MSL and Liquidation basis is as per valuation by independent qualified agents, Lambert Smith Hampton. LSH are currently in negotiations with interested parties and the amount to be realised in respect of Crayford and Medway is therefore currently uncertain in both Administration and Liquidation
- 5 Administration basis relates to sale consideration received from MSL and Liquidation basis is based on the valuation provided by LSH
- 6 Administration basis relates to sale consideration received from MSL. Liquidation basis is nil as stock had nominal value and considered to only be of interest to a purchaser intending to trade the sites.
- 7 Fixtures and fittings were considered to have nominal value and uneconomical to realise
- 8 Book debts have been discounted to 30% in Administration and 15% in Liquidation
- 9 The patent relates to the European registration of the Just Motor Care name and logo and is not realisable as all trade names were included in the sale to MSL
- 10 The Administration estimate relates to the staff at the sites not sold to MSL and were closed together with administration staff have now been made redundant in any event. The other staff have been transferred under TUPE to MSL. The liquidation estimate comprises all employees
- 11 There is no prescribed part as HSBC's charge pre-dates its introduction
- 12 The Liquidation estimate includes customer pre-payments for the 11 sites transferred to MSL, as MSL are honouring the work booked for those customers in Administration

Insolvency Act 1986

Just Motor Care Limited  
Estimated Statement Of Affairs as at 16 January 2017

|   | Book Value<br>£ | Estimated to Realise<br>£ | £                 |
|---|-----------------|---------------------------|-------------------|
| <b>ASSETS</b>   |                 |                           |                   |
| Goodwill  |                 | 4,999 00                  |                   |
| Investments   |                 | 100 00                    |                   |
| HSBC Bank plc   |                 | (41,000 00)               |                   |
| Deficiency c/d  |                 | (35,901 00)               |                   |
| Plant & Machinery   |                 |                           | 60,000 00         |
| Motor Vehicles  |                 |                           | 1,500 00          |
| Stock   |                 |                           | 1 00              |
| Fixtures, Fittings & Equipment  |                 |                           | NIL               |
| Book Debts  |                 |                           | 5,880 00          |
| Patent  |                 |                           | NIL               |
|   |                 |                           | <u>67,381 00</u>  |
| <b>LIABILITIES</b>  |                 |                           |                   |
| <b>PREFERENTIAL CREDITORS -</b>   |                 |                           |                   |
| Employee Arrears/Hol Pay  |                 | 13,728 09                 |                   |
|   |                 |                           | <u>13,728 09</u>  |
|   |                 |                           | 53,652 91         |
| <b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>                                 |                 |                           |                   |
| Deficiency b/d  |                 |                           | 35,901 00         |
|   |                 |                           | <u>17,751 91</u>  |
| <b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>                                  |                 |                           |                   |
|   |                 |                           | <u>NIL</u>        |
|   |                 |                           | 17,751 91         |
| Estimated prescribed part of net property where applicable (to carry forward)                 |                 |                           | <u>NIL</u>        |
|   |                 |                           | 17,751 91         |
| <b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>                                |                 |                           |                   |
|   |                 |                           | <u>NIL</u>        |
|   |                 |                           | 17,751 91         |
| Estimated prescribed part of net property where applicable (brought down)                     |                 |                           | <u>NIL</u>        |
|   |                 |                           | 17,751 91         |
| <b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b> |                 |                           |                   |
| Trade & Expense Creditors   | 83,650 21       |                           |                   |
| Employees   | 89,554 62       |                           |                   |
| Directors   | 22,775 77       |                           |                   |
| Rent & Service Charge Arrears   | 91,553 91       |                           |                   |
| HM Revenue & Customs  | 125,022 98      |                           |                   |
| Shareholder Loan  | 130,900 00      |                           |                   |
|   |                 |                           | <u>543,457 49</u> |

Insolvency Act 1986

Just Motor Care Limited  
Estimated Statement Of Affairs as at 16 January 2017

|  | Book Value<br>£ | Estimated to Realise<br>£    |
|--|-----------------|------------------------------|
| Estimated deficiency/surplus as regards non-preferential creditors<br>(excluding any shortfall in respect of F C's post 14 September 2003) |                 | (525,705 58)<br>(525,705 58) |
| Issued and called up capital   |                 |                              |
| Preference Shareholders  | 61,000 00       |                              |
| Ordinary Shareholders  | 831,373 00      |                              |
|  |                 | 892,373 00                   |
| <b>TOTAL SURPLUS/(DEFICIENCY)</b>  |                 | <b>(1,418,078 58)</b>        |

**Just Motor Care Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 23/01/2017**

| <b>S of A £</b>       |                                | <b>£</b> | <b>£</b>   |
|-----------------------|--------------------------------|----------|------------|
|                       | <b>SECURED ASSETS</b>          |          |            |
| 4,999 00              | Goodwill                       | NIL      |            |
| 100 00                | Investments                    | NIL      | NIL        |
|                       |                                |          |            |
|                       | <b>SECURED CREDITORS</b>       |          |            |
| (41,000 00)           | HSBC Bank plc                  | NIL      | NIL        |
|                       |                                |          |            |
|                       | <b>ASSET REALISATIONS</b>      |          |            |
| 60,000.00             | Plant & Machinery              | NIL      |            |
| 1,500 00              | Motor Vehicles                 | NIL      |            |
| 1 00                  | Stock                          | NIL      |            |
| NIL                   | Fixtures, Fittings & Equipment | NIL      |            |
| 5,880 00              | Book Debts                     | NIL      |            |
| NIL                   | Patent                         | NIL      | NIL        |
|                       |                                |          |            |
|                       | <b>PREFERENTIAL CREDITORS</b>  |          |            |
| (13,728 09)           | Employee Arrears/Hol Pay       | NIL      | NIL        |
|                       |                                |          |            |
|                       | <b>UNSECURED CREDITORS</b>     |          |            |
| (83,650 21)           | Trade & Expense Creditors      | NIL      |            |
| (89,554 62)           | Employees                      | NIL      |            |
| (22,775 77)           | Directors                      | NIL      |            |
| (91,553 91)           | Rent & Service Charge Arrears  | NIL      |            |
| (125,022 98)          | HM Revenue & Customs           | NIL      |            |
| (130,900 00)          | Shareholder Loan               | NIL      | NIL        |
|                       |                                |          |            |
|                       | <b>DISTRIBUTIONS</b>           |          |            |
| (61,000 00)           | Preference Shareholders        | NIL      |            |
| (831,373 00)          | Ordinary Shareholders          | NIL      | NIL        |
|                       |                                |          |            |
| <b>(1,418,078.58)</b> |                                |          | <b>NIL</b> |
|                       | <b>REPRESENTED BY</b>          |          |            |
|                       |                                |          | <b>NIL</b> |

CREDITORS QUESTIONNAIRE

INVESTIGATION INTO THE AFFAIRS OF

**JUST MOTOR CARE LIMITED**

**IN ADMINISTRATION**

|                             |  |
|-----------------------------|--|
| Creditor's name and address |  |
| 1                           | Estimated Claim  |
| 2                           | If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?   |
| 3                           | Please provide details of any comfort, security or assurance given to you to allow continuance of credit.  |
| 4                           | When were you first aware that there were difficulties in getting payment and what was the evidence of this? e.g. extended credit, lump sum payments, dishonoured cheques. |
| 5                           | Please provide details of any cheques which were dishonoured, including dates and amounts.   |

|            |   |
|------------|---|
| 6          | Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt |
| 7          | Are there any particular matters you feel should be reviewed? If so, please provide brief details                           |
| Print name |   |
| Signature  |   |
| Position   |   |
| Date       |   |

*\*Should there be insufficient space on this form, please use a separate piece of paper clearly indicating which question the continuation sheet refers to*

## JUST MOTOR CARE LIMITED - IN ADMINISTRATION

### Fees estimate for work to be undertaken during the Administration

The Administrators are proposing to be remunerated on a time cost basis. Detailed below is an analysis of the work we expect to undertake, the time we expect it to take and an estimate of the cost. The average charge out rate has been calculated for each task and the case as a whole, which takes into account the different grades of staff who will be carrying out each task. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units. BM Advisory's statement of policy on fees details our full policy on fees and our hourly rates by grade.

Please note that this estimate has been provided as soon as practicable but before full knowledge of the case is known. Every effort has been made to estimate the costs based on our current knowledge of the case, as well as our experience of cases of a similar nature and complexity. If the time costs incurred exceed, or are likely to exceed, the estimate we will provide an explanation to creditors and seek further approval before drawing remuneration in excess of the estimate.

| Task  | Estimated hours | Estimated cost  | Average charge out rate |
|---|-----------------|-----------------|-------------------------|
|   | hrs             | £               | £                       |
| <b>ADMINISTRATION AND PLANNING</b>  |                 |                 |                         |
| Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff | 8 00            | 2,780 00        | 347 50                  |
| Setting up physical/electronic case files   | 4 50            | 1,130 00        | 251 11                  |
| Setting up the case on IPS and entering data  | 2 20            | 548 00          | 249 09                  |
| Dealing with all routine correspondence and emails relating to the case   | 15 50           | 4,190 00        | 270 32                  |
| Opening, maintaining and managing the office holder's estate bank account   | 1 10            | 256 50          | 233 18                  |
| Creating, maintaining and managing the office holder's cashbook   | 2 40            | 491 00          | 204 58                  |
| Undertaking regular bank reconciliations of the account containing estate funds                                       | 1 20            | 138 00          | 115 00                  |
| <b>Subtotal</b>   | <b>34 90</b>    | <b>9,533.50</b> | <b>273 17</b>           |

### STATUTORY COMPLIANCE

Issuing the statutory notifications to creditors and others as required on appointment, including gazetting the office holder's appointment

Conduct statutory searches to identify company pension schemes

Deal with statutory obligations in relation to identified company pension schemes

Obtaining a specific penalty bond

Convening and holding general meetings of creditors and members (as applicable)

Reviewing the adequacy of the specific penalty bond on a quarterly basis

Undertaking periodic reviews of the progress of the case

Overseeing and controlling the work done

Preparing, reviewing and issuing progress reports to creditors and members

Filing returns at Companies House and/or Court (as applicable)

Preparing and filing VAT returns

Preparing and filing Corporation Tax returns

Seeking closure clearance from HMRC and other relevant parties

Preparing, reviewing and issuing final reports to creditors and members

Filing final returns at Companies House and/or Court (as applicable)

|                 |              |                  |
|-----------------|--------------|------------------|
| 3 30            | 654 00       | 198 18           |
| 0 30            | 37 50        | 125 00           |
| 0 50            | 105 50       | 211 00           |
| 0 80            | 164 50       | 205 63           |
| 3 20            | 781 00       | 244 06           |
| 0 80            | 192 00       | 240 00           |
| 4 30            | 1,087 00     | 252 79           |
| 8 00            | 2,840 00     | 355 00           |
| 24 50           | 6,595 00     | 269 18           |
| 2 50            | 535 00       | 214 00           |
| 1 00            | 125 00       | 125 00           |
| 1 00            | 125 00       | 125 00           |
| 1 50            | 245 00       | 163 33           |
| 6 10            | 1,241 00     | 203 44           |
| 1 00            | 182 50       | 182 50           |
| <b>Subtotal</b> | <b>58 80</b> | <b>14,910 00</b> |
|                 |              | <b>253 57</b>    |

## INVESTIGATIONS

Recovering the books and records for the case

Listing the books and records recovered

Preparing a report on the conduct of the directors as required by the Company Directors Disqualification Act

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

|                 |              |                 |
|-----------------|--------------|-----------------|
| 1 00            | 182 50       | 182 50          |
| 0 40            | 50 00        | 125 00          |
| 3 60            | 871 00       | 241 94          |
| 5 80            | 1,469 00     | 253 28          |
| 3 80            | 877 00       | 230 79          |
| <b>Subtotal</b> | <b>14.60</b> | <b>3,449 50</b> |
|                 |              | <b>236 27</b>   |

## ASSET REALISATION

Arranging suitable insurance over assets

Regularly monitoring the suitability and appropriateness of the insurance cover in place

Corresponding with debtors and attempting to collect outstanding book debts

Liaising with the bank regarding the closure of the account

Instructing agents to value known assets

Liaising with agents to realise known assets

Instructing solicitors to assist in the realisation of assets

Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge

Liaising with third parties with regards to assets that are subject to a retention of title clause, hire or finance agreement

Instructing specialised agents to review potential business rate refunds

|                 |              |                 |
|-----------------|--------------|-----------------|
| 1 30            | 342 00       | 263 08          |
| 1 10            | 216 50       | 196 82          |
| 4 50            | 900 50       | 200 11          |
| 1 00            | 182 50       | 182 50          |
| 0 90            | 256 00       | 284 44          |
| 4 70            | 1,446 00     | 307 66          |
| 1 50            | 480 00       | 320 00          |
| 1 70            | 486 00       | 285 88          |
| 2 10            | 435 00       | 207 14          |
| 0 60            | 75 00        | 125 00          |
| <b>Subtotal</b> | <b>19 40</b> | <b>4,819 50</b> |
|                 |              | <b>248 43</b>   |

## CREDITORS

Liaising with secured creditor regarding charge and estimated outcome

Obtaining information from the case records about employee claims

Completing documentation for submission to the Redundancy Payments Office

Corresponding with employees regarding their claims

Liaising with the Redundancy Payments Office regarding employee claims

Issuing a notice of intended dividend and placing an appropriate gazette notice to pay a dividend to preferential creditors

Reviewing proofs of debt received from preferential creditors, adjudicating on them and formally admitting them for the payment of a dividend

Requesting additional information from preferential creditors in support of their proofs of debt in order to adjudicate on their claims

Calculating and paying a dividend to preferential creditors, and issuing the notice of declaration of dividend

Review and calculate net property and prescribed part provision

Dealing with all creditor correspondence, emails and telephone conversations regarding their claims

Maintaining up to date creditor information on the case management system

Paying tax deducted from the dividends paid to employees

|                 |              |                 |
|-----------------|--------------|-----------------|
| 2 00            | 700 00       | 350 00          |
| 3 30            | 750 00       | 227 27          |
| 2 00            | 408 00       | 204 00          |
| 2 00            | 365 00       | 182 50          |
| 1 60            | 315 00       | 196 88          |
| 1 70            | 486 00       | 285 88          |
| 1 20            | 366 00       | 305 00          |
| 0 70            | 122 00       | 174 29          |
| 4 50            | 842 50       | 187 22          |
| 0 90            | 266 00       | 295 56          |
| 14 50           | 2,875 00     | 198 28          |
| 4 00            | 615 00       | 153 75          |
| 1 00            | 182 50       | 182 50          |
| <b>Subtotal</b> | <b>39 40</b> | <b>8,293 00</b> |
|                 |              | <b>210 48</b>   |

## CASE SPECIFIC MATTERS

Monitoring and managing the leasehold premises licence to occupy

|                 |               |                  |
|-----------------|---------------|------------------|
| 18 50           | 5,265 00      | 284 59           |
| <b>Subtotal</b> | <b>18.50</b>  | <b>5,265 00</b>  |
|                 |               | <b>284 59</b>    |
| <b>TOTAL</b>    | <b>185 60</b> | <b>46,270 50</b> |
|                 |               | <b>249 30</b>    |



**Notes:**

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice
- 'Statutory Compliance' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice
- 'Investigations' represents the work required to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters are identified that require further investigation, additional time costs will be incurred to investigate them in detail and to bring recovery actions where necessary. If further fee approval is required, creditors will be provided with additional information as necessary and asked to approve the fee request. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions
- 'Asset realisations' represents the work required to realise the known assets in the case, for the estimated realisable values provided to creditors
- 'Creditors' represents the work required to deal with the various creditors of the Company. Former employees claims must be processed appropriately by the Redundancy Payments Office, which involves dealing with all queries to facilitate the processing. The claims of trade and expense creditors need to be maintained and recorded, together with the amounts of the claims to ensure notices and reports can be issued. All queries and correspondence will be dealt with as part of our statutory obligations. In order to pay a dividend, all creditor claims must be adjudicated and agreed, which may involve additional work if further supporting information is required
- 'Case specific matters' represents work required to oversee the practical application of the licence to occupy the 11 leasehold premises to ensure rent is collected from the purchaser (MSL) and paid to the respective landlords. This work is required as the sale of the business and assets, and the resultant realisation of sale consideration, could not have been achieved unless MSL was granted a licence

## BM ADVISORY

### STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

#### Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3)

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership  
Trustee in Bankruptcy  
Supervisor of an Individual, Company or Partnership Voluntary Arrangement  
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

#### Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1<sup>st</sup> March 2014 the rates applicable are

| Grade                | £   |
|----------------------|-----|
| Partner 1            | 430 |
| Partner 2            | 380 |
| Associate Director   | 360 |
| Senior Manager       | 340 |
| Manager              | 310 |
| Assistant Manager    | 285 |
| Senior Administrator | 240 |
| Administrator 1      | 185 |
| Administrator 2      | 155 |
| Junior Administrator | 125 |
| Cashier              | 115 |
| Support staff        | 85  |

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

Further information on the manner in which an Office Holder's fees may be fixed, can be found in the guidance notes on our website [www.bm-advisory.com/resources/](http://www.bm-advisory.com/resources/)

#### Disbursements

Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory and recharged to the case, they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered

|                             |               |
|-----------------------------|---------------|
| Meeting room hire           | Up to £200    |
| Postage                     | £0.51 - £2.25 |
| Mileage (per mile)          | £0.45         |
| Photocopies (per sheet)     | £0.15         |
| Storage (per box per month) | £0.35         |

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

| Task                        | ORIGINAL ESTIMATE |                  |                         | REPORTING PERIOD       |                       |                         | WHOLE PERIOD OF ADMINISTRATION |                     |                         |
|-----------------------------|-------------------|------------------|-------------------------|------------------------|-----------------------|-------------------------|--------------------------------|---------------------|-------------------------|
|                             | Estimated hours   | Estimated cost   | Average charge out rate | Actual hours in period | Actual cost in period | Average charge out rate | Actual hours to date           | Actual cost to date | Average charge out rate |
| Administration and planning | 34.90             | 9,533.50         | 273.17                  | 3.30                   | 1,117.50              | 338.64                  | 3.30                           | 1,117.50            | 338.64                  |
| Statutory compliance        | 58.80             | 14,910.00        | 253.57                  | 38.90                  | 10,375.00             | 266.71                  | 38.90                          | 10,375.00           | 266.71                  |
| Investigations              | 14.60             | 3,449.50         | 236.27                  |                        |                       |                         |                                |                     |                         |
| Asset realisations          | 19.40             | 4,819.50         | 248.43                  | 7.20                   | 2,524.00              | 350.56                  | 7.20                           | 2,524.00            | 350.56                  |
| Creditors                   | 39.40             | 8,293.00         | 210.48                  | 22.70                  | 6,579.50              | 289.85                  | 22.70                          | 6,579.50            | 289.85                  |
| Case specific matters       | 18.50             | 5,265.00         | 284.59                  |                        |                       |                         |                                |                     |                         |
| <b>TOTAL</b>                | <b>185.60</b>     | <b>46,270.50</b> | <b>249.30</b>           | <b>72.10</b>           | <b>20,596.00</b>      | <b>285.66</b>           | <b>72.10</b>                   | <b>20,596.00</b>    | <b>285.66</b>           |

A summary of the work undertaken in this reporting period is detailed below and was required to be undertaken to deal with the specific circumstances of the case, as well as meet our statutory duties obligations:

#### ADMINISTRATION AND PLANNING

Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff  
Setting up physical/electronic case files  
Setting up the case on IPS and entering data  
Dealing with all routine correspondence and emails relating to the case  
Opening the office holder's estate bank account  
Creating the office holder's cash book.

#### STATUTORY COMPLIANCE

Issuing the statutory notifications to creditors and others as required on appointment, including gazetting the office holder's appointment.  
Conduct statutory searches to identify company pension schemes.  
Deal with statutory obligations in relation to identified company pension schemes  
Obtaining a specific penalty bond  
Convening meeting of creditors by correspondence.  
Overseeing and controlling the work done  
Preparing, reviewing and issuing the Administrators' Proposals  
Filing returns at Companies House and/or Court (as applicable).

#### ASSET REALISATION

Arranging suitable insurance over assets.  
Corresponding with MSL in respect of the collection of debtors.  
Liaising with the bank regarding freezing the account.  
Liaising with agents regarding the valuation of assets.  
Liaising with agents to realise known assets  
Instructing solicitors to assist in the realisation of assets  
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge  
Liaising with third parties with regards to assets that are subject to a retention of title clause, hire or finance agreement.

#### CREDITORS

Obtaining information from the case records about employee claims.  
Corresponding with employees regarding their claims.  
Dealing with all creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the case management system

#### CASE SPECIFIC MATTERS

Monitoring and managing the leasehold premises licence to occupy

#### Notes

'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

'Statutory Compliance' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

'Asset realisations' represents the work required to be undertaken to realise the known assets in the case, for the estimated realisable values provided to creditors

'Creditors' represents the work required to deal with the various creditors of the Company. Former employees claims must be processed appropriately by the Redundancy Payments Office, which involves dealing with all queries to facilitate the processing. The claims of trade and expense creditors need to be maintained and recorded, together with the amounts of the claims to ensure notices and reports can be issued. All queries and correspondence will be dealt with as part of our statutory obligations. In order to pay a dividend, all creditor claims must be adjudicated and agreed which may involve additional work if further supporting information is required

'Case specific matters' represents work required to oversee the practical application of the licence to occupy the 11 leasehold premises to ensure rent is collected from the purchaser (MSL) and paid to the respective landlords. This work is required as the sale of the business and assets, and the resultant realisation of sale consideration, could not have been achieved unless MSL was granted a licence

## Rule 2 48

## Notice of conduct of business by correspondence

|   |                                  |
|---|----------------------------------|
| Name of Company<br>Just Motor Care Limited              | Company number<br>03055918       |
| In the<br>High Court of Justice<br>(full name of court) | Court case number<br>351 of 2017 |

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

Notice is hereby given by (a)

Richard Keley  
BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley  
RH11 7XL

Andrew Pear  
BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley  
RH11 7XL

(b) Insert full name and  
address of registered

office of the company

to the creditors of (b) Just Motor Care Limited  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley  
RH11 7XL

(c) Insert number of  
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c)  
4 resolutions for your consideration Please indicate below whether you are in favour or  
against each resolution

(d) Insert address to  
which form is to be  
delivered

This form must be received at (d)

BM Advisory  
Arundel House  
1 Amberley Court  
Whitworth Road  
Crawley  
RH11 7XL

(e) Insert closing date

by 12 00 hours on (e) 14 February 2017 in order to be  
counted It must be accompanied by details in writing of your claim unless those details  
have already been submitted for the purpose of a meeting of creditors Failure to do so  
will lead to your vote(s) being disregarded

Repeat as necessary for  
the number of

#### Resolution 1

For the approval of the Joint Administrators'  
Proposals

I am \*in Favour / Against

resolutions attached

#### Resolution 2

For the approval of the Joint Administrators'  
pre-Administration costs and expenses as  
detailed in the Joint Administrators' report to  
creditors and for them to be drawn, plus VAT

I am \*in Favour / Against

\*Delete as appropriate

#### Resolution 3

For the appointment of

\_\_\_\_\_ (name)

of \_\_\_\_\_ (firm)

as liquidator of the company

#### Resolution 4

For the formation of a creditors' committee

I am \*in Favour / Against

# **PROOF OF DEBT - GENERAL FORM**

## **JUST MOTOR CARE LIMITED - IN ADMINISTRATION**

Date of Administration: 16 January 2017

|    |  |        |
|----|--|--------|
| 1  | Name of creditor<br>(If a company please also give company registration number)  |        |
| 2  | Address of creditor for correspondence   |        |
| 3  | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date of Administration   | £      |
| 4  | Details of any document by reference to which the debt can be substantiated<br>(Note There is no need to attach them now but they may be called on to substantiate the claim at the Administrators' discretion, as may the chairman or convenor of any meeting ) |        |
| 5. | If the total amount shown above includes Value Added Tax, please show -<br><br>(a) amount of Value Added Tax<br>(b) amount of claim NET of Value Added Tax   | £<br>£ |
| 6  | If total amount above includes outstanding uncapitalised interest please state amount  | £      |
| 7  | Particulars of how and when debt incurred<br>(If you need more space please append a continuation sheet to this form )   |        |
| 8  | Particulars of any security held, the value of the security, and the date it was given   |        |
| 9  | Particulars of any retention of title claimed in respect of goods supplied to which the claim relates  |        |
| 10 | Signature of creditor or person authorised to act on his behalf  |        |
|    | Name in BLOCK LETTERS  |        |
|    | Position with or relation to creditor  |        |
|    | Address of person signing (if different from 2 above)  |        |