

The Insolvency Act 1986

**Notice of deemed approval of proposals**

|                            |
|----------------------------|
| Name of Company            |
| Quantum Automotive Limited |

|                |
|----------------|
| Company number |
| 06657692       |

|   |
|---|
| In the<br>High Court of Justice<br>(full name of court) |
|---|

|                                  |
|----------------------------------|
| Court case number<br>941 of 2012 |
|----------------------------------|

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

I/We (a) Simon Franklin Plant  
S F P  
9 Ensign House  
Admirals Way  
Marsh Wall  
London  
E14 9XQ

Daniel Plant  
S F P  
9 Ensign House  
Admirals Way  
Marsh Wall  
London

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

having been appointed administrator(s) of (b) Quantum Automotive Limited  
SFP 9 Ensign House, Admiral's Way Marsh Wall London E14 9XQ

(c) Insert date of appointment

on (c) 31 January, 2012

(d) Insert name of applicant/appointer

by (d) High Court of Justice

hereby give notice that

(e) Insert date

having made a statement under paragraph 52(1) of Schedule B1 and no meeting having been requisitioned under paragraph 49 of that Schedule, the proposals sent by me on (e) 20 February 2012 were deemed to have been approved on (e) 1 March 2012

Signed

Dated

Joint / Administrator(s)

6 / 3 / 12

**Presenter's details**

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

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

Simon Franklin Plant  
S F P  
9 Ensign House  
Admirals Way  
Marsh Wall  
London  
E14 9XQ

DX Number

020 7538 2222  
DX Exchange

WEDNESDAY



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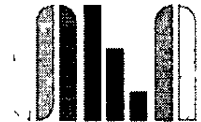
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07/03/2012

#323

COMPANIES HOUSE

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



**Schedule of Agreed Proposals of  
Quantum Automotive Limited Limited (in Administration) ("the Company")  
in accordance with the Insolvency Act 1986 ("the Act") and the Insolvency Rules 1986**

- 1 the Administration of the Company continue in order to effect outstanding realisations of the Company's debtors and finalise any additional matters which require the assistance of the moratorium,
- 2 the Joint Administrators' time costs associated with the pre-appointment period of £4,457 50 be paid in full in accordance with Rule 2 67A(3), from funds held in the insolvent estate,
- 3 the Joint Administrators' remuneration be fixed by the time properly spent by them and their staff in attending to matters arising out of the Administration in accordance with Statement of Insolvency Practice 9 and that the Joint Administrators be authorised to draw remuneration as and when funds become available,
- 4 the Joint Administrators be authorised to recover all disbursements including category 2 disbursements as defined by the Statement of Insolvency Practice 9,
- 5 SFP Datastore will charge upfront for the minimum period of two years storage and destruction of the records / permanent box removal of £20 80 and £9 per box respectively, shortly following appointment,
- 6 in the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they shall be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
- 7 In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution. In such circumstances they will be looking to take the appointment as Liquidators. In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2 117(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved,
- 8 as an alternative to paragraphs 6 and 7 the Joint Administrators be able to seek to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that only a Liquidator is permitted to bring pursuant to the Act,
- 9 upon the placing of the Company into Liquidation under paragraph 7 or 8 or the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, paragraph 98 of the Act,
- 10 upon the placing of the Company into Liquidation, the Joint Liquidators' remuneration be fixed on the same basis as that of the Joint Administrators' remuneration, in accordance with Rule 4 127(5A) and that the Joint Liquidators be authorised to draw remuneration as and when funds become available, and
- 11 upon the placing of the Company into Liquidation, the Joint Liquidators' be authorised to act in a joint and several capacity

**Strictly Private and Confidential**

**Quantum Automotive Limited (In Administration)**

**Report to Creditors and  
Statement of Proposals  
Pursuant to Paragraph 49(1) of  
Schedule B1 to the Insolvency Act 1986**

**Simon Franklin Plant  
MIPA FABRP**

**Daniel Plant  
MIPA FABRP**

**SFP  
9 Ensign House  
Admirals Way  
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**This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986 and the Enterprise Act 2002. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents**

**Quantum Automotive Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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**1. Executive Summary**

**SECTION/APP.  
REFERENCE**

- |   |   |
|---|---|
| <p><b>1.1</b> The Company was placed into Administration on 31 January 2012. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration was therefore to 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)</p>   | <p><b>Section 5</b></p>                     |
| <p><b>1.2</b> The Company was originally incorporated on 28 July 2008 to provide vehicle distribution services. The Company's registered office is located at Henstridge Airfield, the Marsh, Henstridge, Templecombe, Somerset, BA8 0TN. The Company principally traded from premises at Plot 46, Suzuki Road, Royal Portbury Docks, Bristol BS20 7XF and Ashville Trading Estate, Sutton Weaver, Runcorn WA7 3EZ.</p>   | <p><b>Section 4<br/>and Appendix I</b></p>  |
| <p><b>1.3</b> The Company was incorporated to provide vehicle distribution services. In its second year of trading the Company looked to expand its business and invested in another transport company. In order to assist with its cash-flow, the Company entered into an invoice discounting agreement with Leumi ABL Limited. By way of security, Leumi ABL Limited registered a debenture containing fixed and floating charges at Companies House on 1 September 2011. In January 2012, the associated transport company, which the Company had invested in, was placed into Administration, which had a significant impact on the Company's balance sheet. As a result, Leumi ABL Limited undertook a review of the Company's financial affairs and concluded that it was insolvent on a balance sheet basis and subsequently sought the appointment of Insolvency Practitioners as Administrators in order to protect its exposure.</p>  | <p><b>Section 4<br/>And Appendix II</b></p> |
| <p><b>1.4</b> It was envisaged that the primary purpose of the Administration would be achieved by a sale of the business and assets on a going concern basis. Given the lack of available funding, continued trading of the business was not an option. The Joint Administrators have since completed a sale of the Company's assets to Carlson Vehicle Transfer Limited.</p>  | <p><b>Section 6</b></p>                     |
| <p><b>1.5</b> The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes effecting realisations in respect of debtor recoveries and continued investigations into the Company's affairs. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being. However, they require the option of placing it into Creditors' Voluntary Liquidation for distribution purposes in the unlikely event that there are sufficient realisations in the Administration for a dividend to unsecured creditors. Alternatively, the Joint Administrators will file notice of dissolution of the Company at Companies House should they take the view that the Company has no property which might permit a distribution to its creditors, unless they believe that they should present a winding up petition at court, so that a liquidator can be appointed to further investigate the Company's affairs. It is not proposed to convene a meeting of creditors.</p> | <p><b>Sections 7, 11 and 12</b></p>         |
| <p><b>1.6</b> Questionnaires have been sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.</p>  | <p><b>Section 13</b></p>                    |

**Quantum Automotive Limited (In Administration)**  
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**2. Introduction**

- 2.1** This Report and Statement of Proposals ("the Report") is prepared pursuant to Schedule B1, Paragraph 49 of the Insolvency Act 1986, ("the Act") in relation to Quantum Automotive Limited ("the Company"), the purpose of which is to provide creditors with a full update as to the present position and seek creditors' approval of the next stage of proceedings
- 2.2** The Report also includes information required to be provided to creditors pursuant to Rule 2.33 of the Insolvency Rules 1986 ("the Rules") All statutory information pertaining to the Company is set out in Appendix I.

**3. The Joint Administrators' Appointment**

- 3.1** On 31 January 2012, a Notice of Appointment of an Administrator by the holder of a qualifying floating charge by was presented to the High Court of Justice. Both Simon Franklin Plant and Daniel Plant were appointed Joint Administrators ("the Joint Administrators") of the Company Pursuant to Schedule B1, Paragraph 100(2) of the Act, the Joint Administrators act jointly and severally.

**4. Company History, Events Leading to the Administration Order and Pre-Planning Work**

**Company History and Events Leading to the Administration Order**

- 4.1** Albeit that statutory information is contained in Appendix I, this report provides brief details in relation to the Company's history
- 4.2** the Company was incorporated on 28 July 2008 by John Merry ("Mr Merry") to provide vehicle transportation services. According to Companies House records, the Company was previously known as Blackbrook Investments Limited ("Blackbrook") until 2 February 2009. As at the date of Administration, Stephen Berry ("Mr Berry"), Tim Harms ("Mr Harms"), John Lloyd ("Mr Lloyd"), Maurice Rourke ("Mr Rourke"), Roger Bastable ("Mr Bastable") and Mr Merry were the Company's appointed directors.
- 4.3** The Company's registered office is Henstridge Airfield, the Marsh, Henstridge, Templecombe, Somerset, BA8 0TN. It primarily traded from premises located at Plot 46, Suzuki Road, Royal Portbury Docks, Bristol, BS20 7XF ("the Trading Premises"), Ashville Trading Estate, Sutton Weaver, Runcorn, WA7 3EZ ("the Runcorn Premises"), an office owned by Regus Management (UK) Limited at Aztec West, Almondsbury, Bristol, BS32 4AQ ("the Regus Premises"), together with renting space at a haulage yard at Riverfields Estate, Central Avenue, Hallen, Bristol BS10 7ES (collectively, "the Premises")
- 4.4** Prior to the formation of the Company it is understood that Mr Merry, Mr Harms and Mr Berry worked together at a vehicle distribution company and entered into a period of discussions regarding the formation of their own vehicle distribution company
- 4.5** It was subsequently agreed that Blackbrook would be the entity from which to trade the proposed distribution company and in February 2009, Mr Berry and Mr Harms were also appointed as its directors. Blackbrook's name was changed to the Company's current name the following month.
- 4.6** It is understood that the Company initially undertook ad-hoc work for various customers, trading the Regus Premises
- 4.7** Between March and August 2009, Mr Harms and Mr Berry undertook a marketing campaign to generate interest in the Company. They also acquired a fleet of transporter vehicles on lease hire agreements with a view to raising the profile of the Company and in preparation for the August 2009 vehicle registration peak

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- 4.8 In September 2009, the Company entered into an agreement with a transport vehicle operator called Gefco Limited ("Gefco"), to rent half of its fleet. Following this, the Company secured its first major contract with Perodua UK Limited ("Perodua") in December 2009, generating an annual turnover of £150,000
- 4.9 In the same month, Mr Lloyd became a director of the Company. It is understood that he provided additional funding in order to assist with the Company's cash-flow
- 4.10 In January 2010, the Company began operating from the Trading Premises in order to provide a vehicle storage facility for Perodua. In its first year of trading, the Company had managed to turnover in excess of £300,000
- 4.11 In November 2010, the Company was approached by Mr Bastable, who was looking to secure investment into a company to which he was a director, Sensible Transport Limited ("Sensible"). At this time, the Company was looking to expand the business further and was trying to secure a major contract for the distribution of vehicles for Toyota
- 4.12 It is understood that the Company entered into a period of discussions and negotiations with Sensible. It was eventually agreed that it would invest £815,000 in exchange for a majority shareholding in Sensible. The shareholding was to be held in a parent company called Barcel Holdings Limited. Part of the arrangement was for John Merry, Mr Berry and John Lloyd to be appointed directors of Sensible and for Mr Bastable to be appointed as a director of the Company
- 4.13 Mr Harms and Mr Berry have advised that the acquisition of Sensible was considered to be an excellent investment by the Company. The apparent reasoning was that employees and vehicles could be shared for convenience and cost saving measures. It was also hoped that the acquisition would raise the profile of the Company considerably and provide increased financial stability together with further additional vehicle storage space and transportation vehicles, all of which would be essential to securing the contract with Toyota
- 4.14 It is understood that as part of the overall arrangement, Mr Bastable took a guarantee from the Company, which indemnified him in respect of his personal liabilities to Sensible
- 4.15 As part of its continued growth strategy, the Company entered into the lease of the Runcorn Premises in order to secure a vehicle storage contract with a major car hire company. For additional income, the Company was also able to sub-let areas of the site to third parties and provide pre-delivery vehicle inspections to a number of car dealerships
- 4.16 In April 2011, it is understood that Mr Merry invested £200,000 into the Company. By way of security, Mr Merry registered a Charge at Companies House on 10 May 2011. This was subsequently released.
- 4.17 In September 2011, the Company secured a major contract with a vehicle manufacturer, Ssangyong to provide an import centre, storage and inspection facility together with a vehicle upgrading service for vehicles arriving in the UK. In order to facilitate this contract, the Company obtained 2 workshops and a portakabin at the Trading Premises
- 4.18 As the Company expanded it required cash-flow assistance, accordingly it entered into an invoice discounting agreement with Leumi ABL Limited ("Leumi"). By way of security Leumi registered a debenture containing fixed and floating charges at Companies House on 1 September 2011

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- 4.19 In October 2011, the Company secured the contract with Toyota, which generated an annual turnover of £3m. It was agreed that the contract would take effect in January 2012, permitting Toyota to give a 3 month notice period to the current contractor.
- 4.20 Despite the Company's investment in Sensible, it continued to suffer from cash-flow difficulties and was placed into Administration by its invoice discounting facility provider, Leumi following a review of its financial affairs. This had a substantial impact upon the Company's balance sheet, given its investment in Sensible. There was additional concern surrounding the indemnity which the Company had given to Mr Bastable in respect of his personal liability to Sensible.
- 4.21 Once Toyota became aware that Sensible had been placed into Administration, it undertook a review of the Company's financial affairs and subsequently concluded that the Company no longer met its financial criteria. As a result, Toyota revoked the Company's contract.
- 4.22 Leumi also carried out a review of the Company's financial affairs and became concerned about its exposure. This subsequently led to it seeking the appointment of Simon and Daniel Plant as Joint Administrators.
- 4.23 At Appendix II is an Estimated Statement of Affairs as at the date that the Company was placed into Administration ("the Statement of Affairs"). The Statement of Affairs indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £2,242,951.

**Pre-planning work**

- 4.24 The partners of SFP, together with SFP's staff have undertaken pre-appointment work in respect of this matter. This work includes printing and reviewing company searches, discussing the position with the Directors and Leumi, holding internal meetings and dealing with appointment documentation.

**5. The Purpose of the Administration**

- 5.1 The purposes of an Administration are set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of
- 5.1.1 rescuing the company as a going concern, or
  - 5.1.2 achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
  - 5.1.3 realising property in order to make a distribution to one or more secured or preferential creditors.
- 5.2 The purposes are therefore a hierarchy of objectives. The rescue of a company is the priority. Next is to instead achieve a better return to the creditors as a whole. In the event that this cannot be achieved then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 5.3 In the light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a company voluntary arrangement. This was not considered to be achievable, although it appeared that the second purpose was a viable option. Full details concerning progress in respect of this purpose are set out in Section 7.



**6. Events Following the Joint Administrators' Appointment Leading to Initial Strategy**

- 6.1 As a rescue of the Company was not possible, the primary purpose of the Administration was to obtain a better result for the creditors as a whole than would be achieved if the Company was simply wound up (without first being in Administration). This would potentially be achieved with the assistance of a statutory moratorium, which protects a company when it is placed into Administration. The moratorium effectively prevents all creditors' actions being taken or progressed without leave of the Court or the Administrator's consent, thereby providing a company with breathing space in which a strategy can be invoked to maximise realisations.
- 6.2 Upon appointment, members of SFP's Administration department and debt recovery division, SFP Recoveries Limited ("SFP Recoveries") together with its property division, ("SFP Property") (collectively, "the Team") attended the Trading Premises. Further, valuation agents, Winterhill Asset Limited ("Winterhill") were instructed to attend in order to compile a valuation and inventory of the Company's business and assets, respectively.
- 6.3 SFP Property also attended the Premises in order to determine the Company's terms of occupancy and establish whether or not they held any benefit to the Administration estate.
- 6.4 The Team obtained details of the Company's history and established its current circumstances. The Team also gleaned the various information and documentation required to discharge statutory and non-statutory duties, during the course of the day. Meanwhile, a representative from SFP Recoveries collated all debtor information in order to reconstruct debtor files to assist with the recovery of book debts.
- 6.5 The Team liaised with Mr Berry in order to compile an estimated trading cash-flow forecast for the Administration Period, in addition to ascertaining the value of the work in progress and reviewing environmental considerations, together with customer support.
- 6.6 The results of the cash-flow forecast determined that trading the business long term would generate significant losses. In view of this, the Joint Administrators looked to trade the business in the short term in order to maintain the goodwill of the Company, whilst looking to complete an expedient sale of its business and assets.

**7. General Progress In Relation to the Administration**

**Trading**

- 7.1 It was established that £700 of fuel was required per day to complete work for Gefco. Accordingly, the Team looked to agree terms with the Company's former fuel provider for the temporary usage of fuel during the trading period. However, agreed terms could not be reached. As a result, the Team had to set up their own fuel payment process.
- 7.2 It was determined that 200 vehicles needed urgent inspection work to be carried out on them as part of the Ssangyong contract. Accordingly, the Team met with the Company's Contractor, M-tec in order to gain its ongoing support during the trading period. An agreement was made between M-tec and the Joint Administrators in respect of payment for their continued services as an expense of the Administration. In light of this, the work was completed within the first several days of the Joint Administrators' appointment.

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- 7.3 The Company provides a vehicle storage facility for approximately 750 vehicles at the Runcorn Premises. In the circumstances, it was decided that a member of the Team would remain present at the site during the trading period in order to monitor its trading activities and deal with any issues arising. Security was also arranged in order to protect the vehicles and the Runcorn Premises overnight.
- 7.4 The Company had a provisional bonded warehouse licence, which permitted it to store vehicles at the Trading Premises and delay the payment of import duty until permanent work had been carried out on the vehicles and they had left the Trading Premises. Accordingly, HM Revenue and Customs were notified of the Administration and a request was made for them to place the vehicles held in the Company's bonded warehouse under the custody of someone with a licence.
- 7.5 The Company had an Operator's Licence in place due to it operating with heavy goods vehicles. A member of the Team contacted the Office of the Traffic Commissioner ("OTC") to inform of the Administration and to request the Regulation 31 forms to enable the Company to continue operating its vehicles under the existing licence. The forms were required to be completed and returned on or before February 2012.

**Sale of assets**

- 7.6 Once Winterhill had completed its valuation of the Company's business and assets, it circulated sales packs to various interested parties containing information which would assist them with the formulation of an offer. Further, Winterhill set a deadline of 5 pm on 1 February 2012 for best and final offers.
- 7.7 Following the passing of the deadline, offers were received from a couple of interested parties. All other parties withdrew their interest.
- 7.8 The Team entered into negotiations with the interested party who submitted the highest offer concerning the structure of the deal. Following an agreement being reached, solicitors instructed to assist in this matter Francis Wilks and Jones ("FWJ") prepared the requisite Sale and Purchase Agreement ("SPA").
- 7.9 Further to the provision of further information requested by the interested party, together with protracted discussions concerning the content of the SPA, agreed terms could not be reached. On 3 February 2012, the interested party subsequently withdrew their interest citing onerous liabilities.
- 7.10 As a result, the Team liaised with the interested party who had submitted the next best offer, Carlson Vehicle Transfer Limited ("CVT"). Accordingly, on 3 February 2012 the Team formally entered into discussions with CVT and provided it with additional financial information relating to the Company and looked to elicit an increased offer.
- 7.11 As a result, CVT revised the terms of their offer on numerous occasions before making a best and final offer of £50,000, for the Company's assets only.
- 7.12 The offer was discussed with Winterhill who advised that it represented a good realisation in the circumstances and should be accepted. Accordingly, the offer was therefore accepted by the Joint Administrators.
- 7.13 FWJ were instructed to draft an SPA, together with a licence to occupy the Runcorn Premises ("the Licence").
- 7.14 Despite the fact an agreement had been reached, CVT raised numerous points of concern. As a result, it took a significant amount of time for the SPA between the parties to be negotiated. In order to preserve the Company's goodwill during this period, the Team maintained a 24 hour presence at the Runcorn

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Premises to allow for the vehicles to enter and leave the site unhindered. Further, at the Trading Premises, the Team had to oversee the collection, storage and works carried out on numerous vehicles pursuant to the terms of customer contracts.

- 7.15 Following numerous versions being circulated and significant amendments being made, a final draft was eventually agreed upon. The sale completed at 5.50 pm on Wednesday, 8 February 2012.

- 7.16 FWJ are in the process of forwarding the sale consideration of £50,000, to the Administration estate account.

**The Employees**

- 7.17 Given that the Company's business was not sold, members of the Team together with the Employment Rights Act Team contacted all employees on 7 February 2012 to notify them of their redundancy with immediate effect. A letter confirming their redundancy was sent later that day together with form RP1.

**Debtors**

- 7.18 As at the date of the placing of the Company into Administration, it is understood that its ledger was £333,043 with Leumi having an outstanding commitment of £240,070.
- 7.19 SFP Recoveries has identified pre-appointment invoicing of £25,886, which has been raised and uploaded to Leumi's ledger. In addition to this, post appointment invoicing from the date of appointment to 8 February 2012 of £15,402 has also been raised and uploaded to Leumi's ledger.
- 7.20 Leumi has instructed SFP Recoveries to pursue the Company's debtors and collect the remainder of the sales ledger on its behalf.

**The Company's Trading Premises**

- 7.21 SFP Property has been instructed to determine the Company's terms of occupancy of the Premises.
- 7.22 In accordance with the terms of the Licence, CVT has agreed to pay £14,000 to occupy the Runcorn Premises to 24 March 2012.
- 7.23 SFP Property will advise whether the Premises hold any benefit for the Administration. Further, they are currently liaising with the respective landlords in order to deal with any necessary formalities to dispose of the Company's interest.

**Investigation into the Company's Affairs Prior to the Administration**

- 7.24 Investigations into the Company's affairs prior to it being placed into Administration are being undertaken by another entity associated with the Joint Administrators' firm, SFP Forensic Limited ("SFP Forensic") and are presently ongoing.
- 7.25 SFP Forensic has identified various areas of concern in relation to the Company's trading activities prior to it being placed into Administration. These are currently being investigated. However, the Joint Administrators do not wish to divulge any further information in relation to this at this stage since it may hamper enquiries / future recoveries.

#### **Additional Issues and Realisations**

- 7.26** It is understood that the Company managed to acquire a Gold Bearer Bond ("the Bond") in October 2011. The terms surrounding this agreement are presently being investigated. At this stage, it is unclear whether the Bond holds any value.
- 7.27** The Company's books and records have been recovered from the Trading Premises and have been passed to another entity associated with the Joint Administrators' firm, SFP Datastore Limited ("SFP Datastore"). An inventory has been prepared and the books and records will continue to be stored by them.
- 7.28** Winterhill are a firm of valuation agents who specialise in insolvency matters. They were chosen to work on the assignment as they are able to deal with cases nationally due to their various offices nationwide, and their specialist knowledge in the industry.
- 7.29** FWJ is a legal practice who specialise in insolvency appointments by Asset Based Lenders. They were chosen to work on this assignment due to this specialism.

#### **8 The Statement of Affairs and the Outcome for Creditors / Joint Administrators' Receipts and Payments**

- 8.1** At Appendix II is an Estimated Statement of Affairs as at the date that the Company was placed into Administration, completed by the Joint Administrators. A Statement of Affairs has been requested from each of the Company's directors. To date, these forms have not been returned.
- 8.2** In addition to this is a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators' system and does not mean that the claim has been rejected or agreed.
- 8.3** Attached at Appendix III is the Joint Administrators' Receipts and Payments Account for the period from 31 January 2012 to 10 February 2012.

#### **9. Statement of Pre-Appointment Cost**

- 9.1** Attached at Appendix IV are schedules of the Joint Administrators' time costs associated with the pre-administration period (as defined by Rule 2.33(2A)), which total £4,457.50. The Joint Administrators are proposing resolutions to authorise these costs to be paid in full, plus VAT and disbursements, in accordance with Rule 2.67A(3) and draw their costs from funds held in the insolvent estate. These costs are to be approved by the relevant creditors or by a Creditors' Committee should one be established, as detailed in Section 10.
- 9.2** The work undertaken prior to the Joint Administrators' appointment is outlined in paragraph 4.24.

#### **10. The Joint Administrators' Costs**

- 10.1** Given that there may not be a surplus available to the unsecured creditors, it looks to be the case that the third purpose only of the Administration (at paragraph 5.1.3) will be achieved. From the outset the Joint Administrators arranged for members of their team to be present at the Company's trading premises in order to react to any immediate issues.
- 10.2** To date, the Joint Administrators have undertaken, inter alia, the following actions:
- 10.2.1** undertaking initial review of the trading position and ascertaining the feasibility of continued

**Quantum Automotive Limited (In Administration)**  
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**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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trading,

- 10.2.2 liaising with staff and directors in order to deal with immediate issues,
- 10.2.3 liaising with Winterhill concerning the sale of the Company's assets,
- 10.2.4 negotiating a sale of the Company's business and assets;
- 10.2.5 reviewing and agreeing the sale and purchase agreement,
- 10.2.6 dealing with employees through verbal and written notification,
- 10.2.7 reviewing the Company's books and records for creditor information and employee details,
- 10.2.8 attending numerous discussions with directors to determine the Company's position as at the date of Administration;
- 10.2.9 liaising with SFP Recoveries and Leumi regarding the sales ledger,
- 10.2.10 liaising with SFP Forensics regarding investigation into the affairs of the Company,
- 10.2.11 liaising with SFP Property concerning the Trading Premises, and
- 10.2.12 undertaking all statutory measures including updating creditors, advertising and filing requisite documents and forms at Companies House and Court.

The grade of staff instructed to assist in this matter range from Support Staff who deal with maintenance of the creditor contact database, assisting with creditor queries and sending reports to creditors, Administrators who deal with employee matters, liaise with creditors and debtors and manage the Treasury function of the case and Managers who prepare statutory reports to creditors, returns to Companies House, other statutory matters and oversee the tax and VAT aspects of the case.

- 10.3 At Appendix IV is a breakdown of the time that has been incurred by SFP to date. At Appendix XI is a Guide to Administrators' Fees, being Statement of Insolvency Practice 9
- 10.4 At Appendix V is a breakdown of the time that has been incurred by SFP Forensic to date.
- 10.5 At Appendix VI is a breakdown of the time that has been incurred by SFP Property to date
- 10.6 At Appendix VII is a breakdown of the time that has been incurred by SFP Recoveries to date.
- 10.7 At Appendix VIII is a breakdown of the time that has been incurred by SFP Datastore to date
- 10.8 At Appendix IX is a guide to SFP and its associated entities charge out rates and disbursement rates
- 10.9 Section 13 sets out the Joint Administrators' proposals. The Joint Administrators do not anticipate a distribution to unsecured creditors. On this basis, Rule 2.106 (5A) provides that in a case where the administrator has made a statement under paragraph 52(1)(b), if there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed (in accordance with paragraph (2)) by the approval of
  - 10.9.1 each secured creditor of the company, or

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- 10.9.2** If the administrator has made or intends to make a distribution to preferential creditors,
- 10.9.2.1** each secured creditor of the company, and
- 10.9.2.2** preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval
- 10.10** The Joint Administrators propose that their remuneration be on a time cost basis, being the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration under rule 2.106(2) of the Rules. Further, that pre-planning costs are to be paid in full in accordance with Rule 2.67A(3) from funds held in the insolvent estate
- 10.11** In accordance with the above, each secured creditor has been provided with a copy of these proposals. In addition and for the sake of good order, authority from the unsecured creditors is also being sought. Unless any objection to the proposed basis of remuneration is notified to the Joint Administrators within 8 business days from the date on which the proposals are sent out, the Joint Administrators will deem the basis of remuneration approved by both the secured creditors and the unsecured creditors
- 10.12** In accordance with Rule 2.109 of the Rules, any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of this report
- 10.13** The Joint Administrators will also seek agreement of their pre and post appointment fees from a Creditors' Committee or the body of creditors, if none is appointed. Fees will be looked to be agreed on a time cost basis, being the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration under rule 2.106(2) of the Rules. Further, that pre-planning costs are to be paid in full in accordance with Rule 2.67A(3) from funds held in the insolvent estate. A breakdown of pre-appointment fees, which amount to £4,457.50, is set out in Appendix IV
- 10.14** In accordance with Rule 2.109 of the Rules, any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of this report
- 10.15** Disbursements and specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made, if funds are available from the insolvent estate. If funds are not available the payment is made from this firm's office account and this firm is reimbursed from the insolvent estate if and when funds become available
- 10.16** Payments made out of a firm's office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the expenses and Disbursements heading in the Guide to Administrators' fees at Appendix XI. There have been no Category 1 disbursements incurred to date
- 10.17** Expenditure incidental to the administration of the insolvent case, which by its nature includes an element of shared or allocated costs are recoverable with creditor approval. These payments are defined as 'Category 2 Disbursements' and, once again, this disbursement is explained further in the Guide to Administrators' fees at Appendix XI. The following Category 2 disbursements have been incurred to date but not yet recharged:

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Postage £163 95

- 10.18 The fees incurred by FWJ, Winterhill, SFP Forensic, SFP Recoveries and SFP Property are on a time cost basis. Charge out rates are reviewed periodically.
- 10.19 An Administration will continue for a period up to one year, at which point it will either be extended by creditors' consent or Court Order, be moved into Liquidation or the company will be dissolved.
- 10.20 Regulation 3A of The Insolvency Regulations 1994 states that the last Administrator of a company which has been dissolved may, at any time after the expiration of a period of one year from the date of dissolution, destroy the records of the company.
- 10.21 In this case, it is not anticipated that the Administration will be concluded much earlier than the maximum one year period. Consequently, the minimum period that the Joint Administrators anticipate holding the company's books and records for will be two years.
- 10.22 SFP Datastore's fees are calculated on a fixed fee basis for storage, retrieval and destruction of books and records and an hourly rate for any further work carried out, including the provision of security services (where applicable). SFP Datastore will be responsible for holding the Company's books and records for the required period, and for arranging for the destruction of these records when applicable.
- 10.23 It is proposed that the charges for the minimum period of two years storage and destruction of the records / permanent box removal of £20 80 and £9 per box respectively, will be charged to the case upfront, shortly following appointment.
- 10.24 In the event that the Administration is concluded early, the Company is dissolved early and the records are held for less than the anticipated two year period, any fees billed and paid in advance will be credit noted and the funds repaid to the estate as necessary.
- 10.25 In the event that the Administration is extended, any additional charges incurred by SFP Datastore will be paid as they are incurred.
- 10.26 SFP Forensic, SFP Recoveries, SFP Property and SFP Datastore are entities which are associated with the Joint Administrators' firm, SFP ("the Associated Entities"). Pursuant to SIP 9 payments made to outside parties in which the office holder or his firm or any associate has an interest should be treated as a Category 2 Disbursement. In accordance with SIP 9 the following information is provided concerning the Associated Entities:
- 10.26.1 the Associated Entities have been established by SFP to perform functions to which either the office holder or outside agencies could undertake. It is considered that by virtue of their specialist nature and close proximity to SFP they will achieve better results than the office holder, his team or any outside agencies would be able to accomplish.
- 10.26.2 the Associated Entities' remuneration is on an hourly time cost basis, divided into 6 minute units and calculated as follows:

| Entity         | Basis of Remuneration   | Staff Charge Out Rates |
|----------------|-------------------------|------------------------|
| SFP Forensic   | Time Cost               | £100 - £500*           |
| SFP Property   | Time Cost               | £100 - £350*           |
| SFP Recoveries | Time Cost               | £100 - £500*           |
| SFP Datastore  | Fixed Fee and Time Cost | £18 50-£75*            |

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\*The charge out rates detail the bands that will be applied dependent upon the grading of staff required to deal with any one specific assignment. Please note that these may fluctuate/alter during the course of the Administration or the placing of the Company into a subsequent insolvency regime

- 10.26.3 the proposals to creditors seek the approval of the payment of SIP 9 Category 2 Disbursements. Approval will entitle the office holder to settle these as and when deemed necessary without the need for any further authorisation

**11. Additional Points Required to Be Made Pursuant to the Rules**

- 11.1 For creditors' general information, the EC Regulations on insolvency proceedings do apply in this case, and these proceedings are the main proceedings.
- 11.2 Pursuant to Schedule B1, Paragraph 47(1) of the Act, the Joint Administrators may request one or more relevant persons to provide a Statement of Affairs of the Company. Following the Joint Administrators' appointment, all active directors of the Company have been requested to provide a statement of affairs although to date, these forms have not been submitted.

**12. The Dispensing the Meeting of Creditors**

- 12.1 Pursuant to Schedule B1, Paragraph 51(1) a copy of the Administrator's statement of proposals must be accompanied by an invitation to a creditors meeting. However, this requirement may be dispensed with in circumstances where there is likely to be nothing of substance that the creditors meeting could decide
- 12.2 These circumstances are set out in Paragraph 52(1) which provides that the need to convene a meeting shall not apply where the statement of proposals states that the Administrator thinks that:
- 12.2.1 the company has sufficient property to enable each creditor of the company to be paid in full,
- 12.2.2 the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of payment through the prescribed element of floating charge realisations, or
- 12.2.3 the only objective of the Administration which the Administrator thinks is capable of achievement is realising property in order to make a distribution to one or more secured or preferential creditors
- 12.3 In this instance the Joint Administrators are of the view that paragraph 12.2.3 will apply in relation to the Company
- 12.4 Notwithstanding this, the Joint Administrators shall be required to summon a meeting of creditors if it is requested by the Company's creditors whose debts amount to at least 10% of the total debts of the Company, by way of service of a Form 2.21B, within 8 business days from the date on which the proposals are sent out
- 12.5 If such meeting is requested it must be held within 28 days of the request being received by the Joint Administrators. Security must be given for the expenses of summoning and holding the meeting. At Appendix XII is a copy of the Form 2.21B should any creditor wish to request a meeting. If no meeting is requested the proposals will be deemed to be accepted pursuant to Rule 2.33(5) of the Rules.



**Quantum Automotive Limited (In Administration)**  
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**13. The Joint Administrators' Proposal**

- 13.1** The Administration has enabled the Company to have a breathing space in which to achieve a better result for the creditors as a whole than would be likely achieved if the company were wound up (without first being in Administration)
- 13.2** The prescribed time limit for an Administration is 12 months. In the event that an Administration lasts in excess of 12 months, the Joint Administrators have to obtain creditors' approval or make an application to Court to extend its length
- 13.3** It is a requirement, notwithstanding the fact that a company is left in Administration for the Joint Administrators to investigate the company's affairs and submit the appropriate D form to the Department for Business, Innovation and Skills concerning the directors' conduct.
- 13.4** In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution. In such circumstances they will be looking to take the appointment as Liquidators together. In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2.117A(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved. As an alternative, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate
- 13.5** It is proposed that the Creditors' Voluntary Liquidation would commence from the date of acknowledgement by the Registrar of Companies that the relevant notice has been filed at Companies House. This procedure, which is permitted by the Act would circumvent the need for an additional creditors' meeting and keep costs to a minimum
- 13.6** In light of the above, and in accordance with Schedule B1, Paragraph 49(1) of the Act, it is proposed by the Joint Administrators that
- 13.6.1** the Administration of the Company continue in order to effect outstanding realisations of the Company's debtors and finalise any additional matters which require the assistance of the moratorium,
  - 13.6.2** the Joint Administrators' time costs associated with the pre-appointment period of £4,457.50 be paid in full in accordance with Rule 2.67A(3), from funds held in the insolvent estate,
  - 13.6.3** the Joint Administrators' remuneration be fixed by the time properly spent by them and their staff in attending to matters arising out of the Administration in accordance with Statement of Insolvency Practice 9 and that the Joint Administrators be authorised to draw remuneration as and when funds become available,
  - 13.6.4** the Joint Administrators be authorised to recover all disbursements including category 2 disbursements as defined by the Statement of Insolvency Practice 9,
  - 13.6.5** SFP Datastore will charge upfront for the minimum period of two years storage and destruction of the records / permanent box removal of £20.80 and £9 per box respectively, shortly following appointment,

**Quantum Automotive Limited (In Administration)**  
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- 13.6.6** In the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors they shall be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
- 13.6.7** In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution. In such circumstances they will be looking to take the appointment as Liquidators. In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2.117(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved,
- 13.6.8** as an alternative to paragraphs 13.6.6 and 13.6.7 the Joint Administrators be able to seek to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that only a Liquidator is permitted to bring pursuant to the Act,
- 13.6.9** upon the placing of the Company into Liquidation under paragraph 13.6.7 or 13.6.8 or the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, paragraph 98 of the Act,
- 13.6.10** upon the placing of the Company into Liquidation, the Joint Liquidators' remuneration be fixed on the same basis as that of the Joint Administrators' remuneration, in accordance with Rule 4.127(5A) and that the Joint Liquidators be authorised to draw remuneration as and when funds become available, and
- 13.6.11** upon the placing of the Company into Liquidation, the Joint Liquidators be authorised to act in a joint and several capacity

**14. Ancillary**

***Creditors Questionnaires***

- 14.1** The response that has been forthcoming from the questionnaire provided to creditors has proved to be helpful in relation to the events that transpired up to the date that the Company was placed into Administration.
- 14.2** As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assist with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience

***Directors' Conduct***

- 14.3** Pursuant to the Company Directors' Disqualification Act 1986, it is the Joint Administrators' and any subsequently appointed Liquidator's duty to submit a requisite report/form to the Department for Business, Innovations and Skills (formerly the Department for Business Enterprise and Regulatory Reform) concerning the directors' conduct.
- 14.4** The report/form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Responses to creditors' questionnaires may prove extremely helpful concerning this

**Quantum Automotive Limited (In Administration)**  
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If any creditor has any queries in relation to the above, please do not hesitate to contact either the Joint Administrators or the Administrator dealing with this matter, Glenn McGrath on 020 7638 2222

Dated this 20<sup>th</sup> Day of February 2012



Simon Plant  
Joint Administrator

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX I**

- **Statutory Information**

**Quantum Automotive Limited – In Administration**  
**Statutory Information As Reflected At Companies House**

**Company Number:** 06657692

**Date of Incorporation:** 28 July 2008

**Previous Names:** Blackbrook Investments Limited

**Nature of Business:** Vehicle Transportation

**Issued Share Capital:** Barcel Holdings Limited 10,000 - £0.01 shares  
 Roger Bastable 2,500 - £0.01 shares

|                     | <b>Name</b>           | <b>Appointed</b> | <b>Resigned</b> |
|---------------------|-----------------------|------------------|-----------------|
| <b>Director(s).</b> | John Charles Merry    | 08/09/2011       | -               |
|                     | Maurice Rourke        | 08/09/2011       | -               |
|                     | Roger Kieron Bastable | 26/11/2010       | -               |
|                     | John Buck Lloyd       | 12/09/2010       | -               |
|                     | David John Bowes      | 04/02/2009       | 12/07/2011      |
|                     | Stephen Karl Berry    | 03/02/2009       | -               |
|                     | Timothy St John Harms | 03/02/2009       | -               |
|                     | John Charles Merry    | 28/07/2008       | 03/02/2009      |
|                     | John Richard Sirett   | 28/07/2008       | 03/02/2009      |

**Company Secretary:** John Richard Sirett      28/07/2008      14/12/2010

**Current Registered Office:** 9 Ensign House  
 Admirals Way  
 Marsh Wall  
 Docklands  
 London E14 9XQ

**Previous Registered Office:** Henstridge Airfield The Marsh  
 Henstridge  
 Templecombe  
 Somerset  
 BA8 0TN

**Trading Addresses:** Plot 46, Suzuki Way  
 Royal Portbury Docks  
 Bristol  
 BS20 7XF

**Accountants:** PKW Associates  
 Second Floor, 1 Church Square, Leighton Buzzard, Beds LU7 1AE

**Schedule of Outstanding Mortgages or Charges:**

| <b>Name</b>        | <b>Type of Charge</b> | <b>Registered</b> |
|--------------------|-----------------------|-------------------|
| Leumi ABL Limited  | Debenture             | 7 September 2011  |
| John Charles Merry | Debenture             | 10 May 2011       |

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX II**

- **Estimated Statement of Affairs as at 31 January 2012 / Creditors Details**

QUANTUM AUTOMOTIVE LIMITED (IN ADMINISTRATION)

ESTIMATED STATEMENT OF AFFAIRS AS AT 31 JANUARY 2012

|  | Notes | Book Value<br>£ | Estimated<br>to realise<br>£ |
|--|-------|-----------------|------------------------------|
| <b>Assets (specifically pledged)</b>                     |       |                 |                              |
| Sale Ledger  | 1     | 333,043         | 283,087                      |
| Less Leumi ABL Limited                                   | 1     | <u>240,070</u>  | <u>240,070</u>               |
| Estimated surplus c/d                                    |       | 92,973          | 43,017                       |
| <b>Assets (not specifically pledged)</b>                 |       |                 |                              |
| Sale of Assets   | 2     | 50,000          | 50,000                       |
| Cash at Bank   | 3     | <u>785</u>      | <u>785</u>                   |
| Estimated total surplus available to unsecured creditors |       | <u>143,758</u>  | 93,802                       |
| <b>Liabilities</b>                                       |       |                 |                              |
| Employee claims - preferential element                   | 4     |                 | Uncertain                    |
| <b>Unsecured Creditors</b>                               |       |                 |                              |
| HM Revenue & Customs - VAT / PAYE / NIC                  | 5     | 55,574          |                              |
| Employee claims unsecured element                        | 6     | uncertain       |                              |
| Directors' loan accounts                                 | 7     | 657,838         |                              |
| Company loans / indemnities                              | 8     | 1,347,099       |                              |
| Trade and expense  | 9     | <u>-276,444</u> |                              |
|  |       |                 | 2,336,753                    |
| <b>Estimated deficiency as regards to creditors</b>      |       |                 | <u><u>2,242,951</u></u>      |

NB Subject to the costs and expenses of the Administration

**Quantum Automotive Limited (in Administration) ("the Company")**  
**Notes To Estimated Statement of Affairs as at 31 January 2012**

1. The Company operated an invoice discounting facility with Leumi ABL Limited. A general bad debt provision of 15% has been applied to the sales ledger.
2. The Joint Administrators have completed a sale of the Company's assets to Carlson Vehicle Transfer Limited (Essex) Limited for £50,000
3. The Company's bank account held with Lloyds TSB Plc ("Lloyds") was frozen on the date of the Administration. It has been confirmed by Lloyds that the balance on the account is £785 and this is expected to be realised in full.
4. The preferential element of employee claims is currently uncertain
5. The Crown has lost its preferential status. This figure has been taken from the Company's books and records.
6. The unsecured element of employee claims is currently uncertain
7. This figure represents the total amount of outstanding directors' loans which has been obtained from the Company's books and records
8. This figure represents an outstanding loan to the Company's majority shareholder and various indemnities given by the Company.
9. This figure has been taken from the Company's books and records



**SFP**  
**Quantum Automotive Limited**

| <b>Name</b>                               | <b>Address</b>  | <b>£</b> |
|---|---|----------|
| A B Roofing & Construction                | Park Circle, Tithe Barn Way, Swan Valley, Northampton, NN4 9BH                          | 2,600 00 |
| Acumen Automotive Logistics Limited       | Rushenden Road, Queenborough, Kent, ME11 5HS  | 5,453 92 |
| AL-LE Logistics                           | Vantage Point, 20 Upper Portland Street, Aston, Birmingham, B6 5TW                      | 57 60    |
| ATS Euromaster Ltd                        | Kestrel Court, Harbour Road, Portishead, BS20 7AN                                       | 563.25   |
| AutoRefurb UK Limited                     | 43 Belvedere Road, Taunton, TA1 1BU   | 0 00     |
| Belvedere                                 | 19 Hawthorne Way, Wing, Leighton Buzzard, Bedfordshire, LU7 0TQ                         | 0 00     |
| Blackbrooks LLP                           | St Andrew's House, St Andrew's Road, Avonmouth, Bristol, BS11 9DQ                       | 0 00     |
| Bristol Port Company                      | THE COURTYARD,, RADWAY GREEN,, CREWE,, CHESHIRE,, CW2 5PR                               | 2,245 00 |
| Brit European Ltd                         | 81 Newgate Street,, London, EC1A 7AJ  | 162 42   |
| British Telecom                           | Inchcross, Bathgate, West Lothian, EH48 2HT   | 288.38   |
| Car Transporter Services Ltd              | Carlson House, Bradfield Road, Wix, Essex, CO11 2SP                                     | 68.94    |
| Carlson Vehicle Transfer Ltd              | 13 Weston Crescent, Weston Village, Runcom, WA7 4QJ                                     | 770 78   |
| Chris Raine                               | 30 Lynx Crescent, Weston Industrial Estate, Weston Super Mare, Somerset, BS24 9BP       | 0.00     |
| Cleaning Services Runcom                  | Weston Europark, Winterstoke Road, Weston-super-Mare, BS24 9AA                          | 158 48   |
| Company Communications UK Limited / Comwe | Marsh Lane Industrial Estate , Marsh Lane,, Easton-in-Gordano,, Portbury, Bristol, BS20 | 0 00     |
| Container Team                            | ONH   | 265 70   |
| CPM Design & Printing Services            | Connect Plus (M25) Limited, South Orbital Road, Dartford, Kent, DA1 5PR                 | 452 40   |
| Dart Tag                                  | 33 Bevanlee Road, Middlesbrough, Cleveland, TS6 6QS                                     | 0 00     |
| David Bowes                               |   | 0 00     |
| Derek Wilson Services                     |   | 36 00    |

|                              |   |           |
|------------------------------|---|-----------|
| Driveforce Engineering Ltd   | c/o Fleet Solutions, Access 18, Kings Weston Lane, Avonmouth, BA11 8AZ                    | 773 35    |
| Eon Energy Solutions         | PO Box 2010, NG1 9GQ  | 0 00      |
| Euro Car Parts Limited       | Euro House, Fulton Road, Wembley Industrial Estate, Middlesex, HA9 0TF                    | 505 55    |
| Expenses - J Merry           |   | 46,673 09 |
| Expenses John Lloyd          |   | 34,317 96 |
| Far Design Ltd               | PO Box 151, Cirencester, Gloucestershire, GL7 6ZW   | 90.00     |
| Fielding Pension Scheme      |   | 0 00      |
| Garafit Services Ltd         | Willis House, Bristol, Avon, BS4 5JJ  | 630 00    |
| Gefco UK Transport Ltd       | 7 Winchester Avenue, Denry, Stirlingshire, FK6 6QE  | 389 76    |
| Gould Autoplates & Signs Ltd | Blackfarns Road , Bristol,, BS48 4DJ  | 3,092 22  |
| Gwenda Marsh                 |   | 75 00     |
| H P Card & Co Ltd            | 10 Folleigh Drive,, Long Ashton,, BRISTOL,, BS41 9JD                                      | 1,508 87  |
| HM Revenue & Customs         | Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ        | 0 00      |
| HM Revenue & Customs         | Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS                 | 0 00      |
| HM Revenue & Customs         | Insolvency Operations, Queens Dock, Liverpool, L74 4AF                                    | 0 00      |
| HM Revenue & Customs         | Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ | 0 00      |
| HM Revenue & Customs         | CT Ops, Merthyr Tydfil 1, Government Buildings, Castle Street, Merthyr Tydfil, CF47 8AA   | 0 00      |
| HR Solutions                 | 6 Burses Way, Hutton, Brentwood, Essex, CM13 2PL  | 225 00    |
| Ian Wilson                   |   | 0 00      |
| J F Wilson                   |   | 0 80      |
| Jane Southcott PR            |   | 325 00    |
| Jimmy Elliott                |   | 0.00      |
| John Buck Lloyd              |   | 0 00      |
| John Charles Merry           |   | 0 00      |
| John Charles Merry           |   | 0 00      |
| K E S Electrical             | 2 The Vinery, Harford Square, Chew Magna, Bristol, BS40 8RD                               | 7,148 40  |
| K W Spencer Ltd              | 222 Gidlow Lane, Wigan, Lancashire, WN6 7BN   | 124 80    |

|                              |  |           |
|------------------------------|--|-----------|
| L P W Truckwash Ltd          | Third Way, Avonmouth Docks, Bnristol, BS11 9YP               | 618.00    |
| Leumi ABL                    | Pacific House, 126 Dyke Road, Brighton, East Sussex, BN1 3TE | 0.00      |
| M - Tec (SW) Ltd             | 15 Friam Street, Bridgwater, Somerset, TA6 3LH               | 27,829.62 |
| Mathias & Son Ltd            | Victoria Road, Bnristol, BS11 9DB                            | 0.00      |
| Maurice Rourke               |  | 0.00      |
| Mid Blue International Ltd   | Laburnham Cottage, Hawley Road, Dartford, DA1 1PX            | 8,555.47  |
| Motor Vehicle Transportation | 205 Castleblayney Road, Keady, BT60 3HY                      | 7,200.00  |
| Mr A Mackay                  |  | 0.00      |
| Mr Colin Richard Burton      |  | 0.00      |
| Mr D A Dorrington            |  | 0.00      |
| Mr D Radford                 |  | 0.00      |
| Mr E Parr                    |  | 0.00      |
| Mr G Cremen                  |  | 0.00      |
| Mr G May                     |  | 0.00      |
| Mr Graham Blunn              |  | 0.00      |
| Mr Justin Brian Sargent      |  | 0.00      |
| Mr L Powell                  |  | 0.00      |
| Mr Mark Andrew Oakes         |  | 0.00      |
| Mr Peter Jon Golding         |  | 0.00      |
| Mr Philip Raymond Chivers    |  | 0.00      |
| Mr Philip Timothy Morgan     |  | 0.00      |
| Mr S Fielding                |  | 0.00      |
| Mr Shaw Brian Tomlins        |  | 0.00      |
| Mr Simon Gerald Finn         |  | 0.00      |
| Mr SK Berry                  |  | 0.00      |
| Mr TSJ Harms                 |  | 0.00      |
| Mrs L Vithana                |  | 0.00      |
| Mrs N Berry                  |  | 0.00      |

|                                |   |           |
|--------------------------------|---|-----------|
| NorseKiller Acoustics (UK) Ltd | Unit 7 Parkside Industrial Estate, Edge Lane, St Royton, Oldham, OL2 6DS    | 3,831.99  |
| Northcliffe Media Ltd          | Northcliffe House, 2 Derry Street, London, W8 5TT                           | 125.75    |
| Oval Insurance Group           | Oval House, Inworth Road, Feering, Essex, CO5 9SE                           | 0.00      |
| Periodua UK Ltd                | Craigmore House, Remenham Hill, Henley on Thames, RG9 3EP                   | 345.28    |
| PKW Accountancy Ltd            | 2nd Floor, 1 Church Square, Leighton Buzzard, Bedfordshire, LU7 1AE         | 0.00      |
| Pomphrey & Sons Ltd            | 92 - 98 Kingsland Road, Bristol, BS2 0QZ                                    | 644.40    |
| Premiership Ltd                | Royal Portbury Dock, Portbury, Bristol, BS20 7XQ                            | 922.00    |
| Pro - Tech Office Services Ltd | Unit 2 Belvedere Trading Est, Taunton, Somerset, TA1 1BH                    | 193.85    |
| Profound Logic Software        | Profound Logic UK, 27 Old Gloucester Street, London, WC1N 3XX               | 4,000.00  |
| Quick Space Ltd                | Old Farm, Chalton, Hampshire, PO8 0BG                                       | 3,993.60  |
| Richard Deacon                 |   | 0.00      |
| Road Tech Computer Systems Ltd | Shenley Hall, Rectory Lane, Shenley, Radlett, WD7 9AN                       | 0.00      |
| Robert William Clarke          |   | 0.00      |
| Roger Keiron Bastable          | Henstridge Airfield, The Marsh, Henstridge, Templecombe, Somerset, BA8 0TN  | 0.00      |
| Rolfo Trucks                   |   | 0.00      |
| Select Security Services Ltd   | 3 Wallis Road, Skipper lane industrial estate, Middlesbrough, TS6 6JB       | 17,018.53 |
| Sensible Transport Ltd         | C/o SFP, 9 Ensign House, Admirals Way, Marsh Wall, E14 9XQ                  | 82,042.56 |
| Seven River Crossing Ltd       | Toll Administration Building, Bridge Access Road, Aust, Bristol, BS35 4BE   | 0.00      |
| Simon Longley                  |   | 0.00      |
| Smiths (Gloucester) Ltd        | Hendy Quarry School Road, Miskin, Pontyclun, Rhondda Cynon Taff, CF72 8PG   | 754.27    |
| Ssang Yong Motor UK Limited    | Unit M, Airport Executive Park, Presidents Way, Luton, LU2 9NL              | 1,869.19  |
| Star Technology Services       | BRIGHOUSE COURT, BARNETT WAY BARNWOOD, GLOUCESTER, GLOUCESTERSHIRE, GL4 3RT | 632.95    |
| Stephen Karl Berry             |   | 0.00      |
| STVA UK Ltd                    | CVA House, 2 Cooper Road, Thornbury, Bristol, BS35 3UP                      | 90.34     |
| The Fuelcard Company           | Richmond House, Sproughton Road, Ipswich, Suffolk IP1 5AN                   | 0.00      |
| Timothy St John Harms          | Henstridge Airfield, The Marsh, Henstridge, Templecombe, Somerset, BA8 0TN  | 0.00      |
| Tom Lenon                      | Flat 4 Brecon House, Long Street, Sherborne, Dorset, DT9 3BY                | 655.00    |

|                             |  |                   |
|-----------------------------|--|-------------------|
| Total Staff Services UK Ltd | 2 Brooklands Place, Brooklands Road, Sale, Cheshire, M33 3SD   | 2,883.75          |
| Transcal Ltd                | Firth Road , Houstoun Industrial Estate,, Livingston, EH54 5DJ | 960.00            |
| Transporter Engineering Ltd | Unit 4-7, The Old Airfield, Gosfield, Halstead, CO9 1SA        | 0.00              |
| United Utilities            | PO Box 50, Warrington, WA55 1AQ                                | 713.73            |
| Vehicle Movements (NE) Ltd  | Sandy Lane, North Gosforth, Newcastle upon Tyne, NE3 5HE       | 933.12            |
| Zone Contracts Ltd          | 1 Westex House, Weston-super- Mare, BS23 3YS                   | 624.00            |
|                             |  | <b>276,440.07</b> |

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX III**

- **Joint Administrators Income and Expenditure Account to 10 February 2012**

**Quantum Automotive Limited  
(In Administration)**

**INCOME AND EXPENDITURE ACCOUNT**

|                                     | Statement<br>of affairs<br>£ | From 31/01/2012<br>To 10/02/2012<br>£ |
|-------------------------------------|------------------------------|---------------------------------------|
| <b>RECEIPTS</b>                     |                              |                                       |
| Debt secured by factoring agreement |                              | <u>34,422 13</u>                      |
|                                     |                              | 34,422 13                             |
| <b>PAYMENTS</b>                     |                              |                                       |
| Monies sent to Factors              |                              | <u>34,422 13</u>                      |
|                                     |                              | 34,422 13                             |
| <b>BALANCE - 10 February 2012</b>   |                              | <u><u>0.00</u></u>                    |

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**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX IV**

- **Breakdown of the Joint Administrators' Fees / Pre-Appointment Fees / Activity Codes**



SFP ■■■■■■■■■■



QUANTUM AUTOMOTIVE LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PRE APPOINTMENT TO 31 JANUARY 2012

| CLASSIFICATION OF WORK FUNCTION | Managing Partner | Partner | Senior Manager | Manager  | Senior Administrator | Administrator | Assistant | Total    |
|---------------------------------|------------------|---------|----------------|----------|----------------------|---------------|-----------|----------|
| Administration and Planning     | 3.00             | -       | -              | 6.20     | 0.70                 | 1.50          | 0.40      | 14.00    |
| Investigation                   | -                | -       | -              | -        | -                    | -             | -         | -        |
| Realisation of assets           | -                | -       | -              | -        | -                    | -             | -         | -        |
| Trading                         | -                | -       | -              | -        | -                    | -             | -         | -        |
| Creditors                       | -                | -       | -              | -        | 1.10                 | -             | -         | 1.10     |
| Total hours                     | 3.00             | -       | -              | 6.20     | 0.70                 | 1.50          | 0.40      | 15.10    |
| Average rate £ per hour         | 500.00           | -       | -              | 300.00   | 275.00               | 175.00        | 150.00    | 295.20   |
| Total costs £                   | 1,500.00         | -       | -              | 1,860.00 | 192.50               | 262.50        | 60.00     | 4,457.50 |

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

SFP



## QUANTUM AUTOMOTIVE LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 JANUARY 2012 TO 10 FEBRUARY 2012

| CLASSIFICATION OF WORK FUNCTION | Managing Partner | Partner | Senior Manager | Manager   | Senior Administrator | Administrator | Assistant | Total     |
|---------------------------------|------------------|---------|----------------|-----------|----------------------|---------------|-----------|-----------|
| Administration and Planning     | 25.50            | -       | -              | 85.20     | -                    | 3.40          | 2.40      | 253.60    |
| Investigation                   | -                | -       | -              | -         | -                    | -             | -         | -         |
| Realisation of assets           | 7.50             | -       | -              | 25.20     | -                    | -             | -         | 32.70     |
| Trading                         | -                | -       | -              | 0.20      | 0.20                 | -             | -         | -         |
| Creditors                       | -                | -       | -              | -         | 2.40                 | 9.00          | 32.20     | 65.70     |
| <hr/>                           |                  |         |                |           |                      |               |           |           |
| Total hours                     | 33.00            | -       | -              | 110.60    | 2.50                 | 3.40          | 34.60     | 352.50    |
| Average rate £ per hour         | 500.00           | -       | -              | 300.00    | 275.00               | 225.00        | 150.00    | 243.79    |
| Total costs £                   | 16,500.00        | -       | -              | 33,180.00 | 687.50               | 765.00        | 5,190.00  | 85,935.00 |

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

## **SIP 9 STANDARD ACTIVITY SUMMARIES**

| <b>Standard Activity</b>    | <b>Examples of Work</b>   |
|-----------------------------|---|
| Administration and Planning | Case Planning<br>Administrative set up<br>Appointment and notification<br>Maintenance of records<br>Statutory reporting<br>Estate accounting<br>Schedule company books and records  |
| Investigation               | SIP 2<br>CDDA report<br>Investigating antecedent transactions   |
| Realisation of assets       | Identifying, securing, insuring assets<br>Retention of title<br>Debt collection – pre and post appointment<br>Property, business and asset sales<br>Communication and negotiations with secured creditors   |
| Trading                     | Planning<br>Management of operation<br>Communication/negotiation with suppliers<br>Communication/negotiation with landlord<br>Communication/negotiation with third parties<br>Monitor goods outward/inwards<br>Stock take<br>On-going employee issues<br>Travel |
| Creditors                   | Communication with creditors<br>Creditor claims (including employees and other preferential creditors)  |

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VII**

- **Breakdown of SFP Recoveries Limited Fees**

SFP



RECOVERIES

QUANTUM AUTOMOTIVE LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 JANUARY 2012 TO 10 FEBRUARY 2012

CLASSIFICATION OF WORK FUNCTION

|                         | Managing<br>Director | Senior Manager | Manager | Senior Administrator | Administrator | Assistant | Total     |
|-------------------------|----------------------|----------------|---------|----------------------|---------------|-----------|-----------|
| Debt Collection         | -                    | -              | -       | 63 90                | 1 30          | 3 60      | 69 80     |
| Total hours             | -                    | -              | -       | 63 90                | 1 30          | 3 60      | 69 80     |
| Average rate £ per hour | -                    | -              | -       | 275 00               | 250 00        | 175 00    | 265 65    |
| Total costs £           | -                    | -              | -       | 17 572 50            | 325 00        | 630 00    | 18 542 50 |

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

**Quantum Automotive Limited (In Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX V**

- **Breakdown of SFP Forensic Limited Fees**

QUANTUM AUTOMOTIVE LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 JANUARY 2012 TO 10 FEBRUARY 2012

CLASSIFICATION OF WORK FUNCTION

| Investigation           | 0.90   | - | 0.40   | - | 13.20    | 0.60   | - | 0.30   | - | 2.00   | 2.00     |
|-------------------------|--------|---|--------|---|----------|--------|---|--------|---|--------|----------|
| <hr/>                   |        |   |        |   |          |        |   |        |   |        |          |
| Total hours             | 0.90   | - | 0.40   | - | 13.20    | 0.60   | - | 0.30   | - | 2.00   | 17.40    |
| Average rate £ per hour | 500.00 | - | 325.00 | - | 275.00   | 250.00 | - | 175.00 | - | 100.00 | 265.09   |
| Total costs £           | 450.00 | - | 130.00 | - | 3,630.00 | 150.00 | - | 52.50  | - | 200.00 | 4,612.50 |

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

**Quantum Automotive Limited (In Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VI**

- **Breakdown of SFP Property Limited Fees**



SFP



PROPERTY

QUANTUM AUTOMOTIVE LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 JANUARY 2012 TO 10 FEBRUARY 2012

CLASSIFICATION OF WORK FUNCTION

|                         | Managing Director | Senior Manager | Manager | Senior Administrator | Administrator | Assistant | Total     |
|-------------------------|-------------------|----------------|---------|----------------------|---------------|-----------|-----------|
| Property Issues         | 9 70              | -              | -       | -                    | -             | 5 50      | 68.30     |
| Total hours             | 9 70              | -              | -       | -                    | -             | 5 50      | 68.30     |
| Average rate £ per hour | 350 00            | -              | -       | -                    | -             | 100 00    | 173 43    |
| Total costs £           | 3 395 00          | -              | -       | -                    | -             | 550 00    | 11,845 00 |

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VIII**

- **Breakdown of SFP Datastore Limited Fees**

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 JANUARY 2012 TO 10 FEBRUARY 2012

| CLASSIFICATION OF WORK FUNCTION                   | Storage Tasks |  |      | Hire of Security Personnel | Inventorising Staff Costs | Total | Disbursements Incurred         | £                            |
|---|---------------|--|------|----------------------------|---------------------------|-------|--------------------------------|------------------------------|
|   | Staff Costs   |  |      |                            |                           |       |                                |                              |
| Boxing Up / Collection / Inventorising of Records | 16.20         |  |      |                            | 1.00                      | 17.20 |                                |                              |
| Security Services                                 | -             |  | 2.80 |                            | -                         | 2.80  |                                | 328.9 miles @ £1.10 per mile |
|   |               |  |      |                            |                           |       |                                | 361.79                       |
|   |               |  |      |                            |                           |       | Disbursements Incurred         | 361.79                       |
|   |               |  |      |                            |                           |       | Disbursements drawn on account | -                            |

See Appendix for Summary Charge Out Rates for staff

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX IX**

- **Charge out Rates for SFP main practice and associates entities**

**Charge out Rates for SFP main practice and associated entities**

SFP and the Associated Entities remuneration is calculated on an hourly time cost basis, divided into 6 minute units calculated as follows.

| Main Practice          |  |           | SFP Forensic Limited   |  |           | SFP Property Limited   |  |           | SFP Recoveries Limited |  |           |
|------------------------|--|-----------|------------------------|--|-----------|------------------------|--|-----------|------------------------|--|-----------|
| Grade                  |  | Rate p/hr | Grade                  |  | Rate p/hr | Grade                  |  | Rate p/hr | Grade                  |  | Rate p/hr |
| Managing Partner       |  | 500       | Managing Director      |  | 500       | Managing Director      |  | 350       | Managing Director      |  | 500       |
| Partner 2              |  | 450       | Senior Manager 2       |  | 350       | Senior Manager 2       |  | 275       | Senior Manager 2       |  | 350       |
| Partner 1              |  | 400       | Senior Manager 1       |  | 325       | Senior Manager 1       |  | 250       | Senior Manager 1       |  | 325       |
| Senior Manager 2       |  | 350       | Manager 2              |  | 300       | Manager 2              |  | 225       | Manager 2              |  | 300       |
| Senior Manager 1       |  | 325       | Manager 1              |  | 275       | Manager 1              |  | 200       | Manager 1              |  | 275       |
| Manager 2              |  | 300       | Senior Administrator 2 |  | 250       | Senior Administrator 2 |  | 175       | Senior Administrator 2 |  | 250       |
| Manager 1              |  | 275       | Senior Administrator 1 |  | 225       | Senior Administrator 1 |  | 155       | Senior Administrator 1 |  | 225       |
| Senior Administrator 2 |  | 250       | Administrator 2        |  | 175       | Administrator 2        |  | 135       | Administrator 2        |  | 175       |
| Senior Administrator 1 |  | 225       | Administrator 2        |  | 150       | Administrator 1        |  | 115       | Administrator 1        |  | 150       |
| Administrator 2        |  | 175       | Assistant              |  | 100       | Assistant              |  | 100       | Assistant              |  | 100       |
| Administrator 1        |  | 150       |                        |  |           |                        |  |           |                        |  |           |
| Assistant              |  | 100       |                        |  |           |                        |  |           |                        |  |           |

| SFP Datastore Limited                    |  |           | Supporting Services        |  |                              |
|--|--|-----------|----------------------------|--|------------------------------|
| Grade                                    |  | Rate p/hr |                            |  |                              |
| Storage Tasks (Retrieval and collection) |  |           | Hire of Security Personnel |  | £18.50 per hour              |
| Staff costs                              |  |           | Mileage                    |  | £1.10 per mile               |
| Inventorising and Additional             |  |           | Chauffeur Services         |  | £1.35 per mile (£50 minimum) |
| Staff Costs                              |  |           |                            |  |                              |

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX X**

- **Proof of Debt form**

In the matter of Quantum Automotive Limited (In Administration)  
and in the matter of The Insolvency Act 1986

Date of Administration Order – 31 January 2012

|    |  |   |
|----|--|---|
| 1  | Name of Creditor   |   |
| 2  | Address of Creditor  |   |
| 3  | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)  | £   |
| 4  | Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]  |   |
| 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  | If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)  |   |
| 8  | Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975) | Category<br><br>Amount(s) claimed as preferential £ |
| 9  | Particulars of how and when debt incurred  |   |
| 10 | Particulars of any security held, the value of the security, and the date it was given   | £   |
| 11 | Signature of creditor or person authorised to act on his behalf  |   |
|    | Name in BLOCK LETTERS  |   |
|    | Position with or relation to creditor  |   |

**Quantum Automotive Limited (In Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX XI**

- **Guide to Administrators' Fees**



## STATEMENT OF INSOLVENCY PRACTICE 9 (E & W)

### A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

#### ENGLAND AND WALES

##### 1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors who hope eventually to recover some of their debt out of the assets therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The Insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

##### 2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

rescuing the company as a going concern or achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration.

or (if the administrator thinks neither of these objectives is reasonably practicable)

realising property in order to make a distribution to secured or preferential creditors.

##### 3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a maximum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment and subsequent meetings must be held either at specified dates agreed by the committee or when a member of the committee asks for one or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

##### 4 Fixing the administrator's remuneration

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.105 of the Insolvency Rules 1986 which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with;
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration; or
- as a salaried amount.

Any combination of these bases may be used to fix the remuneration and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases or combination of bases the remuneration is to be fixed. Where it is fixed as a percentage it is for the committee to determine the percentage or percentages to be applied and where it is a salaried amount it is for the administrator or other insolvency practitioner, in consultation with the committee, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

## STATEMENT OF INSOLVENCY PRACTICE 9 (E & W)

paragraph 4.3 apply the determination may be made by the same creditors as approve the administrator's remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs if there is no determination under these provisions or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

##### 7 What information should be provided by the administrator?

##### 7.1 When seeking remuneration approval

7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

7.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up-to-date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The simplest information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the work done to be assessed without requiring that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors and to establish that the time has been properly spent on the case. First assessment will need to be made of the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.3 above. To enable the assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professional
- Assistants and support staff

The expansion of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

## STATEMENT OF INSOLVENCY PRACTICE 9 (E & W)

- the complexity (or otherwise) of the case;
- any responsibility of an external body or bodies which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply) the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the creditors or creditors as described above and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has sufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In the case of there is no creditors' committee or the committee does not make the requisite determination the remuneration may be fixed by the approval of:-

each secured creditor of the company or

if the administrator has made or intends to make a distribution to preferential creditors -

each secured creditor of the company and preferential creditors whose debts amount to more than 50% of the preferential debts of the company disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Having regard to the same matters as the committee would.

Notes that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requested by creditors whose debts amount to at least 10 per cent of the total debts of the company.

##### 4.4 A resolution of creditors may be obtained by correspondence

##### 5 Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration and the same rules apply as to the original approval.

##### 6 Approval of pre-administration costs

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee it is for the committee to determine whether and to what extent such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator or other insolvency practitioner who has incurred pre-administration costs considers the amount agreed to be insufficient, approval may be given by a meeting of creditors where the circumstances described in

## STATEMENT OF INSOLVENCY PRACTICE 9 (E & W)

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any feature in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, including time recording, fee charging and fee agreement.
- Any ongoing agreement to variations.

Details of how other professionals, including sub-contractors, were chosen, how they were contracted to be paid, and what steps have been taken to remove their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

##### 7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should satisfy the creditors of the details of the resolution or his next report or disclose to them in a subsequent report to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

##### 7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the incurring of expenses or disbursements, but there is provision for the creditors to challenge them as detailed below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to incur costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm) they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

##### 8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the fees fixed for the remuneration of the administrator for a fixed fee or the date of the report, the steps taken during the period of the report to fix it;
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the last to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period.

# STATEMENT OF INSOLVENCY PRACTICE 2 (1 & 2)

- the date of approval of any pre administration costs and the amount approved a statement of the creditors' rights to request further information, as explained in paragraph 8.2 and their right to challenge the administrator's remuneration and expenses.
- 8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing and may be made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% of value of unsecured creditors (including himself) or the permission of the court.
- 8.3 The administrator must provide the requested information within 14 days, unless he considers that:
  - the time and cost involved in preparing the information would be excessive, or
  - disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
  - the administrator is subject to an obligation of confidentiality in relation to the information requestedin which case he must give the reasons for not providing the information.
- Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information or the expiry of the 14 days time limit for the provision of the information.
9. Provision of information – additional requirements
- The administrator must provide certain information about time spent on a case free of charge upon request by any creditor, director or shareholder of the company.
- The information which must be provided is –
  - the total number of hours spent on the case by the administrator or staff assigned to the case for each grade of staff the average hourly rate at which they are charged out,
  - the number of hours spent by each grade of staff in the relevant period.
- The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment or where he has vacated office, the date that he vacated office.
- The information must be provided within 20 days of receipt of the request by the administrator and requests must be made within two years from vacating of office.
10. What if a creditor is dissatisfied?
- 10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.
- 10.2 Application may be made to the court by any secured creditor or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or viewing of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that sufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 10.3 If the court considers the application well founded it may order that the remuneration be reduced the basis be changed or the expenses be disallowed or repaid. Unless the court orders otherwise the costs of the application must be paid by the applicant and not as an expense of the administration.

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11. What if the administrator is disqualified?
- 11.1 If the administrator considers that the remuneration fixed by the creditors committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days notice to the members of the creditors committee and the committee may nominate one or more of its members to appear or to be represented on the application. If there is no committee the administrator's notice of his application must be sent to each of the company's creditors as the court may direct and they may nominate one or more of their number to appear or be represented. The court may order the costs be paid as an expense of the administration.
12. Other matters relating to remuneration
- 12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors committee or a meeting of creditors.
- 12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, legal costs may not be paid unless authorised by the creditors committee, the creditors or the court.
- 12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12.4 Where the basis of the remuneration is a fee amount and the administrator ceases to act before the fee has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they may mutually agree the apportionment between them.
13. Effective date
- This guide applies where a company enters administration on or after 6 April 2010, except in cases where the application for an administration order was made before that date or where the administration was preceded by a liquidation which commenced before that date.

**Quantum Automotive Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX XII**

- **Form 2.21B**

# 2.21B

The Insolvency Act 1986

## Creditor's request for a meeting

Name of Company  
Quantum Automotive Limited

Company number

06657692

In the  
High Court of Justice  
(full name of court)

Court case number  
941 of 2012

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of (b)  
Quantum Automotive Limited

SFP  
9 Ensign House, Admiral's Way  
Marsh Wall  
London E14 9XQ

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's  
claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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