

Liquidator's Progress Report**Pursuant to section 92A, 104A, and 192 of the
Insolvency Act 1986****S. 192**

To the Registrar of Companies

Company Number

06442082

Name of Company

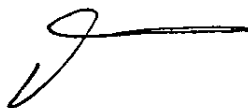
(a) Insert full name
of company

(a) AUTO-TXT LIMITED - IN LIQUIDATION

(b) Insert full name(s)
and address(es)I (b) Paul Appleton of David Rubin & Partners LLP, 26 - 28 Bedford Row,
London, WC1R 4HEthe liquidator of the company attach a copy of my Progress Report under
section 192 of the Insolvency Act 1986

The Progress Report covers the period from 2 August 2012 to 1 August 2013

Signed



Date

30 September 2013

Presenter's name,
address and reference
(if any)David Rubin & Partners LLP
26 - 28 Bedford Row
London WC1R 4HE

Tel 020 7400 7900

DX Number 267 DX Exchange London/Chancery Lane



IN THE MATTER OF
AUTO-TXT LIMITED - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S SECOND ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 1 AUGUST 2013**

AUTO-TXT LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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AUTO-TXT LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

(a) Introduction

The Company was placed into liquidation by a Special Resolution of the members followed by a meeting of the Creditors convened pursuant to Section 98 of the Insolvency Act 1986 on 2 August 2011. This report provides an update on the progress in the liquidation for the year ended 1 August 2013.

Rule 4.49C-CVL(5): Progress Report

(b) Statutory information

| | |
|-------------------|--|
| Company name | Auto-Txt Limited |
| Registered office | 26-28 Bedford Row, London WC1R 4HE |
| Company number | 06442082 |
| Trading address | Telematics Centre Unit 15, Sugarswell Business Park, Shenington Banbury, Oxfordshire, OX15 6HW |

(c) Liquidator's names and address:

Paul Appleton of David Rubin & Partners LLP, 26 - 28 Bedford Row, London, WC1R 4HE was appointed Liquidator of the Company on 2 August 2011.

(d) Basis of Liquidator's remuneration

Basis of remuneration

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

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

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. Time is charged in minimum units of 6 minutes.

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1.3 *Staff allocation and the use of subcontractors*

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

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

(e) Liquidator's remuneration

My time costs for the year under review are £49,382. This represents 166 hours at an average rate of £297 per hour. I attach, as Appendix B, a Time Analysis, which provides details of the activity during the year, analysed by staff grade.

As Creditors will recall, a substantial amount of Partner time was needed in this matter due to the issues arising from the warranties provided to Aston Martin Lagonda Limited ('AML') by the Company, together with the security issues involving Ipex 1 Fund Limited Partnership ("IPEX1"), together with its links with Porsche Engineering Group GmbH.

I have also reviewed my cumulative time costs for the period from 2 August 2011 to 1 August 2013 and would report that my total time costs are £253,443 for 881 hours, which equates to an average cost of £288 per hour. A breakdown of my time charges is also set out in Appendix B. To date, £170,000 has been paid on account of these time costs.

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

USERNAME a327 aut@sharesrvr.com PASSWORD tua723A*

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

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

- i) Dealing with creditors' enquiries both by correspondence and by telephone, and noting their claims
- ii) Correspondence with HM Revenue & Customs and the preparation of appropriate tax returns on behalf of the Company
- iii) Carrying out all necessary investigations, including the examination of the Company's statutory books and books of accounts and records in order to enable me to prepare and submit my report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986
- iv) Preparation and circulation of my annual progress reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986, and submission of same to the Registrar of Companies

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Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

- v) Dealing with all matters relating to the Secured Creditor and the quantification of it's debt
- vi) Dealing with all matters relating to book debts, including correspondence and telephone attendances with the debtors and, in particular, with AML regarding the outstanding debt and warranty claims
- vii) Sundry statutory and administrative duties

(f) Liquidator's expenses

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

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

A Receipts and Payments Account is attached at Appendix A, which is further explained below. Also, attached at Appendix A is a cumulative Receipts and Payments Account for the period from 2 August 2011 to 1 August 2013

1. Receipts

1.1 Goodwill & IPR

As Creditors will recall in my previous report, there was a residual amount of Intellectual Property that had yet to be disposed of. I confirm that this asset has now been sold, and the amount of £480 was received in respect of the same.

1.2 Book Debts

As mentioned in my previous report, I resolved the issues with AML in relation to the warranty claims and the total outstanding liability. Accordingly, the amount of £28,520 was recovered during the period under review.

Further to my previous report, I would advise that the employee loans and non-trade debtors detailed in the Estimated Statement of Affairs ('ESOA') have not been able to be recovered due to the lack of documentation to substantiate the veracity of the same.

1.3 Bank interest gross

Interest earned on the funds in hand amounts to £2,264.

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2. Payments

2.1 Liquidator's Remuneration

As outlined in (e) above, I have drawn the sum of £170,000, plus VAT, on account of my outstanding time costs, to date. During the period under review, £90,000 has been drawn in respect of the above.

2.2 Corporation Tax

The amount of £37,600 has been paid in respect of Corporation Tax relating to chargeable gains made by the Company during the period under review.

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

In addition to the assets mentioned in (g) 1-2 above, I provide the following information in relation to the Rent Deposit held by the Company's Landlord.

1.1 Rent Deposit

Creditors will recall that the Company's Landlord held a rent deposit in the sum of £10,000 as at the date of liquidation. As expected, the Landlord has offset the amount of the rent deposit against his claim for outstanding rent, which has resulted in a claim of £11,591 being submitted by the same.

(i) Investigations

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

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

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

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

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(k) Any other relevant information:

(i) (a) Secured Creditor

As mentioned in my previous report, IPEX1 was granted a Fixed and Floating Charge over the Company's assets and it was created on 12 July 2010 and registered at Companies House on 30 July 2010. The outstanding liability due to IPEX 1 as at the date of liquidation was £15.6m. However, it should be noted that, under the terms of the Debenture, the amount, which IPEX1 is able to claim under the same, is dependent on the amount of funds it has paid to Porsche, which is a creditor of the Company.

I would advise that, to date, I still have not received the final reconciliation in respect of the above. Consequently, I am not in a position where I can agree the claim of the Secured Creditor.

(b) Prescribed Part

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

Based on present information, I estimate that there will be a sum available to Unsecured Creditors under the provisions of the Prescribed Part. However, until such time as I receive the necessary reconciliation from IPEX1, I am unable to agree the amount due to the same pursuant to its Debenture and cannot determine the value of this fund.

(ii) Preferential Creditors

I have received a preferential claim from the Redundancy Payments Office ("RPO") in the sum of £19,715. There are also preferential claims of 23 employees, who are owed the balance of their wages and holiday pay amounting to £30,388. I would advise that Preferential Creditors were paid in full on 5 March 2012.

(iii) Unsecured Creditors

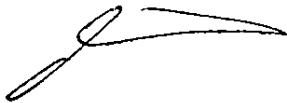
As funds will become available for unsecured Creditors, I have been requesting creditors to submit their claims for adjudication. As at the date of this report, the claims of 43 creditors with a total value of £796,580, have been agreed. The claims of 28 creditors, with an estimated total value of £79,000, have yet to be established.

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(I) Next report

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

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance, either my Senior Manager, Glyn Middleton, or his assistant, Ben Svendsen at this office



PAUL APPLETON - LIQUIDATOR

DATE: 30 SEPTEMBER 2013

AUTO-TXT LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 2 AUGUST 2011 TO 1 AUGUST 2013

| | <u>Estimated</u> <u>to realise</u> £ | <u>Realised</u> <u>to-date</u> £ | <u>Y/E</u> <u>01-Aug-13</u> £ |
|---------------------------------------|---|---|--|
| <u>Balance brough forward</u> | | | 237,436 65 |
| <u>Receipts</u> | | | |
| Cash held on Appointment | - | 18,000 00 | - |
| Cash at Bank | 185,840 | 363,055 60 | - |
| Goodwill & IPR | Uncertain | 10,480 00 | 480 00 |
| Furniture, Fittings & Equipment | 4,950 | 11,513 50 | - |
| Stock | <u>250</u> | 3,738 00 | - |
| Book Debts | | 28,519 65 | 28,519 65 |
| Insurance Refund | | 2,664 37 | - |
| NNDR Refund | | 359 29 | - |
| Bank Interest Received | | <u>2,451 54</u> | <u>2,263 94</u> |
| | | <u>440,781 95</u> | <u>268,700 24</u> |
| <u>Payments</u> | | | |
| Statement of Affairs Fees | | 27,500 00 | |
| Corporation Tax | | 37 60 | 37 60 |
| Statutory Advertising | | 306 00 | |
| Insurance of Assets | | 148 40 | |
| Professional Fees | | 125 00 | |
| Agent's Fees | | 12,017 50 | |
| Specific Bond | | 316 80 | |
| Liquidator's Disbursements | | 1,565 26 | |
| Liquidator's Remuneration | | 170,000 00 | 90,000 00 |
| Preferential Creditors - Paid in Full | | <u>50,102 75</u> | |
| | | <u>262,119 31</u> | <u>90,037 60</u> |
| <u>Receipts less Payments</u> | | <u>178,662 64</u> | <u>178,662 64</u> |
| <u>Represented by -</u> | | | |
| Balance at Bank | | | 160,662 64 |
| VAT Recoverable | | | <u>18,000 00</u> |
| | | | <u>178,662 64</u> |

| AUTO-TXT LIMITED - IN LIQUIDATION LIQUIDATOR'S TIME COSTS FOR THE YEAR ENDED 1 AUGUST 2013 SIP 9 TIME SUMMARY | | | | | | | |
|--|----------|----------------------------|---------------------------------------|----------|-------------|--------------|-----------------------|
| Classification of work function | Hours | | | | | Total Cost £ | Average hourly rate £ |
| | Partners | Managers / Senior Managers | Administrators/ Senior Administrators | Cashiers | Total hours | | |
| Statutory compliance, admin and planning | 13 12 | 17 30 | 26 00 | 05 42 | 62.24 | 15,436 50 | 247 38 |
| Investigations | 00 00 | 17 06 | 00 00 | 00 00 | 17.06 | 5,044 50 | 295 00 |
| Realisations of assets | 18 54 | 07 30 | 04 00 | 00 00 | 30.24 | 10,265 50 | 337 68 |
| Creditors | 37 12 | 08 24 | 10 30 | 00 00 | 56.06 | 18,636 00 | 332 19 |
| Trading | 00 00 | 00 00 | 00 00 | 00 00 | 00.00 | 0 00 | 0 00 |
| Total hours and costs | 69 18 | 50 30 | 40 30 | 05 42 | 166.00 | 49,382 50 | 297 48 |

| LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD 2 AUGUST 2011 TO 1 AUGUST 2013 SIP 9 TIME SUMMARY | | | | | | | |
|--|----------|----------------------------|---------------------------------------|----------|-------------|--------------|-----------------------|
| Classification of work function | Hours | | | | | Total Cost £ | Average hourly rate £ |
| | Partners | Managers / Senior Managers | Administrators/ Senior Administrators | Cashiers | Total hours | | |
| Statutory compliance, admin and planning | 33 24 | 52 24 | 76 42 | 18 18 | 180.48 | 40,573 00 | 224 408186 |
| Investigations | 21 00 | 95 18 | 03 06 | 00 00 | 119.24 | 36,599 00 | 306 52 |
| Realisations of assets | 128 12 | 54 00 | 58 42 | 00 00 | 240.54 | 73,390 00 | 304 65 |
| Creditors | 178 36 | 76 00 | 85 18 | 00 00 | 339.54 | 102,881 00 | 302 68 |
| Trading | 00 00 | 00 00 | 00 00 | 00 00 | 00.00 | 0 00 | 0 00 |
| Total hours and costs | 361 12 | 277 42 | 223 48 | 18 18 | 881.00 | 253,443 00 | 287 68 |

The above headings include *inter alia*

Administration and Planning

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

Investigations

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

Realisation of Assets

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

Creditors

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

Direct expenses ("Category 1 disbursements")

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

Indirect expenses ("Category 2 disbursements")

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

Postage and stationery circulars to creditors

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

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

Storage and Archiving

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

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