

CVA4

Notice of termination or full implementation of voluntary arrangement



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 00126138

Company name in full Witham Contract Manufacturing Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Duncan

Surname Swift

3 Supervisor's address

Building name/number The Quay

Street 30 Channel Way

Ocean Village

Post town Southampton

County/Region

Postcode SO143TG

Country

4 Supervisor's name ^①

Full forename(s) Jeremy

Surname Willmont

① Other supervisor
Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number 55

Street Baker Street

Post town London

County/Region

Postcode W1U7EU

Country

② Other supervisor
Use this section to tell us about
another supervisor.

CVA4

Notice of termination or full implementation of voluntary arrangement

6

Date voluntary arrangement fully implemented or terminated

Date

d	1	d	1	m	0	m	9	y	2	y	0	y	2	y	0
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7

Attachments

- ☒ I have attached a copy of the notice to creditors
☒ I have attached the supervisor's report

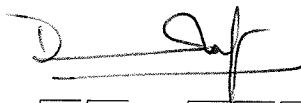
8

Sign and date

Supervisor's signature

Supervisor's signature

X



X

Signature date

d	1	d	1	m	0	m	9	y	2	y	0	y	2	y	0
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name Moore (South) R&I LLP

Address The Quay

30 Channel Way

Ocean Village

Post town Southampton

County/Region

Postcode

S O 1 4 3 T G

Country

DX

Telephone 023 8033 0116



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**NOTICE OF FULL IMPLEMENTATION OF A COMPANY VOLUNTARY
ARRANGEMENT UNDER RULE 2.44 OF THE INSOLVENCY (ENGLAND AND
WALES) RULES 2016**

**WITHAM CONTRACT MANUFACTURING LIMITED ("THE COMPANY") - UNDER A COMPANY
VOLUNTARY ARRANGEMENT
IN THE NUMBER 4874 OF 2013
COMPANY REGISTERED NUMBER: 00126138**

I, Duncan Swift of Moore (South) R&I LLP, The Quay, 30 Channel Way, Southampton, SO14 3TG
Joint Supervisor of the Company's voluntary arrangement, hereby give notice that the Company has
complied with the terms of the company voluntary arrangement approved on 1 November 2016.

Date: 11 September 2020

A handwritten signature in black ink, appearing to be 'Duncan Swift', written over a horizontal line.

Duncan Swift
Joint Supervisor



MOORE

Strictly Private & Confidential

WITHAM CONTRACT MANUFACTURING LIMITED ("THE COMPANY")

Final report to the members and creditors in the Company's
Voluntary Arrangement accordance with Rule 2.44 of the
Insolvency (England and Wales) Rules 2016

11 September 2020

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2. Conduct of the Company Voluntary Arrangement
3. Joint Supervisors' remuneration
4. Joint Supervisors' expenses
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6. Conclusion

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| Appendix I | Joint Supervisors Receipts and payments account |
| Appendix II | Examples of work undertaken in the Company Voluntary Arrangement |

This report is intended for use by those parties entitled to a copy thereof under the Insolvency (England and Wales) Rules 2016. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as guidance as to the actual outcome for creditors.

Duncan Swift and Jeremy Willmont are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. All of our work is conducted in accordance with the Insolvency Code of Ethics.

1. Statutory information

Company name:	Witham Contract Manufacturing Limited	
Company number:	00126138	
Registered office:	The Quay, 30 Channel Way, Ocean Village Southampton, SO14 3TG	
Court reference:	No. 4874 of 2013	
Date of appointment:	1 November 2016	
Joint Supervisors:	Duncan Swift Jeremy Willmont	
Joint Supervisors' address:	Moore (South) R&I LLP The Quay 30 Channel Way Ocean Village Southampton SO14 3TG	BDO LLP 55 Baker Street London W1U 7EU

2. Conduct of the Company Voluntary Arrangement

Introduction

- 2.1. The receipts and payments account attached in Appendix I details the assets realised during the arrangement.
- 2.2. The Company was placed into Creditors' Voluntary Liquidation ("CVL") on 1 August 2012 and Alan Fallows of ICR was appointed liquidator. Mr Fallows ceased to act on 13 June 2013. The Company was subsequently placed into Compulsory Liquidation on 19 September 2013. Duncan Swift and Phillip Sykes were appointed as its Joint Liquidators. ("the Liquidators"). On 12 January 2015 Jeremy Willmont was appointed in place of Phillip Sykes who retired.
- 2.3. The Liquidators proposed the Company Voluntary Arrangement ("CVA") that was approved by creditors on 1 November 2016. The Liquidators were also appointed as Supervisors of the CVA.
- 2.4. The purposes of the CVA were to:
 - 2.4.1. receive funds of £1.1m from William Ransom & Son (Holdings) PLC – In Liquidation ("NWR") and to distribute these funds to creditors in a distribution estimated to be c.20p in the £; and
 - 2.4.2. explore the potential for further legal action on the possible claims that could be taken against the Company's former directors and legal advisors. The maximum potential total recovery with regards these claims was estimated at £3.3m, being the original total of c.£4.4m less the £1.1m expected from NWR's liquidators.
- 2.5. Following the commencement of the CVA the Supervisors recovered a total of £1,076,443 from the liquidators of NWR.

1st Variation of the CVA

- 2.6. On 15 March 2017, the Supervisors reported that the Liquidators had taken legal advice, including Queen's Counsel's opinion on the possible claims ("Claims") that could be pursued against the Company's former directors and legal advisors. Accordingly, the Supervisors applied for the CVA to be modified to facilitate recovery of the Claims.
- 2.7. On 15 March 2017 we circulated to creditors information concerning the possible legal actions against certain former directors, shareholders and professional advisers of the Company and proposed modifications to facilitate the Liquidators bringing these actions. These modifications, including the suspension of any distributions to creditors, were approved on 31 March 2017. In effect the estimated distribution of 20p in the £ noted at paragraph 2.4.1 above was suspended so that funds could be made available to the Liquidators to pursue the Claims.
- 2.8. As the CVA was prolonged by the protracted realisation of the Claims, we sought and obtained creditors' approval for a second variation of the CVA in relation to Supervisors' remuneration as noted in paragraphs 3.3 and 3.4

Recovery of Claims

- 2.9. It was established that Claims against the Company's legal advisors were not likely to be successful. Accordingly, Claims were only made against the Company's former directors (including certain shareholders) by way of application to the High Court. A date to hear the Claim was scheduled for 7 December 2018.
- 2.10. This hearing was adjourned and solicitors for the Company's former directors engaged in protracted negotiations; that required the Liquidators to provide extensive additional evidence, which ultimately led to a formal mediation process. The mediation process spanned an initial meeting and approximately three subsequent months of negotiation with the directors, their advisors and insurers under the auspice of the independent mediator. This mediation process concluded in a recovery of £1.7m ("the Recovery") in full and final settlement of the Claims.
- 2.11. This settlement together with the settlement received from NWR's liquidators resulted in total realisations of £2,776,443 (63%) with regards the estimated total Claims of £4.4m.

Validation of creditor claims

- 2.12. A notice of dividend was sent to creditors on 26 November 2019 and setting a date of proving of 23 December 2019.
- 2.13. We subsequently identified, received and admitted 33 creditor claims from unsecured creditors totalling £1,654,727.
- 2.14. The largest single claim was that of the Joint Liquidators of Instant UK Limited. In accordance with the CVA proposal, this claim was referred to Lester Aldridge, a firm of solicitors for independent verification. Lester Aldridge liaised with Lambert Smith Hampton, property advisors for the liquidators of Instant UK Limited and confirmed its claim in the sum of £1,038,971.
- 2.15. Taking into account the period of time since the date of the Company's initial insolvency in 2012, we also checked the original Creditor's Voluntary Liquidation ("CVL") files for claims that had been submitted in the CVL which had not been subsequently submitted in the CVA.. This action identified several additional creditor claims.

Validation of the connected party claims of Pharmaserve Limited ("PSL") and Pharmaserve NW Limited (PNW")

- 2.16. PSL and PNW were associated companies of the Company with common directorships and shareholders.
- 2.17. PSL held a fixed and floating charge over the assets of the Company and was initially ranked as a secured creditor in the liquidation and initially the CVA in the amount of £51,174. PNW's claim was unsecured and initially quantified at £367,908.
- 2.18. These claims were investigated in accordance with the CVA proposal. This required considerable investigation as to the underlying nature of the claims and correspondence with PSL and PNW management, accountants and legal advisors. In this process it was ascertained that the majority of these claims related to removal and clean up costs of the Company's equipment that had been repossessed by PSL and/or PNW in their satisfying the Company's liabilities to Lombard North Central that the OBG Pharmaceutical group (of which PSL, PNW and the Company were a part) had guaranteed. These costs were found to not be admissible.
- 2.19. Accordingly, the claim of PSL was rejected entirely rendering its fixed and final charge security to be valueless. And, the claim of PNW was reduced by £275,748 (75%) to £92,160 that was admitted to claim in the CVA. This validation work increased the potential dividend to unconnected creditors by c.25p in the £.

3. Joint Supervisors' remuneration

Introduction

- 3.1. The CVA proposal, as approved at the meeting of creditors held on 1 November 2016, permitted that we be authorised to draw nominees' fee of £10,000 plus disbursements. Fees of £10,000 have been drawn in accordance with the proposal.
- 3.2. The remuneration of the joint supervisors was fixed at a total of £38,000 by creditors at the meeting of creditors held on 1 November 2016; this amount is apportioned between five work areas as set out in the table at 3.4 below.

2nd Variation of the CVA

- 3.3. The CVA was by necessity prolonged by the Liquidators' pursuit of legal actions in the 1st Variation approved (noted at paragraph 2.7). This prolongation together with the protracted nature of the claims validation process and ongoing statutory reporting costs meant the original level of remuneration approved by creditors on 1 November 2016, left the Supervisors' under-remunerated.

- 3.4. Accordingly a second variation of the CVA, to increase the total level of fees from £38,000 to £56,000 was requested. This was approved by creditors on 13 December 2019. The original and revised fee basis are set out below:

<i>Fee basis</i>	<i>Original Remuneration Entitlement 1 Nov 2016 £</i>	<i>Total time costs incurred to 26 Nov 2019 £</i>	<i>Approved revised fee structure 13 Dec 2019 £</i>
<i>Statutory compliance, administration and planning</i>	15,000	31,254	30,000
<i>Reviewing and adjudicating upon the claims of the unsecured creditors including PNW</i>	12,000	16,681	15,000
<i>Dealing with the claim of the charge holder (PSL)</i>	3,000	5,698	5,000
<i>Dealing with any necessary application to court to deal with the claim of the charge holder (PSL)</i>	5,000	Nil	Nil
<i>Convening and holding meetings of creditors for the purpose of assessing their views on bringing further claims against former directors, shareholders and professional advisers of the Company and the approval of the costs associated with such claims.</i>	3,000	6,149	6,000
Total	38,000	59,782	56,000

- 3.5. £56,000 has been drawn in respect of the remuneration of the joint supervisors. The value of the unbilled time of £3,782 and any further costs incurred since 26 November 2019 in dealing with creditor distributions, enquiries and costs incurred in concluding the CVA will be written off.
- 3.6. Should you wish to receive a copy of "Voluntary Arrangements- A Creditors' Guide to Insolvency Practitioners' Fees" this is available on the R3 website <https://www.r3.org.uk/what-we-do/publications/professional/fees> or by requesting a copy from this office in writing or by telephone.

4. Joint Supervisors' expenses

- 4.1. A schedule detailing of all expenses incurred in the period is attached at Appendix III.
- 4.2. These expenses were incurred in accordance with paragraph 11.1.3 of the CVA proposal. In summary, these are the liquidators' fees and expenses incurred both prior to and since the approval of the CVA and subsequent legal fees and costs with regard to the liquidators' investigation and pursuit of the claims against the Company's former directors and certain shareholders; and other CVA expenses.
- 4.3. Whilst the actual amounts of these expenses have exceeded the initial estimates provided in the CVA proposal, the amounts are in line with parameters outlined in the information provided to creditors with the proposal modifications and approved on 31 March 2017.
- 4.4. The sum of £3,905.81 being a portion of unpaid liquidators fees payable from the CVA pending recovery of input VAT from HMRC has been assigned to the Moore (South) R&I LLP. This has been assigned to facilitate closure of the CVA and the liquidation whilst VAT recovery is delayed due to the Covid pandemic.

5. Liabilities

Secured creditors

- 5.1. PSL holds a debenture over the Company and had submitted a claim in the sum of £51,174. As advised at paragraph 2.19, this claim was rejected in full pursuant to Rule 14.7 of the Insolvency (England and Wales) Rules 2016.

Preferential creditors


- 5.2. There are no known preferential creditors.

Unsecured creditors

- 5.3. We received 33 unsecured creditor claims totalling £1,654,727 which have been dealt with as detailed at paragraphs 2.12 to 2.19.
- 5.4. A first and final distribution dividend of 90.16p in the £ was paid to unsecured creditors on 19 February 2020. The total dividend paid to unsecured creditors is £1,491,893.58.

6. Conclusion

- 6.1. Following the first and final distribution and on the filing of this report, the CVA is deemed to have been fully implemented.
- 6.2. The Joint Supervisors' would like to take this opportunity to thank the creditors for their support of the Company Voluntary Arrangement, which has successfully concluded in a return to them in excess of 90p in the £. The joint supervisors will shortly file their notice of ceasing to act.



Duncan Swift
Joint Supervisor

Joint Supervisors' receipts and payments account

Witham Contract Manufacturing Limited - Under a Company Voluntary Arrangement

	Statement of affairs £	From 01/11/2019 To 11/09/2020 £
RECEIPTS		
Trade debtors	Uncertain	0.00
Settlement from Liquidators of NWR	1,050,000.00	1,076,443.08
VAT repayment from Liquidation		8,633.44
Settlement from directors/shareholders		1,700,000.00
Interest gross of tax		2,282.31
		<u>2,787,358.83</u>
PAYMENTS		
Agent's fees & expenses		3,000.00
Courier charges		286.20
Legal fees & expenses		395,952.98
Pension consultancy services		825.00
Corporation tax		827.80
Insurance		235,200.00
Telephone, fax & telex		32.40
Stationery & postage		496.79
Statutory advertising		75.00
Specific penalty bond		185.00
Travel train/air		460.15
Land registry & company search fees		7.00
Subsistence		11.37
Nominees' fee		10,000.00
Supervisors' fees		56,000.00
Liquidators' fees		592,089.96
Non recoverable VAT		15.60
Trade & expense creditors		1,385,553.02
HM Revenue & Customs		106,340.56
		<u>2,787,358.83</u>
Net Receipts/(Payments)		<u>0.00</u>
MADE UP AS FOLLOWS		
Moore (South) R&I LLP outstanding fees		(3,888.91)
VAT control account		3,888.91
		<u>0.00</u>

Examples of work undertaken in the Company Voluntary Arrangement

Witham Contract Manufacturing Limited - Under A Company Voluntary Arrangement

Examples of the work which may be undertaken, but which is not limited to, include:

Statutory compliance, administration and planning

- Setting up and maintenance of internal hard copy files and case file on the Insolvency Practitioners System (IPS)
- Data input including basic details of case, assets, creditor names and addresses and employee names and addresses
- Obtaining specific penalty bond
- Setting up of the voluntary arrangement bank account including inputting details on the IPS system
- Preparation and filing (with the Registrar of Companies) of various statutory forms
- Seeking creditors approval to variations of the voluntary arrangement
- Obtaining approval for the basis of fees from creditors
- Initial notification to HM Revenue & Customs
- Preparation and distribution of progress reports to members and creditors
- General administration of case including case planning and strategy
- Completion of internal reviews including asset realisation review, 6 month review and annual reviews
- Written and verbal communications with the unsecured creditors
- Complying with money laundering regulations
- Reconciliation of post appointment bank accounts to the liquidation records
- Maintaining time-costs and disbursement schedules on firm's PMS system (including timesheet entries)
- Closure formalities.

Asset realisations

- Receipt of funds

Distribution to creditors

- Processing of creditors' proof of debt forms and entering onto IPS system.
- Liaising with solicitors in relation to contentious proof of debt forms
- Investigation, review and agreement of creditors' claims (including employees and other preferential creditors)
- Calculation and payment of dividends
- Preparation of distribution paperwork including the notice of declaration.

Schedule of expenses incurred

Witham Contract Manufacturing Limited – Under a Company Voluntary Arrangement

Please find below a schedule of all expenses incurred in the period from 18 September 2019 to date and cumulatively since appointment.

Cost description	Undrawn costs brought forward from previous period(s)		This period from 18/09/2019 to 11/09/2020		Cumulative from 18/09/2013 to 11/09/2020		Compulsory Liquidation Costs drawn	Company Voluntary Arrangement Costs drawn
	£	£	Cost incurred	Cost drawn	Cost incurred	Cost drawn	£	£
[01] Agent's fees & expenses	-	-	-	-	3,000.00	3,000.00	-	3,000.00
[02] Courier charges	-	-	-	-	286.20	286.20	-	286.20
[03] Legal fees & expenses - Reinstatement	-	-	-	-	5,536.00	5,536.00	-	5,536.00
[04] Legal fees & expenses - 1st claim (NWR)	-	-	-	-	97,810.00	97,810.00	-	97,810.00
[05] Legal fees & expenses - CVA	-	-	-	-	10,000.00	10,000.00	-	10,000.00
[06] Legal fees & expenses - 2nd claim (directors)	130,471.00	-	-	130,471.00	288,722.28	288,722.28	13,212.80	275,509.48
[07] Legal fees & expenses - Instant UK Ltd	-	3,000.00	3,000.00	3,000.00	7,097.50	7,097.50	-	7,097.50
[08] Pension consultancy services	-	-	-	-	825.00	825.00	-	825.00
[09] Insurance - ATE policy	-	67,200.00	67,200.00	67,200.00	235,200.00	235,200.00	-	235,200.00
[10] Telephone charges	-	-	-	-	32.40	32.40	-	32.40
[11] Printing & posting	-	-	-	-	496.79	496.79	-	496.79
[12] Statutory advertising	-	-	-	-	75.00	75.00	-	75.00
[13] Specific penalty bond	-	-	-	-	185.00	185.00	-	185.00
[14] Travel	27.22	-	-	-	487.37	460.15	-	460.15
[15] Land Registry & company search fees	-	-	-	-	7.00	7.00	-	7.00
[16] Subsistence	-	-	-	-	11.37	11.37	-	11.37
Total	130,498.22	70,200.00	200,671.00	200,671.00	649,771.91	649,744.69	13,212.80	636,531.89
Total undrawn costs carried forward						27.22		

Appendix III continued

- [01] Specialist enquiry agents in respect of our investigations into the former directors and certain shareholders
- [02] Dispatchit Courier Service – transportation of documents
- [03] Coffin Mew LLP – in respect of work carried out and expenses incurred in applying to Court for the reinstatement of the Company to the Company Register
- [04] Coffin Mew LLP – in respect of work carried out and expenses incurred in preparing a claim against NWR and reaching a settlement
- [05] Michelmores LLP – in respect of work carried out in preparing the CVA proposal to facilitate receipt of the settlement funds from NWR
- [06] Michelmores LLP – in respect of work carried out and expenses incurred in preparing claims against the Company's former directors and certain shareholders and reaching a settlement
- | | |
|--|------------|
| Michelmores' base fee for professional services | 202,936.16 |
| Michelmores' disbursements: | |
| - Counsel's fees | 57,657.50 |
| - Mediation fees | 4,323.35 |
| - Court fees | 150.00 |
| - General to include travel, subsistence, postage etc. | 1,714.50 |
| 25% uplift of CFA balance | 21,940.77 |
| | <hr/> |
| | 288,722.28 |
- [07] Lester Aldridge LLP – in respect of work carried out and expenses incurred in providing advice regarding the claim of Instant UK Limited against the Company
- [08] Clumber Consultancy Limited – specialist pension consultancy services
- [09] DAS Legal Expenses Company Limited – in respect of an adverse cost insurance policy to protect the Liquidators in bringing a claim against the Company's former directors and certain shareholders.
- [10] General disbursement at cost
- [11] Royal Mail & Trojan Mailing Limited – general disbursement at cost
- [12] Courts Advertising Limited – statutory advertisement in the London Gazette at cost
- [13] Wills Limited – specific penalty bond at cost
- [14] General disbursement at cost
- [15] General disbursement at cost
- [16] General disbursement at cost



Moore (South) R&I LLP

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Hampshire SO14 3TG

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CVA7000/01/19