

Rule 1.29

**The Insolvency Act 1986
Notice of Completion of
Voluntary Arrangement
Pursuant to Rule 1.29 of the
Insolvency Act 1986**

R.1.29

To the Registrar of Companies

For Official Use

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Company Number

01446829

Insert full name of
company

Name of Company

Marpaul Southern Limited

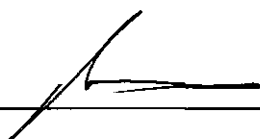
Insert full name and
address

I, Paul Appleton F.C.A.
1st Floor
26-28 Bedford Row
London
WC1R 4HE

Insert date

the Supervisor of a Company Voluntary Arrangement approved on 24th February 1999,
enclose a copy of my notice to the creditors and members of the above-named Company
that the Company Voluntary Arrangement has been completed, together with my Final
Report and my Receipts and Payments Account.

Signed



Date

21/2/04

Presenter's name,
address and reference
(if any)

M840
Marpaul Southern Limited

Paul Appleton F.C.A.
David Rubin & Partners
1st Floor
26-28 Bedford Row
London
WC1R 4HE

For Official Use

Liquidation Section

Post Room



Our Ref: PA/RR/BL/M840/ST2

Your Ref:

David Rubin & Partners

Chartered Accountants • Licensed Insolvency Practitioners

26-28 Bedford Row
London WC1R 4HE

DX 267 LONDON/CHANCERY LANE

Telephone: 020 7400 7900
Facsimile: 020 7242 3233
E-Mail: [addressee]@drpartners.com
Website: www.drpartners.com

Also at: North Finchley and Watford

TO: ALL KNOWN CREDITORS

7 December 2004

Dear Sirs

MARPAUL SOUTHERN LIMITED **COMPANY VOLUNTARY ARRANGEMENT**

I refer to the above Company.

I would advise that I am now in a position to finalise my administration of this matter and to effect a dividend distribution to the Unsecured Creditors of this Company Voluntary Arrangement ("Arrangement").

BACKGROUND

Pursuant to Rule 1.29 (2) of the Insolvency Rules 1986, I need to explain in relation to the implementation of the Arrangement any departure from the Proposals as they originally took effect.

In relation to the foregoing, creditors will be aware that the original Proposals accepted with modifications on 24 February 1999 provided *inter alia* that:

- a) the Company would make payments of £31,000 per month for thirty six months or such other period as is required to meet the conditions of the Proposal;
- b) Preferential and Unsecured Creditors would be paid in full;
- c) Preferential Creditors would be paid within six months of the Arrangement becoming unconditional, provided their claims [had] been received and agreed within that period;
- d) the Supervisor shall petition for winding up immediately the Company fails to comply with its obligations under [the Arrangement] or fails to co-operate with the Supervisor.



David Rubin FCA, FCCA, MIPA, FABRP, CFE
Paul Appleton BA(Hons), FCA, MIPA, MABRP
Henry Lan FCA, MIPA, FABRP
Brian Williams MSc
Lane Bednash BA(Hons), FCA, MIPA, MABRP
Asher Miller BSc(Hons), ACA, MIPA, MABRP
Rod Reeken ACA (NZ)

MARPAUL SOUTHERN LIMITED
COMPANY VOLUNTARY ARRANGEMENT
SUPERVISOR'S FINAL REPORT

Background ... Cont.

Creditors will also be aware that the foregoing terms of the original Proposals were subject to resolutions passed at three meetings of creditors held on 17 November 2000, 11 June 2001 and 16 July 2004 (subsequently adjourned until 22 July 2004).

Meeting held on 17 November 2000

The purpose of the meeting held on 17 November 2000 was to enable creditors to vote on the following resolutions arising from the fact that the Company, at that time, was in arrears with its monthly contributions:

- a) The Supervisor shall not present a petition to wind up the Company;
- b) That notwithstanding the existing breaches of the terms of the [Arrangement] and the provisions of Clauses 5 and 7 of the [Arrangement]:
 - i) The Supervisor is not obliged to petition for the winding up of [the Company];
 - ii) That all existing breaches of the terms of the [Arrangement] and all rights or remedies in respect of those breaches, are waived irrevocably; and
 - iii) That the [Arrangement] shall not have failed, or deemed to have failed, as a result of the exiting breaches.
- c) that the following issues will be determined by the Supervisor after consultation with the creditors and [the Company]:
 - the terms of which [the Company's] arrears of voluntary contributions ought to be discharged by the Company; and
 - the terms on which [the Company's] future monthly contributions are to be paid.

Creditors will be aware that, at the time the meeting was held, it had been anticipated that substantial funds would be received into the Arrangement from arbitration proceedings being conducted between the Company and Lomax Leisure Limited ("Lomax"). It is against this background that the following additional resolutions, which were outlined in the notice of meeting, were tabled:

1. The Supervisor shall report, in writing, to the creditors with the results of the arbitration proceedings between [the Company] Limited and Lomax within 28 days of the Arbitrator in those proceedings making those decisions.
2. That the duration of the [Arrangement] be extended by six months.

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Meeting held on 17th November 2000 ... Cont.

3. If any voluntary contribution falls 60 days into arrears, or falls below the amount specified in the proposals accepted by creditors, the Supervisor shall, as soon as practicable, convene a meeting of creditors to ascertain creditors' wishes in respect of the arrears. The original modifications 5 and 7 to the [Arrangement] shall be modified accordingly.
4. In the event that the arbitration proceedings between Lomax and [the Company] result in an amount payable to [the Company] and in an amount over that required to repay the preferential creditors in full, these monies will be paid to the Supervisor to enable the arrears of voluntary contributions to be reduced accordingly.
5. [The Company] shall continue to make monthly voluntary contributions in the sum of £31,000.
6. The Supervisor will endeavour to declare and pay an interim dividend to all classes of creditors as soon as practicable after the arbitration proceedings are decided and any funds payable to [the Company] by Lomax are received by the Supervisor. In the event that Lomax are successful in the arbitration proceedings and properly submit a claim in the [Arrangement], the Supervisor will endeavour to declare and pay an interim dividend upon receipt of that claim.

Creditors accepted the above resolutions by the requisite majority.

Meeting held on 11 June 2001

The meeting held on 11 June 2001 was convened because the Company had not paid the monthly contribution of £31,000 due on 24 February 2001, thus contravening resolution 3 above. Creditors were advised in the notice of the said meeting that the Directors of the Company had informed me that it was not in a position to satisfy the arrears. Creditors were also advised in the notice that the Directors had informed me that the Company would not be able to make any further contributions into the Arrangement.

In view of the foregoing, creditors were asked to consider the following resolutions;

Acceptance/Rejection:

The Supervisor shall not present a petition to wind up [the Company].

Acceptance/Rejection

1. That the Arrangement shall continue subject to the further modifications made below.

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Meeting held on 11 June 2001 ... Cont.

2. That the award, excluding any monies in respect of costs, arising from the arbitration proceedings between Lomax and [the Company] will be paid immediately into the Arrangement on receipt.
3. That Preferential Creditors be paid, in full, as soon as possible after 11 June 2001.
4. That an interim dividend distribution to Unsecured Creditors of 20p in the £ be effected as soon as possible after 11 June 2001.
5. That a final dividend distribution be effected to Unsecured Creditors within 21 days of the receipt of the proceeds into the Arrangement arising from the arbitration proceedings with Lomax.
6. That no further voluntary contributions be made by the Company.
7. That the Arrangement will be deemed to have been satisfactorily concluded and a Certificate of Full Compliance issued, as soon as the second and final distribution to Unsecured Creditors has been effected.

Creditors accepted the above resolutions by the requisite majority.

As creditors are aware, the finalisation of the Arrangement has been much delayed by the arbitration proceedings between the Company and Lomax. The issues raised in the course of those proceedings have been outlined in some detail in my previous reports to creditors and I do not propose to refer to those matters in this report, save to mention that:

- a) the said proceedings had prevented me from effecting dividend distributions in accordance with the resolutions passed by creditors as it had been made clear to me that I would be enjoined from so doing.
- b) at the conclusion of the said arbitration proceedings, it was determined that the Company had a net claim of circa £90,000 against Lomax, plus interest.

The arbitration proceedings vis a vis Lomax had commenced prior to the inception of the Arrangement and were not concluded until June 2004. As Supervisor, I was obliged to keep the Arrangement open and monitor the proceedings until they had been finalised. As a result, the costs associated with the administration of the Arrangement far exceeded those originally estimated. Thus, these increased costs, which could not have been anticipated at the time the Arrangement was accepted, together with the agreed reduction in the number of monthly contributions to be made into the Arrangement by the Company, meant that the original estimated percentage of dividend distribution to Unsecured Creditors, 100p in the £, could not be achieved. However, a dividend distribution of 100p in the £ to Preferential Creditors was effected.

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Meeting held on 16 July 2004, adjourned until 22 July 2004

As indicated in my Annual Report dated 22 April 2004, Lomax was placed into Members Voluntary Liquidation ("MVL") on 23 August 1999.

Creditors will also be aware that Nick Miller of Kingston Smith & Partners, the Liquidator of the MVL, advised in 2003 that the liabilities and costs of Lomax, including its debt to the Company, exceeded its assets and, therefore, it needed to be placed into Creditors Voluntary Liquidation ("CVL"). The creditors meeting, in respect of the same, was held on 28 July 2003 and Stephen Hunt of Messrs Griffins was appointed Liquidator. The meeting of 16 July 2004 was convened to provide the Unsecured Creditors with the opportunity of considering whether the Arrangement should be kept open pending receipt of funds from the Lomax CVL or to take the view that it was not appropriate to do so and that that my administration of the Arrangement be brought to an end whether or not the Lomax issue had been concluded.

Creditors were asked to consider the following resolutions:

- a) That the Company be deemed to have fully complied with the terms of the Arrangement dated 24 February 1999 if the Supervisor effects a distribution of the available funds in the Arrangement's bank account and finalises the administration, without awaiting any dividend from the Lomax CVL; or
- b) The Supervisor effects a partial distribution of the available funds in the Arrangement's bank account and that his administration remain open, pending a distribution from the Lomax CVL.

At the adjourned meeting of creditors held on 22 July 2004, resolution a) was accepted by the requisite majority.

Following the adjourned meeting, I advised that I would make a distribution from funds held in the Arrangement bank account after the receipt of the VAT levied on the expenses incurred in respect of the Arrangement. I would advise that following an inspection conducted by HM Customs and Excise, funds in respect of VAT reclaimed are now to hand. Thus, I am now in a position to conclude my administration of this matter and to effect a first and final distribution to Unsecured Creditors.

DISTRIBUTION TO UNSECURED CREDITORS

The total of the agreed Unsecured Creditors in these proceedings is £829,151.

Following receipt of a repayment of VAT, the percentage of the dividend to be distributed to Unsecured Creditors, after discharging my fees as Supervisor, is 15.08p in the £.

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Distribution To Unsecured Creditors... cont.

Therefore, in view of the foregoing, please find attached a remittance equal to 15.08% of your claim.

SUPERVISOR'S REMUNERATION

In my report to creditors dated 1 July 2004, I estimated that my time costs up to the date when the administration was finally concluded would be £3,500 plus VAT. In the event, my time costs to closure are £4,814 plus VAT.

Appendix 1, attached to this report, provides full details of how my time costs have been incurred in the course of the Arrangement.

SUPERVISOR'S FINAL RECEIPTS AND PAYMENTS ACCOUNT

The Supervisor's Final Receipts and Payments Account forms Appendix 2.

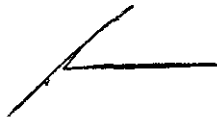
CERTIFICATE OF FULL COMPLIANCE

A copy of the Certificate of Full Compliance issued to Marpaul Southern Limited forms Appendix 3. I would advise that the said document has been lodged with the High Court of Justice and Companies House.

CONCLUSION

Should you have any queries in respect of the foregoing, please do not hesitate to contact either my Partner Rod Reeken or my colleague Bryan Lucas.

Yours faithfully



P R APPLETON
SUPERVISOR

7 December 2004

APPENDIX 1

MARPAUL SOUTHERN LIMITED COMPANY VOLUNTARY ARRANGEMENT LIQUIDATOR'S TIME COSTS FOR THE PERIOD 24 FEBRUARY 1999 TO 7 DECEMBER 2004 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partner	Manager	Other Senior professionals	Assistants and support staff	Total hours		
Admin and planning	87:18	139:00	16:30	98:48	341:36	54,559.50	159.72
Realisations of assets	94:30	111:30	00:00	01:00	207:00	48,202.50	232.86
Creditors	31:00	62:36	54:00	56:54	204:30	30,190.75	147.63
Historical Time**	182:30	407:45	00:00	29:30	619:45	81,861.25	132.09
Total hours and costs	395:18	720:51	70:30	186:12	1,372:51	214,814.00	156.47

** Prior to the recommendations in SIP 9, less detailed records were maintained and these have been shown as "Historical Time".

Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment, exclusive of VAT, are as follows:

	£
Partners / Office holders	250-300
Managers	150-175
Senior administrators	100-125
Assistant and support staff	50-75

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.

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

Plain/headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost

Travel

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

APPENDIX 2

MARPAUL SOUTHERN LIMITED
SUPERVISOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 24 FEBRUARY 1999 TO 7 DECEMBER 2004

	<u>Realised</u> <u>to-date</u> £
<u>Receipts</u>	
Contributions	558,000.00
Bank Interest Received	<u>67,942.70</u>
	<u>625,942.70</u>
 <u>Payments</u>	
Agent's Fees	3,464.88
Legal & Professional Fees	60,837.43
Supervisor's Remuneration	214,814.00
Supervisor's Disbursements	622.25
Supervisor's Insolvency Bond	929.00
Statutory Costs	54.00
Non-Recoverable VAT	15,768.14
 Preferential Dividends	
Inland Revenue	96,597.62
HM Customs & Excise	107,846.99
 Unsecured Dividends	
	<u>125,008.39</u>
	<u>625,942.70</u>

CERTIFICATE OF FULL IMPLEMENTATION

THE HIGH COURT OF JUSTICE

SPECIAL NUMBER 49 OF 1999

IN THE MATTER OF THE INSOLVENCY ACT 1986

- AND -

THE INSOLVENCY RULES 1986

- AND -

IN THE MATTER OF

**MARPAUL SOUTHERN LIMITED
COMPANY VOLUNTARY ARRANGEMENT**

I, Paul Robert Appleton, of Messrs David Rubin & Partners, 1st Floor, 26-28 Bedford Row, London WC1R 4HE, Supervisor of the Company's Voluntary Arrangement under Part I of the Insolvency Act 1986, approved by the Creditors on 24 February 1999, hereby confirm that the Company has fully complied and satisfied the terms of its Voluntary Arrangement.

Dated 7 December 2004


P R APPLETON – SUPERVISOR
DAVID RUBIN & PARTNERS