

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1 26A(4)(a) or
Rule 1 54 of the
Insolvency Rules 1986**R.1.26A(4)(a)/**
R.1.54

For Official Use

To the Registrar of Companies

Company Number

3073655

Name of Company

McCarthy Corporation Plc

/ We
Stephen Hunt
Tavistock House South
Tavistock Square
London
WC1H 9LG

Kevin John Hellard
30 Finsbury Square
London EC2P 2YU

supervisor(s) of a voluntary arrangement taking effect on

26 June 2003

present overleaf ~~my~~ our abstract of receipts and payments for the period from

24 November 2009

to

25 June 2010

Number of continuation sheets (if any) attached

1

Signed

Date

29/6/10

Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

Ref MCCAR02/SJH/IPU/MK

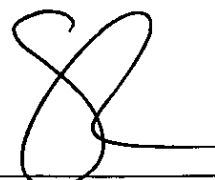
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THURSDAY
TUESDAY

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27/07/2010
COMPANIES HOUSE
01/07/2010 5
COMPANIES HOUSE

Voluntary Arrangement of McCarthy Corporation Plc

Statement of Affairs		From 24/11/2009 To 25/06/2010	From 26/06/2003 To 25/06/2010
SECURED CREDITORS			
(2,000,000 00)	Virgin Group	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
6,000 00	Fixtures & Fittings (Inc Paintings)	NIL	NIL
2,000 00	Office Equipment	NIL	NIL
	Book Debts	NIL	22,801 68
	Insurance Refund	NIL	123 38
	Rates Refund	NIL	2,998 10
	Bank Interest	0 04	795 41
		0 04	26,718 57
COST OF REALISATIONS			
	Specific Bond	30 00	255 00
	Supervisor's Remuneration	NIL	22,500 00
	Supervisor's Disbursements	NIL	3,106 51
	Legal Fees	NIL	10 24
	Tax on Bank Interest	NIL	237 12
	Statutory Advertising	NIL	8 64
		(30 00)	(26,117 51)
PREFERENTIAL CREDITORS			
(3,856 00)	Inland Revenue	NIL	NIL
(2,235 00)	Customs & Excise	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(233,209 00)	Trade & Expense Creditors	NIL	NIL
(147,308 00)	Landlord	NIL	NIL
(57,875 00)	Rental Deposits	NIL	NIL
(237,913 00)	Directors Loan Accounts	NIL	NIL
(79,993 00)	Inland Revenue	NIL	NIL
(9,111 00)	Customs & Excise	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(1,803,539 00)	Ordinary Shareholders	NIL	NIL
(25,300,000 00)	Deferred Shareholders	NIL	NIL
		NIL	NIL
(29,867,039 00)		(29 96)	601.06
REPRESENTED BY			
	Bank 1 Current		631 06
	Bank - Client Account		(30 00)
			601 06



Stephen Hunt
Joint Supervisor

**McCarthy Corporation Plc
(Company Voluntary Arrangement)**

**Joint Supervisors'
Annual Report to Creditors**
for the year ending 25 June 2010



COMPANIES HOUSE



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- 3 Current Status
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- 5 Creditors Claims
- 6 Cooperation with supervisor
- 7 Former Supervisors Remuneration and Expenses
- 8 Current Joint Supervisors' Remuneration and Expenses
- 9 Creditors Meeting
- 10 Further Reporting

APPENDICES

- A Current Joint Liquidators' Receipts and Payments Account for the period 24 November 2009 to 25 June 2010
- B Stephen Hunt's time analysis for the 24 November 2009 to 25 June 2010, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice (SIP) 9
- C Mr Hellard's time analysis for the period 24 November 2009 to 25 June 2010, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice (SIP) 9
- D Notice of Meeting
- E Proxy Form



1 Introduction

This annual report provides an update on the progress of the Company Voluntary Arrangement in compliance with the requirements of Rule 1 26(2) of the Insolvency Act 1986

The Company was placed into Company Voluntary Arrangement on 26th June 2003 Mr Martin Hepworth was appointed Supervisor

Following a High Court Order dated 24th November 2009, Mr Martin Hepworth was removed as Supervisor and Mr Kevin Hellard of Grant Thornton UK LLP and I were appointed Joint Supervisors

2. Receipts and Payments Accounts

The Receipts and Payments account since our date of appointment to 25 June 2010 is at Appendix A.

3 Current Status

As advised by the previous office holder, the company is pursuing a claim against its former financial advisors and auditors, KPMG (Canada) with funding provided to date by the directors. The net proceeds of this litigation (or any settlement) are to be made available to the Supervisor, to meet the costs of the Arrangement, and to discharge in full, together with statutory interest, the claims of creditors. The Supervisor is to take no part in the actual litigation.

As stated in the last report, the directors report that they are in advanced discussions with third parties in order to provide further funding for the litigation. The directors have confirmed they are in the final stages of the process and are looking at 6 – 8 weeks for completion for funding to be in place.

4. Proposed Modification

As previously stated in the last report to creditors the Arrangement has been extended on an annual basis subject to creditors' continuing approval.

This is to provide further time, for the trial to be completed, judgement given and following a satisfactory outcome, distribute the funds recovered in accordance with the terms of the arrangement.

5. Creditor Claims

According to Mr Hepworth's records the total of creditor's claims to date is £2,988,243.98. If you have not already submitted your claim in the Arrangement then please do so.



6. Cooperation with the Supervisor

The Supervisors are content that the directors continue to cooperate with them in the implementation of the arrangement

The Supervisors are content that the directors continue to take responsible steps to ensure that the company complies with its obligations pursuant to the terms of the Arrangement generally

7. Former Supervisors Remuneration and Expenses

Mr Hepworth confirmed in his last report to creditors that remuneration of £22,500 plus VAT had been drawn on account of time costs which to the 24th July 2009 totalled £30,946 50 representing 201 50 hours charged at an average rate of £153 48

8. Current Joint Supervisors' Remuneration and Expenses

The time recorded by myself and my staff to the 25 June 2010 totals £7,479 17, which represents 36 25 hours at an average charge out rate of £206 32 per hour

Mr Hellard had confirmed that he and his staff have recorded time for the same period totalling £1,338 58 which represents 5 45 hours at an average charge out rate of £245 45 per hour

Attached at Appendices B and C are my time analysis reports and those of Mr Hellard, which provide details of the activity costs incurred by staff grade to date, together with details of current charge out rates

9. Creditors Meeting

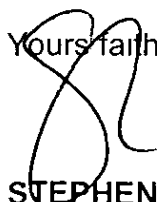
A notice convening a meeting of creditors pursuant to paragraph 9 2 3 of the company proposal is attached together with a proxy form at appendix D & E

Proxy forms must be lodged at the offices of Griffins, Tavistock House South, Tavistock Square, London WC1H 9LG, no later than 12 noon on the last business day prior to the date of the meetings. If there are any matters requiring clarification, please do not hesitate to contact me

10. Further Reporting

A further report will be issued in approximately six month's time

Yours faithfully



STEPHEN HUNT
Joint Supervisor

29 June 2010



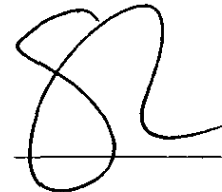
**McCarthy Corporation Plc
(Company Voluntary Arrangement)**

Current Joint Supervisors' Receipts and Payments Account
for the period 24 November 2009 to 25 June 2010



Voluntary Arrangement of McCarthy Corporation Plc

Statement of Affairs	From 24/11/2009 To 25/06/2010	From 26/06/2003 To 25/06/2010
ASSET REALISATIONS		
Book Debts	NIL	22,801 68
Insurance Refund	NIL	123 38
Rates Refund	NIL	2,998 10
Bank Interest	0 04	795 41
	<u>0 04</u>	<u>26,718 57</u>
COST OF REALISATIONS		
Specific Bond	30 00	255 00
Supervisor's Remuneration	NIL	22,500 00
Supervisor's Disbursements	NIL	3,106 51
Legal Fees	NIL	10 24
Tax on Bank Interest	NIL	237 12
Statutory Advertising	NIL	8 64
	<u>(30 00)</u>	<u>(26,117 51)</u>
(29,867,039 00)	<u>(29 96)</u>	<u>601 06</u>
REPRESENTED BY		
Bank 1 Current		631 06
Bank - Client Account		(30 00)
		<u>601 06</u>



Stephen Hunt
Joint Supervisor

**McCarthy Corporation Plc
(Company Voluntary Arrangement)**

My time analysis for the period 24 November 2009 to 25 June 2010, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice (SIP) 9



SIP 9 - Time & Cost Summary

Period 24/11/09 25/06/10

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 00	1 00	0 00	24 42	25 42	4 738 33	186 43
Investigations	0 00	0 00	8 67	0 75	9 42	2,400 83	254 96
Realisations of assets	0 00	1 00	0 00	0 42	1 42	340 00	240 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	0 00	2 00	8 67	25 58	36 25	7 479 17	206 32
Total Fees Claimed						0 00	

GRIFFINS POLICY ON DISBURSEMENTS AND CHARGEOUT RATES

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Best practice guidance¹ classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges,
- *Category 2 expenses* Griffins' policy is not to charge for Category 2 disbursements

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2009.

In accordance with Statement of Insolvency Practice 9 Version 5 (England and Wales) dated 1 April 2007 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration

Grade of staff	Hourly rate £
Partners	£365 - £440
Managers	£290 - £300
Senior Administrators/Investigators	£260 - £290
Administrators	£140 - £220
Support Staff	£70 - £170

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for a Junior Administrator may be applied

¹ Statement of Insolvency Practice 9 Version 5 (England and Wales) dated 1 April 2007

**McCarthy Corporation Plc
(Company Voluntary Arrangement)**

Mr Hellard's time analysis for the 24 November 2009 to 25 June 2010 together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice (SIP) 9



Grant Thornton SIP 9 for McCarthy Corporation plc
for the period 24 November 2009 to 25 June 2010

SIP 9 WIP ANALYSIS	Partner Hrs	Manager Hrs	Senior Professional Hrs	Admin / Support Hrs	Total Hrs	Cost (£)	Average Hourly Rate (£)
Administration and Planning	0 04	1 54	1 23	1 71	4 53	1,105 42	244 26
Investigations	0 00	0 36	0 12	0 12	0 60	161 71	267 84
Realisation of Assets	0 00	0 01	0 00	0 10	0 12	19 20	161 97
Creditors	0 00	0 05	0 10	0 06	0 21	52 25	254 08
Grand Total	0 04	1 96	1 45	1 99	5 45	1,338 58	245 45

Administration & Planning Includes, case planning, statutory obligations (e.g. statutory returns), maintenance of cash and estate records, general correspondence, dealing with VAT and Tax correspondence, and returns

Investigations Includes, Statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)

Realisation of Assets Includes, dealing with the sale of stock, realisation of debtors, sale of other assets, dealing with Solicitors and liaising with our agents

Creditors Includes, correspondence with preferential and unsecured creditors, pensions and employees

EXPLANATION OF GRANT THORNTON UK LLP CHARGING AND DISBURSEMENT RECOVERY POLICIES

INTRODUCTION

The following information is provided in connection with the liquidator's remuneration and disbursements in accordance with Statement of Insolvency Practice ("SIP") 9

TIME COSTS

All partners and staff are charged out at hourly rates appropriate to their grade. The hourly charge-out rates are updated annually on 1 July. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

The detailed rates presently applying are as follows:

	Rate per hour
Partners/office holders	£510
Director	£420
Associate directors	£385
Managers	£330
Assistant Managers	£275
Executives	£230 - 250
Administrators	£140 - 190
Secretarial and support staff	£130 - 150

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, storage, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case. Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits, or AA recommended rates.

Category 2 or indirect Disbursements as defined by SIP 9 are not charged to the case.

**McCarthy Corporation Plc
(Company Voluntary Arrangement)**

Notice of Meeting



Notice of a meeting of creditors, summoned for the purpose of considering varying the terms of the Company Voluntary Arrangement.

**IN THE MATTER OF McCarthy Corporation PLC
(in the High Court Of Justice No.3294 of 2003)**

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN, pursuant to Paragraph 9.2.3 of the company's proposal, and in accordance with rule 1.13 of the Insolvency Rules 1986, that a Meeting of the Creditors will be held at the offices of Griffins Tavistock House South, Tavistock Square, London, WC1H 9LG 10.00am on 13 July 2010

A creditor entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a creditor.

A resolution will also be proposed at the meeting for the purpose of agreeing the basis on which the Joint Supervisors are to be remunerated.

Proxies to be used at the meeting should be lodged at the offices of Griffins Tavistock House South, Tavistock Square, London, WC1H 9LG no later than 12 noon on the working day immediately before the date fixed for the meetings.

Stephen Hunt
Joint Supervisor

Date 29 June 2010

**McCarthy Corporation Plc
(Company Voluntary Arrangement)**

Proxy Form



Proxy (Company Voluntary Arrangement)

McCarthy Corporation PLC

Please give full name and address for communication

Name of Creditor _____

Address of Creditor _____

Please insert name of person (who must be 18 or over) or "chairman of the meeting" (see note below) if you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 13 July 2010 or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting instructions for resolutions

- 1 To approve that the term of the voluntary arrangement to extended for a 12 months to enable further time, for the trial to be completed, judgement given and following a satisfactory outcome, distribute the funds recovered in accordance with the terms of the arrangement

FOR/AGAINST

- 2 To approve that the Joint Supervisors be remunerated on the basis of the time properly spent by the Joint Supervisors and their staff in dealing with the Company Voluntary Arrangement

FOR/AGAINST

Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space opposite

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor/member has not signed in person

Position with creditor or relationship to creditor or other authority for signature _____