

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

3253156

Name of Company

TWA Logistics Limited

I/We

Robert David Adamson, Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN

Supervisor(s) of a voluntary arrangement taking effect on

05 December 2014

Attach my progress report for the period

05 December 2015

to

04 December 2016

Number of continuation sheets (if any) attached

☐

Signed

Date 21/2/17

Mazars LLP  
Mazars House  
Gelderd Road  
Gildersome  
Leeds  
LS27 7JN

Ref TWAL106071/RDA/SJP/CZR/AZH/JZB


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COMPANIES HOUSE

**Voluntary Arrangement of  
TWA Logistics Limited**

Statement of Affairs	From 05/12/2015 To 04/12/2016	From 05/12/2014 To 04/12/2016
<b>ASSET REALISATIONS</b>		
Contributions	24,000 00	70,000 00
	<u>24,000 00</u>	<u>70,000 00</u>
<b>COST OF REALISATIONS</b>		
Nominee's Fees	NIL	9,000 00
Nominee's Disbursements	NIL	153 90
Supervisor's Remuneration	8,500 00	26,000 00
Supervisor's Disbursements	320 00	320 00
Accountants Fees	NIL	1,000 00
Agents/Valuers Fees	NIL	2,000 00
Legal Fees	799 00	3,992 00
	<u>(9,619 00)</u>	<u>(42,465 90)</u>
	<u><u>14,381 00</u></u>	<u><u>27,534 10</u></u>
<b>REPRESENTED BY</b>		
Vat Receivable		1,381 60
Floating Charge Current		26,152 50
		<u><u>27,534 10</u></u>

  
 Robert David Adamson  
 Supervisor

## **TWA Logistics Limited - Company Voluntary Arrangement ("the Company")**

### **County Court at Leeds No 1189 of 2014**

I refer to my appointment as Supervisor of the above Arrangement on 5 December 2014 and am now able to provide you with my annual report on the progress of the Arrangement. I attach, for your information, an abstract of my receipts and payments for the year ended 4 December 2016

### **Asset realisations**

#### **Income contributions**

Under the terms of the proposal, the Company was to pay contributions of £4,750 per month, however, the Company proposed a variation to the Arrangement which was approved by creditors on 12 August 2015 as follows

*"That the level of voluntary contributions be reduced from £4,750 to £2,000 per month with effect from the August 2015 payment for a period of 12 months, following which the Company's financial situation will be reviewed by the Supervisor to see whether the level of contribution can be increased from £2,000 per month, any such increase to take effect from the August 2016 payment "*

In accordance with the terms of the variation, a review of the Company's financial position was undertaken in July 2016. The director provided the draft accounts for year ended December 2015 along with up to date management accounts which enabled me to conclude that the Company is not in a position to increase its contributions. The Company is not making profits over and above the projected figures provided for the variation and the contribution level will remain at £2,000 per month at this stage.

I confirm that income contributions are up to date and a total of £70,000 has been received over the 24 month period to date.

Under the modifications to the proposal, the director's remuneration must not exceed £37,000 per annum for the duration of the Arrangement. I have requested a copy of the director's P60 for the year ended April 2016 to comply with this requirement. I am also in correspondence with the Company's accountant to obtain up to date management accounts in order to review the Company's financial position following the anniversary of the Arrangement. If required, I will provide a further update to creditors following my review of these documents.

#### **VAT Receivable**

Whilst Supervisor's fees are exempt from VAT following the decision in the Paymex Limited case (2011), the Arrangement has suffered VAT on professional advisors' costs. These invoices have been provided to the Company for inclusion in its VAT returns in order that the VAT may be recovered and refunded to the Arrangement. I am in correspondence with the director of the Company in this regard.

### **Creditors' Claims**

To date, claims have been received from 99 creditors totalling £968,971 compared with total claims estimated for the Statement of Affairs of some £606,387 from 171 creditors. During the period of this

report, claim adjudication work has begun with a view to issuing a first interim dividend on agreed claims

Whilst the modified terms of the Arrangement originally stipulated a minimum dividend return to unsecured non-preferential creditors, this requirement was removed as part of the variation approved by creditors on 12 August 2015. Based upon claims received to date, and an estimate of the amounts due to creditors who have yet to submit a claim, the minimum dividend return is now conservatively estimated at 7 pence in the £ if contributions continue at the reduced level of £2,000 per month for the remainder of the Arrangement. No distribution has been paid to date.

## **Expenses of the Arrangement**

Details of all expenses incurred during the period of the report are provided in the Expense Statement attached at Appendix B, together with an explanation as to why the expenses have been incurred.

Details of expenses paid during the current period are shown in the receipts and payments account at Appendix A. The amount of expenses paid during the period may be more than the amount incurred due to balances carried over from previous periods.

I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

## **Nominee's fee and disbursements**

The Nominee's fee and disbursements were agreed by creditors under the terms of the proposal at £10,000. This amount has been drawn in full and includes a fee of £1,000 plus VAT paid to Flannagans Accountants for their assistance with the preparation of the proposal. The remaining £9,000 has been drawn in full.

## **Supervisor's remuneration**

The supervisor's remuneration was fixed under the terms of the proposal on a time-cost basis. To date the sum of £26,000 has been drawn.

In accordance with Statement of Insolvency Practice 9 ("SIP 9") an analysis of time spent by activity and grade of personnel during the period covered by this report is attached at Appendix C1. During the period of this report, 66.5 hours have been spent on the case with a total value of £9,798.30, giving an average charge out rate of £147.34 per hour.

Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Details of the charge out rates of the team members employed on the assignment during the period covered by this report are attached at Appendix E. Specialist departments within our firm, such as Receivables, Tax and VAT may charge a number of hours if and when their expert advice is required. The rate ranges provided incorporate these different rates.

Attached at Appendix C2 are details of the Supervisor's cumulative time costs since appointment, totalling £30,921.20. This represents 212 hours at an average hourly rate of £145.85. As disclosed in my previous report, the level of time costs incurred in administering this case are higher than originally anticipated due to the Company proposing a variation to the arrangement within the first 12 months. This was rejected by creditors and further variations were then put forward. The total time costs include



work done in liaising with the Company and the majority creditors, drafting the proposed variations, holding the meeting and the subsequent adjourned meeting and reporting the outcome to creditors

In an effort to minimise further costs for the duration of the arrangement, the administering of this case continues to be carried out by staff of lower charge out rates, although the work is still be overseen by a senior staff member

Due to changes in SIP 9, I am now required to provide you with additional, proportionate information regarding my costs, to include an explanation as to why certain tasks were carried out and whether the work carried out provided a financial benefit to creditors and members. Accordingly, please find attached at Appendix D a narrative summary of the work carried out during the current reporting period

In accordance with statement of Insolvency Practice 9, a guide entitled "Voluntary Arrangements - A creditors' guide to Insolvency Practitioners' fees" is available to download from the website [https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Voluntary\\_Arrangement\\_Fees\\_Nov20111.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Voluntary_Arrangement_Fees_Nov20111.pdf) or alternatively will be provided free of charge upon written request to this office

## Supervisors' Disbursements

Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Supervisors or the firm that can be allocated to the case on a proper and reasonable basis)

Category 2 disbursements require approval in the same manner as remuneration and members will recall that a resolution was passed on 5 December 2014 by unsecured creditors in agreement of the anticipated Category 2 disbursements of the Supervisor

Further details of the rates agreed are provided within the Supervisors' Rates and Disbursements policy which is attached at Appendix E

Details of disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, is provided below. Details of disbursements paid during the period is provided within the attached receipts and payments account. The amount of disbursements paid during the period may be more than the amount incurred due to balances carried over from previous periods

Type of Disbursement	Description	Amount incurred in period (£)
<b>Category 2</b>		
Mileage	This expense represents the costs of travelling to meet with the Directors' at the Company premises for the purpose of reviewing the Company's financial performance and ensuring compliance with the terms of the Arrangement	217.80
	<b>Total Category 2</b>	<b>217.80</b>
<b>Total</b>		<b>217.80</b>



If you require any further information in the meantime, please do not hesitate to contact me or Claire Robinson at this office

A handwritten signature in black ink, appearing to read 'R D Adamson', written over a horizontal line.

**R D Adamson**  
Supervisor

*Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics*

**Voluntary Arrangement of  
TWA Logistics Limited  
Supervisor's Summary of Receipts & Payments**

**Appendix A**

Statement of Affairs £	From 05/12/2015 To 04/12/2016 £	From 05/12/2014 To 04/12/2016 £
<b>ASSET REALISATIONS</b>		
Contributions	24,000 00	70,000 00
	<u>24,000 00</u>	<u>70,000 00</u>
<b>COST OF REALISATIONS</b>		
Nominee's Fees	NIL	9,000 00
Nominee's Disbursements	NIL	153 90
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Legal Fees	799 00	3,992 00
	<u>(9,619 00)</u>	<u>(42,465 90)</u>
	<u><u>14,381 00</u></u>	<u><u>27,534 10</u></u>
<b>REPRESENTED BY</b>		
VAT Receivable		1,381 60
Floating Charge Current		26,152 50
		<u><u>27,534 10</u></u>



MAZARS

TWA Logistics Limited - (Under a Voluntary Arrangement)

APPENDIX B

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Amount incurred in current period (£)
<b>Professional advisors' costs</b> The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them		
Legal fees and disbursements	Hlw Keeble Hawson were instructed to provide legal advice in respect of a transaction commenced by the Company and the effect this might have on the Arrangement. They were chosen based on their experience in insolvency matters. Their fees have been agreed on a time costs basis.	799
<b>Other Expenses</b>		
Supervisor's Remuneration	To manage the voluntary arrangement, and to perform those tasks required by the Proposal	8,500
Supervisor's Disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A further breakdown of the disbursements incurred in the period is provided within the body of the report.	218
<b>Total Expenses</b>		<b>9,517</b>



APPENDIX C1

**TWA Logistics Limited**  
**Company Voluntary Arrangement**

Analysis of Supervisor's time costs for the period 05/12/2015 to 04/12/2016

Classification of Work Function	Hours					Total	Time	Av
	Partner	Director	Manager	Administrator	Support	Hours	Cost	hourly Rate
Admin & Planning	3 40			2 60	0 10	6 10	£ 1,266 50	£ 207 62
Taxation				1 60		1 60	92 80	58 00
Realisation of Assets			0 30	0 80		1 10	129 80	118 00
Employees				0 10		0 10	12 70	127 00
Creditors				4 40	9 50	13 90	662 80	47 68
Reporting	1 90		0 60	5 90	0 60	9 00	1,225 60	136 18
Cashiering			0 90	6 30	1 00	8 20	915 80	111 68
Statutory & Compliance	14 90		1 00	10 60		26 50	5,492 30	207 26
<b>Total Hours</b>	<b>20 20</b>		<b>2 80</b>	<b>32 30</b>	<b>11 20</b>	<b>66 50</b>		
<b>Total Time Costs (£)</b>	<b>6,403.40</b>		<b>441 70</b>	<b>2,433 80</b>	<b>519 40</b>		<b>9,798 30</b>	
<b>Av Hourly Rate</b>	<b>317 00</b>		<b>157 75</b>	<b>75.35</b>	<b>46.38</b>			<b>147 34</b>

APPENDIX C2

**TWA Logistics Limited**  
**Company Voluntary Arrangement**

Analysis of Supervisor's time costs for the period 05/12/2014 to 04/12/2016

Classification of Work Function	Hours					Total	Time	Av
	Partner	Director	Manager	Administrator	Support	Hours	Cost	hourly Rate
Admin & Planning	3 40		1 20	3 60	0 10	8 30	£ 1,612 20	£ 194 24
Taxation				1 80		1 80	118 20	65 67
Realisation of Assets	2 50		0 80	15 90		19 20	2,897 20	150 90
Trading	1 20			0 90		2 10	494 70	235 57
Employees				0 10		0 10	12 70	127 00
Creditors			0 30	36 00	9 50	45 80	3,483 50	76 06
Reporting	6 50		2 30	28 10	9 60	46 60	5,994 20	128 60
Cashiering			1 10	7 50	13 20	21 80	2,314 20	106 16
Statutory & Compliance	30 50		9 00	26 60	0 30	66 40	13,994 30	210 76
<b>Total Hours</b>	<b>44 10</b>		<b>14 70</b>	<b>120 50</b>	<b>32 70</b>	<b>212 00</b>		
<b>Total Time Costs (£)</b>	<b>13,979 70</b>		<b>2,952 60</b>	<b>11,859 50</b>	<b>2,129 40</b>		<b>30,921.20</b>	
<b>Av Hourly Rate</b>	<b>317 00</b>		<b>200.86</b>	<b>98 42</b>	<b>65 12</b>			<b>145.85</b>

**TWA Logistics Limited**  
**Company Voluntary Arrangement**

**NARRATIVE SUMMARY OF THE SUPERVISORS' TIME COSTS  
FOR THE CURRENT REPORTING PERIOD**

**Work carried out in the current period**

**Administration and planning**

- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system,
- Filing

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. Strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

**Realisation of Assets**

Details of the main assets included under the terms of the proposal are provided within the Supervisors' report. The work involved in realising assets within the current period include:

- Monitoring and pursuing periodic income contributions in accordance with the terms of the proposal,
- Review of the Company's financial position to assess the scope for any increase in contributions.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

**Creditors**

There are approximately 99 unsecured creditor claims. Further information regarding unsecured creditor claims is included within the report.

In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Responding to any queries which arise,
- Logging creditor claims,
- Agreeing creditor claims
- Collating information from the Company records to assist with claim adjudication work.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, however, as it is expected that a dividend will be paid to unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims as detailed further below.

**Reporting**

Reporting requirements during the period as prescribed by statute have included the following:

- Reporting the outcome of any meetings,
- Annual progress reports

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

#### **Cashiering**

Cashiering work undertaken includes

- Bank account maintenance, including periodic reconciliations
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions

The majority of this work derived no financial benefit for members and creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

#### **Statutory and Compliance**

The work undertaken as required by statute and our internal procedures involves

- Case monitoring and statutory compliance, including internal case reviews

The majority of this work derived no financial benefit for members and creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

**TWA Logistics Limited – in Company Voluntary Arrangement****Rates and Disbursements Policy****Charge-out rates**

Details of the current charge-out rates of the personnel working on this case are set out below

<b>Grade of personnel</b>	<b>Range of Hourly Charge Out Rate (£)</b>
Partner	300 - 317
Director	227 - 250
Senior manager	180 - 211
Manager	155 - 211
Senior Administrator/Assistant Manager	95 - 165
Administrator	85 - 115
Junior Administrator/Trainee	58 - 75
Cashier	100 - 130

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

**Disbursements**

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

*Category 1 disbursements* These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

*Category 2 disbursements* These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the Supervisor or their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile
- Photocopying bulk circulars. Photocopying is charged at 3p per page

All other disbursements are to be reimbursed at cost.

The Supervisor reserves the right to increase the charges applicable to mileage and photocopying during the course of the Arrangement in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.