

Rule 1 26/
1 54

The Insolvency Act 1986
Notice to Registrar of
Companies of Supervisor's
Abstract of Receipts and
Payments

Pursuant to Rule 1 26(2)(b) or
Rule 1 54 of the
Insolvency Rules 1986

R.1.26(2)(b)/ R.1.54

For Official Use

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To the Registrar of Companies

Company Number

3297334

Name of Company

Phillips Limited

I / We
Neil Francis Hickling
Marmion House
3 Copenhagen Street
Worcester
WR1 2HB

supervisor(s) of a voluntary arrangement taking effect on

08 May 2009

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

08 May 2011

to

07 May 2012

Number of continuation sheets (if any) attached

Signed



Date

6 - 7 12

Smith & Williamson LLP
Marmion House
3 Copenhagen Street
Worcester
WR1 2HB

Ref: PH198/MB6

Inso

FRIDAY



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13/07/2012

#272

COMPANIES HOUSE

RECEIPTS		£
Brought forward from previous Abstract (if any)		45,893 21
Contributions		22,000 00
Bank Interest Net of Tax		6 20
Vat Control Account		2,159 96
Carried forward to * continuation sheet / next abstract		70,059 37
PAYMENTS		£
Brought forward from previous Abstract (if any)		20,871 23
Supervisor's Fees		6,778 25
Legal Fees (1)		1,900 00
Trade & Expense Creditors		19,564 97
VAT Receivable		1,735 65
Carried forward to * continuation sheet / next abstract		50,850 10

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed

**PHILLIPS LIMITED
COMPANY VOLUNTARY ARRANGEMENT
SHREWSBURY COUNTY COURT 312 OF 2009
ANNUAL REPORT TO CREDITORS FOR THE YEAR ENDED 7 MAY 2012**

Introduction

Neil Francis Hickling of Smith & Williamson LLP was appointed as Supervisor of the Company Voluntary Arrangement ("CVA") of Phillips Limited ("The Company") at the meeting of creditors held on 8 May 2009

This is the third report to the creditors since the approval of the CVA on 8 May 2009.

CVA Proposal

The basis of the CVA is that the company had a 3 month payment holiday after the approval of the CVA and was to make monthly contributions of £2,000 for a period of 5 years from August 2009 to July 2014.

The company's CVA proposal was amended in a number of ways by modifications proposed by various creditors and approved by the creditors meeting held on 8 May 2009. The principal modifications are -

- 1 Every 12 months the Supervisor is to conduct a review of the company's business income and expenditure and obtain an increase in voluntary contributions of not less than 50% of any increase in the net income after provision for any tax due
- 2 The director shall not declare or pay any dividend to the shareholders for the duration of the voluntary arrangement
- 3 The director shall not declare or pay himself additional remuneration or fees save any amounts agreed with the creditors representing 75% by value of creditors voting on the issue
- 4 The duration of the arrangement shall not exceed 63 months without the prior approval of a 75% majority in value of creditor claims voting in favour of the resolution

Supervisors Receipts & Payments Account

The Supervisors account detailing receipts and payments for the period 8 May 2011 to 7 May 2012 is attached as Appendix 1. The receipts and payments account discloses a balance of £19,209.27 as at 7 May 2012.

In the period under review, contributions received from the company total £22,000. The company has paid all the contributions due in this period.

Bank interest of £6.20 has been received in the period.

The VAT charged on the CVA expenses is being reclaimed by the company and the relevant VAT has been refunded by the company to the CVA.

Supervisor's Review of Income and Expenditure

Under the modifications approved by the creditors the supervisor is to review the company's financial statements annually to establish whether or not there are additional profits available to increase the monthly contributions.

The company's year end is 31 July and the annual review straddles two accounting periods. I have received a copy of the company's accounts for the year ended 31 July 2011 which shows that the company made a profit before tax of £12,296 compared to a profit before tax of £19,279 in the year ended 31 July 2010. The profit of £12,296 is less than the contributions to the CVA for the same period which amount to £22,000. Therefore there are no additional contributions required from the company for the period 1 August 2010 to 31 July 2011 as stipulated in the modifications to the CVA proposal.

Director's salary

The director's P60 for the tax year ended 5 April 2012 disclosed that the gross earnings before tax was £58,946.22 equivalent to a net salary of £3,400 per month, which is in line with the company's forecasts and the copy payslips which I have had sight of. The director's net salary has not increased since the approval of the CVA.

Company dividends

The company's accounts for the year ended 31 July 2011 do not disclose any payment of dividends.

Company Compliance with the CVA Proposal

In view of the above I consider that the company has complied with the terms of the CVA proposal and modifications during the year under review.

Preferential Creditors

There are no preferential claims in the CVA.

Unsecured Creditors

The company disclosed thirty seven creditors totalling £296,274.04 and fifteen claims totalling £247,032.62 have been received to date

Dividends

On 8 August 2011 a first interim dividend of 7.92 pence in the pound was paid to the unsecured creditors. It is the intention to declare and pay a second interim dividend to unsecured creditors within the next 4-6 weeks

Supervisor's Remuneration and Disbursements

Paragraph 7.1(h) of the CVA proposal approved by the meeting of creditors held on 8 May 2009 contains provision for payment of the Supervisor's remuneration on a time cost basis from funds paid over to him. The CVA proposal also provides for payments on account of the Supervisor's remuneration during the course of the CVA

Statement of Insolvency Practice (SIP9) a guidance note of best practice, concerns Insolvency Practitioners Remuneration and expenses. A time and charge out summary for the year ended 7 May 2012 in the format recommended by SIP9, is attached as Appendix 2 of this report showing that during the year 3120 hours has been spent at an average of £218.58 per hour totalling £6,819.75. The total time spent by the Supervisor and his staff in dealing with matters relating to the CVA from his appointment on 8 May 2009 to 7 May 2012 amounts to 9380 hours at an average of £191.03 per hour totalling £17,918.25

The applicable hourly rates for the year ended 7 May 2012 are as follows:-

Grade	Year Ended 30/04/2012	Year Ended 30/04/2013
	£	£
Partners & Associate Directors	295-350	325-375
Managers	195-250	210-275
Other Senior professionals	130-160	140-165
Assistants & Support Staff	50	70-75

During the year ended 7 May 2012 the Supervisor drew remuneration of £6,778.25 plus VAT. The total Supervisor's remuneration drawn since his appointment on 8 May 2009 amounts to £15,778.25 plus VAT

Category 2 Disbursements

Paragraph 7 1(h) of the CVA approved by the meeting of creditors held on 8 May 2009 also contained provision of the following category 2 disbursements.

- 1 Postage at actual costs
- 2 Photocopying at 10 pence per sheet
- 3 Storage of up to £10 per box per annum

No category 2 disbursements were paid in the year to 7 May 2012

Summary of the CVA to date

During the period of this review the company has complied with the terms of the proposal. I am of the opinion that there should be no increase at present in the quantum of the monthly contributions that the company is making, but this will be reviewed again once the accounts for the year ended 31 July 2012 are available.

A first interim dividend was paid to the unsecured creditors during the period under review, and it is the intention to pay a second dividend to unsecured creditors within the next 4-6 weeks.

If you wish to discuss any matters arising from this report please contact my manager Marina Bray.



N F Hickling
Supervisor

5 July 2012