

Rule 126/  
154

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

Pursuant to Rule 126(2)(b) or  
Rule 154 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  
No 1 St Swithin Street  
Worcester  
WR1 2PY

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 2009


to

07 May 2010

Number of continuation sheets (if any) attached

☐

Signed

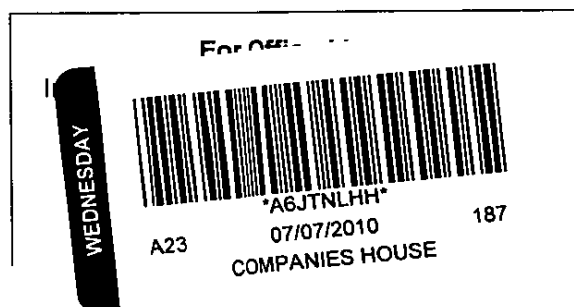


Date

02 JUN 2010

Smith & Williamson Limited  
No 1 St Swithin Street  
Worcester  
WR1 2PY

Ref PH198/RAH



<b>RECEIPTS</b>		<b>£</b>
Brought forward from previous Abstract (if any)		0 00
Contributions		18,000 00
Bank Interest Net of Tax		1 39
Vat Control Account		987 57
Carried forward to * continuation sheet / next abstract		18,988 96
<b>PAYMENTS</b>		<b>£</b>
Brought forward from previous Abstract (if any)		0 00
Specific Bond		264 00
Nominee's fee		6,298 25
Supervisor's Fees		1,500 00
Supervisor's Expenses		21 58
VAT Receivable		1,250 07
Carried forward to * continuation sheet / next abstract		9,333 90

\* 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 2010**

**Introduction**

Neil Francis Hickling of Smith & Williamson Limited 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 first report to the creditors since the approval of the CVA on 8 May 2009

The shareholders Neil Christopher Phillips (sole director and his wife Henrietta Josephine Phillips both entered into Individual Voluntary Arrangements on the same date.

When the CVA was approved, the company traded from leasehold premises at Park House, 41 Park Street, Wellington, Telford, TF1 3AE On 9 April 2010 the company moved to leasehold premises at Suite 1, Kingsland House, Stafford Park 1, Telford, TF3 3BD

**CVA Proposal**

The basis of the CVA is that the company had a 3 month payment holiday 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 receipts and payments account detailing receipts and payments for the period 8 May 2009 to 7 May 2010 is attached as Appendix 1 The receipts and payments account discloses a balance of £11,919 03 as at 7 May 2010

Contributions received from the company amount to a total of £20,000 for the months of August 2009 through to May 2010

### **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 were 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 2009 which shows that the company made a loss of £347,897, compared to a loss of £34,506 in the year ended 31 July 2008. The loss includes a one off write down of goodwill amounting to £300,000 and the write off of a bad debt amounting to £75,000.

I have also received a copy of the company's management accounts for the period 1 August 2009 to 30 April 2010. These accounts show that in that period the company made a net profit after tax of £18,375, before the contributions to the CVA in that period which totalled £18,000. This leaves a profit of £375 for the 9 month period.

The management accounts include a dilapidations reserve for the company's premises at Park House of £5,000 and a bad debt provision of £4,000. I have requested explanations from the company in respect of these provisions and following receipt of that information I will make an assessment of the requirement to increase the company's monthly contribution to the CVA. Based on the management accounts received it would not be appropriate to increase the monthly contribution and it is my intention to conduct a further review of the company's income and expenditure once the accounts for the year ended 31 July 2010 become available.

### **Director's salary**

The company's forecasts for the period from March 2009 to February 2010 included director's salary net of deductions of £3,400 per month. The director's P60 for the tax year ended 5 April 2010 discloses that salary was paid in accordance with the company's forecast. The director's payslips for April and May 2010 disclose that the salary continues to be paid at the same rate.

### **Company dividends**

The company's accounts for the year ended 31 July 2009 do not disclose any payment of dividends. Similarly there are no dividend payments shown in the company's management accounts for the period from August 2009 to April 2010.

### **Company Compliance with the CVA Proposal**

In view of the above I consider that the company has complied with the terms of the modified proposals during the year under review.

### **Preferential Creditors**

There are no preferential claims in the CVA.

### **Unsecured Creditors**

The company disclosed creditors totalling £296,274 and twelve claims totalling £234,730 have been received to date. The company disclosed creditors with outstanding balances of £78,629.16 who have yet to prove in the CVA.

### **Nominee's Remuneration**

The CVA proposal advised that the Nominee's fee was £7,500 plus VAT and a fee of £6,298 25 plus VAT has been paid on account

### **Supervisor's Remuneration and Disbursements**

Statement of Insolvency Practice (SIP9) a guidance note of best practice, concerns Insolvency Practitioners Remuneration and expenses SIP9 was revised with effect from 31 December 2002 after which date it was recommended that Insolvency Practitioners should provide a detailed analysis of their time costs A time and charge out summary for the year ended 7 May 2010 in the format recommended by SIP9, is attached as Appendix 2 of this report showing that during the year 21 75 hours has been spent at an average of £190 87 per hour totalling £4,151 50

The applicable hourly rates from 8 May 2009 are -

Grade	Year Ended 30/04/2010 £	Year Ended 30/04/2011 £
Directors and assistant directors	295-350	295-350
Managers	195-250	195-250
Other Senior professions	130-160	130-160
Assistants & Support Staff	50	50

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

During the year ended 7 May 2010 the Supervisor drew remuneration of £1,500 plus VAT on account of time costs totalling £4,151 50

### **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 have been paid during the year ended 7 May 2010

### **Summary of the CVA to date**

During the period of this review the company has complied with the terms of the modified proposals. 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 2010 are available.

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



N F Hickling  
Supervisor

5 July 2010

**Voluntary Arrangement of  
Phillips Limited**

Statement of Affairs	From 08/05/2009 To 07/05/2010	From 14/04/2009 To 07/05/2010
<b>ASSET REALISATIONS</b>		
Contributions	20,000 00	20,000 00
Bank Interest Net of Tax	2 86	2 86
	<u>20,002 86</u>	<u>20,002 86</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	264 00	264 00
Nominee's fee	6,298 25	6,298 25
Supervisor's Fees	1,500 00	1,500 00
Supervisor's Expenses	21 58	21 58
	<u>(8,083 83)</u>	<u>(8,083 83)</u>
	<u><u>11,919 03</u></u>	<u><u>11,919 03</u></u>
<b>REPRESENTED BY</b>		
VAT Receivable		1,250 07
Bank 1 - Deposit		11,656 53
Vat Control Account		<u>(987 57)</u>
		<u><u>11,919 03</u></u>

  
 Neil Francis Hickling  
 Supervisor

PHILLIPS LIMITED- IN COMPANY VOLUNTARY ARRANGEMENT

TIME AND CHARGE-OUT SUMMARY

Classification of work function	Hours					Time Cost £	Average Hourly Rate
	Directors & associate directors	Managers & assistant managers	Other Professionals	Support Staff	Total Hours		
Time prior to 31 December 2002	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Administration and Planning	1 50	8 00	7 25	0 00	16 75	3,426 50	204 57
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	2 00	3 00	0 00	5 00	725 00	145 00
Total Hours	1 50	10 00	10 25	0 00	21 75	4,151 50	190 87
Total Fees Claimed £	525 00	2,452 50	1,174 00	0 00		4,151 50	