

Rule 1 26A/1 54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress Report

Pursuant 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

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To the Registrar of Companies

Company Number

03382101

Name of Company

Oldham F M Limited

I / We

Stephen Gerard Clancy
The Chancery
58 Spring Gardens
Manchester, M2 1EW

Sarah Helen Bell
The Chancery
58 Spring Gardens
Manchester
M2 1EW

supervisor(s) of a voluntary arrangement taking effect on

13 December 2011

Attach my progress report for the period

13 December 2012

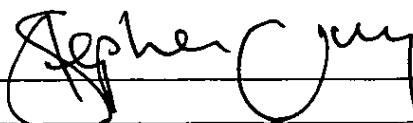
to

12 December 2013

Number of continuation sheets (if any) attached

☐

Signed



Date 7 FEBRUARY 2014

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester, M2 1EW

Ref FMO035/SUC/SB/EQY/RXE/PUB

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Insolvency Section

Post Room

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COMPANIES HOUSE

7 February 2014

Annual Progress Report to Creditors Oldham F.M.Limited (under a Voluntary Arrangement)

*Joint Supervisors Annual Progress Report to Creditors
for the period from 13 December 2012 to 12 December 2013
pursuant to Rule 1 26A(4) of the Insolvency Rules 1986, as amended*

**Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	13 December 2011, being the date of appointment of the Joint Supervisors
the Company	Oldham F M Limited (under a Voluntary Arrangement) (Company Number 03382101)
CVA	Company Voluntary Arrangement
the Former Director	Stephen Penkethman, formerly a director of the Company
Duff & Phelps	Duff & Phelps Ltd
the First Progress Report	The Joint Supervisors first progress report to creditors dated 12 February 2013
HMRC	HM Revenue and Customs
the Joint Supervisors	Stephen Clancy and Sarah Bell of Duff & Phelps The Chancery, 58 Spring Gardens, Manchester, M2 1EW
the New Director	Matthew Ramsbottom, the current Director of the Company
the Proposal	The Director's Proposal to Creditors dated 18 October 2011
the Reporting Period	The reporting period from 13 December 2012 to 12 December 2013
the Rules	The Insolvency Rules 1986 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements

Contents

- 1 Introduction
- 2 Background
- 3 Asset Realisations
- 4 Reporting Period Developments
- 5 Creditors' Claims
- 6 Dividend Prospects
- 7 Joint Supervisors' Costs and Expenses
- 8 Future Prospects and Conclusion
- 9 Next Report

Appendices

- 1 Joint Supervisors' Receipts and Payments Account
- 2 Analysis of Time Costs
- 3 Proof of Debt Form

1. Introduction

- 1 1 Joint Supervisors were appointed to oversee the Company's voluntary arrangement at the meetings of the Company's creditors and members held on 13 December 2011
- 1 2 Pursuant to Rule 1 26A of the Rules, the Joint Supervisors write to provide you with their second progress report on the voluntary arrangement. The purpose of this report is to provide creditors with an update of and prospect of the voluntary arrangement being implemented in full, together with an account of any developments that have occurred in the Reporting Period
- 1 3 Please find attached at Appendix 1 the Joint Supervisors' receipts and payments account for the Reporting Period
- 1 4 This report should be read in conjunction with the First Progress Report

2. Background

- 2 1 The nature of the Company's financial position and the events leading up to the convening of the meetings of members and creditors are detailed in full within the Proposal
- 2 2 Details surrounding the appointment of the Joint Supervisors and events in the first year of the arrangement were included in the First Progress Report
- 2 3 Since the Appointment Date, the Company has continued to trade whilst making monthly contributions in line with the approved Proposal agreed with the modifications proposed by HMRC

3. Asset Realisations

CVA Contributions

- 3 1 The Proposal stated that the Company would continue to trade, making total contributions of £139,200 to the arrangement over a period of five years. The Joint Supervisors will hold these contributions on trust and ultimately distribute the proceeds to creditors, subject to costs. The total of these distributions, required to be 53 pence in the pound under the modifications proposed by HMRC, will represent a full and final settlement of creditors' indebtedness as at the Appointment Date
- 3 2 Please note that the total amount to be distributed to creditors is subject to the Joint Supervisors' fees and disbursements, initially estimated at £5,000 per annum as detailed in the Proposal. However as previously reported, the Joint Supervisors are able to draw their fees in line with time properly spent on the case and will seek the recovery of their time costs in full prior to distributing to creditors
- 3 3 A total of £23,625 has been received in the Reporting Period in respect of contributions made by the Company and this is reflected in the Joint Supervisors' Receipts and Payments Account at Appendix 1
- 3 4 The Company has since made a further payment of £2,625 in respect of the January 2014 contribution. This has not been reflected in the Joint Supervisors' receipts and payments account as this receipt falls outside the Reporting Period

Bank Interest

- 3 5 The Joint Supervisors have realised £52 of gross bank interest in the Reporting Period

3 6 No other assets have been realised in the Reporting Period

4. Reporting Period Developments

Proposal Variation

- 4 1 During the Reporting Period, the Company proposed a variation to the existing arrangement, whereby the monthly contributions for August, September and October of 2013 would be postponed to the end of the arrangement
- 4 2 This variation was proposed in light of cash flow difficulties that were affecting the business at that time. The Joint Supervisors assisted the Company in reviewing its financial position and prepared a variation report which was presented to the creditors of the arrangement
- 4 3 The proposed variation was distributed to creditors in a report dated 31 July 2013. The variation was subsequently approved at a meeting of creditors on 27 August 2013. The Joint Supervisors confirmed the approval of these modifications in a letter to creditors dated 28 August 2013
- 4 4 The Company recommenced the monthly trading contributions in November 2013 and have paid all other contributions as they have fallen due

Acquisition of the Company

- 4 5 The Joint Supervisors understand that Credible Media Limited completed the acquisition of the share capital of the business on 8 January 2014. Although this transaction was completed outside the Reporting Period, it is a matter considered reportable to creditors
- 4 6 For the avoidance of doubt, the Company remains bound by the terms of the voluntary arrangement, irrespective of the new owners of the business. As such, monthly contributions will continue to be made by the Company as previously outlined in the Proposal and subsequent variation approved on 27 August 2013
- 4 7 It is understood that the Former Director will have no further involvement with the business going forward. It is also understood that the Company and Credible Media Limited are unconnected
- 4 8 The Joint Supervisors will continue to liaise with the New Director to ensure continued compliance with the terms of the arrangement

5. Creditors' Claims

- 5 1 Steps have not been taken at this stage to agree creditor claims
- 5 2 The final level of adjudicated creditor claims will determine any additional contributions that may be required over the course of the arrangement to ensure the de minimis return of 53 pence in the pound is met. In order to establish the level of creditor claims in the arrangement, the Joint Supervisors are requesting all creditors to submit details of their claim in the voluntary arrangement for adjudication
- 5 3 A proof of debt form has been attached at Appendix 3. Please complete this form and return to this office no later than 28 February 2014, together with supporting documentation

6. Dividend Prospects

- 6 1 The Company has continued to make contributions in line with the terms of the arrangement approved by creditors with modifications and the subsequent variation approved at the meeting of creditors held on 27 August 2013

- 6 2 It is anticipated that provided the Company continues to make payments in line with the terms of the arrangement, there will be sufficient funds with which to make a distribution to the arrangement creditors of 53 pence in the pound, which is the dividend required under the modifications proposed by HMRC
- 6 3 As noted above the Joint Supervisors have not taken steps to agree claims at this time, although are now requesting creditors to submit full details of their claim. Following a review of all claims received, the Joint Supervisors will assess if any additional contributions are required to be made by the Company for the remainder of the voluntary arrangement
- 6 4 The Joint Supervisors intend to make an interim distribution to arrangement creditors and shall contact creditors separately in this regard

7. Joint Supervisors' Costs and Expenses

- 7 1 A breakdown of the Joint Supervisors time costs in this matter have been attached at Appendix 2 in accordance with SIP 9. Time costs incurred during the Reporting Period total £18,843. The Joint Supervisors have drawn fees of £5,000 during the Reporting Period. These relate to the Supervisors' fees for the first year of the voluntary arrangement and were disclosed in the First Progress Report
- 7 2 A total of £29,018 has been incurred over the course of the entire voluntary arrangement to the end of the Reporting Period
- 7 3 In accordance with SIP 9, the Joint Supervisors have provided commentary on the key areas where time costs have been incurred during the Reporting Period
- 7 4 Time costs totalling £6,989 has been spent dealing with General Admin and General Correspondence. Much of this time relates to dealing with financial information, cash flow reviews and correspondence with key stakeholders leading up to the variation report being completed. This time was necessary to establish the true nature of the financial difficulties facing the Company and to assist in the preparation of an appropriate strategy to submit to creditors whereby trade and contributions could be continued. A proportion of this time also represents time spent in dealing with day to day case administration
- 7 5 Under the heading Statutory Matters (Meetings & Reports & Notices), time costs of £5,200 have been incurred. This relates to time spent in preparing the First Progress Report, as well as preparing the variation report to creditors. In addition, time was spent preparing the relevant documents required for the meeting of creditors held on 27 August 2013
- 7 6 Time costs of £3,237 has been spent under the heading Strategy Planning and Control. This represents time in completing formal periodical reviews on the case, as well as completing monthly reviews of the financial position of the Company
- 7 7 Time spent on other areas of the cases total £3,417. These time costs relate to various matters including case maintenance, dealing with creditors and meetings held during the Reporting Period
- 7 8 Please note that the Joint Supervisors have drawn a fee of £5,000. This was drawn outside of the Reporting Period and as such is not included in the Joint Supervisors' receipts and payments account at Appendix 1
- 7 9 The First Progress Report advised creditors that the Joint Supervisors are entitled to draw remuneration a time costs basis

7 10 The Joint Supervisors will seek to recover their time costs at a later date in the arrangement

8. Future Prospects and Conclusion

8 1 Following the acquisition of the Company, the New Director of the Company believes that the business will be able to continue as a going concern, making monthly contributions in line with the terms of the existing arrangement

8 2 In consideration of their duties under the modifications proposed by HMRC, the Joint Supervisors have conducted a review into the current financial position of the business to assess if the Company is in a position to make any additional contributions to the arrangement

8 3 Following the completion of this review, the Joint Supervisors are of the opinion that there is no scope for increasing the level of monthly contributions at this time. However, additional contributions will be demanded if following a review of all creditor claims, there are insufficient contributions to be made over the course of the arrangement to meet the de minimis return of 53 pence in the pound

8 4 The Joint Supervisors will continue to ensure that the Company continues to make its monthly contributions and monitor the financial position of the business

8 5 The Company appears to have addressed the financial difficulties experienced when the variation report was submitted to creditors and since then has made contributions to date in a timely manner. The Joint Supervisors believe that provided this continues and the financial position of the Company is adequately managed by the New Director, there is a good prospect of the arrangement being implemented in full

8 6 Following the variation to the Proposal, the voluntary arrangement is due to terminate on 12 March 2017. Provided that the terms of the arrangement are met, the Joint Supervisors will send a notice to all prescribed persons that the arrangement has been fully implemented, together with their final report in the matter

8 7 Following the completion of the arrangement, the Joint Supervisors will take steps to make a final distribution to all arrangement creditors, upon completion of which their involvement in the Company will cease

9. Next Report

9 1 The Joint Supervisors are required to provide a progress report within two months of the end of the anniversary of the Appointment Date. The next report will be provided no later than 12 February 2015

9 2 If you have any queries regarding the contents of this report then please contact my colleague Pete Broadbent


Stephen Clancy
Joint Supervisor

Appendix 1

Joint Supervisors' Receipts and Payments Account

Voluntary Arrangement of Oldham F.M.Limited

Statement of Affairs		From 13/12/2012 To 12/12/2013	From 13/12/2011 To 12/12/2013
	ASSET REALISATIONS		
2,500 00	Fixed Assets	NIL	NIL
15,000 00	Debtors	NIL	NIL
10,312 00	Cash at Bank	NIL	NIL
	Debtor Contributions	23,625 00	36,825 00
	Bank Interest Gross	51 85	60 14
		<u>23,676 85</u>	<u>36,885 14</u>
	COST OF REALISATIONS		
	Supervisors' remuneration	5,000.00	5,000 00
	Supervisors' disbursements	212 00	212 00
	Bank Charges	2 13	2 13
		<u>(5,214 13)</u>	<u>(5,214 13)</u>
	PREFERENTIAL CREDITORS		
(5,000 00)	Employee Arrears/Hol Pay	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(100,000 00)	National Westminster Bank Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(154,404 00)	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(850,000 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(1,081,592.00)		<u>18,462.72</u>	<u>31,671.01</u>
	REPRESENTED BY		
	Main current account		31,671 01
			<u>31,671.01</u>

Stephen Gerard Clancy
Joint Supervisor

Appendix 2

Analysis of Time Costs

ANALYSIS OF TIME COSTS FOR THE PERIOD 13/12/2012 to 12/12/2013

CVA-Comp Vol Arrangement - Supvr

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Cashiering & accounting	0 00	0 00	0 80	2 20	0 00	3 00	545 50	181 83
Financial review	0 00	0 00	0 00	3 40	0 00	3 40	918 00	270 00
General admin	3 80	5 00	0 60	1 00	0 00	10 40	4,363 00	419 52
General correspondence	0 00	0 50	0 00	9 40	0 50	10 40	2,626 00	252 50
Meetings	2 10	0 00	0 00	0 00	0 00	2 10	1 060 50	505 00
Statutory matters (Meetings & Reports & Notices)	0 80	2 90	0 00	16 25	0 00	19 95	5 200 00	260 65
Strategy planning & control	0 00	5 50	2 40	1 50	0 00	9 40	3,237 00	344 36
Creditors								
Unsecured creditors	0 00	0 00	0 00	0 50	0 00	0 50	135 00	270 00
Realisation of Assets								
Sale of business	1 50	0 00	0 00	0 00	0 00	1 50	757 50	505 00
Total Hours	8 20	13 90	3 80	34 25	0 50	60 65		310 68
Total Fees Claimed	4,141 00	5,537 50	1,085 50	8,023 50	55 00		18,842 50	

Category 2 Disbursements

38676 OLDHAM F M LIMITED - FMO035

ANALYSIS OF TIME COSTS FOR THE PERIOD 13/12/2011 to 12/12/2013

CVA-Comb Vol Arrangement - Supvr

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Cashiering & accounting	0 00	0 70	1 10	5 50	0 00	7 30	1 497 00	205 07
Financial review	0 40	0 00	2 30	5 20	0 00	7 90	2 119 00	268 23
General admin	4 20	5 00	0 60	1 20	0 00	11 00	4 576 00	416 00
General correspondence	2 00	1 10	0 00	16 10	0 50	19 70	5 068 00	257 26
IPS set up & maintenance	0 00	0 50	0 00	0 00	0 00	0 50	170 00	340 00
Meetings	2 10	0 00	0 00	0 00	0 00	2 10	1 060 50	505 00
Statutory matters (Meetings & Reports & Notices)	1 50	3 70	0 00	16 35	0 00	21 55	5 827 00	270 39
Strategy planning & control	0 00	6 60	12 90	5 30	0 00	24 80	7 293 00	294 07
Creditors								
Unsecured creditors	0 00	0 00	0 40	1 50	0 00	1 90	441 00	232 11
Realisation of Assets								
Sale of business	1 50	0 00	0 00	0 00	0 00	1 50	757 50	505 00
Trading								
Trading - Accounting	0 00	0 00	0 00	0 30	0 00	0 30	57 00	190 00
Trading - Operations	0 00	0 00	0 00	0 80	0 00	0 80	152 00	190 00
Total Hours	11 70	17 60	17 30	52 25	0 50	99 35		292 08
Total Fees Claimed	5,821 00	6,835 50	4,895 50	11,411 00	55 00		29,018 00	

Category 2 Disbursements

Appendix 3

Proof of Debt Form



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PROOF OF DEBT - GENERAL FORM

In the matter of Oldham F M Limited
and in the matter of The Insolvency Act 1986

Date of VA – 13 December 2011

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

