

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 2014

to

12 December 2015

Number of continuation sheets (if any) attached

☐

Signed



Date

5/2/16

Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London, SE1 9SG

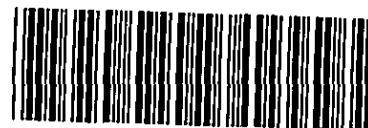
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Insolvency Section

Post Room

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COMPANIES HOUSE

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5 February 2016

# 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 2013 to 12 December 2014  
pursuant to Rule 1 26A(4) of the Insolvency Rules 1986, as amended*

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

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## 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 or the Arrangement	Company Voluntary Arrangement
the Director	Matthew Ramsbottom, the current 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 Proposal	The Director's Proposal to Creditors dated 18 October 2011
the Reporting Period	The reporting period from 13 December 2014 to 12 December 2015
the Rules	The Insolvency Rules 1986 (as amended)
the Second Progress Report	The Joint Supervisors' second progress report to creditors dated 7 February 2014
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
the Third Progress Report	The Joint Supervisors' third progress report to creditors dated 6 February 2015

## **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 The 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 fourth progress report on the Voluntary Arrangement. The purpose of this report is to provide creditors with an update on 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, the Second Progress Report and the Third 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, second and third years of the Arrangement were included in the previous reports
- 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 Joint Supervisors over a period of five years. The Joint Supervisors will hold these contributions on trust and will ultimately distribute the proceeds to creditors, subject to costs. The total of these distributions, which are 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 has been previously reported, the Joint Supervisors are able to draw their fees in line with time properly spent on the case and may seek the recovery of their time costs in full prior to distributing to creditors
- 3 3 A total of £31,500 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 2016 contribution. This has not been reflected in the Joint Supervisors' Receipts and Payments Account as this receipt falls outside the Reporting Period

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**Gross Bank Interest**

- 3 5 The Joint Supervisors have realised £130 of gross bank interest in the Reporting Period
- 3 6 No other assets have been realised in the Reporting Period

**4. Reporting Period Developments**

- 4 1 Following the approved modifications to the Proposal and acquisition of the Company in the second year of the Arrangement, there have been no further developments of note that require consideration in the Reporting Period
- 4 2 The Company has continued to make monthly contributions at a rate of £2,625 per month as was detailed in the Proposal
- 4 3 The Company has not been in a position to enhance contributions to date and therefore all contributions have been made at the level originally set out in the Proposal
- 4 4 However, since the Reporting Period end the Joint Supervisors have issued a modification proposal to creditors dated 19 January 2016, as well as a notice of a creditors meeting
- 4 5 The Director has been able to secure external funding of £30,000 for the purpose of making a settlement offer to creditors to bring the CVA to an immediate conclusion. The inherent risks of trading under a CVA are high and the Director has found difficulty in securing favourable trading terms with suppliers. He therefore believes an early termination of the arrangement is crucial to secure the long term trading prospects of the Company
- 4 6 The proposed modification is for creditors to accept a lower de minimis return of 32 pence in the pound and to bring the CVA to an earlier conclusion than currently outlined in the Proposal. A meeting of creditors is to be held at the offices of Duff & Phelps, The Chancery, 58 Spring Gardens, Manchester, M2 1EW, on 11 February 2016 at 10 00am to consider the resolutions. Creditors will receive correspondence surrounding the outcome of the meeting thereafter
- 4 7 Were trading to continue under the CVA and the financial position of the business to deteriorate, it is likely that the Company would ultimately be placed into Liquidation, and it would be unlikely that any return would be made to creditors in such circumstances
- 4 8 In the interim, the Joint Supervisors will continue to monitor the progress of the Arrangement and ensure that the Company continues to comply with the terms of the Arrangement

**5. Creditors' Claims**

- 5 1 The Joint Supervisors declared a first dividend to CVA creditors on 27 May 2015. The total amount distributed was £45,000 against the admitted creditor claims of £231,347, a return of 19.45 pence in the pound
- 5 2 A further dividend will be made subject to the outcome of the creditor meeting to be held on 11 February 2016
- 5 3 If you have yet to submit your claim in the Arrangement, please complete the proof of debt form at Appendix 3 and return it to this office, with supporting documentation, at the earliest opportunity

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**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 A further dividend will be made subject to the outcome of the creditors meeting to be held on 11 February 2016
- 6 3 The Company will be able to arrange remittance of a contingent loan of £30,000 to the CVA estate. Were the proposed resolution to be accepted, these monies would be utilised to make a second and final distribution to the creditors bound by the CVA and allow the Company to exit the CVA early. A final distribution will amount to approximately 12.55 pence in the pound and therefore total distributions to creditors will be 32 pence in the pound.
- 6 4 Were the proposed resolutions at this meeting to be rejected, additional contributions will be required to ensure that the Company meets the de minimis return to creditors.
- 6 5 It would then be necessary for the Joint Supervisors to revert to the Director and negotiate any revised structure for the Arrangement, including duration and future contribution levels.

**7. Joint Supervisors' Costs and Expenses**

- 7 1 A breakdown of the Joint Supervisors' time costs in this matter has been attached at Appendix 2 in accordance with SIP 9. Time costs incurred during the Reporting Period total £10,847, a total of 34 hours at an average rate of £319 per hour. The Joint Supervisors have drawn fees of £7,500 during the Reporting Period, in addition to disbursements of £22.
- 7 2 Total time costs of £55,490 have been incurred over the course of the entire Voluntary Arrangement to the end of the Reporting Period. Remuneration drawn over the course of the Arrangement totals £17,500.
- 7 3 Time costs charged over the course of the Arrangement are higher than originally anticipated. The Joint Supervisors have been required to spend time dealing with unforeseen issues arising in the Arrangement, including the modification to the Arrangement in year two, liaising with relevant parties whilst the business was sold in January 2014 and other ad hoc meetings with the Director and management.
- 7 4 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 5 Time costs of £2,616 have been spent under the heading Strategy Planning and Control. This represents time in completing formal periodical reviews on the case and general monitoring of the progression of the case.
- 7 6 Under the heading Statutory Matters (Meetings & Reports & Notices), time costs of £1,744 have been incurred. This relates to time spent in preparing the Third Progress Report, as well as the completion of additional statutory matters in connection with the case.
- 7 7 A total of £1,437 has been spent in respect of Cashiering and Accounting. This relates to the time spent dealing with the Arrangement bank account including bank reconciliations, payments and journals for receipts of funds.
- 7 8 The Joint Supervisors have incurred time costs of £2,980 dealing with non-preferential creditors. This mainly represents time spent dealing with the interim distribution and adjudication of creditor claims.

- 7 9 Time spent on other areas of the case total £2,041. These time costs relate to various matters including case maintenance, review of Company accounts and trading performance, review of correspondence received in connection with the case and any other issues that have arisen in the Reporting Period.
- 7 10 Creditors have previously been advised that the Joint Supervisors are entitled to draw remuneration on a time costs basis. The Joint Supervisors will seek to recover their outstanding time costs at a later date in the Arrangement.
- 7 11 The Joint Supervisors have incurred expenses in the Reporting Period and these are detailed in Appendix 2.

## **8. Future Prospects and Conclusion**

- 8 1 Although the Company has continued to make the required contributions over the course of the Reporting Period in full, the Company is now seeking to vary the terms of the Arrangement.
- 8 2 The Director has secured external funding of £30,000 contingent on agreeing a settlement with creditors for a lower dividend return and an early exit from the CVA.
- 8 3 The meeting of creditors to consider the variation proposals is to be held on 11 February 2016.
- 8 4 If the variation proposals are rejected the Company will be required to extend the period of the CVA, as they are currently not in a position to enhance their level of contributions.
- 8 5 In the interim 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 6 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 they will take the formal steps required to bring the CVA to a conclusion.

## **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 2017, or earlier in the event the CVA is able to conclude prior to the next anniversary.
- 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 13/12/2014 To 12/12/2015	From 13/12/2011 To 12/12/2015
	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	31,500.00	99,825 00
	Bank Interest Gross	130.20	297 42
		31,630 20	100,122.42
	COST OF REALISATIONS		
	Supervisors' remuneration	7,500.00	17,500 00
	Supervisors' disbursements	21.75	255 05
	Statutory Advertising	84.60	84.60
	Bank Charges	0 74	3.24
		(7,607.09)	(17,842 89)
	PREFERENTIAL CREDITORS		
(5,000.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(100,000.00)	National Westminster Bank Plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(154,404 00)	Trade & Expense Creditors	NIL	NIL
	CVA Creditor Distribution 19.45p/£	45,000 00	45,000.00
		(45,000 00)	(45,000.00)
	DISTRIBUTIONS		
(850,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(1,081,592.00)</b>		<b>(20,976.89)</b>	<b>37,279.53</b>
	REPRESENTED BY		
	VAT receivable		16 92
	Main current account		37,262.61
			<b>37,279.53</b>

**Appendix 2**

**Analysis of Time Costs**

38676 OLDHAM F M LIMITED - FMO035

ANALYSIS OF TIME COSTS FOR THE PERIOD 23/12/2014 to 10/12/2015

CVA-Comp Vol Arrangement - Supvr

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Cashiering & accounting	0 00	0 20	1 30	4 55	0 00	6 05	1,436 50	237 44
Financial review	0 00	0 00	0 00	1 50	0 00	1 50	502 50	335 00
General admin	0 60	0 30	0 00	0 00	0 00	0 90	444 00	493 33
General correspondence	0 00	0 00	0 00	1 50	0 00	1 50	502 50	335 00
IPS set up & maintenance	0 00	0 90	0 75	0 00	0 00	1 65	591 75	358 64
Statutory matters (Meetings & Reports & Notices)	0 00	0 75	0 00	4 80	0 00	5 55	1,774 25	319 68
Strategy planning & control	1 60	0 70	0 00	4 40	0 00	6 70	2,616 00	390 45
<b>Creditors</b>								
Unsecured creditors	0 00	0 00	0 00	10 20	0 00	10 20	2,979 50	292 11
<b>Total Hours</b>	<b>2 20</b>	<b>2 85</b>	<b>2 05</b>	<b>26 95</b>	<b>0 00</b>	<b>34 05</b>		<b>318 56</b>
<b>Total Fees Claimed</b>	<b>1,166 00</b>	<b>1,185 75</b>	<b>641 75</b>	<b>7,853 50</b>	<b>0 00</b>		<b>10,847 00</b>	

38676 OLDHAM F M 'LIMITED - FMO035

ANALYSIS OF TIME COSTS FOR THE PERIOD 11/05/2011 to 10/12/2015

CVA-Comp Vol Arrangement - Supvr

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Cashiering & accounting	0 00	1 00	2 80	12 85	0 00	16 65	3,531 00	212 07
Financial review	0 40	0 00	2 30	10 30	0 00	13 00	3,647 50	280 58
General admin	5 50	5 90	0 60	4 60	0 00	16 60	6,263 50	377 32
General correspondence	2 00	1 80	0 00	21 60	0 50	25 90	6,944 50	268 13
IPS set up & maintenance	0 00	1 40	0 75	0 00	0 00	2 15	761 75	354 30
Meetings	2 10	2 50	0 00	3 00	0 00	7 60	2,965 50	390 20
Statutory matters (Meetings & Reports & Notices)	2 60	6 15	0 50	27 75	0 00	37 00	10,921 75	295 18
Strategy planning & control	1 60	15 00	12 90	11 50	0 00	41 00	13,571 50	331 01
<b>Creditors</b>								
Unsecured creditors	0 00	2 00	0 40	19 05	0 00	21 45	5,916 50	275 83
<b>Realisation of Assets</b>								
Sale of business	1 50	0 00	0 00	0 00	0 00	1 50	757 50	505 00
<b>Trading</b>								
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
<b>Total Hours</b>	<b>15 70</b>	<b>35 75</b>	<b>20 25</b>	<b>111 75</b>	<b>0 50</b>	<b>183 95</b>		<b>301 66</b>
<b>Total Fees Claimed</b>	<b>7,941 00</b>	<b>14,405 25</b>	<b>5,807 75</b>	<b>27,281 00</b>	<b>55 00</b>		<b>55,490 00</b>	

**Oldham F M Limited (Under a Voluntary Arrangement)**  
**Joint Supervisors' Expenses**

Company	Activity	Fee Basis	Reporting Period	
			Incurring	Amount Paid
			(£)	(£)
Courts' Advertising	Statutory Advertising	Fixed Fee	84 60	84 60
The Royal Bank of Scotland	Bank Charges	Charged in accordance with the existing facilities	0 74	0 74
<b>TOTAL</b>			<b><u>£85 34</u></b>	<b><u>£85 34</u></b>

The Joint Supervisors' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee

**Appendix 3**

**Proof of Debt Form**

**Proof of Debt -**

**General Form**      Date of Voluntary Arrangement 13 December 2011

**CVA  
Form  
4 25**

1	Name of Creditor (If a company please also give company registration number)	
2	Address of Creditor for correspondence	
3	Total claim as at  Date of Voluntary Arrangement 13 December 2011  Include any Value Added Tax and outstanding uncapitalised interest	REF £
4	Attach details of any documents by reference to which the debt can be substantiated [eg statement, judgment]	
5	If total amount above includes outstanding uncapitalised interest, please state amount	£
6	Particulars of how and when debt incurred, (if you need more space attach a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Nominee / Supervisor	Supervisor