

Rule 1 29/1.54

The Insolvency Act 1986

Notice to Registrar of
Companies of Completion or
Termination of Voluntary
Arrangement

**R.1.29/
R.1.54**

Pursuant to Rule 1 29 or Rule
1.54 of the Insolvency Rules
1986

For Official Use

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To the Registrar of Companies

Company Number

03654663

(a) Insert full name of

Name of Company

Martin Stockley Associates Limited

(b) Insert full name and
Address

We Gary N Lee
009204
340 Deansgate
Manchester
M3 4LY

Paul W Barber
009469
340 Deansgate
Manchester
M3 4LY

(c) Insert date

(d) Delete as applicable

the supervisors of a voluntary arrangement which took effect on (c) 27 June 2011,
enclose a copy of our notice to the creditors and members of the above-named company
that the voluntary arrangement has terminated (d), together with a report of our receipts
and payments

Signed



Date 07 March 2013

Presenter's reference, name and
address (if any)

MA235CVA
Begbies Traynor (Central) LLP
340 Deansgate
Manchester
M3 4LY

For Official Use

Liquidation Section

Post Room

MONDAY




A03 11/03/2013 #194
COMPANIES HOUSE

**MANCHESTER DISTRICT REGISTRY
HIGH COURT OF JUSTICE
CHANCERY DIVISION
No 989 of 2011**

**IN THE MATTER OF
MARTIN STOCKLEY ASSOCIATES LIMITED
and
IN THE MATTER OF THE INSOLVENCY ACT AND RULES 1986**

Notice to Creditors Pursuant to Rule 1 29(1) of The Insolvency Rules 1986

I hereby confirm that the above Company Voluntary Arrangement has terminated as of 7 March
2013



Gary Lee
Joint Supervisor

MANCHESTER COUNTY COURT
No 989 of 2011

Gary N Lee and Paul W Barber appointed joint supervisors on 27
June 2011

**Martin Stockley Associates Limited (Company
Voluntary Arrangement)**

Joint Supervisors' Final Report pursuant to Rule 1.29 of
The Insolvency Rules 1986

Period: 27 June 2011 to 27 June 2011 to 5 March 2013

Important Notice

This final report has been produced by the Supervisors solely to comply with their statutory duty to report to creditors and members on the progress to the conclusion of the Voluntary Arrangement. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors or members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ☐ Interpretation
- ☐ Relevant Information
- ☐ Introduction
- ☐ Final Report
- ☐ Receipts and Payments Account
- ☐ Review of the Arrangement and the Company's compliance with the terms approved by creditors
- ☐ Outcome for creditors
- ☐ Supervisors' remuneration and disbursements
- ☐ Conclusion
- ☐ Vacation of office
- ☐ Appendices
 - 1 Joint supervisors' account of receipts and payments
 - 2 Joint supervisors' time costs and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Martin Stockley Associates Limited (Under a Voluntary Arrangement)
"the Supervisors" / "we/us/our"	Gary N Lee and Paul W Barber of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)

2. RELEVANT INFORMATION

Name of Company	Martin Stockley Associates Limited
Trading name	Stockley
Date of Incorporation	22 October 1998
Company registered number	03654663
Company registered office	C/O Begbies Traynor, 340 Deansgate, Manchester, M3 4LY
Commencement date of the Arrangement	27 June 2011
Duration of the Arrangement	5 Years
Main provisions of the Arrangement	<p>The agreed proposal provides that the Company will pay an initial payment of £40,000 to the supervisor followed by 60 monthly contributions from the continuing trade, split as follows</p> <ul style="list-style-type: none">• 24 monthly CVA contributions of £1,667• 24 monthly CVA contributions of £2,500• 12 monthly CVA contributions of £2,917 <p>The arrangement also included a provision for the CVA to benefit from a share of any improvements in trading results from the original forecasts included within the CVA proposal of not less than 50% in any rise in the net income after a provision for tax</p>
Variations to the Arrangement since approval	There have been no variations to the arrangement since approval
Dividend paid to creditors	A first and final dividend of 4.45 pence in the £ was paid to creditors on 26 September 2012

3. INTRODUCTION

- 3.1 We are in a position to issue a notice of termination of the Arrangement which confirms the conclusion of the Company's Voluntary Arrangement. Please find the relevant notice enclosed with this report.
- 3.2 Rule 1.29(2) of the Rules requires that on final completion or termination of the Arrangement, we are to send a report to the creditors and members of the Company who are bound by the Arrangement summarising all receipts and payments made by us in pursuance of the Arrangement. We are also required to explain any departure from the Proposal as it originally took effect or explain the reasons why the Arrangement has terminated.

4. FINAL REPORT

- 4.1 This is our final report. It gives an overview of the work undertaken and realisations made over the entire course of the Arrangement.

- 4 2 This report should be read in conjunction with the Proposal and our Progress Report issued on 27 June 2012

5. RECEIPTS AND PAYMENTS ACCOUNT

- 5 1 Please find at Appendix 1 an account which shows all of the receipts and payments during the course of the Arrangement. It also shows the receipts and payments since our last progress report so that creditors and members are aware of sums received into and paid out of the Arrangement during that period. We have set out below an explanation of those receipts and payments.

5 2 Receipts

Contributions from the Company

During the course of the arrangement contributions totalling £48,335 have been paid into the arrangement representing the initial payment of £40,000 and 5 payments of £1,667. Accordingly, the Company met the required CVA contributions for the months of July, August, September, October and November 2011.

You may recall from my letter of 21 January 2012, addressed to you in my capacity as Joint Liquidator, the Company is in default of the terms of the CVA and as a result the CVA is deemed to have failed.

On 11 November 2011 the directors contacted the Supervisors to advise that the Company had failed to meet forecasts and would be unable to make any further contributions into the CVA. The main reason for the failure to meet forecasts related to the Company's inability to win new contracts from customers as a direct result of being subject to an insolvency process (CVA).

The directors requested advice regarding the Company's financial position and the advice culminated in a Board resolution on 21 December 2011 that the Company was unable to meet the terms of the CVA and was unable to pay its post CVA liabilities as and when they fell due. As a result, the Company ceased to trade on 23 December 2011 and Gary N Lee and Paul Barber were appointed as Joint Liquidators on 9 January 2012.

In light of the above the Company has defaulted on the terms of the CVA and as a result the CVA is deemed to have failed.

Bank Interest

Bank interest totalling £101.61 has been received during the period covered by this report.

5 3 Payments

Corporation Tax

The sum of £20.00 has been paid in corporation tax which relates to the bank interest received.

Nominees Fee

The fees of the Nominees were agreed at £10,000 plus VAT and disbursements. The sum of £5,000 of this fee was paid by the Company prior to implementation of the arrangement and it was agreed that the balance of £5,000 would be drawn post implementation of the arrangement from contributions received. I can confirm that the Nominees fee was paid in full during the course of the arrangement.

Supervisors Fees & Expenses

The remaining balance of £22,101.82 has been used to discharge the Supervisors fees and expenses. These are fees and expenses for the entire administration of the Arrangement and further details are provided in section 8.

6. REVIEW OF THE ARRANGEMENT AND THE COMPANY'S COMPLIANCE WITH THE TERMS APPROVED BY CREDITORS INCLUDING DIVERGENCE FROM THE TERMS OF THE PROPOSAL AND MODIFICATIONS

6.1 You will recall that the terms of the Arrangement as modified provided for the following:

6.1.1 CVA contributions

The agreed proposal provides that the Company will pay an initial payment of £40,000 to the supervisor followed by 60 monthly contributions from the continuing trade, split as follows:

- 24 monthly CVA contributions of £1,667
- 24 monthly CVA contributions of £2,500
- 12 monthly CVA contributions of £2,917

Accordingly, total contributions of £175,012 were proposed over a 5 year period.

Total contributions of £48,335 were paid into the arrangement, representing the initial payment of £40,000 and 5 monthly payments of £1,667.

6.1.2 Profit Share

The Directors recognised that creditors were being asked to support the Company in its difficult time and to write off an element of their debt and await repayment of the balance.

Accordingly, in addition to the monthly contributions, the Company proposed a provision for the CVA to benefit from a share of any improvements in trading results from the original forecasts included within the CVA proposal.

It was proposed that any upside on the forecasts (i.e. any additional profits than that forecast) be shared equally between the CVA creditors and the Company.

It was proposed that this would be calculated each year on the Financial Statements produced by the Company's external accountants and 50% of any rise in the net income, after the provision for tax, be paid by the Company to the Supervisors as an additional CVA contribution.

As outlined in section 5 of this report, the Company was placed into creditors voluntary liquidation and Gary N Lee and Paul Barber were appointed as Joint Liquidators on 9 January 2012. Accordingly, there was no profit share in this matter.

7. OUTCOME FOR CREDITORS

- 7 1 The sum owed to creditors at the date of our appointment was estimated at £444,286, however, claims totalling £479,195 97 were received and ultimately agreed to rank for dividend purposes by the joint supervisors
- 7 2 A first and final dividend of 4 4p in the £ was paid to creditors on 26 September 2012

8. SUPERVISORS' REMUNERATION AND DISBURSEMENTS

- 8 1 Our remuneration was fixed by reference to the time properly given by us (as Supervisors) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which are attached at Appendix 2 of this report
- 8 2 Our time costs for the period from 27 June 2012 to 7 March 2013 amount to £8,192 50 which represents 48 10 hours at an average rate of £170 32 per hour. An analysis of time costs incurred in this period and prepared in accordance with Statement of Insolvency Practice 9 is attached at Appendix 2 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type. The Time Costs Analysis is accompanied by a narrative explaining the work undertaken during the period of the analysis. It is intended that the Time Costs Analysis, narrative of time costs and the information contained in this report will provide sufficient information to enable the body responsible for the approval of our fees to consider the level of those fees in the context of the case.
- 8 3 Since the date of our last progress report dated 26 June 2012 we have drawn the sum of £9,999 82 way of remuneration plus disbursements of £102 plus VAT
- 8 4 We confirm that since the Commencement Date of the Arrangement we have drawn the total sum of £21,999 82 by way of remuneration plus disbursements of £102. These are our fees and disbursements for the entire administration of the Arrangement.

An analysis of time costs incurred for the entire duration of the Arrangement and prepared in accordance with Statement of Insolvency Practice 9 is attached at Appendix 2 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

- 8 5 The following further information in relation to our time costs and disbursements is set out at Appendix 2
- 8 5 1 Begbies Traynor (Central) LLP's policy for re-charging disbursements
- 8 5 2 Begbies Traynor (Central) LLP's charge-out rates
- 8 6 Creditors will recall that the Company's original proposal was for a one off payment into a 12 Month CVA. In such an arrangement, our remuneration was estimated at £12,500, for receiving the contribution and distributing the funds over the course of a 12 month CVA. However, the Company's initial proposal was rejected by the largest creditor, HM Revenue and Customs ("HMRC"), who requested that the duration of the CVA be increased to 5 years, with monthly contributions rather than a one off payment.

Accordingly, additional time was incurred by the supervisors in chasing contributions and liaising with the director regarding the financial position of the Company. The main increase in the estimated costs relates

to notifying creditors of the failure of the CVA and agreeing the additional number of claims to rank for dividend

- 8 7 It should also be noted that the duration of the CVA has exceeded the initially proposed duration of 12 months
- 8 8 A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2010' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy

9. CONCLUSION

The CVA has failed and the Supervisors are now ceasing to act. The Company is now in liquidation and should any creditor wish to contact the liquidators, to determine the dividend prospects of the Liquidation, their contact details are below

Gary N Lee and Paul Barber
Begbies Traynor (Central) LLP
340 Deansgate
Manchester
M3 4LY
Tel: 0161 837 1781

10. VACATION OF OFFICE

In accordance with Rule 1.29(3) we must not vacate the office of Supervisor until we have sent a copy of the notice of termination of the Arrangement and a copy of this report to the Registrar of Companies and the Court. We confirm that we have done so today as a result of which we will be ceasing to act as Supervisors today.



Gary Lee
Joint Supervisor

Dated 7 March 2013

JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 27 June 2011 to 7 March 2013

INCOME	Total (£)
Contributions from the Company	48,335 00
Bank Interest Gross	101 61
	<u>48,436 61</u>
 EXPENDITURE	
Balance of Agreed Nominees Fee	5,000 00
Office Holders Fees	21,999 82
Office Holders Expenses	102 00
Trade Creditors	21,314 79
Corporation Tax	20 00
	<u>48,436 61</u>

JOINT SUPERVISORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period 27 June 2012 to 7 March 2013
- e. Cumulative table of time spent and charge-out value for the period from 27 June 2011 to 7 March 2013

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration. Following approval further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm [and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest]. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3. This is only applicable to those cases where the office holder is remunerated on a time costs basis.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ☐ **Category 1 disbursements (approval not required)** - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ **Category 2 disbursements (approval required)** - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 45 pence per mile,

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Martin Stockley Associates Limited

CASE TYPE COMPANY VOLUNTARY ARRANGEMENT

OFFICE HOLDERS Gary N Lee and Paul W Barber

DATE OF APPOINTMENT 27 June 2011

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 **Complexity of the case**

Please refer to the report for details of the case and its complexity

1.3 **Exceptional responsibilities**

None

1.4 **The office holders' effectiveness**

Please refer to the report for details of the office holders' effectiveness

1.5 **Nature and value of property dealt with by the office holders'**

Please refer to the report

1.6 **Anticipated return to creditors**

Please refer to section 7 of the report

1.7 **Time costs analysis**

An analysis of time costs incurred between 27 June 2011 and 7 March 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

1.8 **Work undertaken prior to appointment**

In addition to the post appointment time costs detailed, the costs relating to work undertaken by the Nominees prior to approval of the voluntary arrangement were approved by the creditors at the creditors' meeting

1.10 **Approval of fees and Disbursements**

The Supervisors' remuneration has been fixed by reference to the time properly given by them (as Supervisors) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which are attached at Appendix 2 of this report

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor's policy for charging fees and expenses incurred by office holders is attached

2.2 The rates charged by the various grades of staff who may work on a case are attached

Martin Stockley Associates Limited
Time costs analysis for the period from 27 June 2012 to 7 March 2013

[illegible]

Martin Stockley Associates Limited
Time costs analysis for the period from 27 June 2011 to 7 March 2013

[illegible]