

Rule 1.29/1.54

The Insolvency Act 1986

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

Pursuant to Rule 1.29 or Rule 1.54 of the  
Insolvency Rules 1986

# R.1.29/ R.1.54

To the Registrar of Companies

For Official Use

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Company Number

06707504

(a) Insert full name of  
Company

Name of Company

Abel Contracts Limited

(b) Insert full name and  
Address

We, William Paxton and Martin Daley, of  
Robson Laidler LLP  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

(c) Insert date

(d) Delete as applicable

the supervisor of a voluntary arrangement which took effect on 28 March 2011 enclose a copy of my notice to the creditors and members of the above-named company that the voluntary arrangement has terminated, together with a report of my receipts and payments

Signed



Date

23 November 2011

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

ABEL  
Abel Contracts Limited  
Martin Daley  
Robson Laidler LLP  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

For Official Use

Liquidation Section

Post Room

THURSDAY



\*AJQM0ZIM\*

A38

24/11/2011

54

COMPANIES HOUSE

**Abel Contracts Limited (Company Voluntary Arrangement)**  
**Newcastle upon Tyne District Registry No: 347 of 2011**

I refer to the appointment of myself and Martin Daley of Robson Laidler LLP, Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne, NE2 1TJ as Joint Supervisors' of the Company on 28 March 2011. I am writing in accordance with Rule 1.29 of the Insolvency Rules 1986 (as amended) to provide the Joint Supervisors' final report on the progress of the CVA which has terminated, formal notice of termination is attached.

A copy of the report has been filed in Court, Registrar of Companies and sent to the Company.

The Company went into liquidation on 21 October 2011. The Liquidator will continue to write to creditors in connection with the liquidation, as he remains in office.

Attached to this report are the following Appendices:

- Appendix A Receipts and payments account,
- Appendix B Time cost analysis,
- Appendix C Summary of payments to the office holders and associated parties,
- Appendix D A Creditors' guide to Insolvency Practitioners fees

**Introduction**

The proposal (as modified) in respect of the CVA is summarised below.

The Company was to make contributions payments to the Supervisor over five years expected to total £726,000.

The directors' loan account totalling £31,431 was to be repaid to the Company within six months of the approval of the arrangement and the funds were to be forwarded to the Supervisor as a further contribution.

All other assets of the Company apart from the contributions set out above were excluded from the CVA.

The proposal was in full and final settlement of all claims by creditors against the Company.

**Termination**

In accordance with paragraph 8.28 of the directors' proposals the Joint Supervisors' consented to the directors taking appropriate steps to place the company into Creditors' Voluntary Liquidation ("CVL").

Accordingly on 21 October 2011 meetings of members and creditors were held at which it was resolved that the Company should be wound up and that William Paxton of Robson Laidler LLP be appointed Liquidator of the Company.

The Joint Supervisors' are to remain in office and the CVA is to remain open until those assets held in trust for the CVA creditors have been dealt with. At the meeting of creditors held on 28 March 2011 the following modification was approved "Upon termination of the arrangement the arrangement trusts expressed or implied shall cease, save that assets already realised [after provision for supervisor's fees and disbursements] be distributed to arrangement creditors"

As you are aware the sum of £3,000 had been agreed with, and paid to, the Joint Nominees' account in accordance with the agreed modification entitled liquidation costs provision. The debtor company shall before the meeting of creditors provide the Nominee with sufficient funds for winding up proceedings against the Company and such funds will rank ahead of other expenses of the arrangement. The level of funding is to be agreed between the debtor and the Nominee. Following the appointment of the Joint Supervisors these funds were transferred to the Joint Supervisors account by way of an additional contribution.

In addition the Company has made voluntary contributions to the CVA totalling £4,000. The Joint Supervisors' presently anticipate that no dividend will become payable to those creditors bound by the CVA. As such the CVA is to be concluded by issuing a notice of termination.

### **Receipts and Payments**

A copy of the Joint Supervisors' receipts and payments account as at 23 November 2011 is attached. This account indicates that no funds are currently held. I can confirm that this account reconciles with that held by the Bank.

Prior to the failure of the CVA the Joint Supervisors' received four monthly contributions of £1,000 from the Company, in addition to the £3,000 liquidation costs provision discussed above.

### **Distribution to creditors**

#### **Secured**

There are no known secured creditors in this matter.

#### **Preferential creditors**

In accordance with paragraph 6.4 of the directors' proposals the only preferential creditors would be in relation to the claims of former employees for any arrears of wages and unpaid holiday pay as at 28 March 2011. It was approved that these creditors be paid from trading cash flow to ensure the retention of the employees and consequently these creditors are excluded from the CVA.

#### **Unsecured creditors**

The directors' proposals indicated that the claim of 23 unsecured creditors were to be included in the CVA, with an aggregate value of £574,583.20. To date the claims of 19 unsecured creditors have been received in the aggregate sum of £504,669.00. A further 4 potential claims were identified in the directors' proposals with an aggregate value of £79,270.87 per the statement of affairs.

On the basis of current information no dividend will be paid to the unsecured creditors and in accordance Rule 1 29 of the Insolvency Rules 1986 I can confirm that no amount will be paid to unsecured creditors by virtue of the application of section 176A (prescribed part)

### **Other matters**

The Liquidator will report separately on matters relating to the Liquidation with regards the realisation of the Company's assets generally and agreement of creditor claims, as appropriate

### **Costs and disbursements**

Creditors should note that a creditors' guide to Insolvency Practitioners fees in Voluntary Arrangements, a guide in relation to the remuneration of the Joint Supervisor, is attached and can also be accessed at the website of the Association of Business Recovery Professionals at [www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Voluntary\\_Arrangement\\_Fees.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Voluntary_Arrangement_Fees.pdf) (Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders [England & Wales]) Alternatively a further copy can be provided to you, free of charge, upon written request.

### **Nominee's fees**

The basis of the Nominee's fees was discussed in paragraphs 9.1 and 9.2 of the directors' proposal. The Nominee's fees of £2,500 plus VAT related to reporting to the court on the directors' proposal and in convening and chairing the meetings of creditors and members

It was envisaged that these costs would be paid from trading cash flow immediately following the meeting of creditors and that any balance of these costs not paid would be met from funds coming into the CVA as a first charge

These costs were not paid by the Company and consequently have been met from funds coming into the CVA as a first charge

### **Joint Supervisors' costs**

The basis of the Joint Supervisors' remuneration was discussed in paragraphs 9.4 and 9.5 of the directors' proposals

The Joint Supervisors' time costs as at 23 November 2011 totalled £6,982.40, representing 33.7 hours, at an average hourly rate of £207.19. The Joint Supervisors' have to date drawn fees of £3,175.00 plus VAT, no further fees have subsequently been drawn. At the time of writing, the Joint Supervisors' have £3,807.40 of unbilled work in progress relating to the CVA, which is to be written off.

Analysis of the total time spent by the Joint Supervisors analysed by grade of staff, together with details of current charging rates are attached at Appendix B

The Joint Supervisors' total fees for the duration of the CVA were estimated in the proposal at £6,000 per annum for the first two years and £4,000 per each subsequent per subsequent year. As a result of the Company's non-compliance with the proposals and funds from realisations being limited, the Joint Supervisors fees have not reached this estimate, and have been restricted to the funds available.

In accordance with paragraph 9.4 of the directors' proposals the Joint Supervisors' have incurred disbursements of £180.00 which have been drawn from CVA funds. A summary of these is attached at Appendix C.

**Other professional costs**

No other professional advisors have been employed in this matter.

This arrangement is now terminated and there will be no further reports to creditors from the Joint Supervisors. Should you require any further information then please contact my colleague Simon Blakey on 0191 2818191 or alternatively at [sblakey@robson-laidler.co.uk](mailto:sblakey@robson-laidler.co.uk)

Yours faithfully




William Paxton  
Joint Supervisor

# Appendix A

## Abel Contract Limited Company Voluntary Arrangement Joint Supervisors' Abstract of Receipts and Payments For the period ended 23 November 2011

CVA Outcome		Period 28/03/2011 To 23/11/2011 £	28/03/2011 To 23/11/2011 £
£			
	<b>Receipts</b>		
726,000 00	Voluntary contributions	7,000 00	7,000 00
31,431 00	Directors loan account	0 00	0 00
	Other sundry income	23 58	23 58
	Interest	2 42	2 42
<u>757,431 00</u>		<u>7,026 00</u>	<u>7,026 00</u>
	<b>Payments</b>		
	Specific bond	(180 00)	(180 00)
(24,000 00)	Office holders remuneration	(3,175 00)	(3,175 00)
(5,000 00)	Legal fees and disbursements	(0 00)	(0 00)
(2,500 00)	Nominees fees	(2,500 00)	(2,500 00)
(2,500 00)	Disbursements (provision)	(0 00)	(0 00)
	VAT Input - Irrecoverable	(1,171 00)	(1,171 00)
<u>(34,000 00)</u>		<u>(7,026 00)</u>	<u>(7,026 00)</u>
	<b>Unsecured creditors</b>		
(589,574 00)	Trade creditors	0 00	0 00
		<u>0 00</u>	<u>0 00</u>
<u>133,857 00</u>	<b>Balance at Bank</b>	<u>0 00</u>	<u>0 00</u>

  
William Paxton  
Joint Supervisor

## Appendix B

### Robson Laidler LLP

#### Abel Contracts Limited (CVA)

#### Supervisors time and charge out summary

Classification of Work function	Hours						Time Cost £	Average hourly rate £
	Partner	Manager	Admin- strator	Support Staff	In house Solicitor	Total Hours		
Administration, Planning and Statutory	3 2	20 7				23 9	5,100 0	213 39
Cashiering				2 2		2 2	322 40	146 55
Investigations						0 0	0 00	0 00
Realisation of Assets		0 3				0 3	60 00	200 00
Other matters						0 0	0 00	0 00
Creditors		7 3				7 3	1,500 00	205 48
Total Hours	3 2	28 3	0 0	2 2	0 0	33 7		207 19
Total time charged	960 00	5,700 00	0 00	322 40	0 00		6,982 40	
Time Written off							3,807 40	
Total fees claimed							3,175 00	
Work in progress							0 00	

#### Staff Grade

#### Charge Out Rate Per Hour £

Partner	300 00
Partner 2	220 00
Senior Manager 1	205 00
Senior Manager 2	200 00
Manager	170 00
Administrator/Cashier	160 00
Clerical Support	12 00

Robson Laidler LLP charge out rates are periodically reviewed

## Appendix C

**Abel Contracts Limited**  
**Company Voluntary Arrangement**  
**Summary of payments to office holder and associated parties**  
**For the period ended 23 November 2011**

<b>Amounts paid or payable to the office holders' firms</b>	<b>£</b>
Nominees' fees (paid)	2,500 00
Joint Supervisors' fees (paid)	3,175 00
Joint Supervisors' fees (unpaid)	3,807 40
Joint Supervisors' disbursements (paid)      Specific bond	180 00
Joint Supervisors' disbursements (unpaid)      None	
<b>TOTAL</b>	

<b>Amounts paid or payable to associated parties of office holders</b>	<b>£</b>
None	
<b>TOTAL</b>	0 00

<b>Amounts paid or payable to the office holders' solicitor</b>	<b>£</b>
None	
<b>TOTAL</b>	0 00

<b>Amounts paid or payable to the office holders' agents</b>	<b>£</b>
None	
<b>TOTAL</b>	0 00



## **VOLUNTARY ARRANGEMENTS**

### **A CREDITORS' GUIDE TO INSOLVENCY PRACTITIONERS' FEES**

#### **1. Introduction**

- 1 1 In a voluntary arrangement, as in other types of insolvency, the amount of money available for creditors is likely to be affected by the level of costs, including the remuneration of the insolvency practitioner appointed to implement the arrangement. This guide explains how fees are fixed in voluntary arrangements, how the creditors can affect the level of fees, and the information which should be made available to them regarding fees.

#### **2 The voluntary arrangement procedure**

- 2 1 Voluntary arrangements are available to both companies and individual debtors. Company voluntary arrangements are often referred to as CVAs, and individual voluntary arrangements as IVAs.
- 2 2 The procedure is similar for both CVAs and IVAs and enables the company or individual to put a proposal to their creditors for a composition in satisfaction of their debts or a scheme of arrangement of their affairs. A composition is an agreement under which creditors agree to accept a certain sum of money in settlement of the debts due to them. A CVA may be used as a stand-alone procedure or as an exit route from an administration. It may also be used where a company is in liquidation, but this is extremely rare. The proposal will be made by the directors, the administrator or the liquidator, depending on the circumstances. A proposal for an IVA may be made by a debtor whether or not he is already subject to bankruptcy proceedings. The proposal will be considered by creditors at a meeting convened for that purpose. The procedure is extremely flexible and the form which the voluntary arrangement takes will depend on the terms of the proposal agreed by the creditors. In both CVAs and IVAs the proposal must provide for an insolvency practitioner to supervise the implementation of the arrangement. Until the proposal is approved by the creditors, the practitioner is known as the nominee. If the proposal is approved, the nominee (or if the creditors choose to replace him, his replacement) becomes the supervisor.

#### **3 Fees, costs and charges - statutory provisions**

- 3 1 The fees, costs, charges and expenses which may be incurred for the purposes of a voluntary arrangement are set out in the Insolvency Rules 1986 (rule 1.28 for CVAs and rule 5.33 (previously 5.28) for IVAs). They are
- any disbursements made by the nominee prior to the arrangement coming into effect, and any remuneration for his services agreed between himself and the company (or the administrator or liquidator, as the case may be) or the debtor (or the official receiver or trustee, where the debtor is subject to bankruptcy proceedings),
  - any fees, costs, charges or expenses which
    - are sanctioned by the terms of the arrangement (see below), or
    - would be payable, or correspond to those which would be payable, in an administration, winding up or bankruptcy (as the case may be)
- 3 2 The rules also require the following matters to be stated or otherwise dealt with in the proposal (rule 1.3 for CVAs and rule 5.3 for IVAs)
- The amount proposed to be paid to the nominee (as such) by way of remuneration and expenses, and
  - The manner in which it is proposed that the supervisor of the arrangement should be remunerated and his expenses defrayed

#### **4 The role of the creditors**

- 4 1 It is for the creditors' meeting to decide whether to agree the terms relating to remuneration along with the other provisions of the proposal. The creditors' meeting has the power to modify any of the terms of the proposal (with the consent of the debtor in the case of an IVA), including those relating to the fixing of remuneration. The nominee should be prepared to disclose the basis of his fees to the meeting if called upon to do so. Although there are no further statutory provisions relating to remuneration in voluntary arrangements, the terms of the proposal may provide for the establishment of a committee of creditors and may include among its functions the fixing of the supervisor's remuneration.

**5 What information should the creditors receive?**

- 5 1 Whether the basis of the supervisor's remuneration is determined at the meeting which approves the arrangement or by a committee of creditors, the supervisor, or proposed supervisor should provide details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 5 2 Where the supervisors' fees are to be agreed by a committee of creditors during the course of the arrangement, the supervisor should provide sufficient supporting information to enable the committee to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case, and should always provide an up to date receipts and payments account. Where the fee is to be charged on a time basis the supervisor should disclose the amount of time spent on the case and the charge out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case and the functions conferred on the supervisor under the terms of the arrangement. The additional information should comprise a sufficient explanation of what the supervisor has achieved and how it was achieved to enable the value of the exercise to be assessed and to establish that the time has been properly spent on the case.

- 5 3 Where the basis of the remuneration of the supervisor as set out in the proposal does not require any further approvals by the creditors or any committee of creditors, the supervisor should specify the amount of remuneration he has drawn in accordance with the provisions of the proposal in his subsequent reports to creditors on the progress of the arrangement. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the arrangement was approved. He should also provide such additional information as may be required in accordance with paragraph 5 2.

- 5 4 Where the supervisor proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the supervisor's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

**6 Provision of information – additional requirements**

The nominee or supervisor is required to provide certain information about the time spent on the case, free of charge, upon request by specified persons. The persons entitled to ask for this information are –

- any creditor,
- where the arrangement relates to a company, any director or member of that company, and
- where the arrangement relates to an individual, that individual.

The information which must be provided is –

- the total number of hours spent on the case by the insolvency practitioner or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the nominee's or supervisor's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the nominee or supervisor, and requests must be made within two years from vacation of office

7 **Effective date**

This guide applies where the nominee in relation to the arrangement agrees to act on or after 6 April 2010

**In the High Court of Justice Newcastle upon Tyne District Registry**  
**No: 347 of 2011**

**In the matter of Abel Contracts Limited (Company Voluntary Arrangement)**

**And**

**In the matter of the Insolvency Act 1986 (as amended)**

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**Notice of termination pursuant to Rule 1.29 of the Insolvency Rules 1986 (as amended)**

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**NOTICE IS HEREBY GIVEN** under Rule 1.29 of the Insolvency Rules 1986 (as amended) the Company Voluntary Arrangement, having failed was terminated on 23 November 2011

Dated 23 November 2011



William Paxton  
Joint Supervisor

William Paxton is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association