

# CVA4

## Notice of termination or full implementation of voluntary arrangement



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 7 0 1 4 4 5 5

Company name in full AA Lighting Contractors Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Supervisor's name

Full forename(s) Mark

Surname Reynolds

### 3 Supervisor's address

Building name/number Glade House

Street 52-54 Carter Lane

Post town London

County/Region

Postcode E C 4 V 5 E F

Country

### 4 Supervisor's name <sup>①</sup>

Full forename(s) Daniel

Surname Leigh

#### ① Other supervisor

Use this section to tell us about  
another supervisor.

### 5 Supervisor's address <sup>②</sup>

Building name/number 3 Stirling Court

Street

Post town Stirling Way

County/Region Borehamwood

Postcode W D 6 2 F X

Country

#### ② Other supervisor

Use this section to tell us about  
another supervisor.

# CVA4

## Notice of termination or full implementation of voluntary arrangement

### 6 Date voluntary arrangement fully implemented or terminated

Date 

<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>
3	0	0	7	2	0	2	0

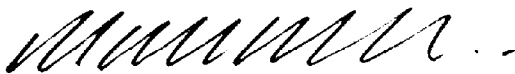
### 7 Attachments

- ☒ I have attached a copy of the notice to creditors  
☒ I have attached the supervisor's report

### 8 Sign and date

Supervisor's signature

Supervisor's signature

X  X

Signature date

<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>
0	4	0	9	2	0	2	0

# CVA4

## Notice of termination or full implementation of voluntary arrangement



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Izbel Mengal
Company name	Valentine & Co
Address	1st Floor Galley House
	Moon Lane
Post town	London
County/Region	
Postcode	E N 5 5 Y L
Country	
DX	
Telephone	0203 959 9595 / 0208 343 3710



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

**All information on this form will appear on the public record.**



### Where to send

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

Joint Supervisors  
Report to Creditors on termination of the CVA

AA Lighting Contractors Limited -  
Company Voluntary Arrangement

4 September 2020

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- 2 Overview of the Voluntary Arrangement
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- 7 CVA Termination

## APPENDICES

- A Receipts and Payments Account from 21 December 2019 to 30 July 2020 and Cumulative Receipts and Payments Account for Period from 21 December 2018 to 30 July 2020
- B Time Analysis for the period 21 December 2019 to 30 July 2020
- C Cumulative Time Analysis for the Period from 21 December 2018 to 30 July 2020
- D Additional Information in relation to Supervisor's fees pursuant to Statement of Insolvency Practice No 9

## 1 Introduction

1.1 Along with Daniel Leigh of Leigh Consulting Limited of 3 Stirling Court, Stirling Way, Borehamwood, Herts WD6 2FX, I was appointed Joint Supervisor of the CVA of AA Lighting Contractors Limited (the Company) on 21 December 2018.

1.2 This is the Joint Supervisors penultimate report on the implementation of the CVA in accordance with Rule 2.41 of The Insolvency (England & Wales) Rules 2016. I have provided an account of our Receipts and Payments for the final period from 21 December 2019 to 30 July 2020 which includes a comparison to the Directors' Statement of Affairs values together with a cumulative account since my appointment at Appendix A.

## 2 Overview of the Voluntary Arrangement

2.1 The main terms of the CVA were that sixty contributions of £10,000 per month would be made by the Company and a further sixty contributions of £2,300 per month would be made by the Director (in settlement of his outstanding loan account).

2.2 In addition, an associated company loan of £195,800 would be repaid into the CVA within the first two years.

2.3 Unfortunately, the Company breached the terms of the Proposal (as modified) and the breach was not properly remedied. A variation to the accepted modified proposal was issued with a decision date set for 19 May 2020. The decision was adjourned to 2 June 2020. Unfortunately, the proposed variation was rejected by the creditors. The Joint Supervisors took steps to petition for a winding up order but the Company was placed into Administration by its Director on 30 July 2020 resulting in automatic termination of the CVA.

## 3 Realisation of Assets

### Voluntary Contributions

3.1 The Company has made voluntary contributions totalling £140,000 being 14 monthly contributions of £10,000 each. The final payment was received in February 2020.

3.2 The Director made re-payments towards his loan account totalling £32,200 being 14 monthly contributions of £2,300 each. The final payment was received in February 2020.

### Associated Company Loan

3.3 The associated company loan of £195,800 owed by CV Tech Limited. The Joint Supervisor had made various efforts to recover the sum. However, on 19 November 2019, the associated company was placed into compulsory liquidation. The debt is therefore not recoverable.

### Voluntary Contributions (2)

3.4 Funds of £300,000 were advanced on 1 June 2020 for the purposes of settlement of the Company's post CVA tax liabilities, to be paid in the event that the proposed variations to the CVA, to be considered at the adjourned decision date of 2 June 2020, were accepted. The proposed revisions were not accepted by the creditors and therefore these funds have not been paid to that creditor.

3.5 Modification 15 to the original proposal states as follows: -

“For the avoidance of doubt and unless specifically excluded below all of the company’s assets will be included within the arrangement.”

3.6 However, the Company subsequently entered Administration and the Administrator has taken an alternative view and has instructed solicitors. The Joint Supervisors have also instructed solicitors and have sought advice from Counsel as to where these funds should be directed. There are three possibilities, being; the Company CVA, for the benefit of the CVA creditors, HMRC being the creditor to whom the payment was originally to be sent (in the event of the revision to the CVA being accepted) or, the Company in administration, to be utilised for payment of all the Company creditors i.e. pre and post CVA creditors.

3.7 In view of the uncertainty of the true beneficiary of these funds engagement will be sought with each of the parties whom hold a claim to the funds. If settlement can be agreed without recourse to the Court then the funds will be distributed in accordance with any such settlement. If an agreement cannot be met, direction of the Court shall be sought.

3.8 Accordingly, this report serves as an anticipated penultimate report as the Joint Supervisors cannot conclude the CVA until there is certainty over the ownership of the additional funds of £300,000 held within the CVA.

## 4 Creditors' Claims

### Preferential Creditors

4.1 A claim of £26,136.05 was received for unpaid pension contributions. A dividend of 100p in the £ was made to the preferential creditors on 7 April 2020.

### Unsecured Creditors

4.2 Claims totalling £1,796,125.13 have been received from 40 creditors. A first distribution of £73,863.95, representing 4 pence in the £ was made to unsecured creditors on 7 April 2020.

4.3 A final dividend will be made to unsecured creditors from funds held. However, the quantum and timing of the dividend is uncertain at this stage as it remain subject to the outcome relating to voluntary contributions (2) as detailed at 3.4 to 3.8 above.

## 5 Supervisors' Remuneration

5.1 The Proposal provides that the Supervisors' remuneration be based upon the time costs of the Joint Supervisors and their staff in executing the CVA.

5.2 The Joint Supervisors time costs incurred in this reporting period total £32,333.25. This represents 110.28 hours at an average rate of £293.19 per hour. The Joint Supervisors cumulative time costs as at 30 July 2020 total £53,074.75. This represents 181.98 hours at an average rate of £291.65 per hour. To date, £5,000 has been drawn on account.

5.3 Attached as Appendix B is a Time Analysis in accordance with the provisions of Statement of Insolvency Practice 9 (SIP9), which provide details of the activity costs incurred by staff grade for the period of this report together with a cumulative Analysis for the entire duration of the CVA at Appendix C.

5.4 A copy of the guide to insolvency practitioners' fees in a Voluntary Arrangement is available on request or can be downloaded from [www.valentine-co.com/resources/](http://www.valentine-co.com/resources/).

- 5.5 The Joint Supervisors remuneration estimate included in the original Proposal was £52,000 which was approved by creditors. This estimate has been exceeded due to the Company being in breach of the terms of the original proposal, variations being proposed and dealing with the title of voluntary contributions (2).
- 5.6 However, the Joint Supervisors are not at this stage proposing to charge an increased fee for the arrangement, which cannot yet conclude.
- 5.7 Attached, as Appendix D is additional information in relation to our policy on staffing, the use of sub-contractors and re-charging of disbursements.


## 6 Supervisors' Expenses and Disbursements

- 6.1 The following expenses and disbursements have been incurred since the last progress report: -

	Paid in the previous period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
<b>Solicitors' and Counsel's costs</b>	0.00	10,015.38	8,000.00	20,000.00
Court Fee for filing	50.00	0.00	0.00	50.00
Specific penalty bond	925.00	0.00	1,360.00	2,285.00
Postage (Postworks)	0.00	0.00	110.50	110.50
Bank fee	0.00	0.00	53.35	53.35
[Other - list]				
Category 2 disbursements	8.70	0.00	467.11	720.00
Postage				

## 7 CVA Termination

- 7.1 Creditors will be aware that due to a breach of the terms of the CVA, which was not remedied in accordance with its terms, the CVA has failed.
- 7.2 Subsequently, the Company was placed into Administration resulting in automatic termination of the CVA.
- 7.3 Following a decision on the voluntary contributions (2), a final dividend will be paid to creditors.
- 7.4 Should you require further information, please do not hesitate to contact Izbel Mengal of this office.



Mark Reynolds  
Joint Supervisor




Appendix A

Receipts and Payments Account for the Period from 21 December 2019 to 30 July 2020 and  
Cumulative Receipts and Payments Account for Period from 21 December 2018 to 30 July 2020

**Voluntary Arrangement of  
AA Lighting Contractors Limited  
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 21/12/2019 To 30/07/2020 £	From 21/12/2018 To 30/07/2020 £
	<b>ASSET REALISATIONS</b>		
195,800.00	Associated Company Loan	NIL	NIL
	Bank Interest Gross	92.69	262.51
	CWU Provision	NIL	7,000.00
	Interest on VC (2)	34.79	34.79
138,000.00	Overdrawn Director's Loan Account	4,600.00	32,200.00
600,000.00	Voluntary Contributions	20,000.00	140,000.00
	Voluntary Contributions (2)	300,000.00	300,000.00
		<u>324,727.48</u>	<u>479,497.30</u>
	<b>COST OF REALISATIONS</b>		
	Court Fee	NIL	50.00
	Legal fees	5,015.38	5,015.38
	Office Holders Fees	5,000.00	5,000.00
	Specific Bond	NIL	925.00
	Stationery & Postage	40.68	40.68
		<u>(10,056.06)</u>	<u>(11,031.06)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(9,917.00)	Employee Arrears/Holiday Pay	NIL	NIL
	Pension Schemes	26,136.05	26,136.05
		<u>(26,136.05)</u>	<u>(26,136.05)</u>
	<b>UNSECURED CREDITORS</b>		
(32,994.00)	Employees	NIL	NIL
(123,000.00)	HM Revenue & Customs - Corp. Tax	NIL	NIL
(186,793.00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(508,018.00)	HM Revenue & Customs - VAT	NIL	NIL
	HM Revenue & Customs (total claim)	48,226.94	48,226.94
(536,716.00)	Trade & Expense Creditors	25,637.01	25,637.01
		<u>(73,863.95)</u>	<u>(73,863.95)</u>
<b>(463,638.00)</b>		<b>214,671.42</b>	<b>368,466.24</b>
	<b>REPRESENTED BY</b>		
	Fixed Current A/c		300,034.79
	Fixed Deposit A/c		68,431.45
			<u><b>368,466.24</b></u>

Note:



Mark Reynolds  
Joint Supervisor

## Appendix B

Time Analysis for the Period from 21 December 2019 to 30 July 2020

# Time Entry - SIP9 Time & Cost Summary

A555 - AA Lighting Contractors Limited  
 Project Code: POST  
 From: 21/12/2019 To: 30/07/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	11.80	17.25	0.00	2.90	31.95	10,241.25	320.54
Case Specific Matters	0.60	0.00	0.00	0.00	0.60	255.00	425.00
Creditors	1.15	7.65	2.03	0.00	10.83	3,075.00	283.93
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.20	0.00	0.00	0.20	57.00	285.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>13.55</b>	<b>25.10</b>	<b>2.03</b>	<b>2.90</b>	<b>43.58</b>	<b>13,628.25</b>	<b>312.72</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

LEIGH CONSULTANCY CHARGEOUT RATE SUMMARY

Client name: AA Lighting Contractors Limited

Date: 30/07/2020

Time Spent for period: 21 December 2019 - 30 July 2020

Classification of work	Partner hours	Manager1 hours	Manager2 hours	Manager3 hours	Senior Administrator hours	Administrator hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	6.60	14.70	0.00	3.00	0.00	0.00	24.30	7,704.00	317.04
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.70	2.20	0.00	2.40	0.00	0.00	5.30	1,509.00	284.72
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Employees	0.00	14.20	0.00	18.50	4.40	0.00	37.10	9,492.00	255.85
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	7.30	31.10	0.00	23.90	4.40	0.00	66.70	18,705.00	280.43

Total fees claimed	18,705.00
Invoiced	0.00
Balance written off /carried forward	18,705.00

Charge out rate in units of 6 minutes

Chargeout rates:	2020	2019	2018
Partner	390	390	390
Manager1	300	300	300
Manager2	280	280	280
Manager3	240	240	240
Senior Administrator	180	180	180
Administrator	130	130	130

Standard Activity	Examples of Work
Statutory compliance, administration and planning	Statutory reporting and compliance. Compliance with other regulatory requirements. Case planning Administrative set up Appointment notification Maintenance of records
Investigations	SIP2 review CDDA reports Investigation antecedent identifying, securing, insuring
Realisation of assets	Negotiating with Debt collection Property, Business asset sales Management of operations
Trading	Management of operations Accounting for trading On-going employee issues
Creditors	Communicating with creditors Creditors' claims (including employees' and other preferential creditors)

## Appendix C

Cumulative Time Analysis for the Period from 21 December 2018 to 30 July 2020

# Time Entry - SIP9 Time & Cost Summary

A555 - AA Lighting Contractors Limited  
 Project Code: POST  
 From: 21/12/2018 To: 30/07/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	14.85	27.60	0.00	2.90	45.35	14,487.25	319.45
Case Specific Matters	0.60	0.00	0.00	0.00	0.60	255.00	425.00
Creators	1.15	12.75	2.03	0.00	15.93	4,528.50	284.27
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	2.40	1.60	0.00	0.00	4.00	1,476.00	369.00
Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>19.00</b>	<b>41.95</b>	<b>2.03</b>	<b>2.90</b>	<b>65.88</b>	<b>20,746.75</b>	<b>314.92</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

LEIGH CONSULTANCY CHARGEOUT RATE SUMMARY

Client name: AA Lighting Contractors Limited

Date: 30/07/2020

Time Spent for period: 21 December 2018 - 30 July 2020

Classification of work	Partner hours	Manager1 hours	Manager2 hours	Manager3 hours	Senior Administrator hours	Administrator hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	11.90	21.60	0.00	7.50	1.70	0.00	42.70	13,227.00	309.77
Investigations	0.00	0.80	0.00	0.00	0.00	0.00	0.80	240.00	300.00
Realisation of Assets	0.70	2.40	0.00	5.20	0.80	0.00	9.10	2,385.00	262.09
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Employees	1.60	22.40	0.00	33.70	5.80	0.00	63.50	16,476.00	259.46
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	14.20	47.20	0.00	46.40	8.30	0.00	116.10	32,328.00	278.45

Total fees claimed	32,328.00
Invoiced	0.00
Balance written off /carried forward	32,328.00

Charge out rate in units of 6 minutes

Chargeout rates:	2020	2019	2018
Partner	390	390	390
Manager1	300	300	300
Manager2	280	280	280
Manager3	240	240	240
Senior Administrator	180	180	180
Administrator	130	130	130

Standard Activity	Examples of Work
Statutory compliance, administration and planning	Statutory reporting and compliance. Compliance with other regulatory requirements. Case planning Administrative set up Appointment notification Maintenance of records
Investigations	SIP2 review CDDA reports Investigation antecedent identifying, securing, insuring
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Trading	Management of operations Accounting for trading On-going employee issues
Creditors	Communicating with creditors Creditors' claims (including employees' and other preferential creditors)



## Appendix D

### Additional Information in Relation to Supervisor's Fees

#### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We have not utilised the services of any subcontractors in this case.

#### 2 Professional Advisors

Name of Professional Advisor	Basis of Fee Arrangement
SBP Law (legal advice)	Hourly rate and disbursements
N J Goodman & Co (legal advice)	Hourly rate and disbursements
Enterprise Chambers (legal advice)	Hourly rate and disbursements

- 2.1 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

#### 3 Supervisors' Disbursements

- 3.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case
- 3.2 Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Valentine & Co and Leigh Consultancy Limited for the provision of services which include an element of recharged overhead, for example, room hire or document storage.
- 3.3 Details of the Supervisors' disbursements and expenses incurred to date can be found in the body of the report.

#### 4 Charge-Out Rates

- 4.1 A schedule of current charge-out rates of Valentine & Co and Leigh Consultancy LLP were issued to creditors at the time the basis of the Joint Supervisors' remuneration was approved. There have been no material increases in charge-out rates since that date. The charge-out rates of Leigh Consultancy are detailed on the time sheets in appendix B and C. Details of the charge-out rates of Valentine & Co are as follows: -

Managing Director	425
Other Directors / Consultants	325 – 375
Manager	200 – 300
Senior Administrator	150 – 200
Administrator	50 – 150
Junior / Support	50 – 100

Please note that Valentine & Co records its time in minimum units of 6 minutes.