

Rule 1.26A/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant 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

To the Registrar of Companies

Company Number

07046031

Name of Company

A & M Legal Services Limited

I / We

Ian Franes, 24 Conduit Place, London, W2 1EP

Jeremy Karr, 24 Conduit Place, London, W2 1EP

supervisor(s) of a voluntary arrangement taking effect on

05 August 2014

Attach my progress report for the period

05 August 2014

to

04 August 2015

Number of continuation sheets (if any) attached

15

Signed

Date

21/10/15

Begbies Traynor (Central) LLP
24 Conduit Place
London
W2 1EP

Ref AM076CVA/ISRF/JK/BJS/IXS

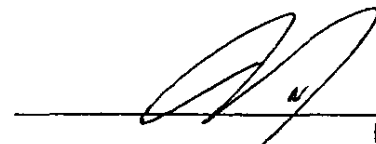
For Official Use

Insolvency Section 1 Post Room

A17 20/10/2015 #138
COMPANIES HOUSE

**Voluntary Arrangement of
A & M Legal Services Limited**

Statement of Affairs		From 05/08/2014 To 04/08/2015
	ASSET REALISATIONS	
185,000 00	Debtor Contributions	15,200 00
	Winding Up Petition Deposit	1,500 00
	Bank Interest Gross	4 06
		<u>16,704 06</u>
	COST OF REALISATIONS	
	Specific Bond	148 50
(10,000 00)	Joint Supervisors' Remuneration	10,500 00
(500 00)	Joint Supervisors' Disbursements	NIL
		<u>(10,648 50)</u>
	UNSECURED CREDITORS	
(174,548 00)	Trade & Expense Creditors	NIL
		<u>NIL</u>
<u>(48.00)</u>		<u><u>6,055.56</u></u>
	REPRESENTED BY	
	Current 1	6,055 56
		<u><u>6,055.56</u></u>



Ian Franes
Supervisor

HIGH COURT OF JUSTICE
No 4725 of 2014

Ian Franses and Jeremy Karr appointed joint supervisors on
5 August 2014

A & M Legal Services Limited (Company Voluntary Arrangement)

Joint Supervisors' Report to Creditors pursuant
to Rule 1.26(2) of The Insolvency Rules 1986

Period: 5 August 2014 to 4 August 2015

Contents

- Introduction
- Receipts and Payments
- Dividend Prospects
- Summary and Conclusion
- Appendices
 - 1 Joint supervisors' account of receipts and payments
 - 2 Joint supervisors' time costs and expenses

1. INTRODUCTION

Rule 126(2) of The Insolvency Rules 1986 requires that the joint supervisors shall send an annual report to creditors on the progress of the Company Voluntary Arrangement ("CVA"), together with a copy of their receipts and payments

The joint supervisors hereby present their first annual report to creditors, which should be read in conjunction with the CVA proposal of the directors approved at the meeting of creditors on 5 August 2014

2. RECEIPTS AND PAYMENTS

Attached as **Appendix 1** is our abstract of receipts and payments for the period from 5 August 2014 to 4 August 2015

Receipts

Contributions

The terms of the Proposal provided that total contributions of £205,000 would be paid into the CVA over a period from 48 to 60 months. The first 35 contributions was to be paid at £3,800 per month followed by 18 monthly payments of £4,000. The receipts and payments account shows that a total of £15,200 has been received being 4 months of contributions

The Company paid the first contribution of £3,800 but missed the next two and I wrote to the director on 5 November 2014 informing him that this was a breach of the terms of the CVA and to remedy it within 14 days by bringing contributions up to date

The director requested a meeting with me as a result of the notice of breach and the Company made a further contribution of £3,800 on 25 November. He advised that the practice manager, who was the only person with sufficient knowledge of the Company's cases and the ability to recover bad and doubtful debts was suffering symptoms of ovarian cancer which were to be operated on with full recovery taking between 3 and 6 months

The director requested a variation to the CVA suspending the requirement for the Company to make the monthly contributions for a period of 6 months between 28 October 2014 and 28 March 2015 with the CVA being extended by 6 months to compensate. The variation was approved by creditors at a meeting held on 18 December 2014

Subsequent to the end of the suspension of the monthly contributions the Company made 2 payments totalling £7,600

HM Revenue & Customs ("HMRC") wrote to us on 15 July 2015 stating that the Company had failed to submit PAYE/NIC returns due prior to the CVA within the required period and failed to submit PAYE/NIC returns or make payment after the date of the CVA. Consequently, a Notice of Breach was issued on 20 July 2015 requiring the Company to remedy the breach within the next 14 days. The Company failed to pay the post CVA tax liabilities and remedy the breach. The director advised us that the breach could not be remedied and he is considered placing the Company into Administration. Subsequently, it was decided that the Company would be placed into creditors' voluntary liquidation and Michael Durkan of Durkan Cahill was appointed Liquidator on 16 September 2015. It therefore follows that there will be no further contributions paid into the CVA.

Winding Up Petition Deposit

The terms of the Proposal provided that a payment of £1,500 would be made into the CVA to be held in reserve in order to issue winding-up proceedings should it have been required. This sum was received prior to the meeting of creditors and held in my firm's client account before being transferred into the estate account.

Bank Interest Gross

Interest earned on the funds held in the designated estate account amounts to £4.06.

Payments

The Joint Supervisors' remuneration is 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 CVA and was approved at the meeting of creditors to consider the CVA Proposal held on 5 August 2014.

Total remuneration drawn to 4 August 2015 in accordance with the above approval amounts to £10,500. Total time spent to 4 August 2015 on this assignment amounts to 46.4 hours at an average composite rate of £277.37 per hour resulting in total time costs to 4 August 2015 of £12,870.

Creditors will recall that the Proposal anticipated Joint Supervisors' remuneration would amount to £10,000 and will see from this report that remuneration drawn to date amounts to £10,500. The reason for this is due to the exceptional matters that arose during the first year of the CVA which required a high level of partner and manager time to deal with in addition to the unavoidable statutory compliance issues.

The following further information as regards time costs and expenses is set out at **Appendix 2**:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

A copy of 'Voluntary Arrangements - A Creditors' Guide to Insolvency Practitioners' Fees (E&W)' which provides guidance on creditors' rights on how to approve and monitor a Supervisor's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

A payment of £148.50 was made to AUA Insolvency Risk Services Limited which is the insurance premium, based on expected realisations, which we were required to take out after we were appointed.

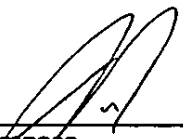
3. DIVIDEND PROSPECTS

The funds held in the estate are held on trust for creditors and do not form part of the Liquidation estate. Therefore there are sufficient funds to enable a small first and final dividend to be paid to unsecured creditors. Accordingly, enclosed with this report is a statement of claim form. Those creditors who have not submitted a claim are requested to do so by 6 November 2015 or they will be excluded from the dividend which will be declared within 3 months of that date. Creditors who have already submitted a claim are not required to do so again.

4. SUMMARY AND CONCLUSION

We will issue our final report to creditors at the same time as declaring the first and final dividend which will be within 3 months of 6 November 2015. We will cease to act as Joint Supervisors from that point.

This report has been filed with the court and the registrar of companies pursuant to Rule 1.26 of the Insolvency Rules 1986.



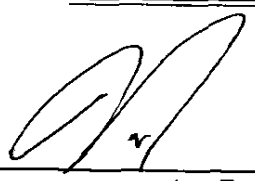
Ian Franses
Joint Supervisor

Dated 2 October 2015

JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period. 5 August 2014 to 4 August 2015

Voluntary Arrangement of A & M Legal Services Limited

Statement of Affairs		From 05/08/2014 To 04/08/2015
	ASSET REALISATIONS	
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	Winding Up Petition Deposit	1,500 00
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	REPRESENTED BY	
	Current 1	6,055 56
		<u>6,055.56</u>
		<u>6,055.56</u>
		
		Ian Franes Supervisor

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 year 5 August 2014 to 4 August 2015

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.

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. Best practice guidance² indicates 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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(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.
- 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.

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

² Ibid 1

(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 London West office as at the date of this report are as follows

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
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	A & M Legal Services Limited
CASE TYPE	Company Voluntary Arrangement
OFFICE HOLDERS	Ian Franses and Jeremy Karr
DATE OF APPOINTMENT	5 August 2014

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**
The case would ordinarily be considered a straightforward Company Voluntary Arrangement where monthly contributions are monitored with the possibility of extra contributions being made at the end of each year depending on how profitable trading is. It was made more complex by having to issue a variation to the CVA due to unforeseen circumstances three months into the case as well as the necessity to issue notices of breach
- 1.3 **Exceptional responsibilities**
The Joint Supervisors were required to issue two notices of breach and a variation report.
- 1.4 **The office holders' effectiveness**
We have collected from the Company the contributions due under the terms of the CVA. Efforts have been made to collect the contributions due since the variation approved by the creditors
- 1.5 **Nature and value of property dealt with by the office holders**
The Joint Supervisors have not been required to deal with any property
- 1.6 **Anticipated return to creditors**
Unfortunately, the Company has not been able to pay the post CVA tax liabilities contribution due for June 2015 and the director decided to place the Company into creditors' voluntary liquidation effectively bring the CVA to an end. Based on the funds remained the CVA a nominal dividend will be paid to the unsecured creditors
- 1.7 **Time costs analysis**
An analysis of time costs incurred between 5 August 2014 and 4 August 2015 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
- 1.9 **The views of the creditors**
We sought approval from creditors variation to the terms of the CVA which was agreed on 18 December 2014. Creditors have been kept informed in both verbal and written correspondence
- 1.10 **Approval of fees**
It was approved by creditors at the meeting held on 5 August 2014 that the Joint Supervisors' remuneration be 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

1 11 Approval of Expenses and Disbursements

It was approved by creditors at the meeting held on 5 August 2014 that the Joint Supervisors be entitled 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

1 12 Other professionals employed & their costs

No other professionals were employed

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning	11 2	0 3	0 3	6 6				1 2	0 8	18 1	6,266 00	346 19
Case planning												
Administration		0 3	1 5	1 6				1 2	0 8	5 4	1 212 50	224 54
Total for General Case Administration and Planning	11 2	0 3	1 8	8 2				1 2	0 8	23 5	7,478 50	318 23
Compliance with the Insolvency Act, Rules and best practice								0 9		0 9	99 00	110 00
Appointment								4 3		4 3	473 00	110 00
Banking and Bonding												0 00
Case Closure												0 00
Statutory reporting and statement of affairs				5 0						5 0	1 325 00	265 00
Total for Compliance with the Insolvency Act, Rules and best practice				5 0				5 2		10 2	1,897 00	185 98
Investigations												0 00
CDDA and investigations												0 00
Total for Investigations												0 00
Realisation of assets												0 00
Debt collection												0 00
Property business and asset sales				5 6						5 6	1 484 00	265 00
Retention of Title/Third party assets												0 00
Total for Realisation of assets				5 6						5 6	1,484 00	265 00
Trading												0 00
Total for Trading												0 00
Dealing with all creditors claims (including employees), correspondence and distributions												0 00
Secured												0 00
Others		0 6	1 8	4 7						7 1	2 010 50	283 17
Creditors committee												0 00
Total for Dealing with all creditors claims (including employees), correspondence and distributions		0 6	1 8	4 7						7 1	2,010 50	283 17
Other matters which includes meetings, tax, litigation, pensions and travel												0 00
Meetings												0 00
Other												0 00
Tax												0 00
Litigation												0 00
Total for Other matters												0 00
Total hours by staff grade	11 2	0 9	3 5	23 5				6 4	0 8	46 4		
Total time cost by staff grade	4,424.00	310 50	1,116 00	6,227 50				704 00	88 00		12,870 00	
Average hourly rate £	395 00	345 00	310 00	265 00	0 00	0 00	0 00	110 00	110 00			277 37
Total fees drawn to date £											10,500 00	

CREDITOR CLAIM FORM (COMPANY VOLUNTARY ARRANGEMENT)

CVA0608P

COURT AND NUMBER	THE HIGH COURT OF JUSTICE NO 4725 OF 2014
NAME OF COMPANY	A & M Legal Services Limited
TRADING ADDRESS	231 Vauxhall Bridge Road, London SW1V 1EH
RELEVANT DATE	5 August 2014

Name of creditor	
Address of creditor	
Total amount of claim	<u>Inclusive of VAT at the relevant date - see above</u> £ _____
Details of any document by reference to which the debts can be substantiated	
Details of goods or services to which the claim relates	
If the total amount above includes outstanding uncapitalised interest please state the amount	£ _____
Particulars of any security held, the value of the security and the date it was given Please explain how you valued your security	£ _____
Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
Signature of, or on behalf of, creditor	
Name in BLOCK CAPITALS	
Position or relationship with creditor	
Date	
PLEASE ATTACH A DETAILED STATEMENT OF ACCOUNT or other particulars of how the debt arose	

ACKNOWLEDGEMENT OF CLAIM (for Supervisor's use only)

I acknowledge receipt of a claim in the Voluntary
Arrangement of £_____ including VAT,
as detailed above

This acknowledgement does not necessarily admit
the claim to rank for dividend

Date

Signed _____

For **Ian Franes** and Jeremy Karr, Joint
Supervisors of the Voluntary Arrangement

Begbies Traynor

24 Conduit Place

London

W2 1EP