

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

1	Company details	
Company number	0 7 3 0 2 8 5 2	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Stratega Law Limited	
2	Supervisor's name	
Full forename(s)	Eric	
Surname	Walls	
3	Supervisor's address	
Building name/number	C12 Marquis Court	
Street	Marquisway, TVTE	
Post town	Gateshead	
County/Region		
Postcode	N E 1 1 0 R U	
Country		
4	Supervisor's name ^①	
Full forename(s)		① Other supervisor Use this section to tell us about another supervisor.
Surname		
5	Supervisor's address ^②	
Building name/number		② Other supervisor Use this section to tell us about another supervisor.
Street		
Post town		
County/Region		
Postcode		
Country		

CVA4

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6 Date voluntary arrangement fully implemented or terminated

Date

d	d	m	m	y	y	y	y
2	7	0	4	2	0	2	2

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

[Handwritten signature]

X

Signature date

d	d	m	m	y	y	y	y
2	7	0	4	2	0	2	2

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	Eric Walls
Company name	KSA Group Ltd
Address	C12 Marquis Court Marquisway, Team Valley
Post town	Gateshead
County/Region	
Postcode	N E 1 1 0 R U
Country	
DX	
Telephone	0191 482 3343



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 or email 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

STRATEGA LAW LIMITED ("The Company")

REPORT TO CREDITORS IN RESPECT OF THE COMPANY VOLUNTARY ARRANGEMENT IN ACCORDANCE WITH RULE 2.44 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016

1. Introduction

- 1.1 As you are aware, I was appointed Supervisor of the company voluntary arrangement ("CVA") of Stratega Law Limited at a meeting of creditors held on 17 July 2017.

2. Events leading up to the failure of the CVA

- 2.1 For some time now, the Company has been in discussion with HM Revenue & Customs ("HMRC") regarding post CVA arrears of PAYE and VAT. The Company was keen to try and resolve this matter to continue trading, and to comply with the terms of the agreed CVA. HMRC were working directly with the Company and at one stage it was thought that a mutually acceptable solution had been achieved through an agreed time to pay deal. The Company had also fallen into arrears with its contributions due under the CVA.
- 2.2 Unfortunately, I have recently been informed that the trading of the Company has deteriorated and that the Company will not be able to comply with the terms of this agreed time to pay arrangement or make any further contributions to the CVA. The Company confirmed that it was also struggling to arrange a finance agreement in respect of its professional indemnity insurance policy, which falls due for renewal shortly.
- 2.3 The Company contacted its regulatory body, informed them of the position, and confirmed that the Company would be unable to continue to trade beyond June 2022. A planned "work-out" of the Company's work in progress and an orderly winding down of the Company's activities was agreed with its regulatory body. This was agreed by the Company to protect the assets of the Company and enhance realisations from work in progress, thereby hopefully maximising any possible return to creditors.
- 2.4 In light of the above, I have no alternative but to issue a Certificate of Non-Compliance in respect of the CVA. This decision has already been communicated to both the Company and to HMRC, the main creditor bound by the CVA. Under normal circumstances, I would issue this report, along with the Certificate, and instruct solicitors to issue a winding up petition in respect of the Company. However, I have recently been provided with confirmation from another firm of licenced insolvency practitioners that they have been engaged by the Company to assist in the orderly winding down of the affairs of the Company and, once this is achieved, to assist the directors in instigating liquidation proceedings through a Creditors Voluntary Liquidation ("CVL"). Begbies Traynor of 340 Deansgate, Manchester, M3 4LY, have been engaged by the Company to assist in this process.
- 2.5 It is likely that the CVL process will commence before any winding up petition issued by me could come before the Court. In addition, as it is likely that an orderly closure of the business will enhance asset realisations for the benefit of creditors, I do not intend to instruct solicitors to issue a winding up petition in respect of the Company. **Any creditor objecting to this planned course of action should set contact me in writing within 21 days from the date of this report setting out their objections.**

3. Failure of the Voluntary Arrangement

- 3.1 Attached to this report is a Certificate of Termination in respect of the CVA dated 27 April 2022. The CVA is deemed to have failed for the reasons set out above.

4. Receipts and Payments Account

4.1 Attached to this report is a receipts and payments account for the following periods:

- 17 July 2021 to 27 April 2022
- 17 July 2017 to 27 April 2022

5. Preferential Creditors

5.1 There are no known preferential creditors in this case.

6. Unsecured Creditors

6.1 Dividends have been paid to the unsecured creditors as follows:

	Payment P in the £	Date	Total Amount Paid
1 st Dividend	8.5	13 September 2018	£64,122.57
2 nd Dividend	11.0	4 September 2019	£82,982.14
3 rd Dividend	8.1	11 September 2020	£61,105.03
4 th Dividend	14.5	10 September 2021	£109,385.55

6.2 As all unsecured creditors have submitted a claim in the CVA, it has not been necessary to issue a notice of intended dividend. The remaining funds in the case will be used to pay the final costs and expenses of the CVA, and to pay a final dividend to the unsecured creditors. The final dividend will be paid once the Company has been placed into Creditors Voluntary Liquidation. It is anticipated that this will be in the next 6-12 weeks.

6.3 All funds held in the CVA are for the benefit of the Company's non-secured creditors. As such, the provisions of section 176A(4) of the Insolvency Act 1986, which relate to the provision of a Prescribed Part of the Company's net property for the benefit of unsecured creditors, do not apply.

7. Supervisor's Remuneration

7.1 You will recall that in the proposal the Supervisor's remuneration was to be based on the time costs of him and his staff in dealing with this CVA. The Supervisor was also given authority to draw remuneration on account of those time costs as and when he felt it appropriate to do so.

7.2 In accordance with Statement of Insolvency Practice 9 as issued by the Association of Business Recovery Professionals an analysis of the time costs incurred to date in dealing with this CVA is attached to this report. It is the policy of my firm that all members of staff dealing with the administration of this case charge the time they have spent directly to the case.

7.3 The charge out rates currently levied by this firm in respect of staff likely to deal with this matter can be summarised as follows:

	Hourly Charge Out Rate £
Directors/Insolvency Practitioners	200 – 350
Managers/Senior Administrators	120 – 200
Administrators/Support Staff	50 – 120

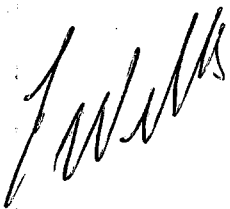
- 7.4 You will note from the attached receipts and payments account that Supervisor's remuneration of £15,000 has been drawn to date in respect to these time costs. I now intend to draw further remuneration on account of these time costs.
- 7.5 In accordance with the CVA proposal, all disbursements incurred by the Supervisor's firm are to be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor will be levied, and motor travel where a charge of 45p per mile will be made.
- 7.6 As can be seen from the attached receipts and payments account the only disbursement drawn to date is in respect to the Supervisor's specific bond of £1,030.00.
- 7.7 At the date of this report there are no disbursements which have been paid by KSA Group Ltd which would need to be reimbursed at a later stage.

8. Conclusion

8.1 In summary therefore:

- I have today issued a Certificate of Termination in respect of the CVA
- The dividend referred to above in section 6 will be paid in due course
- The costs and expenses of the CVA, including the Supervisor's remuneration and disbursements, will be paid

8.2 As noted in section 2.5 above, I do not intend to instruct solicitors to issue a winding up petition in respect of the Company as it is anticipated that the Company will be placed into a CVL. **Any creditor objecting to this planned course of action should set contact me in writing within 21 days from the date of this report setting out their objections.**



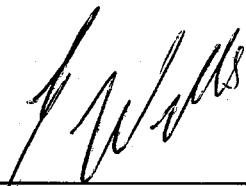
E Walls
Supervisor

27 April 2022

**CERTIFICATE OF TERMINATION OF A COMPANY VOLUNTARY ARRANGEMENT
IN ACCORDANCE WITH RULE 2.44 OF
THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

STRATEGA LAW LIMITED

I, Eric Walls, Supervisor of the company voluntary arrangement of the above Company hereby give notice that, the voluntary arrangement as approved by creditors on 17 July 2017, has been terminated for the reasons set out in the attached report.



E Walls – Supervisor

27 April 2022

KSA Group Ltd
C12 Marquis Court
Marquis Way
Team Valley
Gateshead
NE11 0RU

Stratega Law Limited

Company Voluntary Arrangement

Receipts and Payments Account

	From To	17 July 2021 27 April 2022 £	From To	17 July 2017 27 April 2022 £
RECEIPTS				
Arrangement Contributions		63,000.00		383,000.00
Overdrawn Directors Loan Account Repayment				13,597.00
Bank Interest		5.41		242.28
		<u>63,005.41</u>		<u>396,839.28</u>
PAYMENTS				
Specific Bond				1,030.00
Supervisors Remuneration		15,000.00		15,000.00
UNSECURED CREDITORS:				
1st Dividend of 8.5p in the £ paid on 13/09/2018				64,122.57
2nd Dividend of 11.0p in the £ paid on 04/09/2019				82,982.14
3rd Dividend of 8.1p in the £ paid on 11/09/2020				61,105.03
4th Dividend of 14.5p in the £ paid on 10/09/2021		109,385.55		109,385.55
		<u>124,385.55</u>		<u>333,625.29</u>
BALANCE				<u>63,213.99</u>
REPRESENTED BY				
Cash at Bank - Deposit Account				63,213.99
				<u>63,213.99</u>

**STRATEGA LAW LIMITED - COMPANY VOLUNTARY ARRANGEMENT
TIME AND CHARGE OUT SUMMARY**

	Hours Spent	Charge Out Rate £	Total Time Costs £	Average Hourly Rate £
Time for period 17 July 2021 to 27 April 2022				
Administration, Planning and Statutory Matters				
Directors and Insolvency Practitioners	0.92	200 - 350	322.58	350.63
Managers/Senior Administrators	4.15	120 - 200	824.64	198.71
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Investigations				
Directors and Insolvency Practitioners	0.00	200 - 350	0.00	0.00
Managers/Senior Administrators	0.00	120 - 200	0.00	0.00
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Realisation of Assets				
Directors and Insolvency Practitioners	1.88	200 - 350	655.86	348.86
Managers/Senior Administrators	0.42	120 - 200	84.33	200.79
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Trading Review				
Directors and Insolvency Practitioners	0.00	200 - 350	0.00	0.00
Managers/Senior Administrators	0.70	120 - 200	140.61	200.87
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Creditors				
Directors and Insolvency Practitioners	0.00	200 - 350	0.00	0.00
Managers/Senior Administrators	4.18	120 - 200	836.39	200.09
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Case Specific Matters				
Directors and Insolvency Practitioners	0.00	200 - 350	0.00	0.00
Managers/Senior Administrators	0.00	120 - 200	0.00	0.00
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
TOTAL	12.25		2,864.41	233.83

Time for period 17 July 2017 to 27 April 2022

Administration, Planning and Statutory Matters				
Directors and Insolvency Practitioners	5.66	200 - 350	1,981.68	350.12
Managers/Senior Administrators	33.84	120 - 200	6,733.33	198.98
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Investigations				
Directors and Insolvency Practitioners	0.00	200 - 350	0.00	0.00
Managers/Senior Administrators	0.00	120 - 200	0.00	0.00
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Realisation of Assets				
Directors and Insolvency Practitioners	2.63	200 - 350	918.75	349.33
Managers/Senior Administrators	6.79	120 - 200	1,337.32	196.95
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Trading Review				
Directors and Insolvency Practitioners	0.00	200 - 350	0.00	0.00
Managers/Senior Administrators	4.23	120 - 200	845.62	199.91
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Creditors				
Directors and Insolvency Practitioners	5.50	200 - 350	1,925.09	350.02
Managers/Senior Administrators	29.43	120 - 200	5,710.28	194.03
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
Case Specific Matters				
Directors and Insolvency Practitioners	0.94	200 - 350	328.42	349.38
Managers/Senior Administrators	4.12	120 - 200	821.29	199.34
Administrators/Support Staff	0.00	50 - 120	0.00	0.00
TOTAL	93.14		20,601.78	221.19