

The Insolvency Act 1986

**R.1.29/
R.1.54****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**

To the Registrar of Companies

(a) Insert full name of company	Name of company PCD Products LLP	Company number <div style="border: 1px solid black; padding: 2px; display: inline-block;">OC323544</div>
(b) Insert full names and addresses	I, M J Wilson of Baker Tilly Restructuring and Recovery LLP Ground Floor Meridien House 69-71 Clarendon Road Watford WD17 1DS	
(c) Insert date		
(d) Delete as applicable		


the supervisor of a voluntary arrangement which took effect on 24 November 2009 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 17 April 2013

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

For Official Use	
Liquidation Section	Post Room
A15	
	
A26J4CU2	
A15	18/04/2013
#336	
COMPANIES HOUSE	

IN THE ST ALBANS COUNTY COURT

NO. 1126 OF 2009

IN THE MATTER OF PCD PRODUCTS LLP IN PARTNERSHIP VOLUNTARY
ARRANGEMENT

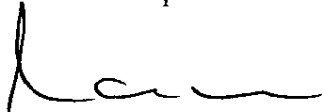
AND

IN THE MATTER OF THE INSOLVENCY ACT 1986 (AS AMENDED)

NOTICE OF TERMINATION PURSUANT TO RULE 1.29 OF THE INSOLVENCY
RULES 1986 (AS AMENDED)

NOTICE IS HEREBY GIVEN under Rule 1.29 of the Insolvency Rules 1986 (as amended) that the Company Voluntary Arrangement, having **failed** was terminated on 11 April 2013

Dated 11 April 2013



M J Wilson
Baker Tilly Restructuring and Recovery LLP
Joint Supervisor



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Our ref MJW/TJH/ERB/TPCDPRO/31/CVAS1120
Your ref

rrwatford@bakertilly.co.uk
Direct line 01923 797261

17 April 2013

Dear Sirs

**PCD Products LLP In Partnership Voluntary Arrangement
In the St Albans County Court No 1126 of 2009**

I refer to the appointment of Matthew Richard Meadley Wild and I as Joint Supervisors of the above named on 24 November 2009. I am writing as Joint Supervisor of the former Partnership Voluntary Arrangement ("PVA") which has failed. A formal notice that the PVA has terminated is enclosed.

The Partnership was placed into administration on 9 April 2013, by SME Invoice Finance Limited. The Administrator will write to you in connection with the administration under separate cover.

A copy of this report has been sent to the court, the Registrar of Companies, and to the Partnership.

The following appendices are attached

- Appendix A Receipts and payments account
- Appendix B Time cost analysis
- Appendix C Charge out and disbursement rate information and Summary of payments to the office holder and associated parties
- Appendix D A copy of Baker Tilly Restructuring and Recovery LLP charging, expenses and disbursements policy statement

Introduction

Summary of Proposal/Modifications

- The Arrangement was to last 5 years or until creditors have been paid 100p in £, whichever was sooner



- The Partnership was to make contribution from profits for each of the five years of PVA to the Supervisor. Two thirds of the profit were to be paid into the PVA with one third retained by the business. Any additional profit contributions over the fixed contributions mentioned below were to be paid to the Supervisor within 6 months of the year end.
- The Partnership made fixed contributions of £3,500 per calendar month to the Supervisor plus an annual contribution for the additional profit payment.
- The Supervisor was to receive and hold the monthly contributions, agree creditors' claims and pay dividends to creditors out of the funds coming into his possession.
- All other assets of the Partnership were excluded from the PVA.
- The Proposal was in full and final settlement of all claims by creditors against the Partnership. The PVA was to last 5 years plus any additional time as required for the provision of financial information and the final profit contribution.
- The estimated dividend to unsecured creditors was approximately 51.7 pence in the pound after costs and expenses of the PVA.

Failure

In my last report I set out the difficulties the partnership had faced in the previous 12 months. However, the Designated Members were focused on trying to increase sales and had complied with the terms of the PVA.

Following our report the partnership continued to face difficult trading conditions and in addition arrears had arisen in respect of PAYE/NIC owed to HM Revenue & Customs ("HMRC").

The trading performance of the Partnership was such that it was unable to put a suitable proposal to HMRC to repay the arrears. The designated members, with the Joint Supervisors' approval, sought an investor for the business and negotiations were started with a potential company. Unfortunately the proposed investor, following due diligence, decided that the Partnership's position was such that an investment was not attractive.

At that point it was clear that the Partnership could not continue to trade and a sale of the business and assets of the Partnership offered an opportunity to generate a return to the creditors not only of the PVA but also the post arrangement creditors. We consulted with HMRC (the largest creditor in both the PVA and post arrangement). With their approval, a sale was agreed and an initial contract was issued to an interested party.

Part of the sale process required the approval of the secured creditor, SME Invoice Financing ("SMEIF"), who held a fixed and floating charge over all the Partnership's



assets During discussions, SMEIF decided, in accordance with their security, to appoint Administrators to the Partnership on 9 April 2013

Therefore, under Clause 28 of the PVA, we have terminated the Arrangement with immediate effect

Partnership Winding Up

Under the terms of the PVA, the Joint Supervisors are obliged to ask the creditors whether they wish them to petition for the winding up of PCD Products LLP. However, we have been advised that the Joint Administrators, under the terms of the administration moratorium that they will not allow a petition to be issued at this stage Therefore there is not benefit in calling a meeting of creditors.

Should any creditors object to this decision and wish me to call a meeting to discuss the possibility of winding up the Partnership, I should be grateful if they would contact the Joint Supervisors within the next seven days

Receipts and Payments

A copy of my receipts and payments account as Supervisor of the former PVA, covering the period from the commencement of the PVA to the date of its failure and showing funds in hand of £2,902 46 is attached at Appendix A

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately

Distribution to creditors

Secured

As previously advised, there were no secured creditor claims

Preferential creditors

As previously advised, there were no preferential creditors

Unsecured Creditors

Claims totalling £532,696.55 were received from unsecured creditors A further 24 potential claims were identified in the Proposal with an aggregate Statement of Affairs value of £228,176 19 These further potential creditors were invited to submit proofs, but did not do so

50 unsecured creditors' claims were received and approved totalling £532,696 55 and to date two distributions have been made in accordance with the proposal as follows,



Date	Rate p/£	Total paid £
13/10/2011	10 42	55,024,29
19/09/2012	4 65	25,000 00
TOTAL	15.07	80,024.29

No further dividend will be distributed as the funds realised have already been either distributed or allocated for defraying the remaining expenses of the estate

Assets

The only asset included in the PVA was the profit contributions to be made by the Partnership. All payments due to the end of February 2013 have been paid by the Partnership. The total amount received was £171,500

Costs and disbursements

Creditors should note that a Creditors Guide to Fees Charged by Supervisors in Voluntary Arrangements, a guide in relation to the remuneration of a Supervisor, can be accessed at the website of the Association of Business Recovery Professionals at www.r3.org.uk/publications/statements of insolvency practice (Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders [England & Wales]). Alternatively, I can provide you with a copy on written request to my office.

Joint Nominee's fees

The basis of the Joint Nominee's fees was dealt with in the Proposal at paragraphs 17.6 and 17.7

The Joint Nominee's fees related to assisting the directors of the Partnership in the preparation of the Proposal, reporting to court on the Proposal and in calling and chairing the meetings of the Partnership and of the creditors

The Partnership paid £20,000 on account of my fees as Joint Nominee prior to the approval of the PVA. A further £3,000 plus VAT was also incurred in respect of the meeting being adjourned together with additional time costs of £3,000 as set out in paragraph 17.9 of the proposal. These monies were paid from the arrangement following the adjourned meetings

Our disbursements as Joint Nominee were dealt with at paragraph 17.12 to the Proposal and amounted to £11.04 in respect of searches obtained. These have been reimbursed out of PVA funds. No Category 2 disbursements were incurred by us as Joint Nominees.

Joint Supervisors' costs

The basis of the Joint Supervisors' remuneration was dealt with in the Proposal at paragraphs 17.8 to 17.10 inclusive



Our aggregate time costs for acting as Joint Supervisors' are evaluated at £87,449.00 representing 458.2 hours. Joint Supervisors' fees of £81,241.50 plus VAT have been drawn. The balance outstanding will be paid in part from funds retained in the arrangement, after the payment of any remaining professional costs incurred by the Joint Supervisors, the balance will be written off by my firm.

The Joint Supervisors' total costs for the entire PVA were estimated in the Proposal at £55,000 but amended to estimate £80,000 in my report dated December 2011.

We have also incurred disbursements, in accordance with Paragraph 17.11 of the Proposal, of £954.18 (including Category 2 disbursements of £426.18) which have been drawn from PVA funds. A detailed analysis is provided at Appendix D.

A tabulation of the total time spent analysed by grade of staff and by activity, together with details of current charging rates, are attached at Appendices C and D. Appendix C which follows the format notified in the best practice guidelines: the notes accompanying it comprise an integral part of that table and should be read in conjunction with it.

Other professional costs

Matthew Arnold & Baldwin, Solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Agreed fees of £500 plus VAT were paid by the Joint Supervisors for advice given to them in respect of the potential sale by the Designated Members.

General

This matter is now concluded and there will be no further reports to creditors from the Joint Supervisors. If you have any queries on the contents of this report, however, please contact Tim Harrop of my office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M J Wilson'.

M J Wilson

Baker Tilly Restructuring and Recovery LLP
Joint Supervisor

Mark John Wilson and Matthew Richard Meadley Wild are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales.

APPENDIX A

Receipts and Payments Account

SOA Value £		£	£
	ASSET REALISATIONS		
0 00	Bank Interest Gross	153 62	
411,000 00	Partnership Contributions	<u>171,500 00</u>	
			171,653 62
	COST OF REALISATIONS		
0 00	Bank Charges	(0 27)	
0 00	Legal Fees	(500 00)	
0 00	Mileage	(5 10)	
0 00	Nominees Costs	(11 04)	
0 00	Nominees Fees	(6,000 00)	
0 00	Supervisors Disbursements	(949 08)	
0 00	Supervisors Fees	<u>(81,241 50)</u>	
			(88,706 99)
	UNSECURED CREDITORS		
0 00	Unsecured creditors	<u>(80,024 29)</u>	
			(80,024 29)
			<u>2,922 34</u>
(124,561 26)			
	REPRESENTED BY		
	Bank - (RBS)	2,902 46	
	Unclaimed Dividends	(80 12)	
	VAT Receivable (Payable)	<u>100 00</u>	
			2,922 34
			<u>2,922 34</u>

APPENDIX B

PCD Products LLP 281446/700 PVA Supervisor

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average rates
Administration and Planning							
Appointment	0 0	2 5	6 7	0 0	9 2	£1 346 50	£146 36
Case Management	1 2	13 1	31 5	4 2	50 0	£8 245 50	£164 91
Closure	0 2	1 1	0 0	0 9	2 2	£421 50	£191 59
Committee	0 0	0 0	1 0	0 0	1 0	£135 00	£135 00
Director(s)/Debtor/Bankrupt	6 8	46 4	1 2	5 1	59 5	£14,501 00	£243 71
Pension Scheme	0 1	0 0	0 3	0 0	0 4	£72 00	£180 00
Post appointment general	0 3	0 0	0 0	0 8	1 1	£182 50	£165 91
Post appointment taxation	0 5	1 2	6 4	0 0	8 1	£1,395 50	£172 28
Receipts and Payments	0 3	0 4	33 2	11 0	44 9	£6 099 00	£135 84
Shareholders/Director/Debtor/ Bkpt	0 9	65 6	19 1	5 4	91 0	£17 849 50	£196 15
Totals	10 3	130 3	99 4	27 4	267 4	£50,248 00	£188 66
Realisation of Assets							
Assets general/other	0 0	0 0	5 0	1 0	6 0	£810 00	£135 00
Chattels	0 0	0 3	0 0	0 0	0 3	£72 00	£240 00
Debtors & sales finance	0 0	1 0	0 0	0 0	1 0	£240 00	£240 00
HP/Leasing creditors	0 0	0 0	0 5	0 0	0 5	£70 00	£140 00
Sale of business	5 5	5 0	0 2	0 0	10 7	£3 456 50	£323 04
Totals	5 5	6 3	5 7	1 0	18 5	£4,648 50	£251 27
Trading							
Trading	6 1	0 0	14 9	0 0	21 0	£4 645 50	£221 21
Totals	6 1	0 0	14 9	0 0	21 0	£4,645 50	£221 21
Creditors							
1st creditors/shareholders meetings and reports	0 0	17 0	0 0	0 0	17 0	£3 387 50	£199 26
Employees	0 0	0 0	0 5	0 0	0 5	£75 00	£150 00
Other Creditor Meetings and Reports	2 8	13 0	26 4	3 9	46 1	£8 052 00	£175 25
Secured Creditors	3 0	3 0	0 4	0 0	6 4	£1 984 00	£310 00
Unsecured Creditors	2 7	22 6	46 4	3 1	74 8	£13 256 50	£177 23
Totals	8 5	55 6	73 7	7 0	144 8	£26,755 00	£184 98
Case Specific Matters - Legal Matters							
Legal Matters	0 0	3 2	0 4	0 3	3 9	£853 50	£218 85
Totals	0 0	3 2	0 4	0 3	3 9	£853 50	£218 85
Case Specific Matters - Shareholders							
Shareholders / Members	0 0	0 5	0 0	2 1	2 6	£298 50	£114 81
Totals	0 0	0 5	0 0	2 1	2 6	£298 50	£114 81
TOTAL HOURS	30 4	195 9	194 1	37 8	458.2	£87,449 00	£190 85
TOTAL TIME COST	£12,275 00	£43,574 00	£28,452 00	£3,148 00		£87,449 00	

NOTES TO APPENDIX B

JOINT SUPERVISORS' TIME COST ANALYSIS

a) Administration and Planning

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and Income tax issues, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of Assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the business of the debtor has been traded (by the trustee) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of ongoing matters relating to this aspect of the case.

f) Case Specific Matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT SUPERVISORS' CHARGE OUT AND DISBURSEMENT RATES

HOURLY CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner	395	405
Associate Director	-	295
Manager	175 – 275	240
Administrator	105 – 150	130-185

“CATEGORY 2” DISBURSEMENT RATES (TABLE A)	
Travel & Subsistence	
Motor travel	40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)

BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT SUPERVISORS' CATEGORY 2 DISBURSEMENTS

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
Photocopying	270.05	
Meeting room hire	130 43	
Travel	25 70	
Total	426.18	

Appendix D

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Watford are attached
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest in, require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP Watford will be proposed to the relevant parties responsible for approving remuneration.
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant parties responsible for approving remuneration.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate