

**Notice to Registrar of Companies of
Supervisor's Progress Report****R.1.26A(4)(a)/R.
1.54**Pursuant to Rule 1.26A(4)(a) or
Rule 1.54 of the Insolvency Rules
1986For official
use

To the Registrar of Companies

--	--	--

Company Number

OC346329

Name of Company

(a) Insert full name of
company

(a) TAYLOR STREET SOLICITORS LLP

(b) Insert full name and
address)

(b) MICHELLE ANNE WEIR of

LAMEYS
ENVOY HOUSE
LONGBRIDGE ROAD
PLYMOUTH
DEVON PL6 8LU

Supervisor of a Voluntary Arrangement taking effect on

(c) Insert date

(c) 9 SEPTEMBER 2013

Attach my Progress Report for the period

from

(c) 9 SEPTEMBER 2016

To

(c) 8 SEPTEMBER 2017

Number of continuation sheets (if any) attached

--

Signed



Date : 23 November 2017

Presenter's name,
address and
reference (if any)LAMEYS
ENVOY HOUSE
LONGBRIDGE ROAD
PLYMOUTH
DEVON
PL6 8LU

MAW/MDS/TA0065P/CVA/Oi

For Official Use
Liquidation | Post Room*Q6JVPFUZ*
QIQ 24/11/2017 #114
COMPANIES HOUSE

FRIDAY

**TAYLOR STREET SOLICITORS LLP
COMPANY VOLUNTARY ARRANGEMENT**

SUPERVISOR'S ANNUAL REPORT TO CREDITORS

**FOR THE PERIOD 9 SEPTEMBER 2016 TO
8 SEPTEMBER 2017**

1 Introduction

You will recall that I was appointed supervisor of the CVA on 9 September 2013. This report now provides an update on the progress in the CVA in accordance with Rule 2.41 of the Insolvency (England and Wales) Rules 2016. At appendix A I have provided an account of my receipts and payments for the year ended 8 September 2017 with a comparison to the designated members proposal.

By way of reminder, the CVA provided in the main for contributions of £15,000 per month for 5 years and operates in conjunction with voluntary arrangements made by 3 other connected parties. All 4 voluntary arrangements are operating as interlocking voluntary arrangements. The interlocking voluntary arrangements are as follows:

- Taylor Street Solicitors LLP (company voluntary arrangement) ("LLP")
- TS People Limited (company voluntary arrangement) ("TSP")
- PS Holdings Limited (company voluntary arrangement) ("Holdings")
- Philip John Street (individual voluntary arrangement) ("PJS-IVA")

As all the debts within the 4 voluntary arrangements have been incurred directly or indirectly as a result of the trading performance of Taylor Street Solicitors LLP, all the voluntary arrangements provide for an equal return to all creditors within the arrangements.

Due to the interlocking nature of the 4 voluntary arrangements, if 1 fails, the other 3 will also fail. When considering this report, creditors will need to make reference to the other 3 reports (copies enclosed) and ensure that the implications of those are also considered.

Definitions of terms and abbreviations used in this document are as follows:

"the Arrangement"	This company voluntary arrangement. Due to the interlocking nature of the voluntary arrangements the term "the Arrangement" may be used to refer to the voluntary arrangement for the LLP, TSP, Holdings, PJS-IVA or all four arrangements as a whole.
"the Act"	The Insolvency Act 1986 (as amended)
"the Company"	Taylor Street Solicitors LLP
"CVA"	Company voluntary arrangement
"the Designated Members"	Philip John Street and PS Holdings Limited
"the Effective Date"	9 September 2013
"Holdings"	PS Holdings Limited
"the LAA"	the Legal Aid Agency
"the LLP"	Taylor Street Solicitors LLP
"the Members"	Philip John Street and PS Holdings Limited
"PJS"	Philip John Street
"the Rules"	The Insolvency (England and Wales) Rules 2016
"Secured Creditor"	Any creditor of the Company whose claim is secured against any assets of the Company.

“the SMP”	Monthly payments received from the LLA in relation to lower crime work, being the Standard Monthly Payment.
“the Supervisor”	Michelle Anne Weir, licensed insolvency practitioner of Lameys, Envoy House, Longbridge Road, Plymouth, PL6 8LU.
“TSP”	TS People Limited
“Unsecured Creditor”	Any person other than a secured creditor, or a preferential creditor who has or claims to have any claim against the Company arising out of or having its origin in any matter occurring out of or prior to the Effective Date or arising out of any transaction act or omission of the Company on or before the Effective Date whether the claim be present, future, or contingent, or prospective, or whether liquidated, or for damages, and whether in contract or tort howsoever arising.

The main provisions of the Arrangement are as follows:

Contributions

The Arrangement provides for the LLP to pay monthly contributions to the Supervisor over a period of 5 years. These contributions commenced at £15,000 per month, subsequently varied as previously reported, and are financed out of the LLP's trading profits.

Additional contribution

The terms of the Arrangement include a provision for the LLP to pay an additional contribution if certain circumstances are triggered by the Company's trade. A more detailed explanation is provided in the original proposal but can be summarised in that the additional contribution would become due if the LLP receives a top up payment from the LAA.

Sale of house

The equity in PJS's home will be introduced for the benefit of the Arrangement.

This will happen in line with a modification which was submitted by HM Revenue & Customs and agreed by the Members and Designated Members, as follows:

“In addition to the assets stated in the original proposal as being included within the arrangement the Supervisor shall within 30 days of the approval of the arrangement secure the following assets for the benefit of the arrangement of Mr Street; 6 Tavistock Drive, Fleet, Hampshire, GU51 4EH. By month 48 the debtor is to obtain 2 valuations thereof and must either (1) introduce funds (equivalent to the equity therein) by month 54 through either re-mortgage or other borrowing or if this is not possible (2) he must make monthly contributions into the VA for a further 12 months at the same rate as in Year 5. The duration of the VA will be extended accordingly. The total contributions in Year 6 will be capped at the level of equity.”

PJS has been unable to obtain a mortgage and therefore pursuant to the terms of the modification, the Arrangement will be extended by 12 months.

Review of trading

Included in the original proposal was a cash flow projection. The monthly contributions are based on these projections. The Arrangement notes that actual results could be better or worse than the projected figures and makes provision for both circumstances.

In circumstances where trade is better than projected, the Arrangement provides that the LLP's contributions will be increased by 50% of any increase in the after tax profits over the cash-flow amounts forecast.

In circumstances where trade is worse than projected, the Arrangement provides that, at the Supervisor's discretion, the monthly contribution may be reduced by up to 30%. In addition, at the Supervisor's discretion, the Supervisor can allow a contribution holiday whereby the monthly contribution is reduced to zero for a maximum of 3 months.

These provisions allow for the Arrangement to benefit from any increase in the LLP's financial performance and makes the Arrangement more viable in times where trade is more difficult.

The LLP's trading performance is reviewed every 3 months.

2. Supervisor's comments

Voluntary contributions

As per the agreed variations, I have received total contributions to date of £408,000 details as follows:

Year 1	£171,000
Year 2	£126,000
Year 3	£65,000
Year 4	<u>£46,000</u>
Total	£408,000

I can confirm that all contributions are up to date at the time of this report.

Additional contributions

To date the additional contribution clause has not been triggered.

6 Tavistock Drive, Fleet, Hampshire, GU51 4EH ("the Property")

I have registered an RX1 form at Land Registry to note my interest and secure the Property for the benefit of the Arrangement. PJS is currently arranging a valuation.

Payment of CVA costs for Holdings.

Holdings is in a CVA as part of the interlocking arrangements. However, Holdings does not have any creditor claims under the terms of the Arrangement. It was essential for Holdings to be party to the Arrangement due to several guarantees and group registration for its taxes. The proposal provided for the LLP's CVA to pay the costs of Holding's CVA.

Mileage and postage

During the period of this report I have paid disbursements for mileage and postage.

Other matters

Following the variation of the Arrangement, the Arrangement is fully compliant and creditors' claims are in line with original estimates

3. Creditors

Preferential creditors

Preferential creditors which relates to employee claims for unpaid holiday pay and unpaid wages, were agreed and were paid in full on 9 June 2014.

Unsecured creditors

To date I have admitted claims from 22 creditors totalling £1,454,842. I am yet to receive claims from 10 creditors whose debts were estimated to amount to £15,867 per the statement of affairs.

Several creditors have not submitted claims yet. Please note, I will be declaring another dividend when funds permit (see note 5). Therefore, I enclose a statement of claim form at appendix D, if any creditor has not yet submitted a claim, I would urge them to submit it now. Alternatively, I should be obliged if you would inform me if you have no claim in the Voluntary Arrangement.

4. Supervisor's remuneration

The Arrangement provides that the Supervisor's remuneration will be based according to the time costs incurred by myself and my staff in administering the CVA.

The Supervisor's time costs for the year ended 8 September 2017 total £3,679. This represents 28.70 hours at an average rate of £128.19 per hour. Total time costs for the whole period of the CVA to 8 September 2017 are £33,770 representing 228 hours at an average rate of £148.11 per hour. In the period covered by this report, £5,830 has been drawn on account.

Attached as Appendix B is a time analysis in accordance with the provisions of Statement of Insolvency Practice 9 (**SIP9**), providing details of the activity costs incurred by staff grade, for the year ended 8 September 2017 as well as for the period of the Arrangement to date.

During the period covered by this report the work carried out by myself and my staff has consisted of:-

- = Necessary administration and planning of the case, case reviews and general management, meeting with directors.
- = Cashiering and preparation of receipts and payments accounts.
- = Preparation of reports to creditors and all other statutory duties.
- = Liaising and dealing with calls and correspondence from creditors, employees etc.
- = Review of Company's trading figures.
- = Monitoring of monthly voluntary contributions.
- = Setting up a PAYE scheme in respect of the tax payable to HMRC on the dividend distribution to the employees.
- = Duly paying over the tax to HMRC for the three dividend distributions made over the whole period of the CVA.

Set out below are details of the expenses incurred during the period covered by this report.

<u>Nature of Expense</u>	<u>Amount</u>
Postage (Lameys)	£80.38
Payment of CVA costs for PS Holdings Limited	£1,851.47

Other than a nominal amount of postage, there are no accrued costs outstanding.

Attached, as appendix C is additional information in relation to Lameys policy on staffing, the use of sub-contractors and re-charging of disbursements. Creditors may obtain the guidance note "Voluntary Arrangements – A Creditors guide to Insolvency Practitioners Fees (effective from 6 April 2017)" at <http://tinyurl.com/bqoaopu> or upon request to myself.

5. Distributions

Preferential creditors

Preferential creditor claims have been agreed and were paid in full on 9 June 2014.

Unsecured creditors

Those unsecured creditor claims which have been submitted and agreed, have been paid the following dividend:

09/06/2014	4p in the £
23/12/2014	2.3p in the £
19/02/2016	12.4p in the £

At present, I have funds of approximately £64,185 in hand. The proposal states:

"We propose that dividends be paid by the Supervisor at 6 monthly intervals (so long as sufficient funds are available for the payment of at least 5p in the £) and at the end of the Arrangement."

Under the terms of the Arrangement a dividend to unsecured creditors is due on the anniversary of the Arrangement (9 September 2016 and 9 September 2017). However, due to the variation of the arrangement the funds available in the arrangement have not been sufficient to meet the 5p in the £ requirement. The balance at bank needs to be in the region of £80,000 to achieve the minimum dividend amount. Therefore, I will consider the viability of another dividend in March 2018, at which point I will have received further contributions.

Should you require further information at any time, please do not hesitate to contact Simon Hicks of this office.

MICHELLE WEIR
SUPERVISOR

Enc.

TAYLOR STREET SOLICITORS LLP
COMPANY VOLUNTARY ARRANGEMENT

RECEIPTS & PAYMENTS ACCOUNT
FOR THE PERIOD 9 SEPTEMBER 2013 TO 08 SEPTEMBER 2017

Estimated to realise per proposal £		09.09.2016 to 08.09.2017 £	Total to date £
	RECEIPTS		
900,000	Voluntary contributions	44,000.00	408,000.00
100,000	Additional contributions	0.00	0.00
180,000	Equity in freehold property	0.00	0.00
0	VAT Refund	0.00	900.00
0	Interest	5.89	330.39
1,180,000		44,005.89	409,230.39
	PAYMENTS	£	£
	Statutory bonding	0.00	1,000.00
	Nominee's fee (Note 2)	0.00	9,500.00
	Payment of CVA costs for PS Holdings Limited	1,851.47	10,575.72
	Companies House searches	0.00	2.00
	Accountancy fees	0.00	4,200.00
	Supervisor's remuneration	5,830.00	33,640.00
	Unsecured dividends (Note 3)	0.00	272,055.31
	Distribution to preferential creditors (100p in the £ paid on 9/06/2014)	0.00	12,378.60
	Mileage	0.00	385.20
	Postage	80.38	597.95
	Legal costs	0.00	611.00
	Room hire	0.00	100.00
		7,761.85	345,045.78
	Balance at bank (Note 4)		64,184.61

Notes:

1. Receipts & payments are stated gross of VAT
2. Nominee's fee agreed at £7,500.00 plus £2,000.00 in relation to the adjournment.
3. Unsecured dividends paid:

09/06/2014	4p in the £
23/12/2014	2.3p in the £
19/02/2016	12.4p in the £
4. Balance at bank includes provision of the following: -
 £12,000.00 for winding up petition costs

**TAYLOR STREET SOLICITORS LLP
COMPANY VOLUNTARY ARRANGEMENT**

APPENDIX B

Time Cost Analysis Summary

Period of Time Costs

From: 09 September 2013

To: 08 September 2017

	Partner	Senior Manager	Assistant Manager	Administrators	Assistants & Support Staff	Total Hours	Total Cost	Average Rate £/hr
Description of Work								
Administration and Planning	6.90	40.90	0.00	2.20	61.50	111.50	£16,179.00	£145.10
Investigations	0.00	0.00	0.00	0.00	3.80	3.80	£342.00	£90.00
Realisations of Assets	1.90	0.50	0.00	0.00	0.50	2.90	£625.00	£215.52
Creditors	7.00	39.90	0.00	13.90	47.80	108.60	£16,516.00	£152.08
Tax/VAT	0.00	0.00	0.00	0.00	1.20	1.20	£108.00	£90.00
Total Hours	15.80	81.30	0.00	16.10	114.80	228.00	£33,770.00	£148.11

Total Time Costs (£) £33,770.00

APPENDIX B

Period of Time Costs

To: 08 September 2017

Total Time Costs (£)	<u>£3,679.00</u>
----------------------	------------------

Total Time Costs (£)

ADDITIONAL INFORMATION IN RELATION TO SUPERVISOR'S FEES

PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1 Policy

Detailed below is Lameys policy in relation to:-
 Staff allocation and the use of sub-contractors
 Professional advisors
 Disbursements

1.1 Staff allocation and the use of sub-contractors

Lameys general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Manager, Senior and Administrator. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

It is my policy as Supervisor to delegate the routine administration of the Voluntary Arrangement to senior staff in order to maximise the cost effectiveness of the work performed. These staff are overseen by the Supervisor. Any matter of particular complexity or significant that require responsibility of exceptional kind will be dealt with by the Supervisor or a Partner.

In common with all professional firms, the Supervisor's scale rates increase from time to time over the period of the administration of each Insolvency case. Lameys or any successor firm reserves the right to change the rates and grade structure.

Lameys does not utilise the services of any sub-contractors.

1.2 Professional advisors

On this assignment I have not needed to use any professional advisors.

1.3 Disbursements

Expenses and disbursements incurred by Lameys on dealing with the administration of the Arrangement are discharged as a practice overhead out of fee income. This means that there are no hidden costs for recharging the use of internal meeting rooms, document storage and other services provided in-house by the firm.

For the avoidance of doubt, direct costs relating to the administration of the Arrangement are recovered if funds permit. These include, where applicable, statutory insurance, postage, advertising, travel expenses and expenses claims by Lameys staff where they are obliged to work away from the office. Furthermore, Lameys only seeks to recover the costs of printing, document storage and room hire when provided by external suppliers.

2. Charge out rates

A schedule of Lameys charge-out rates was issued to creditors with the Proposal. Time is recorded in 6 minute units. There have been no material increases in charge-out rates since that date.

The current charge-out rates are as follows:-

Partner	£250 per hour
Senior Manager	£210 per hour
Assistant Manager	£170 per hour
Administrators	£150 per hour
Assistants & Support Staff	£90 per hour

Creditors may obtain the guidance note "Voluntary Arrangements – A Creditors guide to Insolvency Practitioners Fees (effective from 6 April 2017)" at <http://tinyurl.com/bq9a9py> or upon request to myself.

TAYLOR STREET SOLICITORS LLP
CREDITOR'S STATEMENT OF CLAIM

Name and Address of Creditor:

Amount claimed in the Arrangement:-
(Including VAT)

£

Signature of Creditor:

Name of Creditor:

Telephone:

Fax:

Email:

Date:

Please provide appropriate documentation in support of your claim.

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994.

Please return this form when you have completed it to Lameys, Envoy House, Longbridge Road, Plymouth, PL6 8LU.

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account.

Claims lodged in the Arrangement should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue & Customs for the VAT element through their VAT Return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.