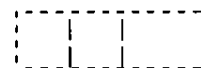


Notice to Registrar of Companies of  
Supervisor's Progress Report**R.1.26A(4)(a)/R.  
1.54**Pursuant to Rule 1 26A(4)(a) or  
Rule 1 54 of the Insolvency Rules  
1986

To the Registrar of Companies

For official  
use

Company Number

OC346329

(a) Insert full name of  
company

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

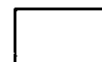
from

(c) 9 SEPTEMBER 2013

to

(c) 8 SEPTEMBER 2014

Number of continuation sheets (if any) attached



Signed

Date 7.11.14

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

MAW/SWH/MDS/TA0065P/CVA/OI

THURSDAY



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13/11/2014

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COMPANIES HOUSE

**TAYLOR STREET SOLICITORS LLP**  
**SUBJECT TO A COMPANY VOLUNTARY ARRANGEMENT**

**SUPERVISOR'S ANNUAL REPORT TO CREDITORS**  
**FOR THE PERIOD 9 SEPTEMBER 2013 TO 8 SEPTEMBER 2014**

## **CONTENTS**

- 1 Introduction and definitions
- 2 Supervisor's comments
- 3 Creditors
- 4 Supervisor's remuneration
- 5 Distributions

## **APPENDICES**

- A Receipts & payments account for the period from 9 September 2013 to 8 September 2014
- B Time analysis for the period from 9 September 2013 to 8 September 2014
- C Additional information in relation to the supervisor's fees and expenses

## 1 Introduction and definitions

The Arrangement was approved and I was appointed as supervisor on 9 September 2013

This company voluntary arrangement 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 subject to a company voluntary arrangement
- TS People Limited subject to a company voluntary arrangement
- PS Holdings Limited subject to a company voluntary arrangement
- Philip John Street subject to an individual voluntary arrangement

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:

<b>"the Arrangement"</b>	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 or all four arrangements as a whole.
<b>"the Act"</b>	The Insolvency Act 1986 (as amended)
<b>"the Company"</b>	Taylor Street Solicitors LLP
<b>"CVA"</b>	Company voluntary arrangement
<b>"the Designated Members"</b>	Philip John Street and PS Holdings
<b>"the Effective Date"</b>	9 September 2013
<b>"Holdings"</b>	PS Holdings Limited
<b>"the LAA"</b>	the Legal Aid Agency
<b>"the LLP"</b>	Taylor Street Solicitors LLP

<b>“the Members”</b>	Philip John Street and PS Holdings
<b>“PJS”</b>	Philip John Street
<b>“the Rules”</b>	The Insolvency Rules 1986 (as amended)
<b>“Secured Creditor”</b>	Any creditor of the Company whose claim is secured against any assets of the Company
<b>“the Supervisor”</b>	Michelle Anne Weir, Licensed Insolvency Practitioner of Lameys, Envoy House, Longbridge Road, Plymouth, PL6 8LU
<b>“TSP”</b>	TS People Limited
<b>“Unsecured Creditor”</b>	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 and are financed out of the LLP's trading profits.

### **Additional contribution**

As part of its trade the LLP undertakes work in the Magistrates' Courts and Police Stations ("Lower Crime")

"Lower Crime" is subject to a complicated set of rules for payment. Essentially, each firm that undertakes "Lower Crime" reports work each month electronically to the LAA. In return, the firm receives a "Standard Monthly Payment" ("SMP") which is paid directly into the firm's bank account at a set rate. The SMP can only be varied in very limited circumstances.

Each month, the amount a firm has received is "reconciled" against the money that has been reported in respect of cases that have been concluded. Under the current reconciliation protocol agreed with the Law Society, a firm's SMP remains unchanged unless the firm falls "out of band" by 10%. If the firm reconciles at 109%, it is owed money by the LAA, but there will be no change to the SMP unless and until the firm reaches 110% or more. Equally, if a firm reconciles at, say, 91%, it owes money to the LAA, but there will be no change to the SMP unless and until the firm reaches 90% or less.

In addition to the monthly contribution, the Arrangement provides for an additional contribution to be paid into the Arrangement if the LLP reaches the 110% threshold. At that point the LAA will pay a top up, spread over 3 months, which will repay some of the debt which has accrued over the previous months/years ("the Top Up"). The additional contribution is in the same amount as the Top Up within 14 days of the Top Up being received by the LLP.

### **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."*

### **Review of trading**

Included in the original proposal was a cashflow 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.

This report provides an update on the progress in the Arrangement in accordance with Rule 1.26 of the Rules. At appendix A, I have provided an account of my receipts and payments for the year ended 8 September 2014 with a comparison to the original proposal. As at the date of this report, with the exception of supervisor's remuneration, there were no accrued costs which have not been paid.

## **2 Supervisor's Comments**

### **Voluntary Contributions**

I have received total contributions to date of £181,500 and can confirm that all contributions are up to date at the time of this report.

### **Additional contribution**

To date the LLP has not reached at the 110% threshold and the additional contribution has not been required.

### **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.

### **Adjustment to contributions**

Following my review of the trading figures in March 2014, the Designated Members contacted me to inform me several changes in the structure of payments from the LAA and government cuts meant trade and profitability was likely to be adversely affected. The LLP's business is

still profitable but profits are likely to be marginally below those anticipated. In order to protect the interests of the Arrangement and maintain its present and future viability, I have allowed the monthly contributions since July 2014 to be reduced by 30%. The LLP's performance will continue to be monitored and if profits return to original forecasts, I will revise the contribution upwards again.

## **Other Matters**

### *Compliance*

The Arrangement is fully compliant and creditors' claims are in line with original estimates.

### *Clarification of modification interpretation*

The overriding principle of the Arrangement is that all Unsecured Creditors will receive the same dividend irrespective of which legal entity their debt is actually due from. This is because the financial affairs of the various entities (the LLP, TSP, Holdings and PJS) are considered to be inextricably linked and, therefore, to treat the Unsecured Creditors of the different entities differently would be unavoidably unfair. The Arrangement was therefore drafted to provide for all Unsecured Creditors in all 4 voluntary arrangements to benefit equitably from the contributions made by the LLP. Similarly, all creditors (across all 4 voluntary arrangements) will benefit from the sale of the Property. Therefore, the funds which are introduced pursuant to the HMRC's modification regarding the Property (whether this arises from a sale of the Property or from contributions made in year 6 of the Arrangement) will be paid into the LLP's CVA for the benefit of all Unsecured Creditors.

## **3 Creditors**

### **Preferential Creditors**

Preferential Creditors relate to employee claims for unpaid holiday pay and unpaid wages. Several employees had been made redundant shortly before the Arrangement process started and all of the claims from employees relate to these employees.

The Redundancy Payments Office ("RPO") paid the employee claims up to the statutory limits. The RPO then submitted a claim in the Arrangement in relation to amounts which it has paid to the employees.

Most of these employees also had surplus claims over and above the statutory amounts paid by the RPO.



All preferential claims have been agreed and were paid in full on 9 June 2014

### **Unsecured Creditors**

To date I have received, adjudicated and admitted claims from Unsecured Creditors totalling £417,881.15. I am yet to receive claims from 12 creditors whose debts were estimated to amount to £815,270.

I have paid a dividend of 4p in the £ to Unsecured Creditors on 9 June 2014.

Several creditors have not submitted claims yet. I will be declaring another dividend shortly. Therefore if any creditor has not submitted a claim yet, I would urge them to submit it now.

HM Revenue & Customs ("HMRC") is the largest anticipated creditor which is yet to submit a claim. HMRC cannot submit an accurate claim until all the relevant tax returns have been submitted. Therefore, based on an estimate of claims yet to be submitted, I have reserved from the distribution my best estimate of sufficient funds to pay the 4p in the £ dividend to those creditors who have not yet submitted claims.

Barclays Bank Plc have recently advised that they have security in respect of the personal guarantee given by Mr Street over the matrimonial home. The Bank have yet to confirm their position in respect of claiming in the LLP.

## **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 Arrangement.

The Supervisor's time costs for the year as at 8 September 2014 total £13,409. This represents 30.5 hours at an average rate of £159.06 per hour. In the period, £12,000 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 2014.

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 case management
- = Meetings with Designated Members
- = 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
- = Agreement and scheduling of Preferential Creditors' claims
- = Agreement and scheduling of Unsecured Creditors' claims
- = Calculation and payment of dividend distribution to Unsecured Creditors
- = Reviews of the LLP's trading figures
- = Monitoring of monthly voluntary contributions

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" at <http://tinyurl.com/bgoaopu> or upon request to myself

## 5 Distributions

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

Those Unsecured Creditor claims which have been submitted to me have been agreed and a first dividend of 4p in the £ was paid on 9 June 2014. I anticipate paying a second dividend shortly. I enclose, at appendix D, for your attention a statement of claim form for those creditors who have still to register their claim in this Arrangement.

If you have received this report but do not have a claim in the Arrangement please will you confirm that you don't have a claim, in writing.

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

Yours faithfully



**MICHELLE WEIR**  
**SUPERVISOR**

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**TAYLOR STREET SOLICITORS LLP**  
**SUBJECT TO A COMPANY VOLUNTARY ARRANGEMENT**

**RECEIPTS & PAYMENTS ACCOUNT**  
**FOR THE PERIOD 9 SEPTEMBER 2013 TO 8 SEPTEMBER 2014**

Estimated to Realise per Statement of Affairs £	RECEIPTS	£
900,000 00	Voluntary Contributions	181,500 00
100,000 00	Additional Contributions	0 00
180,000 00	Equity in Freehold Property	0 00
0 00	Interest	51 52
<b><u>1,180,000 00</u></b>		<b><u>181,551 52</u></b>
	PAYMENTS	£
	Statutory Bonding	1,000 00
	Nominee's Fee (See note 2)	9,500 00
	Payment of CVA Costs for PS Holdings Limited	4,741 00
	Companies House Searches	2 00
	Accountancy Fees	4,200 00
	Supervisor's Remuneration	12,000 00
	Unsecured Dividend (4p in the £ paid on 9/06/2014)	34,247 40
	Preferential Distribution (100p in the £ paid on 9/06/2014)	12,378 60
	Mileage	381 60
	Postage	340 91
	Legal Costs	611 00
	Room Hire	100 00
		<b><u>79,502 51</u></b>
	Balance at Bank	<b><u>102,049 01</u></b>

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 Balance at Bank includes provision of the following -
  - £12,000 00 for Winding Up Petition Costs
  - £47,442 56 for Unclaimed Dividend Payments

**TAYLOR STREET SOLICITORS LLP  
COMPANY VOLUNTARY ARRANGEMENT**

**APPENDIX B**

**Time Cost Analysis Summary**

Period of Time Costs

From 09 September 2013

To 08 September 2014

	Partner	Senior Manager	Assistant Manager	Administrators	Assistants & Support Staff	Total Hours	Total Cost	Average Rate £/hr
<b>Description of Work</b>								
Administration and Planning	1 80	4 80	0 00	1 80	14 40	22 60	£2,994 00	£132 48
Realisations of Assets	0 60	0 50	0 00	0 00	0 00	1 10	£255 00	£231 82
Creditors	5 00	25 60	0 00	13 90	16 10	60 60	£10,160 00	£167 66
<b>Total Hours</b>	<b>7 40</b>	<b>30 90</b>		<b>15 50</b>	<b>30 50</b>	<b>84 30</b>	<b>£13,409 00</b>	<b>£159 06</b>
	7 40	30 90	0 00	15 50	30 50			

Add Time Costs above  
for period to 08  
September 2014

£13,409 00

Total Time Costs (£)

£13,409 00

## 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 Assistant. 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 requires 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 in 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 expense 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" at <http://tinyurl.com/bqqaopu> or upon request to myself