

## The Insolvency Act 1986

Notice to Registrar of  
Companies of Completion or  
Termination of Voluntary  
Arrangement

**R.1.29/  
R.1.54**

**Pursuant to Rule 1.29 or Rule  
1.54 of the Insolvency Rules  
1986**

For Official Use



To the Registrar of Companies

Company number

3073655

Name of company

(a) Insert full name of  
company

(a) McCarthy Corporation plc

(b) Insert full name and  
address

I (b) Stephen Hunt  
Griffins, Tavistock House South,  
Tavistock Square  
London WC1H 9LG

(c) Insert date

(d) Delete as applicable

the Supervisor of a voluntary arrangement which took effect on 26 June 2003  
enclose a copy of my notice to the creditors and members of the above-named  
company that the voluntary arrangement has terminated (d), together with a  
report of my receipts and payments

Signed

Date 11 April 2014

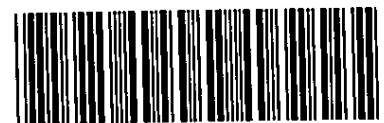
Presenter's name,  
address and reference  
(if any)

For Official Use

Liquidation Section

Post Room

SATURDAY



\*A365ZJ74\*

A17

19/04/2014

#71

COMPANIES HOUSE

**MCCARTHY COPORATION PLC**

**COMPANY VOLUNTARY ARRANGEMENT (CVA)**

**IN THE HIGH COURT OF JUSTICE, COURT NO: 3294 OF 2003**

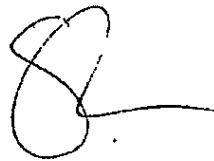
**CERTIFICATE OF TERMINATION**

I, Stephen Hunt, Supervisor of the CVA of McCarthy Corporation Plc, hereby certify that the company has not complied with the obligations of its CVA proposal as approved by creditors on 26 June 2003, as subsequently varied

The company has failed to satisfactorily progress its claim against its former financial advisors and auditors, KMPG (Canada) and I do not believe that the arrangement continues to have a realistic prospect of being implemented in the way that was originally proposed

As a consequence of this breach, I hereby certify that the CVA has failed

Signed



.. ...

**Stephen Hunt**  
Supervisor

11 April 2014

**McCarthy Corporation plc**  
**Under a Company Voluntary Arrangement**

**Supervisor's final report to creditors**  
**for the period ending 11 April 2014**



## **CONTENTS**

- 1 Introduction
- 2 Receipts and payments account
- 3 Overview of the arrangement
- 4 Realisation of assets
- 5 Creditors' claims
- 6 Former Supervisor's remuneration and expenses
- 7 Current Supervisors' remuneration and expenses
- 8 Reasons for failure

## **APPENDICES**

- A Receipts and payments account for the period 26 June 2013 to 1 April 2014, together with a cumulative account for the duration of the arrangement
- B Stephen Hunt's analysis for the period 25 June 2013 to 1 April 2014 and an account covering the entire period of the Arrangement, together with details of charge out rates, provided in accordance with Statement of Insolvency Practice 9
- C Kevin Hellard's time analysis for the entire period of his appointment, together with details of charge out rates, provided in accordance with Statement of Insolvency Practice 9



## **1. Introduction**

The company entered into a company voluntary arrangement on 26 June 2003 and Martin Hepworth of Businesscare was appointed Supervisor

Following a High Court order dated 24 November 2009, Mr Hepworth was removed as Supervisor and Kevin Hellard of Grant Thornton UK LLP and I were appointed Joint Supervisors in succession

Mr Hellard consented to his removal as Joint Supervisor by order of the High Court dated 20 December 2011

## **2. Receipts and payments accounts**

A receipts and payments account for the period 26 June 2013 to 1 April 2014 is at Appendix A, together with a cumulative account since the commencement of the arrangement

Some of the figures contained within the account relate to a period prior to my appointment and as such, I am not able to vouch for their accuracy

## **3. Overview of the arrangement**

The purpose of the arrangement was to enable the pursuit of a significant claim against KPMG Canada

The basis of the claim was that the company sustained losses arising from its investments in Q-Zar Inc, as a result of relying upon advice received from KPMG Canada, who acted as the company's financial advisers, accountants and auditors and inter alia acted in the same capacity for Q-Zar Inc

However, throughout the early part of this century, the company had suffered as a number of its other investments either underperformed or failed. These events put the company into a position where the directors faced no alternative other than to consider formal insolvency proceedings

Despite this, having taken legal advice from their Canadian lawyers, the directors believed that the claim against KPMG Canada was viable and given the company's financial position, it was proposed that a company voluntary arrangement was desirable as it would provide the best prospect of preserving the claim with a reasonable prospect of success

## **4. Realisation of assets**

### Book debts

The former office holder realised book debts from one debtor totalling £22,801 68 in two separate receipts, being £22,676 72 on 20 January 2005 and £124 96 on 7 July 2005



## **5. Creditors' claims**

The total of creditors' claims to date is £2,988,243 98. If you have not already submitted your claim in the arrangement then please do so now.

I would, however, advise you that I will not be in a position to declare a distribution to any class of creditor.

## **6. Former Supervisor's remuneration and expenses**

Mr Hepworth confirmed in his last report to creditors that remuneration of £22,500 plus VAT had been drawn on account of his time costs which, to 24 July 2009, totalled £30,946 50 representing 201 50 hours charged at an average rate of £153 48 per hour.

## **7. Current Supervisors' remuneration and expenses**

The time recorded by myself and my staff for the period 26 June 2013 to 1 April 2014 totals £4,270.85, which represents 14.50 hours at an average charge out rate of £294 54 per hour.

The time recorded by myself and my staff for the entire period of my appointment totals £50,858 51, which represents 210 75 hours at an average charge out rate of £241 32 per hour.

A contribution towards my fees of £5,000 was received from Timothy McCarthy, a director of the company, on 23 August 2011 and from this I have drawn fees of £4,166 67 plus VAT.

The time recorded by Mr Hellard and his staff for the entire period of his appointment totals £353 20, which represents 2 07 hours at an average charge out rate of £170 63 per hour.

Attached at Appendices B and C are my time analysis reports and those of Mr Hellard, which provide details of the activity costs incurred by staff grade to date, together with details of current charge out rates.

Further information regarding remuneration can be found in "A Creditors' Guide to Supervisors' Remuneration", which is available for download at <http://www.griffins.net/technical/>. A hard copy can be provided upon request.

## **8. Reasons for failure**

The directors continued to seek funding for the claim to be commenced and to this end arranged for the preparation of expert witness reports to secure preliminary funding. Further delays have since arisen with the progression of the claim and I no longer consider that the arrangement has a reasonable prospect of being implemented in the manner that was originally proposed.



Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

**Stephen Hunt**  
Supervisor

11 April 2014



## **Appendix A**

### **McCarthy Corporation plc Under a Company Voluntary Arrangement**

Receipts and payments account for the period 26 June 2013 to 1 April 2014,  
together with a cumulative account for the duration of the arrangement





**Voluntary Arrangement of  
McCarthy Corporation Plc**

Statement of Affairs		From 26/06/2013 To 01/04/2014	From 26/06/2003 To 01/04/2014
(2,000,000 00)	<b>SECURED CREDITORS</b>		
	Virgin Group	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
6,000 00	Fixtures & Fittings (inc paintings)	NIL	NIL
2,000 00	Office Equipment	NIL	NIL
	Book Debts	NIL	22,801 68
	Insurance Refund	NIL	123 38
	Rates Refund	NIL	2,998 10
	Bank Interest	1 14	801 71
	Bank Interest Net of Tax	NIL	0 32
	Contribution by director	NIL	5,000 00
		1 14	31,725 19
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	255 00
	Supervisor's Remuneration	NIL	26,666 67
	Supervisor's Disbursements	NIL	3,106 51
	Legal Fees	NIL	10 24
	Tax on Bank Interest	NIL	237 12
	Statutory Advertising	NIL	8 64
		NIL	(30,284 18)
	<b>PREFERENTIAL CREDITORS</b>		
(3,856 00)	Inland Revenue	NIL	NIL
(2,235 00)	Customs & Excise	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(233,209 00)	Trade & Expense Creditors	NIL	NIL
(147,308 00)	Landlord	NIL	NIL
(57,875 00)	Rental Deposits	NIL	NIL
(237,913 00)	Directors Loan Accounts	NIL	NIL
(79,993 00)	Inland Revenue	NIL	NIL
(9,111 00)	Customs & Excise	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1,803,539 00)	Ordinary Shareholders	NIL	NIL
(25,300,000 00)	Deferred Shareholders	NIL	NIL
		NIL	NIL
<b>(29,867,039 00)</b>		<b>1 14</b>	<b>1,441 01</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		833 33
	Bank 1 Current		607 68
			<b>1,441 01</b>



---

Stephen Hunt  
Supervisor

**McCarthy Corporation plc  
Under a Company Voluntary Arrangement**

Stephen Hunt's time analysis for the period 26 June 2013 to 1 April 2014 and an account covering the entire period of the arrangement, together with details of charge out rates, provided in accordance with Statement of Insolvency Practice 9



# Time Entry - Detailed SIP9 Time & Cost Summary

MCCAR02 - McCarthy Corporation Plc  
From 26/06/2013 To 01/04/2014  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADMIN Administration Work	0.00	0.00	0.00	0.50	0.50	144.17	288.34
CASG Cashiering Functions	0.00	0.00	0.00	0.83	0.83	145.85	175.02
DIARY Case Diary	0.00	0.00	0.00	0.42	0.42	122.92	295.01
REVIEWS Case Reviews	0.08	0.00	0.42	3.67	4.17	1,249.99	300.00
SIP12 Records of Meetings	0.00	0.00	0.00	0.50	0.50	150.00	300.00
STAT Statutory	0.08	0.00	0.00	0.00	0.08	45.42	545.04
					6.50	1,858.35	285.90
Administration & Planning	0.17	0.00	0.42	5.92			
CMETG Creditors Meetings	0.00	0.00	0.17	0.00	0.17	62.50	375.00
CREDITORS Creditors	0.00	0.00	0.00	1.00	1.00	300.00	300.00
PROREPORT Progress Report	0.00	0.00	0.00	4.33	4.33	1,300.00	300.00
Creditors	0.00	0.00	0.17	5.33	5.50	1,662.50	302.27
LECL Legal Issues	0.00	0.00	0.00	1.17	1.17	350.00	300.00
Legal & Litigation	0.00	0.00	0.00	1.17	1.17	350.00	300.00
ASST Asset Realisation	0.00	0.00	1.00	0.00	1.00	300.00	300.00
ASSTLEGAL Legal	0.00	0.00	0.00	0.33	0.33	100.00	300.00
Realisations of Assets	0.00	0.00	1.00	0.33	1.33	400.00	300.00
Total Hours	0.17	0.00	1.58	12.75	14.50	4,270.85	294.54
Total Fees Claimed						4,166.67	

# Time Entry - Detailed SIP9 Time & Cost Summary

MCCAR02 - McCarthy Corporation Plc  
From 24/11/2009 To 01/04/2014  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ACCY Accountancy	0.00	0.00	0.00	1.17	1.17	210.00	180.00
ADMN Administration Work	0.08	12.83	1.33	65.50	79.75	16,750.52	210.04
CASG Cashiering Functions	0.00	1.33	0.00	5.92	7.25	1,535.90	211.86
CASH Cash Flows & Projection	0.00	0.00	0.00	0.08	0.08	20.83	249.96
DIARY Case Diary	0.00	0.00	0.00	1.42	1.42	403.25	286.76
MEMB Members/Shareholders	0.00	0.00	0.00	1.33	1.33	400.00	300.00
MITGS Meetings	0.00	0.00	0.00	1.33	1.33	400.00	275.57
SIP7 R&P Accounts	0.00	3.50	0.00	1.58	5.08	1,400.83	311.88
SIP6 Preparation of Remuneration	0.08	0.17	0.00	0.50	2.00	823.75	300.00
SPECBOND Specific Bond	0.00	0.00	0.00	0.17	0.17	50.00	300.00
STAT Statutory	0.00	0.00	0.00	1.42	3.50	1,042.52	297.86
TAX Tax	0.08	1.50	0.00	0.83	1.08	293.33	270.77
REVIEWS Case Reviews	0.08	0.00	1.25	15.83	17.17	5,148.32	289.90
SIP12 Records of Meetings	0.00	0.00	0.00	1.75	1.75	525.00	300.00
<b>Administration &amp; Planning</b>	<b>0.92</b>	<b>19.50</b>	<b>2.58</b>	<b>99.25</b>	<b>122.25</b>	<b>28,657.25</b>	<b>233.60</b>
PROREPORT Progress Report	0.00	0.58	0.00	16.83	17.42	5,280.42	303.18
CMETG Creditors Meetings	0.17	0.00	0.17	21.25	21.58	4,098.34	189.88
CRED Creditor Related Work	0.00	0.00	0.00	0.17	0.17	41.67	250.02
CREDITORS Creditors	0.00	0.00	0.00	2.00	2.00	579.17	289.58
<b>Creditors</b>	<b>0.17</b>	<b>0.58</b>	<b>0.17</b>	<b>40.25</b>	<b>41.17</b>	<b>9,999.60</b>	<b>242.91</b>
INV Investigation	0.00	0.00	5.33	11.08	16.42	3,398.75	206.42
BOND1 Bond Claim - Proving or Recovery of money	0.00	0.00	0.17	0.00	0.17	45.83	274.98
BOND2 Bond Claim Parallel Costs	0.00	0.00	3.25	0.58	3.83	968.66	252.17
SIP2 Investigation into Affairs	0.00	0.00	0.00	0.33	0.33	50.00	180.00
<b>Investigations</b>	<b>0.00</b>	<b>0.00</b>	<b>8.76</b>	<b>12.00</b>	<b>20.76</b>	<b>4,461.24</b>	<b>215.00</b>
LEGL Legal Issues	0.00	0.25	0.00	2.42	2.67	782.92	293.59
<b>Legal &amp; Litigation</b>	<b>0.00</b>	<b>0.25</b>	<b>0.00</b>	<b>2.42</b>	<b>2.67</b>	<b>782.92</b>	<b>293.59</b>
INT Intangible Assets	0.00	0.00	0.00	0.25	0.25	62.50	250.00
ASST Asset Realisation	0.00	1.92	1.00	16.50	19.42	5,678.33	292.45
ASSTLEGAL Legal	0.00	0.00	0.83	3.42	4.25	1,316.67	309.80
<b>Realisations of Assets</b>	<b>0.00</b>	<b>1.92</b>	<b>1.83</b>	<b>20.17</b>	<b>23.92</b>	<b>7,057.50</b>	<b>295.09</b>
<b>Total Hours</b>	<b>1.08</b>	<b>22.25</b>	<b>13.33</b>	<b>174.08</b>	<b>210.76</b>	<b>50,858.61</b>	<b>241.32</b>
<b>Total Fees Claimed</b>						<b>4,166.67</b>	

**Appendix C**

**McCarthy Corporation plc  
Under a Company Voluntary Arrangement**

Kevin Hellard's time analysis for the entire period of his appointment, together with  
details of charge out rates, provided in accordance with Statement of Insolvency  
Practice 9



## McCarthy Corporation Plc – GT SIP 9 for Griffins

McCarthy Corporation Plc - M30201071 SIP 9 TIME COST ANALYSIS

Job(s) C/A

Transaction period 24/11/2009 to 20/12/2011

Export version standard    Export version detail    Detailed Version

<input checked="" type="checkbox"/> Standard	Partner		Manager		Executive		Administrator		Total		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Avg Hrly Rate
Administration and Planning							2.07	353.20	2.07	353.20	170.63
Creditors											
Hiatus period											
Investigations											
Realisation of Assets											
Trading							2.07	353.20	2.07	353.20	170.63
Total											

Total fees billed to date (Time) £



Printed on 01/04/2014 16:45

	From 01/07/09	From 01/07/10	From 01/07/11	From 01/07/12	From 01/07/13
	£	£	£	£	£
Partners up to	410	425	560	580	600
Managers up to	330	340	360	375	390
Administrators up to	205	210	275	285	295
Assistants and support staff up to	135	145	205	210	220