

Rule 1.29/1.54

## The Insolvency Act 1986

Notice to Registrar of Companies of  
Completion or Termination of  
Voluntary ArrangementPursuant to Rule 1.29 or Rule 1.54 of the  
Insolvency Rules 1986**R.1.29/  
R.1.54**

To the Registrar of Companies

For Official Use

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Company Number

03081008

(a) Insert full name of  
Company

Name of Company

Standard Soap Company Limited

(b) Insert full name and  
Address

We  
A C O'Keefe and A Palmer of  
AlixPartners  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

(c) Insert date

(d) Delete as applicable

the supervisors of a voluntary arrangement which took effect on 18 June 2013 enclose a copy of my notice to the creditors and members of the above-named company that the voluntary arrangement has been completed together with a report of my receipts and payments

Signed



Date

4 / 3 / 15

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

10633-003  
Standard Soap Company Limited

A C O'Keefe  
AlixPartners  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

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# Supervisors' Final Report to Creditors for the period 18 June 2014 to 3 March 2015

Standard Soap Company Limited  
In Company Voluntary Arrangement

4 March 2015

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## **1 Statutory information**

- 1.1 Anne O'Keefe and Andrew Palmer (the **Supervisors**) were appointed Joint Supervisors of the Standard Soap Company Limited (the **Company**) Company Voluntary Arrangement (**CVA**), at a meeting of creditors held on 18 June 2013, pursuant to the directors' proposal dated 29 May 2013 (the **Proposal**)
- 1.2 This report should be read in conjunction with the Supervisors' Annual Report to creditors dated 18 July 2014, and covers the period 18 June 2014 to 3 March 2015 (the **Period**).
- 1.3 The CVA is being handled by AlixPartners' Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.4 The trading address of the Company was Derby Road, Ashby-de-la-zouche, Leicestershire, LE65 2HG (the **Property**)
- 1.5 The registered office of the Company is Derby Road, Ashby-de-la-zouche, Leicestershire, LE65 2HG and its registered number is 03081008.
- 1.6 This is the final report of the CVA in accordance with Rules 1.26 and 1.29 of the Insolvency Rules 1986, following the completion of the arrangement. All references to the Supervisors should be read as Joint Supervisors.

## **2 Overview of the CVA**

- 2 1 Under the terms detailed within the Proposal the Supervisors had a duty to monitor and report on the following matters.
- The progress of the sale of the Property and the costs incurred by the Company during the continuance of the CVA.
  - Determine whether the CVA has been implemented or is not capable of being implemented in full.
  - Promptly report to the CVA creditors upon becoming aware of any matter which, in the context of a liquidation would constitute a reviewable transaction under section 238, 239, 244 or 245 of the Insolvency Act 1986, which was not disclosed in the Proposal and may convene a meeting of the CVA creditors
- 2 2 Further to this, there was a requirement to report to creditors quarterly on the progress of the sale of the Property and costs incurred during the CVA.

### **Variations to the CVA**

- 2 3 Over the course of the CVA, it has been beneficial for the Supervisors to complete variations to its terms in order to ensure that matters could be addressed efficiently and commercially, and in the best interests of the CVA creditors. On this basis the following variations to the Proposal have been completed

### **Reporting timescales**

- 2 4 In April 2014, a resolution was passed that the Supervisors vary the timing on which they report to the CVA creditors, from a quarterly basis, to that of a timelier basis in line with updates as and when they become available or in line with statutory reporting. The basis of which was agreed using the discretion of the Supervisors and their understanding of the CVA

### **Repayment of royalties**

- 2 5 Under the terms of the Proposal, it was agreed that the CVA would complete in February 2015 and conclude on receipt of final royalty payments due to be received in early 2015. However, in communications with Company representatives it was deemed more appropriate to obtain earlier settlement of final royalty payments to maximise the level of return, given the financial uncertainty of Soapworks Limited (Soapworks)
- 2 6 On this basis a resolution was passed in November 2014 to confirm that the Supervisors accept a lower amount in respect of royalty payments from Soapworks. Given this earlier repayment minimised costs in the CVA, the return to the creditors was not affected. Moreover, it was improved.

### **Completion of the CVA**

- 2 7 Following completion of the recently issued distributions to the CVA creditors, the Supervisors can confirm that the CVA has been completed and discharged in line with the Proposal

### **3 Realisation of assets**

#### **Sale of property**

- 3 1 The Company's main asset was the freehold land and buildings on the north-east side of the Property, with a registered title number of LT144911. At the time the Proposal was issued an offer had been made of £2 35 million from Ben Bailey Homes Limited (the Purchaser).
- 3 2 As previously reported, a reduced offer of £2 2 million was subsequently received and accepted. A sale of the Property was concluded in January 2014 and sales consideration of £2 1 million was received after discharge of sales related costs and tax deductions. This can be seen in the Receipts and Payments Account at Appendix A.

#### **Royalty receipts**

- 3 3 Under the terms of the Proposal, it was agreed that based on Soapworks' trading performance, royalty payments would be made to the Company. In the Proposal it was projected that in the region of £170,000 of payments would have been collected by the Company however, based on Soapworks' lower than expected financial performance total royalty receipts of approximately £145,000 were collected.

#### **4      Assets still to be realised**

- 4.1      All of the Company's assets have been realised and all outstanding costs have been discharged under the CVA.

## 5 Supervisors' remuneration

- 5 1 The CVA provided that the Supervisors' remuneration would be based upon the time costs of the Supervisors and their staff in executing the CVA.
- 5 2 The Supervisors' time costs for the Period total £11,522 This represents 46 hours at an average rate of £253 per hour.
- 5 3 The Supervisors' cumulative time costs for the period since the appointment total £27,128 This represents 115 hours at an average rate of £237 per hour. As agreed in the Proposal, the Supervisors have drawn fees of £25,000 plus disbursements of £289.
- 5 4 Attached at Appendix B is a Time Analysis for the Period in accordance with the provisions of Statement of Insolvency Practice 9, which provides details of the activity costs incurred by staff grade to date.
- 5 5 Principal areas of activity during the Period are discussed in further detail below
- Administration and planning - monitoring the ongoing case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - Realisation of assets debtors - working with the Company to understand the recovery of the royalty payments.
  - Creditors - notifying all creditors of the variations, preparing statutory reports and ongoing communication with the CVA creditors.
- 5 6 A copy of 'A Creditors' Guide to CVAs' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>) If you would prefer this to be sent to you in hard copy please contact Sophie Loughnane on 0161 838 4578 or at [creditorreports@alixpartners.com](mailto:creditorreports@alixpartners.com) and a copy will be forwarded to you
- 5 7 Attached at Appendix D is additional information in relation to the Supervisors' policy on staffing, the use of sub contractors, disbursements and details of their current charge-out rates by staff grade
- 5 8 The Supervisors confirm that the only category 2 disbursement to have been taken is photocopying which is charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.



## **6 Outcome of the arrangement**

- 6.1 There are two unsecured creditors of the Company, the Pension Protection Fund (PPF) and KLK Overseas Investments Limited and other group companies (KLK). Details of each claim and the outcome in the CVA can be found below.

### **Pension Protection Fund**

- 6.2 The PPF was owed approximately £12.5 million in respect of the Standard Soap Company Limited pension scheme which was governed by the pension deed and pension rules.
- 6.3 An initial distribution of £473,000 was made on 18 July 2013 and a second distribution of £527,000 was made on 27 January 2014. A final distribution of £66,500 has been made in the CVA, bringing total distributions in the CVA to £1.07 million.

### **KLK Overseas Investments Limited and other group companies**

- 6.4 KLK was owed approximately £14.6 million.
- 6.5 Under the terms of the Proposal, KLK paid an initial contribution of £473,000 to the Supervisors. This was subsequently transferred to the PPF, as detailed above. Following the sale of the property, KLK received a first distribution of £1,473,000 which, less their initial contribution, resulted in a net distribution of £1 million. A final distribution of £66,500 has been made in the CVA, which brings total distributions in the CVA to £1.07 million.
- 6.6 Pursuant to the Proposal, on conclusion of the CVA and following discharge of the costs of the CVA, the Supervisors have paid all remaining funds, split equally, to the PPF and KLK.

## **7 CVA completion and exit**

- 7.1 As this final report, together with submission of the completion notice, concludes the CVA, it is the Company's intention to engage AlixPartners with a view to completing a members' voluntary liquidation (MVL) and formally winding the Company up
- 7.2 It is the intention of the Company to appoint Anne O'Keefe and Andrew Palmer in any subsequent MVL process. Formal notices of any appointment will be circulated to all relevant parties in due course

Yours faithfully



Anne O'Keefe  
Supervisor

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**Appendix A. Receipts and Payments Account for the period 18 June 2014 to 3 March 2015 and a Cumulative Account for the period since appointment**

Statement of Affairs		Period	Cumulative
£		£	£
	<b>Receipts</b>		
2,100,000	Freehold land and property	-	2,133,000
	Initial cash consideration from KLK	-	473,000
	Contribution to Nominees' fees	-	15,000
	Contribution to Supervisors' fees	13,220	25,220
	Bank Interest	2	91
		<u>13,222</u>	<u>2,646,311</u>
	<b>Payments</b>		
	Nominees' fees	-	15,000
	Supervisors' fees	15,000	25,000
	Category 1 disbursements		
	Specific penalty bond	-	261
	Category 2 disbursements		
	Photocopying and printing	4	28
	Bank charges	2	22
		<u>(15,006)</u>	<u>(40,311)</u>
	<b>Distributions</b>		
	Pension Protection Fund	66,500	1,066,500
	KLK Overseas Investments Limited and others	66,500	1,539,500
		<u>(133,000)</u>	<u>(2,606,000)</u>
	<b>Balance</b>	<u>(134,784)</u>	<u>-</u>

## Appendix B. Time analysis for the period from 18 June 2014 to 3 March 2015

	Employee grade (hours)				Total hours	Total cost	Average rate per hour
	Partner/director	Senior assistant	Assistant/analyst	Junior analyst/support			
Administration and planning			4.9		4.9	1,725.00	250
Strategy and control			0.4		0.4	100.00	250
Statutory duties			1.3	0.1	1.2	288.00	238
Case administration			3.3	3.7	7.0	1,547.00	230
Accounting and treasury	0.3	0.5	6.6		7.7	2,005.00	261
Internal documentation		1.1					
Realisation of assets - debtors							
Debt collection			0.5		0.5	115.00	230
Realisation of assets - floating charge							
Asset accounting and administration		2.2		0.1	2.3	738.00	318
Creditors							
Creditor claims		0.1			0.1	34.00	340
Creditor strategy		0.4			0.4	136.00	340
Reporting to creditors	1.0	1.6	10.8		13.4	3,565.00	265
Creditor meetings		0.4			0.4	136.00	340
Secured creditors			3.9		3.9	975.00	250
Unsecured creditors			0.5		0.5	125.00	250
<b>Totals</b>	<b>1.3</b>	<b>4.1</b>	<b>34.0</b>	<b>3.9</b>	<b>45.3</b>	<b>11,577.00</b>	<b>253</b>

## Appendix C. Cumulative time analysis for the period since the appointment

	Employee grade (hours)				£		
	Partner/director	Senior associate	Associate/analyst	Junior analyst/support	Total hours	Total cost	Rate (£) per hour
Administration and planning							
Strategy and control	1.1		18.7		19.8	4,954.00	250
Debtor duties	-	0.4	0.9	1.8	3.1	837.00	120
Case administration	0.4		3.5	2.4	6.3	1,596.30	112
Accounting and treasury	0.6	1.3	4.8	11.9	18.6	3,831.00	167
Internal documentation	-	1.8	16.1	0.8	18.7	4,739.00	246
Realisation of assets - fixed charge							
Asset realisation strategy		0.1	0.8	-	0.9	172.00	246
Sale of assets	-	0.4			0.4	112.00	280
Asset accounting and administration		0.2			0.2	53.00	280
Realisation of assets - debtors							
Debt collection			0.5		0.5	125.00	250
Realisation of assets - floating charge							
Asset realisation strategy		0.7			0.7	196.00	280
Asset accounting and administration		2.5		1.2	3.7	895.50	236
Creditors							
Creditor claims		0.5		0.1	0.6	154.50	258
Internal documentation			0.4	-	0.4	98.00	240
Creditor strategy	-	0.9	-	-	0.9	278.00	307
Reporting to creditors	8.4	2.0	20.8	0.3	31.5	7,804.50	244
Creditor meetings		2.1	1.5	-	3.6	972.00	270
Secured creditors		-	8.8	-	8.8	1,460.00	167
Unsecured creditors		0.1	1.0	-	1.1	273.00	248
Employees	-	0.8	1.8	-	2.6	116.00	246
Shareholders and other stakeholders		1.0			1.0	280.00	280
<b>Totals</b>	<b>15.5</b>	<b>14.1</b>	<b>76.5</b>	<b>18.4</b>	<b>114.5</b>	<b>27,120.80</b>	<b>237</b>

## **Appendix D. Additional information in relation to the Supervisors' remuneration pursuant to Statement of Insolvency Practice 9**

### **Policy**

Detailed below is AlixPartners' policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

### **Staff allocation and the use of sub-contractors**

The Supervisors' general approach to resourcing their 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, an associate director or a senior associate, an associate and an analyst. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Supervisors' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, the Supervisors would advise that time spent by treasury in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg report compilation and distribution, do the Supervisors seek to charge and recover their time in this regard.

The Supervisors have not utilised the services of any sub-contractors in this case.

### **Professional advisors**

On this assignment Supervisors have not used any professional advisors.

### **Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Supervisors and their staff.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the Proposal. Category 2 disbursements that may be incurred are as follows:

- photocopying and printing – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying;
- business mileage for staff travel, charged at the rate of 45 pence per mile, and

## Charge out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 April 2014 is detailed below. Time is charged by partners and case staff in units of six minutes.

Description £	Rates from 1 April 2014
Partner 1	445
Partner 2	415
Director	390
Associate director	340
Senior associate	280
Associate	250
Analyst	220
Junior analyst	150
Senior treasury associate	170
Treasury associate	110
Treasury analyst	85
Support	79