

Rule 1.24/1 54

The Insolvency Act 1986

Notice to Registrar of Companies
of Voluntary Arrangement
Taking Effect

Pursuant to Section 4 of, or paragraph
30 of Schedule A1 to,
the Insolvency Act 1986

S.4/ Para 30 Sch A1

For Official Use

--	--	--

Company Number

02025957

To the Registrar of Companies

Insert full name of
Company

Name of Company

The Island Trading Company Limited

Insert full name and
Address

We Frederick Charles Satow and Paul Michael Davis
MacIntyre Hudson LLP
New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

Insert date

the chairman of meetings held in pursuance of Section 4 the Insolvency Act 1986 on
26 August 2015 enclose a copy of my report of the said meetings

Signed



Date

27/8/15

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

CR300205
The Island Trading Company Limited

Fred Satow
MacIntyre Hudson LLP
New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

For Official Use

Liquidation Section

Post Room

FRIDAY



A36

A4EQ5XQP

28/08/2015

#99

COMPANIES HOUSE

THE ISLAND TRADING COMPANY LIMITED

REPORT AND MINUTES OF THE MEETINGS OF CREDITORS AND OF THE COMPANY TO
CONSIDER THE PROPOSAL FOR A COMPANY VOLUNTARY ARRANGEMENT (CVA)

Introduction

- 1 The meeting of creditors took place at 2 00 pm on 26 August 2015 at the offices of MHA MacIntyre Hudson, New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ. A meeting of members of the company was held at 2 30 pm on the same date.
- 2 The chairman of the meeting was Frederick Charles Satow of MHA MacIntyre Hudson, who is one of the nominees. I, Frederick Charles Satow, Chairman of the meeting hereby report to the Court pursuant to Section 4 of the Insolvency Act 1986 and on the result of the meeting of Creditors of the Company.
- 3 The following directors were present at the meeting by telephone: Susan Warren on behalf of Suzette Newman.

Meeting of creditors

- 4 HM Revenue & Customs ("HMRC"), the sole creditor of the CVA, proposed various modifications, details of which are below. The director approved all of the proposed modifications on 21 August 2015.
- 5 The following variations to the proposals were made by the company to HMRC on 21 August 2015, following the proposals issued to all known creditors on 7 August 2015:

The Company director has revised the CVA proposals, and is now able to offer the following:

- 1 Contributions will increase from £841,000 to £925,000,
- 2 Contributions will be 60 equal payments of £15,416.67,
- 3 The CVA term will be 5 years,
- 4 The creditors will receive a dividend of 95p in the £ after costs, and
- 5 Blue Mountain Music Limited ("BMM") and / or Island Trading Inc ("ITI") will receive a discount of 4% on any sums they pay over and above the (revised) forecast contributions for each year of the CVA.

HMRC agreed the following:

- 1 Contributions will increase from £841,000 to £925,000,
- 2 Contributions will be 60 equal payments of £15,416.67,
- 3 The CVA term will be 5 years,
- 4 The creditors will receive a dividend of 95p in the £ after costs,

And rejected the following variation:

- 5 BMM and / or Island Trading Inc ("ITI") will receive a discount of 4% on any sums they pay over and above the (revised) forecast contributions for each year of the CVA.

In addition, HMRC proposed the modifications which follow this page:

**Modifications proposed by Voluntary Arrangement Service (VAS) on behalf of
HM Revenue & Customs in respect of: -**

The Island Trading Company Ltd

If any of the modifications are not accepted then the VAS vote(s) must be taken as a rejection.

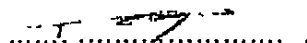
1. **[Interpretation]** Where a modification to the proposal is approved by creditors and accepted by the company, the entire proposal shall be construed in the light of the modification and read to give effect to that modification such that any contrary or potentially contrary provisions in the proposal shall either be ignored, or interpreted, in order that the intention of the modification is given priority and effect.
2. **[HMRC claim]** The HMRC (former IR) claim in the CVA will include PAYE/NIC due to the date, of the meeting to approve the arrangement, [or the commencement of the prior administration] and CTSA / assessed tax for the accounting period(s) ended on or before the date of approval of the arrangement [or date of commencement of the prior administration.]
3. **[HMRC claim]** The HMRC (former HMC&E) claim in the CVA will include assessed tax, levy or duty to the date of approval or [to the date of commencement of the prior administration.]
4. **[Post approval returns and liabilities]** All statutory returns and payments due to HMRC post approval shall be provided on or before the due date.
5. **[Outstanding returns]** All statutory accounts and returns overdue at the date of the creditors' meeting shall be provided to HMRC within 3 months of the approval date together with any other information required.
6. **[Dividend prohibition]** No non preferential distribution will be made until: (i) a CTSA return has been filed for the accounting period ended on or immediately prior to the date, of approval, or of commencement of the prior administration (ii) a VAT and/or other levy or duty return due to HMRC has been filed up to the date of the approval or [the date of commencement of the prior administration] or (iii) an HMRC Determination or assessment has been made and the supervisor has admitted their final claims.
7. **[Expenses of arrangement]** CTSA /VAT due on realisation of assets included in the arrangement will be regarded as an expense of realising the asset payable out of the net sale proceeds.
8. **[Tax-Overpayments]** Set-off of refunds due from the Crown against debts due to the Crown will be in accordance with statute and established legal principles.
9. **[Expenses of VA]** HMRC distress / petition costs are to be paid as an expense of the arrangement, in priority to the nominee's fees and supervisor's fees, remuneration and disbursements
10. **[Co debtors]** The release of the company from its debts by the terms of the CVA shall not operate as a release of any co-debtor for the same debts.
11. **[Termination]** The arrangement shall terminate upon,

- (a) The making of a winding up order against the company, or the passing of a winding up resolution or the company going into administration.
 - (b) (where there is express authority for the supervisor so doing) the supervisor issuing a certificate of termination.
12. **[Arrangement trusts]** Upon termination of the arrangement the arrangement trusts expressed or implied shall cease, save that assets already realised shall [after provision for supervisor's fees and disbursements] be distributed to arrangement creditors
 13. **[Winding up fees]** On the day of the creditors meeting which approves the proposal the company shall pay over to the nominee in cleared funds sufficient for winding up proceedings against the company. Should the full amount of cleared funds not be received by the time of the meeting of creditors this shall be deemed non-acceptance of this modification and as such HMRC's vote shall be counted as one for rejection of the proposal.
 14. The supervisor shall confirm in their report of the meeting of creditors that sufficient funding has been received.
 15. **[Liquidation costs provision]** The supervisor shall retain sufficient funds for winding up proceedings against the company and such funds will rank ahead of any other expense of the arrangement. For the avoidance of doubt this shall include unpaid nominee's fees and expenses as at the date of the meeting of creditors at which the proposal is approved. Funds retained by the supervisor to enable winding up proceedings to be taken shall be distributed to creditors upon satisfactory completion of the arrangement subject to a limit of 100 pence in the pound being achieved
 16. **[Non-compliance]** Failure to comply with any express term of the arrangement shall constitute a breach of the company's obligation under the arrangement. The supervisor shall work with the company to remedy any breach of obligation. Rule 1.19 shall apply where any variation is proposed. But if any breach of obligation is not remedied within 60 days of its occurrence this shall constitute default of the CVA that cannot be remedied and the supervisor shall petition for a winding up order.
 17. **[Windfall]** Should the company receive or become entitled to any assets / funds which had not been foreseen in the proposal details shall be notified to the Supervisor immediately and such sums shall be paid into the CVA until all costs, creditors' claims and statutory interest have been paid in full. Until costs, claims and statutory interest are paid in full all the company's other obligations under the arrangement shall continue and the payment shall not reduce the amount of contribution due from the company
 18. **[Contributions]** If the company should fail to pay 2 monthly contributions (these need not be consecutive) this shall constitute default of the CVA that cannot be remedied and the Supervisor shall immediately petition for the compulsory winding-up of the company.
 19. **[Reviews]** The Supervisor is to conduct a full review every 12 months of the company's business income and expenditure and obtain an increase in voluntary

contributions of not less than 50% of any rise in the net income after provision for tax.

20. **[Third Party Payments]** Third party payments be made in the amounts and on the date shown: Minimum contributions of no less than £15,416.67 are to be made every month for 60 months during the currency of the arrangement
21. **[Dividend Payments]** All claims will rank in their respective classes for dividend from the first dividend date after they have been lodged with, and admitted by, the Supervisor
22. **[Associated creditors]** The associated creditors have offered to defer their claims in the arrangement. For the avoidance of doubt their offer is to waive their dividend entitlement in favour of all non-associated creditors under the arrangement. Thus the claims of the connected creditors shall be compromised within and shall not survive the arrangement or be paid outside
23. **[Duration]** The duration of the arrangement shall not exceed 60 months, without the prior approval of a 75% majority in value of creditors' claims voting for the resolution.
24. The arrangement shall not be capable of successful completion, until all unsecured, non-preferential creditors claiming in the arrangement have received a minimum dividend of 95.17 pence/£.
25. **[Variation]** The company shall not, within 12 months of approval propose a variation to the arrangement that will reduce the yield to creditors below the forecast of 95.17 pence/£ unless the Supervisor can provide clear evidence that the variation proposal results from changed trading circumstances that could not have been foreseen when the arrangement was approved. For the avoidance of doubt, simple mis-forecasting of business turnover or profitability shall not provide cause for variation. The Supervisor's evidence, supporting financial information and notice of a creditors' vote shall be circulated to creditors giving at least 14 days clear notice. Creditors shall be asked to say whether the costs associated with the variation shall be met from VA funds in the event that it is rejected.
26. **The directors of the company shall not:**
 - a) declare or pay any dividend to shareholders for the duration of the voluntary arrangement,
 - b) declare or pay themselves additional remuneration or fees save shall be agreed with creditors representing 75% of voting creditors

Signed



Name

Peter Thomas Harrison
Debt Manager

Date

21 August 2015

AUTHORISED TO SIGN ON BEHALF OF H M REVENUE & CUSTOMS

6 A vote was taken on the following resolutions by creditors

One proxy were received from creditors, as per the Proxy schedule attached

HMRC submitted a proxy in favour of the Chairman with modifications

It was deemed that the Director's proposal was passed by 100% of creditors with the modifications stated above

7 It was noted that those voting in favour of the resolution to approve the proposal (as modified) exceeded the requisite majority necessary to pass the resolution, namely 75% or more in value of the creditors present in person or by proxy and voting on the resolution

8 The chairman noted that, to the best of his knowledge, none of the creditors voting at the meeting were connected with the company

9 No committee of creditors was appointed

Meeting of members

10 No members attended in person or by proxy

11 The members will be notified that the proposals have been approved by creditors with modifications

Other matters

12 It is considered that the EC Regulations will apply since the company's registered office and trading premises are both in England and Wales These proceedings will be main proceedings

13 A copy of 'A Creditors Guide to Supervisors' Fees' published by the Association of Business Recovery Professionals is available at the link <http://www.macintyreHUDSON.co.uk/guide-to-fees> Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version A hard copy of the document can also be obtained on request from this office



Frederick Charles Satow
Chairman

Dated 26 August 2015

SCHEDULE OF PROXIES

THE ISLAND TRADING COMPANY LIMITED – COMPANY VOLUNTARY ARRANGEMENT

SCHEDULE OF PROXIES RECEIVED FOR MEETING OF CREDITORS TO BE HELD ON 26 AUGUST 2015 AT 2:00 PM

Person appointed proxy	Creditor represented	VALUE Valid £	VALUE Invalid/left out of voting £	Reason for Invalidity/ exclusion	Vote for approval of arrangement – no modifications £	Vote for approval of arrangement – with modifications £	Vote for against arrangement £
	HMRC	939,366 00				939,366 00	
TOTALS		939,366 00				939,366 00	

ATTENDANCE REGISTER

Meeting of creditors

THE ISLAND TRADING COMPANY LIMITED

No creditors attended in person, only by proxy

Held at: New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ

Date: 26 August 2015

[illegible]