

Rule 1.26A/1.54

The Insolvency (Northern Ireland) Order 1989Notice to Registrar of Companies of Supervisor's
Progress ReportPursuant to Rule 1.26A(4)(a) or Rule 1.54 of the
Insolvency (Northern Ireland) Rules 1991**R.1.26A(4)(a)/
R.1.54**

For Official Use

To the Registrar of Companies

Company Number

N1071536

Name of Company

(a) Insert full name of
Company(a) **Fawcett & Co. (NI) Limited**(b) Insert full name and
AddressI (b) **Orla Wallace, Supervisor
Wallace & Company Ltd
Insurance Chambers
403 Lisburn Road
Belfast
BT9 7EW**

supervisor of a voluntary arrangement taking effect on

(c) Insert Date

(c) **3 May 2012**

Attach my progress report for the period

From

(c) **3 May 2013**

To

(c) **2 May 2014**

Number of continuation sheets (if any) attached

11

Signed



Date: 30 May 2014

Presenter's name and
address:**Orla Wallace, Supervisor
Wallace & Company Ltd
Insurance Chambers
403 Lisburn Road
Belfast
BT9 7EW**

For Official Use

Liquidation Section

Post Room



J3B4F4RM

JN1

30/06/2014

#69

COMPANIES HOUSE

MONDAY

To All Known Creditors

30 May 2014

Dear «Contact»

FAWCETT & COMPANY (NI) LTD - COMPANY VOLUNTARY ARRANGEMENT «Reference»

As you are aware at meetings of Creditors and Members of the above named company held on 3 May 2012 the directors' proposal for a Voluntary Arrangement was accepted by the required statutory majority of Creditors and Members voting at their respective meetings.

The terms of the Arrangement provided that in order to maximise the collection of debts due to the Company and stock that the Company would continue to trade for a short period during the course of the Arrangement. During this period the Company would discharge all its post Arrangement liabilities as they fall due for payment. The net proceeds would be initially used to discharge the company's secured liability to Ulster Bank Limited and the balance paid to the Supervisor for the general purposes of the Arrangement. Under the terms of the directors proposal it was originally estimated that a dividend of 13 pence in the £ may become payable to creditors within 14 months of acceptance of the Arrangement.

Since my appointment I have written to all of the company's creditors in regard to the implementation of the terms of the Arrangement and dealt with all correspondence received from creditors. It is an appropriate time to report to creditors on the conduct of the Arrangement and I would report as follows:

1. Assets

The company's assets comprise of its interest in Book Debtors, Stock, Cash at Bank and Fixtures and fittings and Office Equipment which the director estimated were estimated to realise £181,500 after discharging the costs of continuing to trade to realise these assets and to also discharge the company's liability to Ulster Bank Limited of approximately £290,000. The company has repaid in full its indebtedness to Ulster Bank Limited and I have been provided with £110,000 for the general purposes of the Arrangement. Since the company entered into a Company Voluntary

Arrangement a number of its customers have failed to discharge their liabilities to the company. A number of accounts have been referred to solicitors to take action to recover monies due. The director has advised that the costs of recovering any further monies from debtors is likely to exceed any eventual recoveries and in the circumstances it is unlikely that there will be any further recoveries from this source.

From the date the Arrangement was accepted the company has to account to HM Revenue & Customs in full in respect of PAYE, VAT etc arising from the date of acceptance of the Arrangement. Accordingly, the company had to account in full for VAT on the sale of stock and other assets from the date of acceptance of the Arrangement. The company's liability to HM Revenue & Customs as at the date of acceptance of the Arrangement ranks for dividend along with other unsecured creditors. The agreement of the company's pre and post Arrangement liabilities is what has delayed the conclusion of the arrangement.

2. Liabilities

a) Secured Liability to Ulster Bank Limited

The company's secured liability to Ulster Bank Limited has been discharged in full.

b) Preferential Liability re Employee Claims

Under the terms of the Arrangement the company's staff were made redundant and they made claims to the Redundancy Payments Service. These claims have all been processed and a preferential claim of £2,701 has been received from the Redundancy Payments Service. As provided for under the terms of the Arrangement and relevant legislation this liability will be discharged in full.

c) Non Preferential Liabilities

i) Reservation of Title Creditors

A number of suppliers sought the return of stock under Reservation of Title claims. Following protracted correspondence between myself, the company and various creditors I as Supervisor agreed terms and worked with creditors and facilitate the return of stock which was subject to valid Reservation of Title claims and processed their Credit Notes.

ii) Liability to HM Revenue & Customs

The terms of the arrangement provide that no non preferential distribution will be made until the supervisor has admitted HMRC's final claim. I received a final claim during December 2013 and provided this to the director and the company's accountant for them to comment. The company's accountant advised that the final claim had not taken into account an agreed adjustment with HMRC where by a VAT refund of £16,350 was to be allocated against the pre CVA period and not the post CVA period. The effect of this was that HMRC's final claim ranking for dividend should increase by £16,350 to

c) Non Preferential Liabilities

ii) Liability to HM Revenue & Customs - contd

£83,723.81 and the company's Post Arrangement liability which has to be discharged in full would be reduced accordingly. This amendment would have effectively meant that in excess of £11,000 would have become available to the general body of creditors. I have been engaged in ongoing correspondence with HMRC in order that they will amend their final claim. I spoke with a representative of HMRC earlier today and he has agreed that their final claim should be amended on foot of the matters raised with them. I have been advised that it will take a number of weeks for a further final claim to be issued by HMRC but I have requested that HMRC priorities this due to the length of time that has already passed. Once I receive a final claim from HMRC and it is agreed with the company and its accountant then I will be in a position to agree all the company's liabilities, pay a first and final dividend and bring the arrangement to a conclusion.

iii) Trade & Other Non Preferential Creditors

Within the directors proposal it was estimated that the company's non preferential liabilities were approximately £1,215,930. All of the company's creditors listed within the directors proposal were on notice of the directors proposal and any additional company creditors identified since the acceptance of the Arrangement have been put on notice of the Arrangement and are bound by the terms of the Arrangement. I attach a schedule of the company's non preferential creditors as set out in the directors proposal and the claims, if any, they have since submitted to me for dividend purposes in the CVA. The level of the company's eventual liability to HM Revenue & Customs and other creditors will have an impact on the final dividend which will become payable to creditors.

The schedule includes a creditor who had brought legal proceedings against the company which have been stayed pending the successful completion of the Arrangement.

The terms of the Arrangement provide the basis upon which creditors claims are to be agreed. I have already complied with the terms of the Arrangement in regard to the agreement of the company's liabilities. However, in order to give all creditors a final opportunity to have their liability to the company agreed I have today written to all creditors in regard to their claim in the Arrangement.

Your completed Proof of Debt form has been received and your debt of £«Debt» has been noted and will be used for the purposes of calculating a first and final dividend to creditors.

OR

I wrote to you on 25 July 2013 indicating that if you failed to submit a claim that I would admit your claim for £Nil for dividend purposes. As you have still not

submitted a claim in the Arrangement I have been left with no choice but to admit your claim for £Nil for dividend purposes.

OR

As set out in earlier correspondence, based upon information provided to me by the Redundancy Payments Section I consider that both your Preferential and Non Preferential claim against the above named company has been discharged in full and you have no claim against the company.

OR

According to the company's records the company's liability to you is £. But you have submitted a Proof of Debt in the amount of £. So that I may consider your claim further please provide me with a statement showing how your claim was arrived at so that I may consider how much to admit your claim for.

c) Non Preferential Liabilities - contd

If you are dissatisfied with my decision please contact my office immediately and I shall provide you with details as to how to apply to the High Court for directions if you disagree with my decision. Any such application must be made within 21 days of the date of this letter. When 21 days have passed if no creditor has appealed my decision I shall proceed to agree the company's liabilities then declare a first and final dividend to creditors and declare the Arrangement to have been successfully completed.

3. Company's interest in the lease for its premises, income during the term of the Arrangement and its potential interest in financed assets.

The terms of the Arrangement provided that the Supervisor of the Arrangement would investigate the Company's interest, if any, in these assets. As set out in earlier correspondence due to the economic climate at the time the Arrangement was accepted and the level of commercial premises available in that area I as Supervisor did not identify any value in the company's lease for its premises. Once trading ceased and the premises were no longer required the lease was surrendered, the premises were returned to the landlord and the company ceased to be liable for rent, rates etc.

Due to the value of the company's financed assets and the level of monies due to finance companies I as Supervisor could not identify any value in the company's financed assets for the general purposes of the Arrangement. These assets were either returned to the respective finance company who filed a claim in the Arrangement in respect of the loss they suffered or were transferred to other parties with no claim being made against the company.

4. Cost of Arrangement

The terms of the director's proposal provided that I, as Supervisor, would be remunerated on the basis of work undertaken and time incurred by me and my staff in dealing with matters arising in the Arrangement. It was estimated that the Arrangement would be completed within 14 months and my time costs would amount

to approximately £20,000. The Arrangement has now been ongoing for nearly 25 months and as set out in earlier correspondence my time charges are higher than anticipated due to the additional work my staff and I have had to undertake in regard to the realisation of the company assets, agreeing Reservation of Title Claims and agreement of other liabilities. I would summarise the time incurred by me as Supervisor in relation to this assignment as follows:

Total time spent in administering the Arrangement	Hours	267.70
Total value of time spent	£	34,834.50
Average Hourly Rate Charged by Supervisor	£	130.13
Fees charged by Supervisor to date	£	29,000.00
Average Hourly Rate Recovered by Supervisor to date	£	108.33

4. Cost of Arrangement - contd

A creditors guide to Supervisors Remuneration was included within the directors proposal originally circulated to you. A further creditors guide to Supervisors Remuneration is available for download at <http://www.detini.gov.uk/sip9.pdf>. Should you require a further paper copy please send your request in writing to me, as Supervisor, and this will be provided to you at no cost.

5. Dividend Prospects for Creditors

Under the terms of the directors proposal it was originally estimated that a dividend of 13 pence in the £ may become payable to creditors within 14 months of acceptance of the Arrangement. The following factors will significantly impact upon the final dividend payable to creditors;

- a) Lower than expected realisations from the company's assets partly due to increased trading costs incurred whilst the company acted to realise its assets.
- b) The eventual level of the company's liabilities especially the company's post arrangement vat liability to HMRC.

Based upon available information I anticipate that a lower than anticipated dividend will become payable to creditors. All assets have been realised but I have been unable to conclude the implementation of the arrangement until I was in a position to agree the company's liabilities and specifically its pre and post Arrangement liability to HM Revenue & Customs. It is likely to take at least a further two months in order to agree the company's liabilities and comply with the terms of the Arrangement in regard to the agreement of liabilities and payment of a dividend.

A breakdown of the Receipts and Payments during the course of the Arrangement is also enclosed for your attention pursuant to Rule 1.26(2) of The Insolvency Rules (Northern Ireland) 1991.

I shall keep creditors advised of significant developments but in the meantime if you have any queries please contact the office.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Orla Wallace', written in a cursive style.

Orla Wallace
SUPERVISOR

Fawcett Co (NI) Limited - Company Voluntary Arrangement

Schedule of Creditors as at 21 November 2012

Preferential Creditors	SOAs @ 16.04.2012	Amount Per Proof	Directors Revised Est	Amount Admitted	Amount Not Admitted	Amount Disputed	Revised O/S Claims	Additional Claims	Variance in Claim	O/S Claims Per Proposal
1A Redundancy Payment Services	0.00	2,071.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL										
NON AGREED DIRECTOR AND ASSOCIATE CREDITORS										
Associate Directors & Shareholders	753,106.00	753,106.00	753,106.00	753,106.00	753,106.00	0.00	0.00	0.00	0.00	0.00
TOTAL										
NON Preferential Creditors										
SOAs @ 16.04.2012	Amount Per Proof	Directors Revised Est	Amount Admitted	Amount Not Admitted	Amount Disputed	Revised O/S Claims	Additional Claims	Variance in Claim	O/S Claims Per Proposal	
NON AGREED CLAIMS										
1 HM Revenue & Customs	89,955.33	82,169.73	82,169.73	82,169.73				-7,785.60		
3 A.B. Allen Engineering Ltd	1,036.80	1,036.80	1,036.80	1,036.80				0.00		
6 Alan Lewis Displays Ltd	35,229.78	35,000.00	35,000.00	35,000.00				-229.78		
10 Bayview Publishing Ltd	360.00	360.00	360.00	360.00				0.00		
14 Carran & Marta	195.12	195.12	195.12	195.12				0.00		
17 Disability Needs Ltd	2,114.70	2,115.00	2,114.70	2,114.70				0.30		
18 Dunavit UK Ltd	3,107.52	2,879.48	3,614.40	2,879.48				-228.04		
19 CQI t/a Emboss Peerless	756.75	627.42	627.42	627.42				-129.33		
21 FloPlast Ltd	2,135.74	2,931.11	2,931.11	2,931.11				795.37		
22 Grant Westfield Ltd	247.92	885.24	885.24	885.24				637.32		
25 Independent News and Media (NI)	960.00	960.00	960.00	960.00				0.00		
28 Kennedy & Morrison Ltd	602.85	642.02	770.39	642.02				39.17		
29 KMP Ltd	330.00	330.00	330.00	330.00				0.00		
32 Merlyn Industries Ltd (Euler Hermes UK)	7,134.66	8,606.19	8,606.19	8,606.19				1,471.53		
37 NMC (UK) Ltd	3,006.53	2,065.57	2,065.57	2,065.57				-940.96		
38 Olympic Fixings Ireland Ltd	2,919.36	1,534.19	1,534.19	1,534.19				-1,385.17		
42 The PJH Group Ltd	345.60	906.53	906.53	906.53				560.93		
45 Primaflow	3,262.92	16,133.33	16,133.33	16,133.33				12,870.41		
47 Reed Specialist Recruitment	1,800.00	1,800.00	1,800.00	1,800.00				0.00		
52 Salamander Pumped Shower Systems Ltd	915.92	565.93	565.93	565.93				-349.99		
55 Ulster Journals	1,080.00	1,080.00	1,080.00	1,080.00				0.00		
56 Ultra Building Products Ltd	309.00	245.45	245.45	245.45				-63.55		
27 John Guest Speedfit Ltd	40,893.00	37,633.89	42,782.30	37,633.89				-3,259.11		
5 Adamsex (NI) Ltd	708.76	708.76	708.76	708.76				0.00		
DCI	0.00	61.52	61.52	61.52				61.52		
Health Assured	0.00	368.40	368.40	368.40				368.40		
Hilltop Ceramics	0.00	1,945.76	1,945.76	1,945.76				1,945.76		
John J Doyle Ltd	0.00	288.22	288.22	288.22				288.22		
Qualitex Supplies Ltd	0.00	1,627.08	1,627.08	1,627.08				1,627.08		
1A Redundancy Payment Services	5,000.00	1,035.63	1,035.63	1,035.63				-3,964.37		
75 Land & Property Services	0.00	4,269.95	4,269.95	4,269.95				4,269.95		
TOTAL										
DISPUTED CREDITORS CLAIMS										
Non Preferential Creditors	SOAs @ 16.04.2012	Amount Per Proof	Directors Revised Est	Amount Admitted	Amount Not Admitted	Amount Disputed	Revised O/S Claims	Additional Claims	Variance in Claim	O/S Claims Per Proposal
11 Wolseley UK Ltd T/a BCG "Unimer"	46,401.54	46,410.38	98,068.39			-51,657.81			9.04	
8 Aqualisa Products Ltd "Unimer"	1,159.99		1,675.66			-1,675.66			-1,159.99	
Kiddie Safety Europe "Unimer"			567.36			-567.36			0.00	
62 Yorkshire Copper Tube "Unimer"	53,564.10		54,184.25			-54,184.25			-53,564.10	
40 Pegler Yorkshire Group Ltd "Unimer"	280.99		280.99			-280.99			-280.99	
15 Circulating Pumps Ltd "Unimer"	3,787.07		4,075.07			-4,075.07			-3,787.07	
68 United Merchants Plc "UniMer"	0.00	147,566.80	158,851.72	0.00	0.00	147,566.80			147,566.80	
TOTAL										

Fawcett Co (NI) Limited - Company Voluntary Arrangement

Schedule of Creditors as at 21 November 2012

13 Calvert Office Equipment Ltd	698.35	669.61	0.00	669.61	-28.74
33 Minister Services	1,290.74	1,877.44	1,760.10	117.34	586.70
43 Platinum Tanks Ltd	8,980.00	6,267.00	3,080.00	6,267.00	-2,713.00
48 ROM Aqua Ireland Ltd	4,431.92	5,689.76	0.00	5,689.76	1,257.84
16 C.M. Marketing Ltd	3,041.15	3,372.56	2,958.99	413.57	331.41
23 Hansgrohe Ltd	5,600.34	5,039.01	4,040.32	998.69	-561.33
41 Pinnacle Computing	8,136.55	6,509.24	1,680.00	4,829.24	-1,627.31
44 Polypipe Ulster Ltd	14,434.36	16,799.88	13,618.49	3,181.39	2,365.52
46 Quinn Radiators Ltd	32,073.97	33,358.81	25,877.18	7,481.63	1,284.84
49 Roper Rhodex Ltd	3,184.05	5,002.47	4,019.03	983.44	1,818.42
53 RT Large (NI) Ltd	3,915.00	3,638.85	880.15	2,758.70	-276.15
53 Schiedel Chimney Systems Ltd	455.54	455.54	62.91	392.63	0.00
58 Uppercross Enterprises	1,902.10	2,926.33	1,354.71	1,571.62	1,024.23
60 Steam Electric Co Ltd	9,819.12	8,569.98	8,560.43	955	-1,249.14
61 Yell Limited C/o RSM Tenon	888.30	1,152.45	72.00	1,080.45	264.15
TOTAL DISPUTED CLAIMS	204,045.18	295,306.31	226,816.03	71,570.28	91,261.13
				0.00	0.00
					4,431.92

Fawcett Co (NI) Limited - Company Voluntary Arrangement

Schedule of Creditors as at 21 November 2012

Non Preferential Creditors	SOAs @ 16.04.2012	Amount Per Proof	Directors Revised Est	Amount Admitted	Amount Not Admitted	Amount Disputed	Revised O/S Claims	Additional Claims	Variance in Claim	O/S Claims Per Proposal
OUTSTANDING CLAIMS										
2 A J Plumbing Supplies Ltd	6,997.90						6,997.90		-6,997.90	6,997.90
4 Abbey Bond Lovis	1,594.47						1,594.47		-1,594.47	1,594.47
7 AMS Professional Solutions	518.26						518.26		-518.26	518.26
9 Arison Thermo UK Ltd	18,852.48		29,226.69				29,226.69		-18,852.48	18,852.48
12 Burdens	330.00						330.00		-330.00	330.00
20 Experian	306.00						417.00		-306.00	306.00
24 HEB Ltd	550.39						737.71		-550.39	550.39
26 invenys Controls UK Ltd	900.03						900.03		-900.03	900.03
30 Kristen LTD	518.40						518.40		-518.40	518.40
31 McCaig Collim	373.84						373.84		-373.84	373.84
34 Modern Office Supplies Ltd	355.55						355.55		-355.55	355.55
35 MT Agencies Ireland Ltd	1,283.40		1,133.40				1,283.40		-1,283.40	1,283.40
36 Neptune Showers Ltd	539.00						539.00		-539.00	539.00
39 Paffoni	2,813.41						7,578.46		-2,813.41	2,813.41
50 Rothberger (UK) Ltd	155.06						155.06		-155.06	155.06
54 Turkington Engineering Ltd	8,260.43		155.06				8,260.43		-8,260.43	8,260.43
57 Uponor Ltd	9,721.13						9,721.13		-9,721.13	9,721.13
59 Vodafone	301.54						301.54		-301.54	
TOTAL OUTSTANDING CLAIMS	54,371.29	0.00	40,666.75	0.00	0.00	0.00	69,808.87	0.00	-54,371.29	54,069.75
Non Preferential Creditors	SOAs @ 16.04.2012	Amount Per Proof	Directors Revised Est	Amount Admitted	Amount Not Admitted	Amount Disputed	Revised O/S Claims	Additional Claims	Variance in Claim	O/S Claims Per Proposal
ADDITIONAL CREDITORS										
63 Dunraven Systems Ltd		1,468.00	1,468.00					1,468.00		
65 Lombard		27,071.50						27,071.50		
66 Translift Bendi								213.00		
70 Piney Bowers Finance Limited			213.00							
73 Ulster Bank Limited		13,444.44						13,444.44		
67 National Merchant Buying Society Ltd		386.35						386.35		
69 Iax Bathrooms		6,270.00						6,270.00		
72 Peninsula		25,048.59						25,048.59		
74 Robert Jebb		73,688.88	1,681.00					73,901.88		
TOTAL OUTSTANDING CLAIMS	0.00	73,688.88	1,681.00	0.00	0.00	0.00	0.00	73,901.88	0.00	0.00
TOTAL	1,215,930.73	1,333,109.51	1,229,692.94	211,008.02	753,106.00	71,570.28	69,808.87	73,901.88	43,485.90	58,501.67

SUMMARY TIME CHARGES

Fawcett & Co NI Ltd - Company Voluntary Arrangement

3 May 2012 to 25 May 2014

Classification Of Work Function	Director / Office Holder	Manager / Consultant	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	20.60	38.80	20.30	5.00	84.70	10,217.50	120.63
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation Of Assets	22.10	16.30	0.00	0.00	38.40	6,265.50	163.16
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	37.80	74.30	30.10	2.40	144.60	18,351.50	126.91
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	80.50	129.40	50.40	7.40	267.70		
Total Costs	15,697.50	15,528.00	3,276.00	333.00		34,834.50	
Average Hourly Rate	195.00	120.00	65.00	45.00			130.13

Summary Of Supervisor's Time Charges

Total time spent in administering the Arrangement	Hours	267.70
Total value of time spent	£	34,834.50
Average Hourly Rate Charged By Supervisor	£	130.13
Fees Charged By Supervisor	£	29,000.00
Average Hourly Rate Recovered By Supervisor To Date	£	108.33

Administration & Planning	Case Planning Administrative set-up Appointment notification Maintenance of records Statutory reporting
Investigations	Sip 2 review CDDA reports Investigating antecedent transactions
Realisation of Assets	Identifying, securing, insuring assets Retention of title Debt collection Property business and asset sales
Trading	Management of operations Accounting for trading On-going employee issues
Creditors	Communication with creditors Creditors' claims (including employees' and other preferential creditors')

Fawcett and Company (NI) Limited
Company Voluntary Arrangement
Receipts and Payments Summary
up to 30 May 2014

	Year Ended 2 May 2013 £	Year Ended 2 May 2014 £	Period From 3 May 2014 to 30 May 2014	Total £	Total £
<u>RECEIPTS</u>					
Contribution from Company re Realisation of Assets					
First Trust Bank - Bank Interest	110,000.00	0.00	0.00	110,000.00	
First Trust Bank - Bank Fee Refunded	0.00	2.94	0.00	2.94	
TOTAL RECEIPTS	110,000.00	8.68	0.00	110,011.62	
<u>PAYMENTS</u>					
Wallace & Co - Supervisor's Fees	8,000.00		0.00	29,000.00	
Wallace & Co - Supervisor's Outlay - Bond	600.00	0.00	0.00	600.00	
Wallace & Co - Supervisor's Outlay - Postage	0.00	0.00	178.88	178.88	
First Trust Bank - Bank Fee	0.00	11.57	0.00	11.57	
VAT Irrecoverable	35.77	0.00	0.00	35.77	
TOTAL PAYMENTS	8,635.77	21,011.57	178.88	29,826.22	
Net Receipts (Payments) During Period	101,364.23	-20,999.95	-178.88		
BALANCE HELD BY SUPERVISOR					80,185.40