

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

TUESDAY



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A32

04/07/2017

#276

COMPANIES HOUSE

1 Company details

Company number

Company name in full

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s)

Surname

3 Supervisor's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Supervisor's name ^①

Full forename(s)

Surname

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number

Street

Post town

County/Region

Postcode

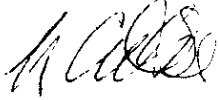
Country

② Other supervisor

Use this section to tell us about
another supervisor.

CVA3

Notice of supervisor's progress report in voluntary arrangement

6	Date of voluntary arrangement																
Date	d	2	d	8	m	0	m	4	y	2	y	0	y	1	y	6	
7	Period of progress report																
Date from	d	2	d	8	m	0	m	4	y	2	y	0	y	1	y	6	
Date to	d	2	d	7	m	0	m	4	y	2	y	0	y	1	y	7	
8	Progress report																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
9	Sign and date																
Supervisor's signature	Signature X  X																
Signature date	d	1	d	9	m	0	m	6	y	2	y	0	y	1	y	7	

CVA3

Notice of supervisor's progress report in voluntary arrangement



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Philip Cake**

Company name **Gibson Hewitt**

Address **5 Park Court**

Pyford Road

Post town **West Byfleet**

County/Region **Surrey**

Postcode **K T 1 4 6 S D**

Country **UK**

DX

Telephone **01932 336149**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



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chartered accountants
licensed insolvency practitioners

M.S.E. (Consultants) Limited - Company Voluntary Arrangement

Supervisor's 1st Annual Progress Report

Gibson Hewitt Limited t/a **gibson**Hewitt

Registered in England and Wales company number 8904412
A list of directors is available at registered office

tel 01932 336149 fax 01932 336150

e-mail accs@gibsonhewitt.co.uk

www.gibsonhewitt.co.uk

vat no 492 7555 07

registered office

5 park court, pyrford road
west byfleet surrey KT14 6SD

All of the insolvency practitioners of this practice are licensed in the UK by the Institute of Chartered Accountants in England and Wales
Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

MSE Consultants Limited (Company Voluntary Arrangement)
1st Annual Progress Report dated 19 June 2017

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MSE Consultants Limited (Company Voluntary Arrangement)
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1. Executive Summary

1.1 This report describes the progress since the commencement of the CVA on 28 April 2016 until the 1st anniversary on 27 April 2017 (“Review Period”) and the prospects for the full implementation of the CVA.

1.2 A summary of key information in this report is detailed below.

Contributions and assets

Contribution / asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Basic CVA contributions	£240,000	£48,000	£192,000	£240,000
Profit contingent additional contributions	£701,126	£0	TBC	TBC

Expenses

Expense	Estimated per CVA Proposal	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Supervisors’ fees	£19,000	£24,304	£25,228	£49,532
Solicitors’ fees	£0	£400	£0	£400
Agents’ fees	£0	£0	£0	£0
Petitioning Creditor’s costs	£0	£1,850	£0	£1,850
Disbursements	£596	£677	£472	£1,148
Bonding	£792	£1,632	£0	£1,632

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Preferential creditors	100p/£	100p/£
Unsecured creditors	0p/£	23p/£ (potentially higher see para 1.4 below)

Summary of key issues outstanding

- 1.3** MSE Consultants Limited, (“the Company”), (“MSE”), was required to make quarterly contributions to the CVA of £12,000 from its ongoing trading profits.
- 1.4** Reviews of the Company’s profits for the period to 31 March 2017 have been conducted in accordance with paragraph 3.3 of the CVA proposal. Whilst the Company has now returned to profitability in its management accounts for Q1 2017, the profitability is not currently sufficient to trigger an increase to the CVA contribution beyond the basis £12,000 per quarter. Ongoing reviews of management accounts will be conducted to ascertain whether the contributions should increase.

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1.5 CEOX limited

The Company's director, Dr M.S. Akhtar, wrote a research paper prior to incorporation of MSE in relation to a proposed more efficient means of power generation for remote locations. Prior to the CVA this was not MSE's area of work, however, an investor was found in late 2016 who was prepared to fund a viability study in exchange for a 75% shareholding in the newly incorporated company, CEOX Limited, ("CEOX"), which would own all rights. Since Dr Akhtar had developed this concept since the incorporation of MSE it was determined that Dr Akhtar's 25% share in would be split 12.5% Dr Akhtar / 12.5% MSE.

The Supervisor was involved in the negotiations to ensure the interests of CVA creditors was not prejudiced and has thereby ensured the following benefits as regards the CVA:

- 1.5.1** MSE has been engaged to conduct the viability studies for CEOX thereby ensuring an increase in turnover.
- 1.5.2** If the concept is successful, the investors believe CEOX could be sold for a sum well in excess of £1M. MSE would therefore receive a significant sum for its 12.5% shareholding which would come into the CVA as an after acquired asset. Theoretically such a windfall could enable an immediate return to creditors of 100p/£.

Prospects for implementation

- 1.6** Based on performance to date, it is anticipated that the CVA will be successfully implemented, as set out in the CVA Proposal. An updated estimated outcome statement, ("EOS"), is attached at Appendix VI of this report. This shows a forecast 23p/£ return to creditors on the following worst case scenario assumption:
 - 1.6.1** No additional profit contributions are triggered (see para 1.4 above)
 - 1.6.2** No sale of MSE's shares in CEOX can be achieved (see para 1.5 above)
- 1.7** The CVA currently requires a return to creditors of at least 95p/£ for it to be considered successfully implemented. If at the 4th anniversary of the CVA it appears the return to unsecured creditors will be below 95p/£ creditors will be asked to consider a modification of the CVA.

2. Receipts and Payments

- 2.1** Attached at Appendix II is the Supervisor's Receipts and Payments Account for the CVA to date. The £18,000 3rd party funds related to a book debt which was collected into the CVA account as MSE's bank account was frozen at that time. These funds were therefore repaid to MSE once it had an operable bank account.
- 2.2** Contributions totalling £48,000 have been received since the commencement of the CVA and therefore the Company has met the requirement in relation to the payment of contributions.
- 2.3** In accordance with the CVA terms, the unpaid £2,000 balance Nominees' fees was drawn. Section 3 below provides information regarding the Joint Supervisors' fees and expenses.

3. The Supervisor's Fees and Expenses

- 3.1** The CVA terms provide that the Supervisor is remunerated on the basis of time properly incurred by her and her staff in the administration of the CVA at the Supervisor's standard charge-out rates applicable at the time. Appendix III provides a breakdown of the time costs between the grades of staff allocated to the administration of this matter and the charge out rates of the Joint Supervisors and their staff are detailed in Appendix IV. During the Review Period, time costs totalling £24,304 have been incurred.
- 3.2** These time costs were incurred in carrying out the tasks listed in Appendix V of which the following were the most material:
- 3.2.1** Assisting the Company for a short period whilst it had no banking facility
 - 3.2.2** Reviewing and negotiating the terms of CEOX (see para 1.5 above)
 - 3.2.3** Creditors: Dealing with HP/leasing creditors in relation to either the realisation of their assets or the company's maintenance of future payments.
 - 3.2.4** Monitoring and processing the Company's payment of voluntary contributions;
 - 3.2.5** Complying with the statutory and regulatory duties as regards filing, maintaining records, managing a cash book and bank account, conducting periodic case reviews and drafting this progress report;
 - 3.2.6** Pursuing delivery of the Company's trading accounts and carrying out a review of them;]
 - 3.2.7** Creditors: responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims; and
 - 3.2.8** Creditors: adjudicating on all claims received
 - 3.2.9** Employees, calculating and agreeing the claims of the employees and declaring a preferential dividend of 100p/£.
- 3.3** The CVA Proposal disclosed that the Supervisor's fees for administering and completing the CVA were estimated to be £19,000. However, this sum was calculated at £6,333 per year when this was anticipated to be a 3 year CVA as originally proposed. The CVA as approved on 28 April 2017 was amended to a 5 year duration, accordingly, the forecast fees at that stage were anticipated to be in the region of £31,535.
- 3.4** In view of the time costs incurred to date and the anticipated work to conclude the CVA, it is estimated that the final time costs of the Supervisor and her staff will be larger than this estimate due to the difficulties encountered and the additional work carried out, in particular those set out in 3.2.1-3.2.3 as described above. This will have a corresponding impact on the final outcome to creditors, although the outcome is also dependent on the total creditors' claims admitted, as described in Section 4 below. An updated EOS is attached at Appendix VI incorporating a revised estimate for the total Supervisor's fees.
- Creditors may access a Guide to Voluntary Arrangement Fees at <http://www.icaew.com/en/technical/insolvency/creditors-guides> or a hard copy will be provided on request.
- 3.5** The CVA terms also entitle the Supervisor to draw, from the funds held in the CVA, their firm's disbursements calculated on the bases described in Appendix IV. Any

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1st Annual Progress Report dated 19 June 2017

payments made in relation to these Category 2 disbursements are detailed in the Receipts and Payments Account at Appendix II.

4. Creditors' Claims and Dividends

4.1 Preferential Creditors

Preferential claims totalling £2,499.68 from MSE employees were received and agreed. A dividend of 100p/£ to preferential creditors was paid on 6 April 2017.

4.2 Unsecured creditors

Unsecured creditors' claims were estimated to total £926,136 in respect of 55 claims. To date we have received claims totalling £806,745 from 26 creditors. Creditors who have not received a letter confirming the admittance of their claim for dividend purposes are encouraged to lodge their claims as a matter of urgency else they will not participate in future unsecured dividends.

4.3 Dividends

The terms of the CVA do not permit me to pay a dividend to unsecured creditors until I have received HMRC's claim. This has not yet been received.

5. Conclusion

- 5.1** *The CVA is progressing as anticipated and the Supervisor will continue to monitor the Company's adherence to its terms, taking appropriate steps in line with the CVA terms where necessary.*
- 5.2** Provided that the CVA continues to progress as planned, the Supervisors will issue a further progress report shortly after the next anniversary of the CVA.
- 5.3** Should you have any questions or queries regarding this report, please contact the Manager dealing with this matter, Philip Cake on 01932 336149 or by email on philip@gibsonhewitt.co.uk.

Dated this 19 June 2017


Lynn Gibson
Supervisor

APPENDIX I**MSE Consultants Limited (COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	MSE Consultants Limited
Previous Names	N/A
Proceedings	Company Voluntary Arrangement
Court	Guildford County Court
Court Reference	4
Date of Appointment	27 April 2017
Supervisor	Lynn Gibson Gibson Hewitt Limited 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD
Registered office Address	c/o Gibson Hewitt Limited 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD
Company Number	2414457

APPENDIX II

M218 MSE Consultants Limited (Company Voluntary Arrangement)

Abstract of Receipts and Payments for the period from 28 April 2016 to 27 April 2017

		Statement of Affairs	£
RECEIPTS			
125	Deposit on Debtors own Petition	0	2,000.00
254	3rd Party Funds	0	18,000.00
417	Profits of Trading	701,126	0.00
702	Scheme Receipts CVA	240,000	48,000.00
801	Interest Gross	0	32.39
			68,032.39
PAYMENTS			
1014	Nominee's Fee		2,000.64
1032	Petitioning Creditor Costs		1,850.00
1201	Legal Fees		400.00
1209	Courts Cost		50.00
1402	Insurance -Bonds		1,632.00
1450	Bank Charges		3.50
1601	Pref Dividends		2,449.68
1619	Third Party Payment		18,000.00
1805	Supervisors Fees		16,067.00
1806	Supervisors Exps		677.45
			43,130.27
<i>Net Balance</i>			£24,902.12

Analysis of sums held:

Interest earning account : National Westminster Bank PLC	£24,902.12
<i>Total funds held</i>	£24,902.12
Vat Recoverable / <Payable>	£0.00
<i>Net Funds:</i>	24,902.12

Gibson HewittInsolvency report, date range 28/04/2016 to 27/04/2017

Client: M218

MSE (Consultants) Limited

Job: INSOLV

Insolvency

<u>Work Type</u>	<u>Partner</u>	<u>Manager</u>	<u>Senior Professionals</u>	<u>Assistants & Support</u>	<u>Total Time</u>	<u>Charge</u>	<u>Avg. hourly rate</u>
Case monitoring	1:00				1:00	360.00	360.00
Cr mtg :- post issues	4:00	4:40			8:40	2536.67	292.69
Ees: corres RPO		4:05		4:20	8:25	1284.58	152.62
Ees: Creditors		4:35		6:10	10:45	1539.59	143.22
Ees:- cr calc claim		0:35		1:30	2:05	249.58	119.80
Further advice/instructions				0:40	0:40	50.00	75.00
IPO: monthly contributions		0:55			0:55	215.42	235.00
Liaison with debtor/director	4:40	2:45		3:50	11:15	2613.75	232.33
Members distributions	0:50				0:50	300.00	360.00
Partner Reviews	0:10	0:45		1:55	2:50	408.33	144.12
Trading & management of operations		1:00			1:00	235.00	235.00
Trading customers		0:30			0:30	117.50	235.00
Trading suppliers		0:30			0:30	117.50	235.00
Trading: accounting		4:45			4:45	1116.25	235.00
Unsec crs corres	1:05	11:30		2:45	15:20	3319.59	216.50
Unsec crs tel cons	2:20			0:30	2:50	877.50	309.71
VA:- modifications	2:00				2:00	720.00	360.00
admin setup				0:05	0:05	7.29	87.48
asset other		0:15			0:15	58.75	235.00
bonding				0:25	0:25	35.42	85.01
cash bk other				10:33	10:33	900.50	85.36
filing and scanning		0:20			0:20	78.33	234.99
legal negs/settlement		2:30			2:30	587.50	235.00
mem correspondence				0:30	0:30	37.50	75.00
pref crs calc of claim		3:25			3:25	802.92	235.00
pref crs distribution	0:15	4:50			5:05	1225.83	241.15
reports other	0:55			1:00	1:55	417.50	217.83
sec crs	4:15	1:40			5:55	1921.67	324.79
tax issues and returns		0:05			0:05	19.58	234.96
unsec crs agreeing claim		7:30		4:40	12:10	2150.00	176.71
	21:30	57:10	0:00	38:53	117:33	24304.05	206.76

APPENDIX IV

Charge-out Rates and Bases of Disbursements

ADDITIONAL INFORMATION RELATING TO SUPERVISOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

Detailed below is Gibson Hewitt Limited's policy in relation to:

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

Staff allocation and the use of subcontractors

Our 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, Administrator 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 staff at all grades may be allocated to meet the demands of the case. We have not utilised the services of any subcontractors in this case.

Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis. All fees incurred have been paid from the CVA in accordance with the terms thereof.

Name of Professional Advisor	Basis of Fee Arrangement
John Small, Counsel, legal advice re winding up petition	Hourly rate and disbursements

Disbursements

Category 1 and 2 disbursements were incurred by the Supervisor as set out in the Statements of Insolvency Practice (SIP9) and detailed at: <http://www.icaew.com/en/technical/insolvency/creditors-guides>

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case 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 personnel in connection with the case.

Category 2 disbursements do not require approval from creditors. These disbursements can include costs incurred which incorporate an element of overhead recovery. On this case the following costs have been incurred:

Type	Number of units	Incurred £
Photocopying	2,920	525.60
Total		525.60

Charge-out rates

Time is recorded in 1 minute units.

Gibson Hewitt Limited's charge-out rates were amended to the following with effect from 1 April 2017:

Staff Grade	Charge out rate per hour (£)
Partner	400
Manager	250-300
Other Senior Professional	150-200
Assistants and Support	100-150

APPENDIX V

Full Details of Work Undertaken

General Description	Includes
Administration and Planning	
Statutory	Filing of documents to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards <i>Maintenance of statutory and case progression task lists/diaries</i> Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Creditor reports	Preparing annual progress reports to creditors and other parties
Communication with creditors if variation of proposal required	Preparation of notices, proxies/voting forms, report and proposed variation(s) to all creditors Collate and examine proofs and proxies/votes to conclude proposed variation(s) Where relevant, preparation of meeting file and draft minutes of meeting Responding to queries and questions regarding proposed variation(s) Issuing notice of result
Realisation of Assets	
Contributions	Monitoring the Company's compliance with the terms of the CVA and taking necessary steps in the event of any delayed compliance with, or breaches of, the terms Periodic review of amount of contribution
Other terms of the proposal	Reviewing quarterly/annual management accounts Liaising with Director and HMRC about finalisation of the pre appointment tax position of the company Monitoring compliance with the terms of the VA as detailed below
Creditors	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Finalising pre appointment tax position
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of proofs of debt Receipt of proofs of debt Adjudicating on claims Request further information from claimants regarding claims Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on any complex claims
Dividend procedures	Preparation of correspondence to creditors advising of intention to declare distribution <i>Preparation of distribution calculation</i> Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends

Appendix VI

M.S.E (Consultants) Limited

Estimated Outcome Statement as at 19 June 2017

<u>Assets</u>	Book Value £	CVA Proposal-as agreed		CVA Actual	
		Retained By Company £	Creditors Fund £	Retained By Company £	Creditors Fund £
Assets subject to fixed charge					
Goodwill re software development	2,696,874	2,696,874		-	
	2,696,874	2,696,874		-	
Fixed charge creditors					
National Westminster Bank	(80,000)	(80,000)		-	
Amount to claim under floating charge	2,616,874				
Assets subject to floating charge					
Trade debtors	46,322	46,322		-	
stock	220,250	220,250		-	
Staff loan	8,195	8,195		-	
Plant and machinery	23,358	23,358		-	
Year 1-5 basic CVA contributions	1		240,000		240,000
Year 2-5 est profit based additional contributions	2		258,684		contingent
TOTAL	2,914,999	298,125	498,684	-	240,000
Less cost of insolvency proceedings					
Supervisor's time costs to date	4				24,304
Est Supervisor's future costs	3		31,535		25,228
Legal costs					400
Est disbursements			1,388		1,388
Total Costs			32,923		51,320
Assets available to preferential creditors	2,914,999		465,761		188,680
Less Preferential claims					
Employees re arrears & holiday	(7,046)		-		(2,400)
Assets available to floating charge creditor	2,907,953		465,761		186,280
Less floating charge creditors					
National Westminster Bank	-				
Surplus available to unsecured creditors	2,907,953		465,761		186,280
Unsecured Creditors:					
Total unsecured creditors	5 946,136		908,965		806,745
Estimated Surplus / (Shortfall) to Unsecured Creditors	1,961,817		(443,204)		(620,465)
Estimated Dividend to Unsecured Creditors	6 100%		51%		23%

Notes

- 1 60 months at £4,000 per month
- 2 See CVA proposal Appendix 3 page 2 of 2. Additional contributions clause not triggered for year 2 of CVA
- 3 estimated at £6,307 pa
- 4 Have exceeded forecasts as set out in section 3 of this report
- 5 not all creditors have yet lodged claims in the CVA
- 6 Actual return from CVA will be largely dependent on whether the profit clause is triggered (see note 2 above)