

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 2 5 4 8 3 1 2

Company name in full Plexus Cotton Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Richard John

Surname Harrison

3 Supervisor's address

Building name/number c/o Interpath Ltd

Street 10th Floor, One Marsden Street

Post town Manchester

County/Region

Postcode M 2 1 H W

Country

4 Supervisor's name^①

Full forename(s) Howard

Surname Smith

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address^②

Building name/number c/o Interpath Ltd

Street Tailor's Corner, Thirst Row

Post town Leeds

County/Region

Postcode L S 1 4 J F


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	0	^d	4	^m	0	^m	5	^y	2	^y	0	^y	1	^y	7	
7	Period of progress report																
Date from	^d	0	^d	4	^m	0	^m	5	^y	2	^y	0	^y	2	^y	2	
Date to	^d	0	^d	3	^m	0	^m	5	^y	2	^y	0	^y	2	^y	3	
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	2	^d	7	^m	0	^m	6	^y	2	^y	0	^y	2	^y	3	

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 **Clare McCain**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**

Post town **Glasgow**

County/Region

Postcode **G 2 5 H F**

Country

DX

Telephone **Tel +44 (0) 113 521 7510**



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

Supervisors' Annual Progress Report 4 May 2022 to 3 May 2023

Plexus Cotton Limited – under a
Voluntary Arrangement

Glossary

The Act	Insolvency Act 1986 as amended
The Company	Plexus Cotton Limited under a Voluntary Arrangement, a company incorporated in England and Wales (Company number 02548312)
CVA/Arrangement	Company Voluntary Arrangement between the Company and its CVA Creditors under the Act on the terms set out in the Proposals as modified and varied
CVA Creditors' Fund	Fund set up by the Supervisors to receive payments from the Company under the terms of the CVA
Directors	Nicholas Earlam, Peter Egli and Johannah Fischer, the directors of the Company as at the date of issuance of the report
Proposal/CVA Proposal	Proposals of the Directors for the CVA (comprising the terms of the CVA) of the Company
Statement of Affairs	Summary of the Directors' statement of affairs in respect of the Company
The Joint Supervisors/Supervisors/we/our/us	Richard Harrison of Interpath Advisory, 10 th Floor, 1 Marsden Street, Manchester, M2 1HW and Howard Smith of Interpath Advisory, Tailor's Corner, 4 th Floor, Thirsk Row, Leeds, LS1 4DP

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In the High Court of Justice

Case No. 2911 of 2017

Chancery Division

High Court of Justice

In the matter of Plexus Cotton Limited (the
'Company')

and in the matter of the Insolvency Act 1986

We attach as Appendix 1 a copy of the Supervisors' annual summary of receipts and payments in the above Voluntary Arrangement for the period 4 May 2022 to 3 May 2023 (the 'Period') and we report as follows:

1 Receipts

No realisations have been made during the Period as set out in the attached receipts and payments account (Appendix 1).

2 Payments

No payment have been made during the Period as set out in the attached receipts and payments account (Appendix 1).

3 Progress of the Arrangement

3.1 Further variation to the CVA

On 14 April 2023, the Joint Supervisors sent creditors a formal notice of a decision procedure which the Supervisors convened in accordance with Clause 16 (Material variation of the CVA) of the CVA Proposal to seek the approval of the creditors in relation to a variation request proposed by the Directors which, in the Supervisors' opinion, would materially alter the effect of the CVA.

The variation request was put to the creditors as the Company confirmed it was no longer able to meet the stipulated contribution milestone of \$2.5 million by the due date of 4 May 2023. Furthermore, due to events which had taken place since the CVA was last varied in March 2022 (as set out in detail in the Supervisors' letter to creditors dated 14 April 2023), the Directors concluded that the Company's continuing operations had no prospect of funding the return to Creditors envisaged when the CVA was originally put into place in 2017.

The key features of the proposed variation were as follows:

- All creditors' claims would be compromised to 10% of their agreed value resulting in creditors receiving a final dividend of 6 cents in the \$ to supplement the 4 cents in the \$ paid in the first year of the CVA.
- As the CVA Creditors' Fund held by the Supervisors did not contain sufficient funds to make the above payments to all creditors, it was proposed that the five largest creditors by value (the "Committee Creditors") accepted a debt instrument under which they would receive the equivalent of the final CVA dividend over a five-year period. The Directors acknowledged that these creditors were being asked to take on a higher degree of risk therefore the debt instrument also entitles the Committee Creditors to receive 70% of any net realisations made in respect of the Company's (indirectly held) Ugandan property interest during the next 10 years.
- In order to fund the proposed variation (if approved), the Company committed to making a final contribution to the CVA of approximately \$20,000 to enable the non-committee creditors to receive their entitlement of an additional 6 cents in the \$ from the Supervisors.

The variation was approved by creditors on 2 May 2023.

3.2 Creditors' committee

The Company's obligation to produce regular business updates to the Creditors' Committee continues.

3.3 Unsecured creditors

As previously reported, creditors' claims have been agreed at \$21,114,007 of which \$5,514,359 is subordinated and ineligible for participation in CVA distributions. All claims have been finalised with the exception of one Committee Creditor whose claim is potentially partially secured by funds held in escrow.

Following the variation approved outlined above, all non-committee creditors' claims are compromised to 10% of their agreed value meaning that all such creditors will receive a final dividend of 6 cents in the \$ to supplement the 4 cents in the \$ paid in the first year of the CVA.

The Company has transferred the funds required to facilitate the payment of the final dividend to non-committee creditors. The Joint Supervisors will process the final dividend payments to these creditors shortly.

3.4 Completion of the CVA

Following the imminent distribution of the CVA Creditors' Fund and the debt instruments, the Supervisors will issue a notice confirming the CVA has been completed.

4 Supervisors' remuneration

In accordance with the terms of the Proposal, the Joint Supervisors' remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Arrangement.

Attached at Appendix 2 is a detailed analysis of time spent and charge out rates for each grade of staff for the various areas of work carried out in the Period (as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No.9) together with details of expenses incurred to date.

In the Period, the Joint Supervisors incurred time costs of £67,758, representing 130 hours at an average rate of £520 per hour. This includes tax, VAT and pensions advice from Interpath Advisory in-house specialists. Expenses of £142 were also incurred, shown at Appendix 3. This brings cumulative time costs to £396,429 and expenses to £1,343.

No fees or expenses were paid to the Joint Supervisors during the Period, nor had the Supervisors drawn fees in the previous two years. With the creditors' approval, the Joint Supervisors have subsequently drawn fees and expenses of £90,000 and £236 respectively covering all of the 12-month periods ending 4 May 2021, 4 May 2022 and 4 May 2023. Total fees drawn in the CVA are £335,000.

By way of a reminder, the CVA Proposal estimated that the total fees to be paid to the Supervisors would be £250,000 plus outlays. However, the estimate was based on an assumed CVA duration of four years and did not envisage that the formation of a creditors' committee and three variations would be required.

Our work this year has including the preparation and circulation of annual reports to creditors, reviewing and distributing the Company's progress reports to the creditors' committee and also seeking the views of committee members on the third CVA variation together with completion of the formalities in respect of the variation decision procedure.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

A creditors' guide to fees can be found at:

www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/

However, if you are unable to access this guide and would like a copy then please contact Matthew Herbert on 0161 529 8869.

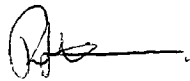
5 Future conduct of the arrangement

Following the imminent distribution of the CVA Creditors' Fund, the Supervisors will issue a notice confirming the CVA has been completed.

The Joint Supervisors will continue to perform their duties as set out in the Proposal. This will include, but is not limited to, making the final distributions to non-committee creditors and any other functions which it may be necessary or expedient for the Supervisors to undertake in connection with the implementation of the Arrangement.

If you have any further queries in relation to the above, please direct them to Matt Herbert on 0161 529 8869.

Signed



Dated

27 June 2023

Richard John Harrison

Joint Supervisor

Appendix 1

Receipts and payments account for the period 4 May 2022 to 3 May 2023

Plexus Cotton Limited - USD \$ - USD foreign currency - under a Voluntary Arrangement		
Abstract of receipts & payments		
Statement of affairs (\$)	From 04/05/2022 To 03/05/2023 (£)	From 04/05/2017 To 03/05/2023 (£)
OTHER REALISATIONS		
CVA Creditor Funds	NIL	1,134,697.00
	NIL	1,134,697.00
COST OF REALISATIONS		
Supervisors' fees	NIL	(316,684.07)
Supervisors' expenses	NIL	(1,441.12)
Irrecoverable VAT	NIL	(3,893.30)
Legal fees	NIL	(19,565.59)
Legal disbursements	NIL	(91.45)
Bank charges	NIL	(26.42)
	NIL	(341,701.95)
UNSECURED CREDITORS		
Trade & expense	NIL	(592,747.16)
	NIL	(592,747.16)
	NIL	200,247.89
REPRESENTED BY		
Floating charge current		200,247.89
		200,247.89

Appendix 2

Time cost analysis for the period from 4 May 2022 to 3 May 2023

General correspondence	17.10	10,206.00	596.84
General (Cashiering)	1.75	581.25	332.14
Reconciliations (& IPS accounting reviews)	2.90	1,477.00	509.31
Fees and WIP	0.40	236.00	590.00
Appointment and related formalities	4.70	2,984.50	635.00
Checklist & reviews	12.40	5,313.75	428.53
Strategy documents	40.70	23,019.50	565.59
Post appointment VAT	0.75	183.75	245.00
Meetings	8.95	5,172.00	577.88
Reports	11.40	5,038.50	441.97
General correspondence	5.85	2,967.75	507.31
Statutory reports	23.35	10,577.75	453.01
Total in period	130.25	67,757.75	520.21
Brought forward time (appointment date to SIP 9 period start date)	812.02	328,671.30	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	130.25	67,757.75	
Carry forward time (appointment date to SIP 9 period end date)	942.27	396,429.05	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 3

Expenses for the period from 4 May 2022 to 3 May 2023

Mileage	NIL	NIL	NIL	11.97	11.97
Travel	NIL	129.80	NIL	NIL	129.80
Total	NIL	129.80	NIL	11.97	141.77

Interpath Advisory Policy for the recovery of expenses

Where funds permit, the Supervisors will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party who is not an associate of the office-holders. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Supervisors or their staff.

Category 2 expenses: These are costs that are directly referable to the appointment in question but not a payment to an independent third party. These include payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm. Please note that the above expenses are considered Associate expenses and will be subject to additional Category 2 expenses approval should we wish to draw these.

The only Category 2 expenses that Interpath Advisory currently include is mileage. Mileage claims fall into three categories:

- use of privately-owned vehicle or car cash alternative – 45 pence per mile.
- use of company car – 60 pence per mile.
- use of Managing Director's car – 60 pence per mile.

For all of the above car types, when carrying passengers an additional 5 pence per mile per passenger will also be charged where appropriate. Any expenses to be paid from the estate are disclosed within the summary of disbursements above.

www.interpathadvisory.com

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