

# CVA1

## Notice of voluntary arrangement taking effect



Companies House

SATURDAY



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03/10/2020

#239

COMPANIES HOUSE

### 1 Company details

Company number 0 3 9 8 1 2 9 1

Company name in full The Royal Crown Derby Porcelain Company Limited

#### → Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Supervisor's name

Full forename(s) Christopher Robert

Surname Pole

### 3 Supervisor's address

Building name/number 1 Snow Hill Queensway

Street

Post town Birmingham

County/Region

Postcode B 4 6 G H

Country

### 4 Supervisor's name <sup>①</sup>

Full forename(s) David James

Surname Costley-Wood

#### ① Other supervisor

Use this section to tell us about another supervisor.

### 5 Supervisor's address <sup>②</sup>

Building name/number 1 St Peter's Square

Street

Post town Manchester

County/Region

Postcode M 2 3 A E

Country

#### ② Other supervisor

Use this section to tell us about another supervisor.

# CVA1

Notice of voluntary arrangement taking effect

## 6 Date CVA took effect

Date 

d	3	d	0	m	0	m	9	y	2	y	0	y	2	y	0
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## 7 Report of consideration of proposal

☒ I attach a copy of the report of consideration of the proposal

## 8 Sign and date

Supervisor's signature

Signature

X



X

Signature date

d	3	d	0	m	0	m	9	y	2	y	0	y	2	y	0
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# CVA1

## Notice of voluntary arrangement taking effect



### 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 **Muhammad Mustafa**

Company name **KPMG LLP**

Address **1 St Peter's Square**

Post town **Manchester**

County/Region

Postcode **M 2 3 A E**

Country

DX

Telephone **Tel +44 (0) 161 246 4976**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**CHANCERY DIVISION**

**IN THE MATTER OF: THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED  
(Registered Number: 03981291)**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986 (as amended)**

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**CHAIR'S REPORT**

**of the Creditors' Decision Procedure and of the Meeting of the Shareholder of the  
Company in relation to a Proposal for a Company Voluntary Arrangement (the  
'Proposal')**

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**THIS REPORT** is made by David James Costley-Wood, licensed insolvency practitioner and partner in KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE (the 'Chair'), and one of the Joint Supervisors of the voluntary arrangement of the Company, pursuant to the provisions of Section 4(6) of the Insolvency Act 1986 (the 'Act') and Rule 2.38 of the Insolvency (England and Wales) Rules 2016 (the 'Rules') and is the Chair's Report on the result of the creditors' decision procedure and the meeting of the Shareholder of the Company contemplated by such Section and Rule.

**1 CREDITORS' DECISION PROCEDURE**

- 1.1 Pursuant to Section 3 of the Act, a decision of creditors was taken at 23.59 on 29 September 2020 by way of Electronic Voting.
- 1.2 The legislation which deals with company voluntary arrangements is contained in Part I of the Act.
- 1.3 As convener of the decision procedure, the convener confirms that there were no objections to the notice of the decision procedure and the Proposal, all as despatched to creditors and the Shareholder on 10 September 2020.
- 1.4 The convener confirms that creditors were asked if they wished to propose any modification to the Proposal. On 29 September 2020, HM Revenue & Customs proposed a number of modifications to the Proposal. However, given the majority of creditors, by value, had already voted in favour of the Proposal, these modifications were rejected by the Company. The CVA Proposal dated 10 September 2020 was therefore approved without any modification.
- 1.5 The following decisions ('Decisions (a) and (b)') were proposed.
  - (a) "That the proposed voluntary arrangement be approved" and
  - (b) "That the basis of the Supervisors' remuneration be fixed by reference to time costs and drawn from time to time in accordance with Clause 20.2 of Part 3 (Terms of the CVA) of the CVA Proposal".

- 1.6 A decision of creditors was taken on Decisions (a) and (b). Set out in Appendices 1 to 5 are summaries and lists of the creditors (with their respective values), showing how they voted on Decisions (a) and (b).
- 1.7 The requisite majority to approve a decision is a majority in excess of three-quarters in value of creditors voting on the decisions. Having regard (inter alia) to the provisions of Rule 15.34, the convener confirms that Decisions (a) and (b) were passed.
- 1.8 Accordingly, the Proposal was approved by the creditors without modification.

## **2 Meeting of the Company**

- 2.1 Pursuant to Section 3 of the Act, the meeting of the Company was held virtually at 1.00pm on 30 September 2020.
- 2.2 The Chair noted that the legislation which deals with company voluntary arrangements was contained in Part I of the Act.
- 2.3 The Chair noted that as convenor of the meeting and pursuant to Rule 2.34 he was Chair thereof. The Chair asked whether there was any objection to the notice of meeting and the Proposal all as despatched to creditors and the shareholder on 10 September 2020 being taken as read and there was none.
- 2.4 The following resolution ('Shareholder's Resolution (c)') was then proposed:
- (c) *"That the proposed company voluntary agreement be approved".*
- 2.5 Set out in Appendix 6 to this report is a list of the shareholders (with their respective values) who were present or represented at the meeting, showing how they voted on Shareholder's Resolution (c).
- 2.6 It was noted that Shareholder's Resolution (c) was to be regarded as passed if voted for by more than one-half in value (determined by reference to the number of votes conferred on each shareholder by the Company's Articles of Association) of the shareholders present in person or by proxy and voting on Shareholder's Resolution (c). Having regard (inter alia) to the provisions of Rule 2.36, the Chair declared Shareholder's Resolution (c) passed.
- 2.7 Accordingly, the Proposal was approved by the Shareholder without any modification.

3 **EC Regulation on Insolvency Proceedings**

- 3.1 In the opinion of the Joint Supervisors, the EC Regulation on Insolvency Proceedings applies to the voluntary arrangement and these proceedings are main proceedings as defined by Article 3 of that regulation.

Signed



Dated 1 October 2020

David James Costley-Wood

Convener of the Creditors' Decision Procedure and Chair of the Company Meeting

# The Royal Crown Derby Porcelain Company Limited – under a Voluntary Arrangement

## Appendix 1

### Details of voting on Decisions (a) and (b)

Voting in respect of Decision (a) “that the proposed voluntary arrangement be approved”:

	£	% of voting creditors
For the above decision:		
Creditors listed in Appendix 2	4,442,524.40	95.37%
Against the above decision:		
Creditors listed in Appendix 4	215,698.00	4.63%
Abstained from voting on the decision		
Creditors listed in Appendix 5	-	n/a
	<b>4,658,222.40</b>	

*The above figures include voting by connected creditors. The table below summaries the voting position excluding the connected creditor*

	£	% of voting creditors
For the above decision:		
Creditors listed in Appendix 2	1,225,751.74	85.04%
Against the above decision:		
Creditors listed in Appendix 4	215,698.00	14.96%
Abstained from voting on the decision		
Creditors listed in Appendix 5	-	n/a
	<b>1,441,449.74</b>	

Voting in respect of Decision (b) “That the basis of the Supervisors’ remuneration be

fixed by reference to time costs and drawn from time to time in accordance with Clause 20.2 of Part 3 (Terms of the CVA) of the CVA Proposal”:

	£	% of voting creditors
For the above decision:		
Creditors listed in Appendix 3	4,427,333.51	95.04%
Against the above decision:		
Creditors listed in Appendix 4	215,698.00	4.63%
Abstained from voting on the decision		
Creditors listed in Appendix 5	15,190.89	0.33%
	<b><u>4,658,222.40</u></b>	

*The above figures include voting by connected creditors. The table below summaries the voting position excluding the connected creditor*

	£	% of voting creditors
For the above decision:		
Creditors listed in Appendix 3	1,213,233.18	84.17%
Against the above decision:		
Creditors listed in Appendix 4	215,698.00	14.96%
Abstained from voting on the decision		
Creditors listed in Appendix 5	12,518.56	0.87%
	<b><u>1,441,449.74</u></b>	



# **The Royal Crown Derby Porcelain Company Limited – under a Voluntary Arrangement Appendix 2**

## **List of creditors voting “for” Decision (a)**

<b>Connected creditors</b>	<b>Voting value (£)</b>
Acorn 59 Investments Limited	3,211,369.00
Employees	5,403.66
<b>Total</b>	<b><u>3,216,772.66</u></b>

<b>Unconnected creditors</b>	<b>Voting value (£)</b>
FERRO(GREAT BRITAIN)LTD	2,945.70
J.G.FENN	527.65
SWINDELL & PEARSON	708.00
M M BELL & SONS LTD	5,961.00
SURCOTECH INTERNATIONAL LIMITED	10,229.32
TORRECID UK	1,000.00
HYGAN PRODUCTS LIMITED	567.46
MICHAEL HAWLEY	5,035.24
THE SCREEN MACHINE SUPPLY CO	246.86
STUDIO SIX PHOTOGRAPHY	2,452.80
Hon HMT Gibson C/o Mark Harris	1,196,077.71
<b>Total</b>	<b><u>1,225,751.74</u></b>
<b>Total of Connected creditors and Unconnected creditors</b>	<b><u>4,442,524.40</u></b>

# The Royal Crown Derby Porcelain Company Limited – under a Voluntary Arrangement

## Appendix 3

### List of creditors voting “for” Decision (b)

Connected creditors	Voting value (£)
Acorn 59 Investments Limited	3,211,369.00
Employees	2,731.33
<b>Total</b>	<b>3,214,100.33</b>

Unconnected creditors	Voting value (£)
FERRO(GREAT BRITAIN)LTD	2,945.70
J.G.FENN	527.65
SURCOTECH INTERNATIONAL LIMITED	10,229.32
TORRECID UK	1,000.00
STUDIO SIX PHOTOGRAPHY	2,452.80
Hon HMT Gibson C/o Mark Harris	1,196,077.71
<b>Total</b>	<b>1,213,233.18</b>

<b>Total of Connected creditors and Unconnected creditors</b>	<b>4,427,333.51</b>
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# **The Royal Crown Derby Porcelain Company Limited – under a Voluntary Arrangement Appendix 4**

List of creditors voting “against” decision (a)

<b>Creditor</b>	<b>Voting value (£)</b>
HM Revenue & Customs	215,698.00
<b>Total</b>	<b>215,698.00</b>

List of creditors voting “against” decision (b)

<b>Creditor</b>	<b>Voting value (£)</b>
HM Revenue & Customs	215,698.00
<b>Total</b>	<b>215,698.00</b>

# The Royal Crown Derby Porcelain Company Limited – under a Voluntary Arrangement

## Appendix 5

List of creditors “abstaining” from voting either for or against decision (a):

<b>Creditor</b>	<b>Voting value (£)</b>
-	-
<b>Total</b>	<u><u>-</u></u>

List of creditors “abstaining” from voting either for or against decision (b):

<b>Creditor</b>	<b>Voting value (£)</b>
SWINDELL & PEARSON	708.00
M M BELL & SONS LTD	5,961.00
HYGAN PRODUCTS LIMITED	567.46
MICHAEL HAWLEY	5,035.24
THE SCREEN MACHINE SUPPLY CO	246.86
<b>Total unconnected creditors</b>	<u><b>12,518.56</b></u>
Employees	2,672.33
<b>Total</b>	<u><u><b>15,190.89</b></u></u>

# The Royal Crown Derby Porcelain Company Limited – under a Voluntary Arrangement

## Appendix 6

Details of shareholders present or represented and voting “for” decision (c):

Shareholders	Shareholding value (£)
Kevin Graham Oakes	11,050,000.00
<b>Total</b>	<b>11,050,000.00</b>

Details of shareholders present or represented and voting “against” decision (c):

Shareholders	Shareholding value (£)
-	-
<b>Total</b>	<b>-</b>

Details of shareholders present or represented and “abstaining” from voting either for or against decision (c):

Ordinary shareholders	Shareholding value (£)
-	-
<b>Total</b>	<b>-</b>

**IN THE HIGH COURT OF JUSTICE**

**No. of**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**THE INSOLVENCY AND COMPANIES LIST**

**IN THE MATTER OF: THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986 (as amended)**

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**NOMINEES' REPORT ON DIRECTORS' PROPOSALS PURSUANT TO SECTION 2(2) OF THE  
INSOLVENCY ACT 1986**

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1. This report has been prepared by David James Costley-Wood, 1 St Peter's Square, Manchester, M2 3AE, and Christopher Robert Pole, 1 Snow Hill Queensway, Birmingham, B4 6GH who together are the Joint Nominees (the 'Nominees'; each a 'Nominee') in relation to the proposed company voluntary arrangement (the 'CVA') of The Royal Crown Derby Porcelain Company Limited, a private limited company incorporated in England and Wales with registered number 03981291 and having its registered office at 194 Osmaston Road, Derby, England, DE23 8JZ (the 'Company') following review of:
  - a) The proposal for a company voluntary arrangement under Part I of the Insolvency Act 1986 (the 'Proposal') by the directors of the Company (the 'Directors') made pursuant to Section 1 of the Insolvency Act 1986; a copy of which was received by the Nominees on 9 September 2020; and
  - b) A prescribed statement of the Company's affairs as at 25 July 2020, in conjunction with the additional information regarding the Company's assets and liabilities since that date contained in the Proposal.
2. On 9 September 2020, the Nominees returned to the Company a signed consent to act pursuant to Rule 2.4(2) of the Insolvency (England and Wales) Rules 2016 (the 'Rules').
3. In the opinion of the Joint Nominees:
  - a) The proposed CVA has a reasonable prospect of being approved and implemented; and
  - b) A Creditors' decision procedure should be held and a meeting of the Company (its shareholder) should be summoned to consider the Proposal.
4. Pursuant to Rule 15.2 of the Rules, the creditors' decision procedure referred to at paragraph 3(b) above will be treated as completed by 23.59pm on 28 September 2020.
5. In accordance with section 246ZE(2) of the Insolvency Act 1986, the decision of the Company's creditors with respect to the CVA may be made by any qualifying decision procedure that the Nominees think fit, but may not be made by a creditors' meeting unless section 246ZE(3) applies. Section 246ZE(3) provides that, if at least the minimum number (as defined in section 246ZE(7)) of creditors makes a written request

to the Nominees that the decision be made by a creditors' meeting, the Nominees must summon a creditors' meeting. Rule 15.6(1) of the Rules provides that a request for a physical meeting may be made before or after the notice of the decision procedure has been delivered but must be made no later than 5 business days after the date of delivery of the notice.

6. The Nominees have considered the COVID-19 Restrictions currently in place and the potential public health implications of holding a physical meeting of Creditors, and have concluded that it is not reasonably practicable or lawful to hold a physical meeting for as long as the current restrictions remain in place. Creditors are unlikely to be able to attend such a meeting in person, and it is unlikely to be possible for the Nominees to hold a meeting safely or without breaching legal requirements. Therefore the Nominees intend to seek a decision of the Creditors by way of a Decision Procedure, which in this case is to be via electronic voting, notwithstanding any request for a physical meeting pursuant to Section 246ZE(7) of the Insolvency Act. The Nominees will keep the position under review and in particular will consider the effect of any changes to the COVID-19 Restrictions that may allow a physical meeting to be lawfully held.
7. The meeting of the Company's shareholder referred to at paragraph 3(b) above will be held at virtually due to Covid-19 restriction at 11.00am on 29 September 2020.
8. Pursuant to Rule 2.9(1) of the Insolvency Rules (England and Wales) 2016, enclosed with this report for delivery to the Court are:
  - a) A copy of the Proposal; and
  - b) A summary of the Company's Statement of Affairs (contained at Schedule 7 Statement of Affairs schedule of the Proposal).
9. In accordance with Rule 2.9(2) of the Insolvency Rules (England and Wales) 2016 and as referred to at paragraph 3(a), the Nominees' comments on why the Proposal has a reasonable prospect of being approved and implemented and why the Company's shareholder and creditors should be invited to consider the Proposal are annexed to this report.
10. A copy of this report and the Annex has been sent to the Company in accordance with Rule 2.9(4) of the Insolvency Rules (England and Wales) 2016.



Signed by  
David James Costley-Wood (Joint Nominee)

Dated: 9 September 2020

Signed by  
Christopher Robert Pole (Joint Nominee)

Dated:

*David James Costley-Wood and Christopher Robert Pole are each licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.*



## **Annex**

### **Nominees' Comments on the Proposal**

1. These comments have been prepared pursuant to Rule 2.9(2) of the Insolvency Rules (England and Wales) 2016 by David James Costley-Wood, 1 St Peter's Square, Manchester, M2 3AE and Christopher Robert Pole, 1 Snow Hill Queensway, Birmingham, B4 who together are the Joint Nominees (the 'Nominees'; each a 'Nominee') in respect of the proposed company voluntary arrangement under Part 1 of the Insolvency Act (the 'CVA') of The Royal Crown Derby Porcelain Company Limited, a private limited company incorporated in England and Wales with registered number 03981291 and having its registered office at 194 Osmaston Road, Derby, England, DE23 8JZ (the 'Company') following their review of:
  - a) The proposal for a company voluntary arrangement under Part I of the Insolvency Act 1986 (the 'Proposal') by the directors of the Company (the 'Directors') made pursuant to Section 1 of the Insolvency Act 1986, a copy of which was received by the Nominees on 9 September 2020; and
  - b) A prescribed statement of the Company's affairs as at 25 July 2020, in conjunction with the additional information regarding the Company's assets and liabilities since that date contained in the Proposal.
2. KPMG LLP was initially engaged by the Company in June 2020 to advise on the advantages and disadvantages of various potentially available restructuring options in light of the COVID-19 pandemic and its impact on the business, as well as assessing a comparison of these options. The work included assessing solvent restructuring options and insolvent options, including CVA and formal administration. Total fees payable to KPMG for this work were £10,000 plus VAT. This has been paid in full. No referral fee was paid in respect of this work.

Following this engagement, in July 2020, the Company discussed the potential CVA option with the landlord. Based on the feedback from the landlord, KPMG LLP were engaged to support the Company with proposing the CVA to its creditors. Total fees charged for assisting the Company with preparing for the launch of the CVA is approximately £45,000 plus VAT. The fee in respect of the work is payable to KPMG LLP. No referral fee will be paid in respect of this work.

We do not believe that the above work prior to KPMG LLP's acceptance of the role as Nominees created a material professional relationship which impacts on the Nominees' ability to accept the appointment.
3. Details of payments to be made to the Nominees are set out at Schedule 3 to the Proposal and amount to £16,000.
4. An estimate of the total fee to be paid to the CVA Supervisors is set out at Schedule 3 to the Proposal and amounts to £50,000. That estimate has been produced on the assumption that the CVA Supervisors carry out their duties in accordance with the terms of the Proposal.
5. The Company has not, within the last twelve months, put forward a company voluntary arrangement proposal that has been rejected.
6. The Nominees have satisfied themselves:

- a) that the Company's true position as to assets and liabilities is not materially different from that which is represented to the creditors;
- b) that the Proposal has a reasonable prospect of being approved and implemented in the manner represented in the Proposal;
- c) that there is no unavoidable prospective unfairness which is already manifest; and
- d) accordingly, that the shareholder and creditors of the Company should be invited to consider the Proposal.

7. The Nominees make the following comments in respect of the Proposal:

- a) The Nominees have carried out limited investigations into the Company's circumstances to enable them to assist the Directors in their preparation of the Proposal and report to the Court under section 2(2) of the Insolvency Act 1986.
- b) The realisable asset values contained in the Statement of Affairs other than trade debtors have been provided by and independent valuation agents, John Pye. The valuation has been prepared based on an Ex-Situ with Special Assumptions, assuming marketing period of 30 days. The realisable value of Trade debtors contained in the Statement of Affairs have been estimated by the Directors based on book values adjusted for currently available market information. The Nominees have reviewed the asset values for reasonableness, although no detailed audit has been carried out.
- c) The Nominees are not aware of any reason to believe that the information provided by the Directors in relation to the estimate of the liabilities of the Company cannot be relied on by the creditors and shareholders of the Company. On that basis, the Nominees consider that reliance can be placed on such estimates.
- d) The Directors have been fully co-operative and have provided the Nominees with all necessary information.
- e) Details of the security granted by the Company are set out in Schedule 9 the Proposal.
- f) The Directors and Nominees have informally approached a number of the Company's creditors to discuss the possibility of proposing a CVA in similar terms to that set out in the Proposal. The discussions with creditors did not cause the Directors and the Nominees to change their opinions that there was a reasonable prospect of the CVA being approved and implemented.
- g) So far as the Nominees are aware, there have been no previous failures of the Company.
- h) The Directors have prepared estimated outcome statements setting out the estimated returns which creditors may expect (i) in an administration of the Company and (ii) if the CVA succeeds. Those statements are annexed to the Proposal and demonstrate that creditors would receive a greater return under the CVA than if the Company were to enter administration or liquidation. Therefore, the CVA is more beneficial for creditors of the Company than administration or liquidation.
- i) The Nominees note that the Statement of Affairs prepared by the Directors has been made up to 25 July 2020, being the nearest practical date, but which is earlier than the earliest date prescribed under Rule 2.6 of the Insolvency Rules (England and Wales) 2016 for the Statement of Affairs to be made up to. The Nominees are satisfied that there have been no material changes to the assets and liabilities since that date and on that basis they have allowed an extension of

the prescribed period in accordance with Rule 2.6 of the Insolvency Rules (England and Wales) 2016.

- j) If the Proposal is rejected by the Company's creditors, the likely effect is that the Company will enter administration or liquidation.
- k) The Nominees are not aware of any claims which might be capable of being pursued by a liquidator or administrator of the Company if one were appointed.

**ENCLOSURE**

**Copy of the Proposal incorporating (at Schedule 7 Statement of Affairs schedule)  
a summary of the Company's Statement of Affairs**