

Rules 1.26A/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1.26A(4)(a) or
Rule 1.54 of the Insolvency Rules
1986**R.1.26A(4)(a)/
R.1.54**

For Official Use

To the Registrar of Companies

Company number

04183850

Name of company

(a) Insert full name of
company

(a) BLACKSMITH DC

Limited

(b) Insert full name and
address

(b) JONATHAN PAUL PHILMORE OF
PHILMORE & CO
UNIT 11, DALE STREET MILLS, DALE STREET
LIVERPOOL, LUGGERSFIELD, L10 3 4TG
supervisor of a voluntary arrangement taking effect on

(c) Insert date

(c) 12 AUGUST 2011

Attach my progress report for the period

from

(c) 12 AUGUST 2012

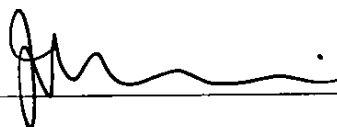
to

(c) 11 AUGUST 2013

Number of continuation sheets (if any) attached

6

Signed



Date 10 October 2013

Presenter's name, address
and reference

For Official Use

Liquidation Section

Post Room

MONDAY



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14/10/2013

#104

COMPANIES HOUSE

BLACKSMITH DC LTD - COMPANY VOLUNTARY ARRANGEMENT

Report of the Supervisor

In accordance with Rule 1.26A of the Insolvency Rules 1986

Name of Supervisor:	Jonathan Paul Philmore
Date of appointment:	12 August 2011
Date of Report:	11 August 2013
Court Reference:	Huddersfield 134 of 2011
Company Number:	04183850

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- 3 A cheque representing payment of a first interim dividend of 10p in £

1. INTRODUCTION

- 1 1 I refer to my appointment as Supervisor of the above Company's voluntary arrangement by the members and creditors on 12 August 2011
- 1 2 Pursuant to Rule 1 26A of the Insolvency Rules 1986 I write to provide you with my report on the voluntary arrangement Please find attached at Appendix 1 an up to date Receipts and Payments account

2 BACKGROUND

Jonathan Paul Philmore and was appointed Supervisor of the Company on 12 August 2011

The Company's registered office is Unit 11 Dale Street Mills, Dale Street, Longwood, Huddersfield, HD3 4TG

REASONS FOR SEEKING A COMPANY VOLUNTARY ARRANGEMENT ("CVA")

Creditors may recall that the Company's reasons for seeking a CVA were as follows -

- Difficult trading conditions caused by the recession
- Loss of income caused by a major client taking work in-house
- Severe cash flow problems leaving the Company unable to meet its liabilities as they fell due
- A demand from HMRC for unpaid tax with the imminent threat of distraint

3. ASSET REALISATIONS

- 3 1 The director's proposal envisaged that the Company would continue to trade and make voluntary contributions over a period of 60 months as follows -

- 12 @ £1,000
- 12 @ £2,000
- 36 @ £2,500

The contributions were to be enhanced by way of an additional annual contribution based on 20% of net profit after taxation A modification proposed by HMRC requires that the Supervisor shall review the Company's income & expenditure every 12 months and obtain an increase in voluntary contributions of not less than 50% of any rise in net income after provision for tax (if applicable)

I have reviewed the Company's accounts for the year ended 31 August 2012 which show a loss on ordinary activities before taxation of £12,097 on a turnover of £290,641 (a reduction on the previous year of £172,208) Therefore no additional contribution is due for the period to 31 August 2012 The accounts for the year ended 31 August 2013 are currently being prepared

- 3 2 I confirm that the sum of £36,000 has been received by way of monthly contributions to date in accordance with the proposal I have also received the sum of £3 66 in gross bank interest and £25 59 in net bank interest
- 3 3 Monthly contributions are now set to increase to £2,500 for the next 36 months

4. CREDITORS' CLAIMS

- 4 1 Creditor claims expected to rank for dividend in the CVA as per the director's estimated statement of affairs totalled £124,256 To date I have received claims totalling £138,169 40

This includes the final claim of HMRC of £69,438 88 broken down as to CT/PAYE £54,157 02 and VAT of £15,281 86

- 4 2 Notice of intended dividend was sent to all unproven creditors on 12 July 2013 with a last date for proving of 9 August 2013 Therefore I do not anticipate any further increase in creditor claims

5. DIVIDEND PROSPECTS

- 5 1 The proposal envisaged that a minimum dividend of 79p in £ would be payable to unsecured creditors over the five year term of the arrangement after costs I have pleasure in enclosing a cheque representing payment of a first interim dividend of 10p in £ on your agreed unsecured claim

6. COSTS AND EXPENSES

- 6 1 My fee for acting as Nominee under this proposal was agreed at £5,000 I confirm that I have drawn this amount in full My time costs for acting as Nominee amounted to £9,606 00 and accordingly the sum of £4,606 has been written off
- 6 2 My remuneration for acting as Supervisor was agreed on a time cost basis in accordance with paragraph 24 6 of the Company's proposal My time costs for the period under review (being 12 August 2012 to 11 August 2013) amounts to £6,887 50 which equates to 45 hours at an average hourly rate of £152 72

This is in addition to the sum of £4,389 40 which accrued in the first year of the arrangement as disclosed in my last report I have not drawn any remuneration to date

- 6 3 I attach at Appendix 2 an analysis of the Supervisor's time costs incurred during the period under review and a breakdown of my disbursements

7. CONCLUSION

- 7 1 I am satisfied that the arrangement is proceeding satisfactorily At a recent meeting with the sole director he confirmed that he is confident that the Company is capable of meeting its long term obligations under the terms of the proposal As noted above, the accounts for the year ended 31 August 2013 are currently under preparation and the director is of the opinion that the trading results will be an improvement on last year If that is the case then an additional contribution equating to 50% of any net profit (after taxation) will be payable and at this point I would say that the minimum dividend is still attainable

I have written to the director informing him that the Company's contribution for the next 36 months should increase to £2,500 per month I will continue to liaise with the director and the Company's accountants regarding any additional contribution that may be due for the year ended 31 August 2013

- 7 2 If you have any queries regarding the contents of this report or require any additional information then please contact Diane Kinder of my office



Jonathan Paul Philmore
Supervisor

Appendix 1

**Blacksmith DC Ltd - In Company Voluntary Arrangement
Supervisor's Abstract of Receipts & Payments**

From 12 August 2012 to 11 August 2013

S of A £		From 12/08/12	From 12/08/11
		To 11/08/13	To 11/08/13
ASSET REALISATIONS			
84,000 00	Voluntary Contributions	24,000 00	36,000 00
	Bank Interest Gross	NIL	3 66
	Bank Interest Net of Tax	20 62	25 59
	Deposit for Costs	NIL	200 00
		<u>24,020 62</u>	<u>36,229 25</u>
COST OF REALISATIONS			
	BIS Bank Charges	NIL	(2 00)
	Specific Bond	NIL	(680 00)
	Office Holders Expenses	(55 25)	(126 60)
	Agents/Valuers Fees (1)	NIL	(500 00)
	Legal Fees	(2,083 32)	(5,000 00)
	Bank Charges	(8 40)	(18 00)
	Nominee Remuneration	NIL	(5,000 00)
	Nominee Disbursement	NIL	(166 67)
	Travel	(50 00)	(50 00)
	Case Management Fee	NIL	(110 00)
		<u>(2,196 97)</u>	<u>(11,653 67)</u>
UNSECURED CREDITORS			
(199,188 81)	Trade Creditors (10p in £)	<u>13,816 94</u>	<u>13,816 94</u>
		NIL	
		<u>8,006 71</u>	<u>10,758.64</u>
REPRESENTED BY			
	Vat Receivable		1,110 00
	J P Philmore Supervisor of Blacksmith DC Ltd		<u>9,648 64</u>
			<u>10,758 64</u>


 Jonathan Paul Philmore
 Supervisor

Appendix 2

Blacksmiths Ltd - in Liquidation

SIP 9 - Time Cost Report for the period 12 August 2012 to 11 August 2013

Classification Of work function	Directors	Managers	Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning General	5 7	11 5	0 3	17 5	2,988 00	170 74
Administration & Planning Cashiering	7 6	0 0	3 5	11 1	1,783 00	160 63
Administration & Planning Closure	0 0	0 0	0 0	0 0	0 00	0 00
Investigations	0 0	0 0	0 0	0 0	0 00	0 00
Creditors	2 7	3 8	10 0	16 5	2,116 50	128 27
Realisation of Assets	0 0	0 0	0 0	0 0	0 00	0 00
Total Hours/Fees Claimed (£)	16 0	15 3	13 8	45 1	6,887 50	152 72

A general provision for administrative duties carried out by support staff is incorporated into the charge-out rates of all professional staff

The work undertaken by my staff is briefly detailed below

Case administration and planning – Includes dealing with all statutory matters required by legislation and professional guidelines including periodic returns and reports, internal case review and case progression matters including planning, set-up and maintenance of records, together with cashiering and general secretarial work

Investigations – Includes the review of Company records, the identification of any rights of action which the Administrator and subsequent Liquidator may have including antecedent transactions Also includes the compiling of the Office Holder's report to the Secretary of State on the director's conduct as required by statute

Creditors - Includes (where applicable) general communication with creditors and dealing with employees and their statutory entitlements

Realisation of assets - This relates to time spent in realising the Company's assets, including debtors/work in progress/ retentions and fixed assets

Disbursements Incurred (excluding VAT)

Category 1 Disbursements	£	Category 2 Disbursements	£
	0 00	Postage & Copying	62 80
	0 00	Travel	50 00
	0 00		0 00
	0 00		0 00
Total	0 00	Total	112 80