

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
PHILMORE & CO
UNIT 11, DALE STREET MILLS
DALE STREET, LONGWOOD
HUDDERSFIELD, HD3 4TH
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 2013

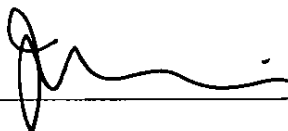
to

(c) 11 AUGUST 2014

Number of continuation sheets (if any) attached

7

Signed



Date 10 October 2014

Presenter's name, address
and reference

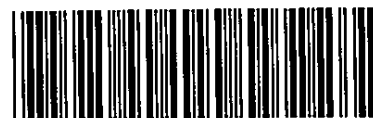
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Liquidation Section

Post Room

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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 2014 |
| Court Reference: | Huddersfield 134 of 2011 |
| Company Number: | 04183850 |

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- 2 Analysis of time costs for the period 12 August 2013 to 11 August 2014
- 3 A cheque representing payment of a second 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 any increase in 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 increase in net income after provision for tax (if applicable)

I have reviewed the Company's accounts for the year ended 31 August 2013 which show a loss on ordinary activities before taxation of £6,310 on a turnover of £262,617 (a reduction on the previous year of £28,024) Therefore no additional contribution is due for the period to 31 August 2013 The accounts for the year ended 31 August 2014 are currently being prepared

- 3 2 Under the terms of the proposal the Company was obliged to pay a monthly contribution of £2,500 during the period covered by this report I confirm that the sum of £22,500 has been received for the period under review, a shortfall of £7,500 Whilst modification number 13 provides that this eventuality shall constitute a default of the arrangement incapable of being

remedied I am working closely with the Company to remedy the breach as per modification 13. The director has kept me apprised of the Company's position at regular intervals and he has indicated that the Company will be able to bring its contributions for the period up to date shortly and is committed to ensuring that the arrangement will continue for a further two years. I am due to review the position with him again next week and for now I am not minded to fail or terminate the arrangement as I believe that the interests of creditors are best served by giving the Company sufficient time to remedy the position and so enhance dividend prospects.

Contributions for earlier periods were made on time.

During the period I have received the sum of £27 89 in net bank interest.

- 3.3 Monthly contributions are due to remain at £2,500 for the next 24 months however based on the Company's recent trading performance and reduction in turnover it is likely that the Company will propose a variation to reduce future contributions based on the latest financial results and cash flow requirements. Any such proposed variation will be supported by up to date management information and a revised outcome statement.

4. CREDITOR 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 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.

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 second interim dividend of 10p in £ on your agreed unsecured claim.

6. COSTS AND EXPENSES

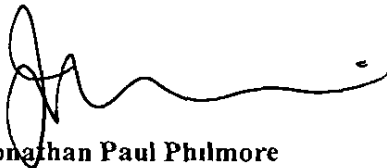
- 6.1 My fee for acting as Nominee under this proposal was agreed at £5,000. I confirm that I have drawn this amount in full. My time costs for acting as Nominee amounted to £9,606 00 and accordingly the sum of £4,606 has been written off.
- 6.2 My remuneration for acting as Supervisor was agreed on 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 2013 to 11 August 2014) amounts to £6,010 00 which equates to 38.9 hours at an average hourly rate of £154 50.

My total remuneration from the date of appointment to the date of this report amounts to £17,312 50. I have not drawn any remuneration to date in order to facilitate a second distribution to unsecured creditors.

- 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 Company will be able to bring its contributions up to date and to continue with the arrangement. I have discussed alternative options with the sole director such as liquidation or administration however the director remains committed to the arrangement. As noted above, the accounts for the year ended 31 August 2014 are currently under preparation and the position will be reviewed again once the trading results for that year are known. In the meantime I am working with the director towards achieving the best outcome for creditors.
- 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 2013 to 11 August 2014

| S of A £ | | From 12/08/13 To 11/08/14 | From 19/07/11 To 11/08/14 |
|-----------------------------|--|------------------------------|------------------------------|
| ASSET REALISATIONS | | | |
| 84,000 00 | Voluntary Contributions | 22,500 00 | 58,500 00 |
| | Bank Interest Net of Tax | 27 89 | 57 14 |
| | Deposit for Costs | NIL | 200 00 |
| | | <u>22,527 89</u> | <u>58,757 14</u> |
| COST OF REALISATIONS | | | |
| | Specific Bond | NIL | (680 00) |
| | Office Holders Expenses | (54 05) | (180 65) |
| | Agents/Valuers Fees (1) | NIL | (500 00) |
| | Legal Fees | NIL | (5,000 00) |
| | Bank Charges | (13 20) | (33 20) |
| | Nominee Remuneration | NIL | (5,000 00) |
| | Nominee Disbursement | NIL | (166 67) |
| | Travel | NIL | (50 00) |
| | Case Management Fee | NIL | (110 00) |
| | | <u>(67 25)</u> | <u>(11,720 52)</u> |
| UNSECURED CREDITORS | | | |
| (199,188 81) | Unsecured Creditors | <u>(13,816 94)</u> | <u>(13,816 94)</u> |
| | | <u>(13,816 94)</u> | <u>(13,816 94)</u> |
| | | <u>13,649 84</u> | <u>33,219 68</u> |
| REPRESENTED BY | | | |
| | Vat Receivable | | 1,110 00 |
| | J P Philmore Supervisor of Blacksmith DC Ltd | | <u>32,109 68</u> |
| | | | <u>33,219 68</u> |


 Jonathan Paul Philmore
 Supervisor

NB A further distribution of 10p in £ totalling £13,816 94 has been made from the funds in hand.

Appendix 2

Blacksmith DC Ltd - In Company Voluntary Arrangement

SIP 9 - Time Cost Report For Period 12 August 2013 to 11 August 2014

| Classification Of work function | Directors | Managers | Technical Staff | Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---|------------|-------------|--------------------|------------------|-------------|------------------|-------------------------------|
| Administration & Planning General | 4 6 | 14 1 | 3 1 | 2 7 | 24 5 | 3,835 00 | 156 53 |
| Administration & Planning Cashiering | 3 4 | 0 0 | 6 7 | 0 0 | 10 1 | 1,392 50 | 137 87 |
| Administration & Planning Closure | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 00 | 0 00 |
| Investigations | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 00 | 0 00 |
| Creditors | 1 5 | 2 8 | 0 0 | 0 0 | 4 3 | 782 50 | 181 98 |
| Realisation of Assets | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 00 | 0 00 |
| Total Hours/Fees Claimed (£) | 9 5 | 16 9 | 9 8 | 2 7 | 38 9 | 6,010 00 | 154 50 |

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 | 54 05 |
| | 0 00 | | 0 00 |
| | 0 00 | | 0 00 |
| | 0 00 | | 0 00 |
| Total | 0 00 | Total | 54 05 |