

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

04655397

Name of company

ABC Family Nursery Limited

(a) Insert full name of
company(b) Insert full name and
addressCameron Gunn, Mark Supperstone and Simon Harris of ReSolve Partners
Limited, One America Square, Crosswall, London, EC3N 2LB

Replacement Joint Supervisors of a voluntary arrangement taking effect on

(c) Insert date

19 March 2013

Attach my progress report for the period from

19 March 2014

to

18 March 2015

Number of continuation sheets (if any) attached

Signed

Date

18/5/15

Presenter's name, address
and referenceReSolve Partners Limited
One America Square
Crosswall
London
EC3N 2LB

Ref CVAABC001

For Official Use



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COMPANIES HOUSE

THURSDAY

ABC Family Nursery Limited
Subject to a Company Voluntary Arrangement

Supervisors' Annual Progress Report to Members and Creditors
For the period 19 March 2014 to 18 March 2015

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1. INTRODUCTION

As you may be aware, Cameron Gunn, Mark Supperstone and I were appointed as replacement Joint Supervisors of the Company on 22 May 2014. The former Supervisor, Mr Duncan Morris of Redfern Partnership (Redfern) has been removed from office, effective 22 May 2014. I can confirm Mr Gunn, Mr Supperstone and I are licenced to act in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

This report covers the period from 19 March 2014 to 18 March 2015, partly covering a period in which the replacement Joint Supervisors were not in office (19 March 2014 to 22 May 2014). This report should be read in conjunction with the replacement Joint Supervisors' previous progress report dated 10 September 2014.

As Mr Morris has not made himself available to assist with any handover, my staff attended Mr Morris' office to recover whatever records that could be located. I have reviewed these records to determine the actions undertaken by the former Supervisor and to plan the future strategy of the Company Voluntary Arrangement (CVA).

Unfortunately, the case files and electronic records recovered are largely incomplete and as a result, this report is based on information currently available and may not reflect the actual position of the CVA for the period 19 March 2014 to 22 May 2014.

2. PROGRESS OF THE ARRANGEMENT

The following matters have been dealt with in the reporting period (not exhaustive)

- Reviewed the former Supervisor's records to determine the actions of the former Supervisor and his staff
- Liaised with the Company's director, Penelope Chandler regarding the CVA following my appointment as replacement Joint Supervisor
- Liaised with Ms Chandler's trustee in bankruptcy
- Liaised with the CVA creditors
- Corresponded with the Company's accountant, Manningtons Chartered Accountants (MCA)
- Recovered the available surplus, constituting a windfall in lieu of the outstanding monthly contributions of the original CVA proposal, following the sale of the Company's freehold property at St John's Hall (the Property) for the benefit of creditors (further details provided at section three of this report)
- Following Mr Morris being declared bankrupt, the Joint Supervisors have liaised with Mr Morris' trustee in bankruptcy regarding the former Supervisor's remuneration claim, if any, in the CVA, and
- Addressed my statutory duties regarding the CVA

3. RECEIPTS AND PAYMENTS ACCOUNT

The replacement Joint Supervisors' receipts and payments account is enclosed at **Appendix II**

At present I have been unable to fully reconcile Redfern's insolvency accounting software for the period 19 March 2013 to 22 May 2014. I have included details of the transactions identified through the Company's CVA bank account held by the former Supervisor on the receipts and payments account for the above period. Please note it is currently uncertain exactly what the payments totalling £4,400 relate to. I will provide further details in any subsequent report, if possible.

I comment below on the receipts and payments which occurred during the reporting period (19 March 2014 to 18 March 2015)

Freehold land and property

The sole receipt in the period relates to the recovery of a surplus, constituting a windfall in lieu of the outstanding monthly contributions, following the sale of the Property totalling £99,484 for the benefit of creditors. Further background is outlined below.

Prior to my appointment the Company had failed to maintain its monthly contributions and was in breach of the terms of the arrangement. The Company's accountant, MCA, advised me that the Company ceased trading on 6 November 2013, following which the Company arranged for the sale of the Property. The director has advised the sale of the Property completed on or around 5 June 2014 resulting in a surplus, after repayment of the mortgagee and associated legal costs, of £113,483.

The Property surplus is constituted as a windfall in lieu of the outstanding monthly contributions and accordingly I wrote to the director requesting the surplus funds be transferred to the CVA. The director confirmed amounts were utilised to pay post arrangement liabilities with net funds of £99,484 being paid into the CVA for the benefit of unsecured creditors.

4. OUTCOME TO CREDITORS

The Company's proposals indicated unsecured creditor claims of £79,550.

Based on present information a distribution to unsecured creditors is anticipated. Prior to issuing a notice of intended dividend to creditors I require details of the former Supervisor's remuneration claim, if any, in the CVA. I am currently liaising with Mr Morris' trustee in bankruptcy in this regard.

In addition, no adjudication on claims has been completed and therefore I am unable to confirm the estimated quantum of the distribution. I anticipate issuing a notice of intended distribution in due course.

5. NEXT STEPS

It is anticipated that the following steps will be undertaken to progress the CVA (not exhaustive)

- Finalise details of the former Supervisor's remuneration claim in the CVA with the assistance of Mr Morris' trustee in bankruptcy
- Issue a notice of intended dividend to unsecured creditors of the CVA
- Adjudicate on creditors' claims and distribute funds
- In the event there is insufficient funds to repay creditors in full, fail the CVA and wind up the Company, and/or
- Conclude the CVA

6 REMUNERATION

Nominee's fee

The nominee fee for convening the meetings of creditors and members and considering the Company's proposals was £4,000 plus VAT. At present I do not hold details of whether the Nominee's fee has been paid in this matter. This will be reported in any subsequent report if available.

Supervisors' fees

In accordance with the Company's proposals, and as agreed by creditors on 19 March 2013, the basis upon which the Supervisors' remuneration should be fixed would be by reference to the time properly spent in attending to matters arising in the CVA. Please note that the fee resolution in this matter remains effective following the appointment of the replacement Joint Supervisors.

At present I do not hold details of the former Supervisor's time costs or disbursements in this matter. As advised earlier in this report, I am presently liaising with Mr Morris' trustee in bankruptcy to determine details of Mr Morris' remuneration claim. These will be reported in any subsequent report if available. A summary of the former Supervisor's charge out rates are attached at **Appendix III**.

The replacement Joint Supervisors' time costs and disbursements are analysed at **Appendix IV**.

The replacement Joint Supervisors' time costs and disbursements for the period 22 May 2014 to 18 March 2015 total £7,505 and £344 respectively. To date no amounts have been paid in respect of the replacement Joint Supervisors' time costs and disbursements.

Further information

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Supervisors' remuneration and disbursements, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

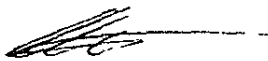
An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Supervisors' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

A Creditors' Guide to Supervisors' Fees is available on request, free of charge, or copies are also available at <http://www.resolvegroupuk.com/Supervisors.pdf>.

7 FURTHER INFORMATION

Should you have any further queries in respect of the CVA, please do not hesitate to contact Claire Kennedy of this office.

Yours faithfully



Simon Harris
Joint Supervisor

For enquiries regarding this correspondence please contact:

Contact name: Claire Kennedy
Phone number: 020 3051 2055
Email: claire.kennedy@resolvegroupuk.com

APPENDIX I

STATUTORY INFORMATION

Company name	ABC Family Nursery Limited		
Registered number:	04655397		
Date of incorporation:	4 February 2003		
Former trading address.	St John's Hall Hollington Old Road East Sussex TN37 7BB		
Registered office	39 High Street Battle East Sussex TN33 0EE		
Date of former Supervisor's appointment (Duncan Morris)	19 March 2013		
Date of replacement Liquidators' appointment (Cameron Gunn, Mark Supperstone and Simon Harris)	22 May 2014		
Replacement Supervisor' Appointed by	High Court of Justice, Chancery Division, Birmingham District Registry pursuant to Rule 7 10C of the Insolvency Rules 1986		
Replacement Joint Supervisors	Cameron Gunn (IP No 9362) Mark Supperstone (IP No 9734) Simon Harris (IP No 11372) ReSolve Partners Limited One America Square Crosswall London EC3N 2LB		
EC Regulations of Insolvency Practitioners:	The EC Regulation applies to the proceedings, which are categorised or main proceedings with the meaning of the Regulation		
Director	Penelope Jane Chandler		
Company secretary	Company Secretaries South Limited		
Shareholder.	Penelope Jane Chandler (1,000 shares at £1 – 100 per cent)		
Current charges.			
Charge holder	Charge type	Date created	Date registered
HSBC Bank plc	Debenture	8 May 2003	10 May 2003
HSBC Bank plc	Legal mortgage	21 May 2003	23 May 2003

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

SUMMARY OF JOINT SUPERVISORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 19 MARCH 2013 TO 18 MARCH 2015

	Note	Estimated to Realise - Estimated Statement of Affairs	19-Mar-13 to 18-Mar-14	19-Mar-14 to 18-Mar-15	Total Receipts/ Payments
RECEIPTS		£	£	£	£
Voluntary contributions		95 000 00	4 400 00	-	4,400 00
Freehold land and property		-	-	99 484 15	99 484 15
Interest		-	0 25	-	0 25
		<u>95,000 00</u>	<u>4,400 25</u>	<u>99,484 15</u>	<u>103,884 40</u>
PAYMENTS					
Redfern Partnership	1		4,100 25	-	4,100 25
Unknown payments	2		300 00	-	300 00
			<u>4,400 25</u>	<u>-</u>	<u>4,400 25</u>
Balance (Receipts less Payments)					<u>99,484 15</u>
Represented by					
CVA current account - non interest bearing					99 484 15
TOTAL CASH IN HAND					<u>99,484 15</u>

Simon Harris
Joint Supervisors
13 May 2015

Notes

- 1 Transfer of funds to Redfern Partnership Possibly relate to outstanding Nominee and/or former Supervisor s fees
2 Unknown cheque payment

APPENDIX III

FORMER SUPERVISOR'S TIME COST SUMMARY

Please note the below is an extract from the former Supervisor's files. The replacement Joint Supervisors are unable to attest to their accuracy.

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to this assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged to this assignment. The work has been categorised into the following task headings and sub-categories:

- **Administration and Planning** includes case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Investigations:** includes reporting on the Directors' conduct, investigating antecedent transactions and other investigations that may be deemed appropriate
- **Realisation of Assets:** includes identifying and securing assets, sale of business, property issues, activities in relation to other fixed assets, stock, debtors, investments and related legal issues
- **Trading:** includes planning, strategy, preparing and monitoring cashflow and trading forecasts, management of operations, corresponding with suppliers and customers, landlord issues and employee matters including payroll and accounting for trading
- **Creditors** includes creditor set up, communications and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues and recording and progressing employee related claims

The range of charge out rates for the separate categories of staff are based on our normal charge out rates. These rates are summarised below:

Grade	Rate £ per hour
Partner	345
Manager	180 - 260
Administrators	75 - 130
Employment Rights Act Department	130
Cashier	130
Secretarial	65 - 80

APPENDIX IV

REPLACEMENT JOINT SUPERVISORS' TIME COST SUMMARY

1 Overview of case

1.1 Appointment

Cameron Gunn, Mark Supperstone, Simon Harris were duly appointed replacement Joint Supervisors of the Company on 22 May 2014 by the Court

1.2 Strategy

Please see main body of the report

1.3 Staffing

Staff have been used on the assignment based upon previous knowledge and experience

1.4 Existing fee arrangements

At the meeting of creditors held on 19 March 2013 the Supervisors' fees were approved on a time cost basis. Please note the fee resolution automatically passes to the replacement Joint Supervisors. Please note ReSolve's rates are higher than those of the Redfern Partnership.

2 Explanation of office-holders' charging and disbursement recovery policies

2.1 Time recording

Time properly incurred on cases are charged to the assignment at the hourly rate prevailing at the time. Time is charged in six minute units, so ten per hour. The current charge out rates are shown below

	£
Partner	490
Director	400
Senior Manager	385
Manager	325
Assistant Manager	295
Senior Administrator	245
Administrator	185
Junior Administrator	125

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited

2.2 Disbursements recovery

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying, statutory advertising and other expenses made on behalf of the assignment

Indirect charges (Category 2 disbursements) are charged as follows

- | | |
|-----------------------------|-------------------|
| ▪ Photocopying | 20p per sheet |
| ▪ Faxes/telephone/room hire | £150 per annum |
| ▪ Mileage | 45 pence per mile |

3 Description of work carried out

Section four of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows

Administration and planning

The following activities have been undertaken

- Statutory duties associated with the appointment
- Notification of the appointment to creditors and members
- Setting up case files
- Reviewing available information to determine appropriate strategy
- Setting up and maintaining bank accounts
- Cashiering duties
- Liaising with the Company's director
- Liaising with the Company director's trustee in bankruptcy
- Correspondence with the Company's accountant, Manningtons Chartered Accountants, and
- Correspondence with Mr Morris' trustee in bankruptcy

Realisation of assets

Please see the main body of the report for details of the assets realised

Creditors

The time spent includes the following matters

- Recording and maintaining the list of creditors
- Recording creditor claims, and
- Dealing with creditor queries

Statutory

The time spent includes the following matters

- Statutory form preparation
- Dealing with statutory issues required under the Insolvency Act 1986, the Insolvency Rules 1986 and the Statements of Insolvency Practice
- Filing documents with the Registrar of Companies and Court
- Reporting to members, creditors and other stakeholders

4 Time and charge out summary

To date a total of 32 4 hours have been spent in the period 22 May 2014 to 18 March 2015 at an average charge out rate of £231 62 bringing the total cost to date to £7,504 50

A summary table is shown below

	PARTNER/DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning			4.00	1 322 50	14 40	2 928 00	18 40	4 250 50	231 01
Creditors			0 20	65 00	3 40	593 00	3 60	658 00	182 78
Realisation of Assets			0 40	130 00	1 60	392 00	2 00	522 00	261 00
Statutory			1 70	552 50	6 70	1 521 50	8 40	2 074 00	246 90
			6 30	2 070 00	26 10	5 434 50	32 40	7 504 50	231 62

The above costs exclude VAT

5 Disbursements

	CATEGORY 1	CATEGORY 2	TOTAL	PAID TO DATE	OUTSTANDING
	Cost (£)	Cost (£)	Cost (£)	Cost (£)	Cost (£)
Insolv Fee	90	-	90	-	90
Management fee	-	150	150	-	150
Bonding	79	-	79	-	79
Postage	-	25	25	-	25
	169	175	344	-	344

The above costs exclude VAT