

CVA3

Notice of supervisor's progress report in voluntary arrangement




Companies House



1	Company details	
Company number	0 5 0 1 7 5 6 6	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Tomorrow's People Trust Limited	
2	Supervisor's name	
Full forename(s)	Lane	
Surname	Bednash	
3	Supervisor's address	
Building name/number	Craftwork Studios	
Street	1-3 Dufferin Street	
Post town	London	
County/Region		
Postcode	E C 1 Y 8 N A	
Country		
4	Supervisor's name ①	
Full forename(s)		① Other supervisor Use this section to tell us about another supervisor.
Surname		
5	Supervisor's address ②	
Building name/number		② Other supervisor Use this section to tell us about another supervisor.
Street		
Post town		
County/Region		
Postcode		
Country		

CVA3

Notice of supervisor's progress report in voluntary arrangement

6	Date of voluntary arrangement																
Date	d	2	d	0	m	0	m	8	y	2	y	0	y	1	y	9	
7	Period of progress report																
Date from	d	2	d	0	m	0	m	8	y	2	y	0	y	1	y	9	
Date to	d	1	d	9	m	0	m	8	y	2	y	0	y	2	y	0	
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	0	d	3	m	0	m	9	y	2	y	0	y	2	y	0	

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

Company name

CMB Partners UK Limited

Address

Craftwork Studios

1-3 Dufferin Street

Post town

London

County/Region

Postcode

E C 1 Y 8 N A

Country

DX

Telephone

020 7377 4370



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

**Voluntary Arrangement of
Tomorrow's People Trust Limited
Supervisor's Summary of Receipts & Payments**

Statement of Affairs £	From 20/08/2019 To 19/08/2020 £	From 20/08/2019 To 19/08/2020 £
	ASSET REALISATIONS	
	Bank Charge Refund	47.97
	Bank Interest Gross	258.65
40,209.00	Gift Aid	10,081.33
576,772.00	Surplus from the Administration	620,287.64
27,512.00	VAT Refund	NIL
		<u>630,675.59</u>
	COST OF REALISATIONS	
(2,977.00)	Administrator's Expenses	NIL
	Agents/Valuers Fees (1)	187.85
	Corporation Tax	35.91
	ERA Services	715.00
(6,000.00)	Legal Fees	NIL
(280.00)	Public Liability Insurance	336.00
(672.00)	Specific Bond	NIL
(22,177.00)	Storage and Destruction Costs	6,644.66
(200.00)	Supervisor's Disbursements	NIL
(30,000.00)	Supervisor's Fees	30,000.00
		<u>(37,919.42)</u>
	PREFERENTIAL CREDITORS	
	Employee Arrears/Hol Pay	921.43
		<u>(921.43)</u>
	UNSECURED CREDITORS	
(198,020.00)	Employees	39,810.93
(79,000.00)	HM Revenue & Customs	NIL
(794,763.00)	Landlords	137,906.78
(324,479.00)	Redundancy Payments Service	64,895.85
(124,391.00)	Trade & Expense Creditors	21,482.26
		<u>(264,095.82)</u>
<u>(938,466.00)</u>		<u>327,738.92</u>
	REPRESENTED BY	
	Bank 1 Current	327,618.11
	Vat Receivable	120.81
		<u>327,738.92</u>

Lane Bednash
Supervisor

**Supervisor's
Annual Progress Report to Creditors**

**Tomorrow's People Trust Limited -
Company Voluntary Arrangement (CVA)**

3 September 2020

CONTENTS

- 1 Introduction
- 2 Progress of the CVA
- 3 Creditors
- 4 Supervisor's Remuneration
- 5 Supervisor's Expenses and Disbursements
- 6 Distributions
- 7 Estimated Outcome

APPENDICES

- A Receipts and Payments Account for the period from 20 August 2019 to 19 August 2020
- B Time Analysis for the period 20 August 2019 to 19 August 2020
- C Additional Information in relation to Supervisor's fees
- D Estimated Outcome Statement as at 19 August 2020

1 Introduction

- 1.1 You will recall that I was appointed Supervisor of Tomorrow's People Trust Limited (the Charity)'s Company Voluntary Arrangement (CVA) on 20 August 2019, following my earlier appointment as Administrator on 8 March 2018.
- 1.2 By way of reminder, the CVA provided in the main for the distribution of the surplus funds from the Administration, together with outstanding Gift Aid and VAT reclaims, which were estimated to be sufficient to achieve a return to ordinary unsecured creditors of 38.29 pence in the pound.
- 1.3 This report now provides an update on the progress in the CVA in accordance with R2.41 of the Insolvency (England & Wales) Rules 2016. At Appendix A, I have provided an account of my Receipts and Payments for the year from 20 August 2019 to 19 August 2020 (the 'Period') with a comparison to the estimates in the CVA proposals.
- 1.4 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.cmbukltd.co.uk/gdpr-privacy-notice/. If you are unable to download this, please contact us and a hard copy will be provided to you.

2 Progress of the CVA

Assets

- 2.1 The Charity's assets were realised and dealt with in the Administration period, as previously reported. This included cash at bank, short-term investments and restricted funds. In addition, the leases to four shops were assigned to The Shaw Trust, and the office equipment was realised by my chattel agents.
- 2.2 Realisations in the CVA were therefore anticipated to be the surplus from the Administration, a claim for Gift Aid and the recovery of VAT; all to be distributed in the CVA, after the settlement of costs.

Surplus from the Administration

- 2.3 According to the CVA proposals, the Administration was expected to produce a surplus of £576,772. In the event, the amount received was £620,287.64. This was mainly due to two unforeseen receipts in the final Administration period, which were a VAT refund of £15,332.56 which was received after the CVA proposals had been finalised, and a refund of retention monies from Worldpay of £29,472.89.

VAT Refunds

- 2.4 At the time the CVA proposals were formulated, the Charity was estimated to be entitled to recover VAT totalling £27,512. As above, a partial refund was received in the Administration period.
- 2.5 On 25 September 2019 I submitted a final VAT return to recover VAT of £12,179.52 up to the date of VAT de-registration, which was during the Administration period. However, despite chasing on numerous occasions, I have yet to receive this pre-CVA VAT refund.
- 2.6 I have made a further VAT reclaim in the CVA period of £7,388.67, which has now been received.

Gift Aid

- 2.7 At the time the CVA Proposals were formulated, the Charity was believed to be entitled to recover Gift Aid of up to £40,209. However, with hindsight it appears this figure was overstated and the true collectable amount was confirmed at £10,081.33. Following lengthy correspondence with HMRC the final entitlement was received in the CVA period.

Sundry Refund

- 2.8 I have received a refund of Bank Charges from Nat West of £47.97.

Bank Interest

- 2.9 The CVA funds have earned interest of £258.65 in the period, and I have accounted to HM Revenue & Customs in respect of the Corporation Tax due on behalf of the Charity.

Sale of Assets to Directors

- 2.10 In accordance with Statement of Insolvency Practice 13, I would advise you that no assets have been sold or transferred to any of the Trustees or other parties connected to the Charity.

3 Creditors.

Secured Creditors

- 3.1 There are no secured creditors.

Preferential Creditors

- 3.2 Preferential claims totalling £92,771.87 were paid in full in the Administration, as previously reported.
- 3.3 However, a number of employees had failed to cash their cheques by the time the Administration ended, and so payments totalling £921.43 have been re-issued in the CVA.

Unsecured Creditors

- 3.4 Ordinary unsecured creditors were estimated to total £1,560,510 at the outset of the Administration.
- 3.5 On 22 August 2019, I gave formal notice to creditors to claim. The last day for proving was 30 September 2019. Where possible, I also contacted creditors informally by letter, email and telephone to request that they submit their claims, or to confirm they had no claim.
- 3.6 Up to 28 November 2019, I had received and agreed claims totalling £1,320,479.26, and on that date I declared and paid a first interim dividend of 20 pence in the pound on those claims, amounting to £264,095.82.
- 3.7 I could not agree HM Revenue & Customs provisional claim of £79,000. HMRC has subsequently confirmed that it does not have a claim in the CVA.
- 3.8 On 1 July 2020 I issued a second notice of intended dividend. The last day for proving was 31 July 2020. I received a further 4 claims totalling £8,371.45 which I have agreed. These creditors are entitled to receive the first dividend of 20p in the £, before the second dividend is declared.
- 3.9 I have now agreed 115 claims totalling £1,328,850.71. No claims have been disputed or rejected. On 1 September 2020 I declared a second dividend of 22.0 pence in the pound, amounting to £294,021.52, which is being paid with this report. This includes the first dividend to the four creditors referred to above.
- 3.10 I anticipate this will be the final dividend in view of the costs that I need to provide for, before I can formally bring the CVA to a conclusion, see below.
- 3.11 The total return to creditors is therefore 42.0 pence in the pound, compared with the estimate of 38.29 pence in the pound in the CVA proposal.

4 Supervisor's Remuneration

- 4.1 The CVA proposal, as approved by the creditors on 20 August 2019, provides that the basis of the Supervisor's remuneration be based on time spent by him and his staff in dealing with the CVA.
- 4.2 The Supervisor's time costs were estimated to total in the region of £45,000 and would be comparable to the time costs incurred by a liquidator in a CVL. A summary of the time costs that were expected to be incurred is as set out below.

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	55.00	300	16,500
Realisation of assets (Gift Aid)	20.00	300	6,000
Creditors (claims & distributions)	75.00	300	22,500
Total estimated fees			£45,000

- 4.3 However, paragraph 14.4 of the CVA provided that the fees of the Supervisor would be limited to £30,000, subject to the further approval of creditors, see below.
- 4.4 My time costs incurred in the Period total £74,307.50, which represents 226.40 hours at an average rate of £328.21 per hour. Attached at Appendix B is a Time Analysis which provide details of the activity costs incurred by staff grade for the period of this report.
- 4.5 I have drawn fees of £30,000 (plus VAT) i.e. up to the amount approved by the creditors.
- 4.6 It has become apparent that the agreement of creditors' claims and the declaration and payment of the dividends has proved far more time consuming than originally envisaged. Due to the nature of the Charity, a number of creditors have opted not to pursue claims. However, many potential creditors have not made their intentions clear, which has required the issuing of formal notices to claim. In addition, in view of the nature of the Charity, and the situation regarding Covid 19, I have contacted potential creditors by email and/or telephone where possible, in addition to formal notice by post.
- 4.7 Due to these changed circumstances, the revised estimate of the Supervisor's time costs is now £75,000, as set out below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	65.00	300	19,500
Creditors (claims & distributions)	175.00	300	52,500
Investigations	5.00	300	1,500
Realisation of assets (Gift Aid, VAT)	5.00	300	1,500
Total estimated fees			£75,000

- 4.8 Following the payment of the second and final dividend of 22 pence in the pound, see below, I am holding a cash balance of £33,602.44. This is largely earmarked to pay for the ongoing storage and eventual secure destruction of a considerable quantity of confidential books and records as provided for in the CVA, and legal and professional fees in connection with the charity's de-registration and dissolution.
- 4.9 My latest estimate of those costs is at least £33,541.08 (including VAT), as set out in the Estimated Outcome Statement at Appendix D. After the payment of those costs, I would be left with a cash balance of only £61.36.

- 4.10 As noted in paragraphs 2.5 above, I am still awaiting a VAT refund of £12,179.52 and am unable to bring the CVA to a conclusion. I am therefore using my discretion to extend the formal duration of the CVA by up to 12 months, as provided for in the CVA proposal.
- 4.11 In the circumstances, I shall therefore be grateful if creditors would now approve my further fees on account of my time costs of up to £19,500 (plus VAT), i.e. up to an overall maximum of £49,500. This represents the amount of the predicted cash balance after the payment of the storage costs, plus the anticipated VAT refunds.
- 4.12 The actual amount of my further fees is currently estimated to be in the region of £19,450 (plus VAT). The final level of fees drawn will depend on the level of the final storage and destruction costs, and the legal and professional fees in connection with Charity's de-registration and dissolution in due course. This also assumes that the VAT reclaims will be approved and paid by HMRC in full. The balance of my unpaid time costs, which will be in excess of £25,000, will be written off.
- 4.13 I enclose formal notice of decisions by correspondence, and a voting form for you to complete and return.
- 4.14 Attached, as Appendix C, is additional information in relation to our policy on staffing, the use of sub-contractors and the expenses and disbursements of the CVA.
- 4.15 A copy of the guide to insolvency practitioners' fees in a Voluntary Arrangement is available on request or can be downloaded from <https://www.cmbukltd.co.uk/downloads/>

5 Supervisor's Expenses and Disbursements

- 5.1 The following expenses and disbursements have been incurred since my appointment as Supervisor:

	Anticipated in the CVA Proposal £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Administrator's Expenses	2,977	902.85	Nil	Nil
Legal fees and disbursements	6,000	Nil	Nil	6,500.00
Storage Costs	14,479	6,644.66	604.06	uncertain
Secure destruction of books & records	7,680	Nil	Nil	uncertain
Public liability insurance	280	336.00	Nil	392.00
Sundry disbursements	200	187.85	Nil	187.85
Specific penalty bond	672	Nil	Nil	672.00
Category 2 disbursements				
Business mileage		Nil	Nil	Nil

- 5.2 The payments made in respect of Administrator's expenses were £715.00 (plus VAT) for assistance with agreeing with the employees claims, and £187.75 (plus VAT) to agents for securing various rates refunds.

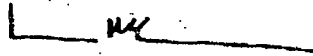
6 Distributions

- 6.1 Preferential creditor claims have been agreed and were paid in full in the Administration period, see paragraph 3.2.
- 6.2 As noted above, a first interim distribution of 20.0 pence in the pound was declared and paid on 28 November 2019.
- 6.3 A second and final distribution to ordinary unsecured creditors of 22.0 pence in the pound is being paid with this report. The total return to the ordinary unsecured creditors is therefore 42.0 pence in the pound, compared with the estimate of 38.29 pence in the pound in the CVA proposal.

7 Estimated Outcome

- 7.1 Attached to this report at Appendix D is a revised estimated outcome statement which gives an update on the anticipated costs of the CVA, and confirms the outcome for creditors at 42.0 pence in the pound.
- 7.2 My final report will be available to download from my firm's website in due course. Login details are included in the circular letter to creditors accompanying this report.
- 7.3 On the CVA has been completed, the Trustees will formally apply for the Charity's de-registration and dissolution, as provided for in the CVA proposals.
- 7.4 Should you require further information at any time, please do not hesitate to contact Sean Emmett at this office.

Yours faithfully



Lane Bednash
Supervisor

**Voluntary Arrangement of
Tomorrow's People Trust Limited
Supervisor's Summary of Receipts & Payments**

Appendix A

Statement of Affairs £	From 20/08/2019 To 19/08/2020 £	From 20/08/2019 To 19/08/2020 £
	ASSET REALISATIONS	
	Bank Charge Refund	47.97
	Bank Interest Gross	258.65
40,209.00	Gift Aid	10,081.33
576,772.00	Surplus from the Administration	620,287.64
27,512.00	VAT Refund	NIL
		<u>630,675.59</u>
	COST OF REALISATIONS	
(2,977.00)	Administrator's Expenses	NIL
	Agents/Valuers Fees (1)	187.85
	Corporation Tax	35.91
	ERA Services	715.00
(6,000.00)	Legal Fees	NIL
(280.00)	Public Liability Insurance	336.00
(672.00)	Specific Bond	NIL
(22,177.00)	Storage and Destruction Costs	6,644.66
(200.00)	Supervisor's Disbursements	NIL
(30,000.00)	Supervisor's Fees	30,000.00
		<u>(37,919.42)</u>
	PREFERENTIAL CREDITORS	
	Employee Arrears/Hol Pay	921.43
		<u>(921.43)</u>
	UNSECURED CREDITORS	
(198,020.00)	Employees	39,810.93
(79,000.00)	HM Revenue & Customs	NIL
(794,763.00)	Landlords	137,906.78
(324,479.00)	Redundancy Payments Service	64,895.85
(124,391.00)	Trade & Expense Creditors	21,482.26
		<u>(264,095.82)</u>
(938,466.00)		327,738.92
	REPRESENTED BY	
	Bank 1 Current	327,618.11
	Vat Receivable	120.81
		<u>327,738.92</u>

Lane Bednash
Supervisor

Appendix B

Time Entry - SIP9 Time & Cost Summary

T0097 - Tomorrow's People Trust Limited
 All Post Appointment Project Codes
 From: 20/08/2019 To: 19/08/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	4.40	34.00	23.20	0.00	61.60	17,985.00	291.98
Creditors	5.60	143.00	11.10	0.00	159.70	54,520.00	341.39
Investigations	0.40	1.80	0.00	0.00	2.20	817.50	371.59
Realisation of Assets	0.00	2.40	0.00	0.00	2.40	848.00	350.00
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.30	0.20	0.00	0.50	145.00	290.00
Total Hours	10.40	181.50	34.50	0.00	226.40	74,307.50	328.21
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Additional Information in Relation to Supervisor's Fees

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 In this case we have used Evolve IS (formerly Insol HR) to assist us with processing and agreeing creditors' claims. Their fees of £715.00 (plus VAT) have been paid in accordance with their standard tariff, based on the number of employee claims processed.

2 Professional Advisors

- 2.1 The following advisors were engaged in the Administration period, and retained in the CVA.

Name of Professional Advisor	Basis of Fee Arrangement	Amount paid in period £
Smith and Williamson LLP - Assistance with various administrative tasks including strategy matters, IT systems and asset realisations	Hourly rate and disbursements	Nil
Pinsent Masons LLP - Legal Fees	Hourly rate and disbursements	Nil
Causeway Law - Legal Fees	Hourly rate and disbursements	Nil
Sanderson Weatherall LLP - Agent	Hourly rate and disbursements	Nil
Clear it Solutions - IT services	Fixed fee	Nil
Carndearg Associates - Rates Rebate	Percentage of realisations	187.85

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Supervisor's Disbursements

- 3.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 3.2 Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by CMB Partners UK Limited for the provision of services which include an element of recharged overhead, for example, room hire or document storage.
- 3.3 Details of the Supervisor's disbursements and expenses incurred to date can be found in the body of the report.

4 Charge-Out Rates

- 4.1 A schedule of CMB Partners UK Limited's current charge-out rates was issued to creditors at the time the basis of the Supervisor's remuneration was approved. There have been no material increases in charge-out rates since that date. Below are details of this firm's charge out rates which have been applied with effect from 1 June 2020. Please note this firm records its time in minimum units of 6 minutes.

TOMORROW'S PEOPLE TRUST LIMITED - COMPANY VOLUNTARY ARRANGEMENT (CVA)

	(Per hour)
Director/Insolvency Practitioner	£400 - £500
Senior Manager / Manager	£350 - £395
Senior Administrator	£275 - £345
Administrator	£155 - £250
Support	£100 - £150

Tomorrow's People Trust Ltd - CVA
Estimated Outcome Statement as at 19 August 2020

Appendix D

	To 19/08/2020 £	Future £	Outcome £
Assets			
VAT Refund - ADM period - VAT 193	Nil	12,179.52	12,179.52
Gift Aid	10,081.33	Nil	10,081.33
Surplus from Administration	620,287.64	Nil	620,287.64
Bank charge refund	47.97	Nil	47.97
Bank Interest Gross	258.65	Nil	258.65
Total	630,675.59	12,179.52	642,855.11
Costs Of Realisations			
Specific Bond	Nil	672.00	672.00
Administrator's Expenses	Nil	Nil	0.00
Supervisor's Fees	[1] 30,000.00	19,440.57	49,440.57
Supervisor's Disbursements	Nil	tbc	0.00
Agent's/ Valuers Fees	187.85	Nil	187.85
Legal Fees	[2] 0.00	5,000.00	5,000.00
Professional Fees	0.00	tbc	0.00
ERA Services	715.00	Nil	715.00
Storage Confidential Records	[3] 6,644.66	4,228.42	10,873.08
Destruction Confidential Records	[3] 0.00	16,494.00	16,494.00
Corporation Tax	35.91	11.78	47.69
Public Liability Insurance	336.00	56.00	392.00
	(37,919.42)	(45,902.77)	(83,822.19)
Net realisations	592,756.17	(33,723.25)	559,032.92
Preferential creditors (paid 100p/£ in ADM) <i>uncashed cheques re-issued in CVA period - one employee not contactable</i>	[4] (921.43)	5.85	(915.58)
Available for ordinary unsecured creditors	591,834.74	(33,717.40)	558,117.34
First Interim Divi 20p/£	[5] (264,095.82)		(264,095.82)
Second and final dividend 22p/£	[6]	(294,021.52)	(294,021.52)
Balance	327,738.92	(327,738.92)	0.00