

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 0 1 8 4 4 1

Company name in full Leon Restaurants Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Andrew

Surname Andronikou

3 Supervisor's address

Building name/number High Holborn House

Street 52-54 High Holborn

Post town London

County/Region

Postcode W C 1 V 6 R L

Country

4 Supervisor's name^①

Full forename(s) Brian

Surname Burke

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address^②

Building name/number 3rd Floor

Street 37 Frederick Place

Post town Brighton

County/Region Sussex

Postcode B N 1 4 E A


Country

② Other supervisor

Use this section to tell us about
another supervisor.

CVA3

Notice of supervisor's progress report in voluntary arrangement

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

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 **Rupert Curno**

Company name **Quantuma Advisory Limited**

Address **3rd Floor**

37 Frederick Place

Post town **Brighton**

County/Region **Sussex**

Postcode **B N 1 4 E A**

Country

DX

Telephone **01273 322400**



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
Leon Restaurants Limited
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 18/12/2020 To 17/12/2021 £	From 18/12/2020 To 17/12/2021 £
	SECURED ASSETS		
100,000.00	Leasehold Land & Property	NIL	NIL
3,500,000.00	Sale of Business & Assets (Goodwill)	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(13,500,000.00)	Oaknorth Bank Plc	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
1,910,000.00	Rent Deposits	NIL	NIL
(1,910,000.00)	Landlords	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
678,000.00	Restaurant & Office Equipment	NIL	NIL
314,000.00	Trade Debtors	NIL	NIL
NIL	Other Debtors	NIL	NIL
2,667,000.00	Inter-Group Debtors	NIL	NIL
28,000.00	Inter-Group Debtors	NIL	NIL
9,274,000.00	Cash at Bank	NIL	NIL
	Company Contributions	90,000.00	90,000.00
	Bank Interest Gross	1.68	1.68
		90,001.68	90,001.68
	COST OF REALISATIONS		
	Specific Bond	135.00	135.00
	Office Holders Fees	45,000.00	45,000.00
		(45,135.00)	(45,135.00)
	PREFERENTIAL CREDITORS		
(3,118,607.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
(580,871.41)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,699,814.35)	Trade & Expense Creditors	NIL	NIL
(1,397,001.47)	Employees	NIL	NIL
(832,424.00)	HM Revenue and Customs - NIC & CT	NIL	NIL
		NIL	NIL
(4,567,718.23)		44,866.68	44,866.68
	REPRESENTED BY		
	Bank 1 Current		44,866.68
			44,866.68



Brian Burke
Joint Supervisor

Leon Restaurants Limited

(Company Voluntary Arrangement)

("the Company")

THE JOINT SUPERVISORS' PROGRESS REPORT

27 January 2022

This report has been prepared for the sole purpose of updating the members and creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members and creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Andrew Andronikou and Brian Burke of Quantuma Advisory Limited, High Holborn House, 52-54 High Holborn, London, WC1V 6RL, were appointed Joint Supervisors of Leon Restaurants Limited on 18 December 2020.

Andrew Andronikou and Brian Burke are licensed to act as Insolvency Practitioners by the Insolvency Practitioners Association

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2. Receipts and Payments
3. Ethics
4. The Joint Supervisors' Fees and Expenses
5. Creditors' Claims
6. Conclusion

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- II. The Joint Supervisors' Receipts and Payments Account
- III. Breakdown of the Joint Supervisors' Time Costs
- IV. Full Details of Work Undertaken during the Review Period

1. Executive Summary

This report describes the progress since the commencement of the CVA ("the Review Period") and the prospects for the full implementation of the CVA.

A summary of key information in this report is detailed below.

Contributions and assets

Contribution / asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Company Contributions	-	90,000.00	102,300	192,300.00

Expenses

Expense	Estimated per CVA Proposal	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Joint Supervisors' fees	100,000.00	45,000.00	55,000.00	100,000.00
All other expenses	Not estimated	135.00	365.00	500.00

Dividend prospects

Creditor class	Distribution/dividend paid to date	Anticipated distribution
Tier B – Landlord Claims	TBC	9 – 62%
Tier C – Landlord Claims	TBC	6.5 - 47%
Tier D – Landlord Claims	Nil	6.5 - 12%
Tier E – Landlord Claims	Nil	6.5%

Prospects for implementation

Based on performance to date, it is anticipated that the CVA will be successfully implemented, as set out in the CVA Proposal. The CVA has a further 12 months to run. If the Company continues to pay the required contributions and the costs are in line with that originally estimated, it is anticipated that the total dividend to be paid to the compromised creditor fund shall be at a minimum of 6.5p in the £.

2. Receipts and Payments

Attached at Appendix II is the Joint Supervisors' Receipts and Payments Account for the Review Period. In accordance with the requirements of SIP 7, I confirm that the account has been reconciled with that held at the bank. The contents are in the main self-explanatory.

Under the terms of the CVA Proposal, the Company was required to contribute a sum sufficient to ensure a dividend of 6.5p in the £ is paid to the Compromised Creditors.

Contributions totalling £90,000.00 have been received since the commencement of the CVA, which is in line with the estimated contributions required to ensure a minimum dividend of 6.5p to the Compromised Creditors.

Other than bank interest, there have been no other receipts into the CVA, which is in line with the CVA terms.

The CVA terms also provide that each Compromised Creditor that has an Allowed CVA Claim shall be entitled to participate in the Profit Share Fund by reference to the amount of their Allowed CVA Claim, subject to the terms outlined under Clause 23 (Compromised Creditor Fund).

The Profit Share Fund shall comprise an amount equal to 20% of the amount (if any) by which EBITDA for the 2022 financial year exceeds £10,000,000. Subject to a de minimis threshold of £50,000 below which amounts will not be paid to Compromised Creditors.

The CVA terms provide that the Company shall advise the creditors of the profit share fund payment as soon as reasonably practicable after the date on which its audited financial statements for the 2022 financial year are filed with the Registrar of Companies for England and Wales.

Section 3 below provides information regarding the Joint Supervisors' fees and expenses.

3. Ethics

Please also be advised that Joint Supervisor is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

Prior to the Joint Supervisor's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment over the Review Period.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Supervisor is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

4. The Joint Supervisors' Fees and Expenses

The CVA terms provide that the Joint Supervisors are remunerated on the basis of time properly incurred by them and their staff in the administration of the CVA at the Joint Supervisors' standard charge-out rates applicable at the time but the total Joint Supervisors' fees drawn from the funds in the CVA must not exceed £100,000.

Appendix III provides a breakdown of the time costs between the grades of staff allocated to the administration of this matter. In summary the Joint Supervisors' timecosts for the Review Period totals £73,258.50, representing 169.70 hours at an average hourly rate of £431.69. The sum of £45,000.00 has been drawn during the review period.

These time costs were incurred in carrying out the tasks listed in Appendix IV of which the following were the most material.

Administration and Planning: complying with the statutory and regulatory duties as regards filing, maintaining records and conducting periodic case reviews.

Creditors: responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims.

The attached breakdown shows that a significant proportion of the time costs incurred relate to Administration, Statutory and Regulatory tasks. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Supervisors and their staff have carried out their work to high professional standards. In addition, the time spent supervising the Company's compliance with the CVA terms has increased the likelihood that the CVA will be implemented successfully.

The CVA Proposal disclosed that the Joint Supervisors' fees for administering and completing the CVA were estimated to be £100,000.00. In view of the time costs incurred to date and the anticipated work to conclude the CVA, it is estimated that the final time costs of the Joint Supervisors and their staff will be in this region.

An amended Statement of Insolvency Practice (SIP), SIP 9, was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

The expenses which include disbursements that have been incurred and not yet paid during the period are detailed below. This includes a comparison of the expenses likely to be incurred in the IVA as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Indemnity Bond	Not estimated	135.00	
Category 2 expenses			
Photocopying, scanning & faxes (per side)	Not estimated	Nil	Please be advised that, whilst it was originally envisaged that these expenses would be charged to the estate, this has been no longer allowed since 1 April 2021
Stationery (Per Report/letter per member/creditor)	Not estimated	Nil	
TOTAL	-	135.00	

The category 1 expenses paid for in the Review Period total £135.00 and represent payments to parties who have provided services or goods for the administration of the assignment and are not associated with the Quantuma.

No category 2 expenses were paid for in the Review Period. Please note that some category 2 expenses that have previously been approved and their estimated costs or basis of their cost provided as part of the expenses estimate may not be discharged from the estate from 1 April 2021.

A copy of 'A Creditors Guide to Supervisors' Fees' effective from 1 April 2021 together with Quantuma Advisory Limited current and historic schedules of charge-out rates and chargeable expenses may be found at <https://www.quantuma.com/guide/creditors-guide-fees/>. Hard copies of both documents may be obtained on request at no cost from the office dealing with the assignment.

In common with all professional firms, charge out rates increase from time to time over the period of the arrangement. As a consequence, there have been changes in the rates charged since appointment which can be reviewed on Quantuma Advisory Limited's historic schedule of charge-out rates and chargeable expenses, referred to above.

5. Creditors' Claims

In accordance with the CVA terms, notice was issued to creditors on 1 December 2020, giving creditors notice of the Claims Date of 31 March 2021 with which to submit their claim to the compromised creditor fund.

In line with the CVA terms the Allowed CVA Claim of a Compromised Creditor shall be the amount of its CVA Claim, such amount to be calculated in accordance with the applicable provisions of Schedule 1 (Calculations of Landlords' CVA Claims). A Compromised Creditor shall only be treated as having an Allowed CVA Claim if a CVA claim Form is submitted to the Supervisors on or before the Claims Date (31 March 2021).

If a CVA Claim Form is submitted after the Claims Date, the relevant Allowed CVA Claim shall not rank in the payment of the Compromised Creditors Fund or the Profit Share Fund unless the Supervisors of the Court determines that the failure to lodge a CVA Claim Form earlier did not result from a wilful default or a lack of reasonable diligence on the part of the relevant Compromised Creditor or that the relevant Compromised Creditor:

- Did not have notice of the Creditors' Meeting; and
- Within 28 days of becoming aware that the Creditors' Meeting had taken place, lodged the relevant CVA Claim Form with the Supervisors.

The Allowed CVA Claims of the Compromised Creditors are summarised as follows:

Creditor	Number of Claims Received	Claims received £
Compromised Creditors	9	990,454.95
TOTAL	9	990,454.95

The dividend prospects as set out in the CVA Proposal were based on allowed compromised creditors' claims estimated at that time totalling £1,405,634. Although the total claims received to date are less than the total listed in the CVA Proposal, it should be noted that additional claims may be received prior to the implementation date.

However, in view of the fact that the CVA terms require the Company to contribute sufficient funds to pay a dividend of 6.5p in the £, the reduced quantum of admitted claims will have no effect on the total dividends that will be paid from the CVA.

The CVA terms provide that the first interim dividend shall be paid to each Compromised Creditor who has an Allowed CVA Claim within 30 days of the after the anniversary after the first anniversary of the Claims Date. Therefore, the Joint Supervisors anticipate declaring a first dividend in the near future.

5. Conclusion

The CVA is progressing as anticipated and the Joint Supervisors will continue to monitor the Company's adherence to its terms, taking appropriate steps in line with the CVA terms where necessary.

Provided that the CVA continues to progress as planned, the Joint Supervisors will issue a further progress report shortly after the next anniversary of the CVA.

Please note that the Joint Supervisors are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. Additionally the Joint Supervisors are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information>. General information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>.

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notice>.

Should you have any questions or queries regarding this report, please do not hesitate to contact Rupert Curno on 01273 322 411 or by email at Rupert.Curno@quantuma.com.

Dated this 27 January 2022



Brian Burke
Joint Supervisor

APPENDIX I**(COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	Leon Restaurants Limited
Previous Names	
Proceedings	Company Voluntary Arrangement
Court	Business and Property Courts in England & Wales
Court Reference	004417 of 2020
Date of Appointment	18 December 2020
Joint Supervisors	Andrew Andronikou and Brian Burke Quantuma Advisory Ltd High Holborn House, 52-54 High Holborn, London, WC1V 6RL
Registered office Address	c/o Quantuma Advisory Limited High Holborn House, 52-54 High Holborn, London, WC1V 6RL
Company Number	05018441
Incorporation Date	19 January 2004
Company Secretary	Imraan Patel
Auditors	PricewaterhouseCoopers LLP
Directors at date of Appointment	Bradley Blum Rodrigo Boscolo Christopher Burford Nicholas Evans Fersen Lambranhó Anton Perring Spencer Skinner Timothy Smalley John Vincent

APPENDIX II

The Joint Supervisors' Receipts and Payments Account

**Voluntary Arrangement of
Leon Restaurants Limited
To 17/12/2021**

S of A £		£	£
	SECURED ASSETS		
100,000.00	Leasehold Land & Property	NIL	
3,500,000.00	Sale of Business & Assets (Goodwill)	NIL	NIL
	SECURED CREDITORS		
(13,500,000.00)	Oaknorth Bank Plc	NIL	NIL
	HIRE PURCHASE		
1,910,000.00	Rent Deposits	NIL	
(1,910,000.00)	Landlords	NIL	NIL
	ASSET REALISATIONS		
678,000.00	Restaurant & Office Equipment	NIL	
314,000.00	Trade Debtors	NIL	
NIL	Other Debtors	NIL	
2,667,000.00	Inter-Group Debtors	NIL	
28,000.00	Inter-Group Debtors	NIL	
9,274,000.00	Cash at Bank	NIL	
	Company Contributions	90,000.00	
	Bank Interest Gross	1.68	90,001.68
	COST OF REALISATIONS		
	Specific Bond	135.00	
	Office Holders Fees	45,000.00	(45,135.00)
	PREFERENTIAL CREDITORS		
(3,118,607.00)	HM Revenue and Customs - PAYE/NI	NIL	
(580,871.41)	Employee Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(1,699,814.35)	Trade & Expense Creditors	NIL	
(1,397,001.47)	Employees	NIL	
(832,424.00)	HM Revenue and Customs - NIC & CT	NIL	NIL
(4,567,718.23)			44,866.68
	REPRESENTED BY		
	Bank 1 Current		44,866.68
			44,866.68

APPENDIX III

Breakdown of the Joint Supervisors' Time Costs

Time Entry - Detailed SIP9 Time & Cost Summary

6006908 - Leon Restaurants Limited
To: 17/12/2021
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	23.00	0.00	0.00	0.00	23.00	13,340.00	580.00
100A : Initial Statutory & General Notifications & Filing	0.50	0.00	2.90	0.00	3.40	997.50	293.38
103 : IPS Case / File set up/ Filing	0.00	0.00	2.80	0.00	2.80	770.00	275.00
104 : General Administration	10.70	1.40	1.90	10.50	24.50	6,733.50	274.84
105 : Case strategy / Review	51.70	2.00	7.10	0.00	60.80	32,512.50	534.75
506 : Tax / VAT	0.00	0.00	0.30	0.00	0.30	82.50	275.00
Admin & Planning	85.90	3.40	15.00	10.50	114.80	54,436.00	474.18
600 : Cashiering	0.10	0.00	0.70	7.30	8.10	1,228.00	151.60
Cashiering	0.10	0.00	0.70	7.30	8.10	1,228.00	151.60
201 : Creditors	3.90	0.00	12.10	0.00	16.00	4,887.50	305.47
203 : Creditor correspondence / Call	4.70	3.00	0.00	0.00	7.70	3,020.00	392.21
204 : Unsecured Creditors claims	1.50	0.80	0.00	0.00	2.30	872.00	379.13
204A : Dealing with Pension Schemes	0.00	0.00	1.10	0.00	1.10	302.50	275.00
211 : Annual / Progress report	0.00	0.20	0.00	0.00	0.20	68.00	340.00
Creditors	10.10	4.00	13.20	0.00	27.30	9,150.00	335.16
400 : Realisation of Assets	0.00	0.90	6.30	0.00	7.20	2,038.50	283.13
401 : Freehold / Leasehold Property	3.70	0.40	0.00	0.00	4.10	1,966.00	479.51
406 : Sale of Business	6.00	0.00	0.00	0.00	6.00	3,480.00	580.00
Realisation of Assets	9.70	1.30	6.30	0.00	17.30	7,484.50	432.63
500 : Trading	2.20	0.00	0.00	0.00	2.20	960.00	436.36
Trading	2.20	0.00	0.00	0.00	2.20	960.00	436.36
Total Hours	108.00	8.70	35.20	17.80	169.70	73,258.50	431.69
Total Fees Claimed						45,000.00	

APPENDIX IV

Full Narrative Details of Work Undertaken during the Review Period

General Description	Includes
Administration and Planning	
Initial Statutory and General Notifications & Filing e.g. undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	
Obtaining a specific penalty bond.	
Setting up electronic case files and electronic case details on IPS.	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Realisation of Assets	
Contributions	Monitoring the Company's compliance with the terms of the CVA and taking necessary steps in the event of any delayed compliance with, or breaches of, the terms Periodic review of amount of contribution
Other terms of the proposal	Reviewing quarterly/annual management accounts Liaising with Director and HMRC about finalisation of the pre appointment tax position of the company Monitoring compliance with the terms of the VA
Creditors	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator Finalising pre appointment tax position
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of proofs of debt Receipt of proofs of debt Seeking solicitors' advice on any complex claims
Cashiering	
Bank Account Administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments

Current Charge-out Rates of the staff working on the case**Time charging policy**

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates may have been subject to periodic increase.

Staff	Charge out rates
	£
CEO/Managing Director	£480.00 - £580.00
Appointment Taking Director	£400.00 - £500.00
Director	£370.00 - £475.00
Senior Manager	£340.00 – £415.00
Manager	£310.00 - £375.00
Assistant Manager	£275.00 – £335.00
Senior Administrator	£235.00 – £285.00
Administrator	£200.00 – £240.00
Assistant Administrator	£135.00 - £160.00
Case Accountant	£135.00
Junior Administrator	£100.00 - £115.00
Support Staff/Executive Assistant	£100.00 – £135.00