

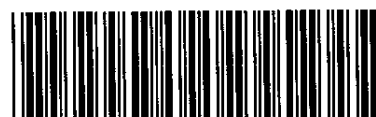
CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

TUESDAY



A8Z22141

A13

18/02/2020

#253

COMPANIES HOUSE

1 Company details

Company number 0 6 8 6 0 9 5 0
Company name in full FLAGSTONE ESTATES LIMITED

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) MARTIN CHARLES
Surname ARMSTRONG

3 Supervisor's address

Building name/number ALLEN HOUSE
Street 1 WESTMEAD ROAD
Post town SUTTON
County/Region SURREY
Postcode S M 1 4 L A
Country

4 Supervisor's name ^①

Full forename(s) JAMES EDMUND
Surname PATCHETT

① Other supervisor
Use this section to tell us about
another supervisor.

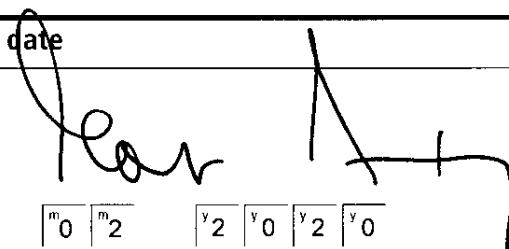
5 Supervisor's address ^②

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Post town SUTTON
County/Region SURREY
Postcode S M 1 4 L 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	6	m	0	m	1	y	2	y	0	y	1	y	9
7	Period of progress report															
Date from	d	1	d	6	m	0	m	1	y	2	y	0	y	1	y	9
Date to	d	1	d	5	m	0	m	1	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	1	d	7	m	0	m	2	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

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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

IN THE MATTER OF THE INSOLVENCY ACT 1986

FLAGSTONE ESTATES LIMITED ("the Company")
Company Number 06860950
COMPANY VOLUNTARY ARRANGEMENT ("THE ARRANGEMENT")

**JOINT SUPERVISORS' REPORT TO CREDITORS AND MEMBERS ON THE PROGRESS
OF THE ARRANGEMENT UNDER RULE 2.41 OF THE
INSOLVENCY (ENGLAND AND WALES) RULES 1986**

1. Introduction

The Arrangement was approved on 16th January 2019 and James Patchett and I were appointed Joint Supervisors.

2. Comments on receipts and payments

There have been no receipts or payments since approval of the Arrangement. We have therefore not attached our receipts and payments account for the 12 months ended 15th January 2020.

We would comment on the anticipated contributions into the Arrangement as follows:

Profit contributions

Under the terms of the Arrangement, the Company is to make contributions equalling 50% of the Company's annual profit over the first 2 years of the Arrangement, as defined by FRS 102. This profit is to be calculated using management accounts prepared to each anniversary of the Arrangement, which need to be prepared and provided to the Joint Supervisors within 2 months of each anniversary. The Company must then pay any sum due in respect of the Company's annual profit within 4 months of each anniversary.

We are awaiting receipt of the management accounts in order that a trading review can be undertaken, and any associated profit contributions referred to above can be calculated and paid into the Arrangement. The management accounts to the first anniversary, and any resulting profit contributions, are due to be received by the Joint Supervisors by 15th March 2020 and 15th May 2020 respectively.

Book Debts

Under the terms of the Arrangement, the Company's book debts, which were understood to total £21,112.69, were to be pursued by the Company and either be paid directly to the Joint Supervisors by debtors or, if collected by the Company, paid over to the Supervisors within 14 calendar days of receipt.

In addition, the Company was to provide an update to the Joint Supervisors every six months in respect of debtor recoveries until all have been collected in full (or have otherwise been written off with the permission of the Joint Supervisors).

The director has advised that no payment have been received in respect of the outstanding book debts and therefore no contributions have been received into the Arrangement in this regard.

The Company has confirmed that it has not received any windfalls in the period covered by the report.

3. **Creditor claims**

	As per Proposal	Lodged to Date
	£	£
Preferential creditors	0.00	0.00
Unsecured	878,757.39	896,366.25

Claims have been received from 2 creditors who were not given notice of the meeting to consider the Arrangement. These claims are as follows:

Creditor	Amount of claim (£)	Comments
Mr A R Turpin	9,000.00	Unpaid site management fees for January 2017 to March 2017.
Reigate & Banstead Borough Council	2,468.49	Business rates due for 23-25 Bell Street, Reigate RH2 7AD.

The above creditors were not given notice of the proposed Arrangement as the information provided by the Director did not include them as creditors. I am awaiting the Director's comments regarding their omission, however, the level of these claims are not significant and are not expected to impact on the anticipated dividend to a material extent.

There are 6 creditor claims outstanding with a statement of affairs balance totalling £376,045.62.

If claims are received from the 6 creditors referred to above for the amounts stated in the statement of affairs, it is anticipated that total creditor claims will exceed the amount disclosed in the Company's Statement of Affairs such that a reduced dividend of 1p in the £ is likely to be available to creditors compared to 1.45p in the £ as outlined in the proposal. It should be noted that the foregoing dividend rates do not take into account contributions from trading profits (if any) and therefore these may increase relative to any contributions received in this regard. The principle reason for the reduction in the anticipated dividend level is as a result of a significantly increased claim received from a creditor included on the statement of affairs.

4. **Office holder's remuneration**

Under the terms of the proposal our remuneration as Joint Nominees is to be calculated as a fixed fee of £5,000. We have not been able to draw our Joint Nominees' Fee.

Under the terms of the proposal, our remuneration as Joint Supervisors is to be calculated as 15% of realisations forming part of the Arrangement. We have not been able to draw any remuneration in this matter.

During the course of the Arrangement we have taken the necessary steps to discharge our duties as Joint Supervisors in accordance with the terms of the Arrangement. A description of the routine work undertaken since our appointment as Joint Supervisors is as follows:

1. Administration and Planning
 - Statutory notifications.

- Preparing documentation required.
 - Dealing with all routine correspondence.
 - Maintaining physical case files and electronic case details on the case management system.
 - Case bordereau.
 - Case planning and administration.
 - Preparing reports to members and creditors.
 - Monitoring compliance with the terms of the Arrangement
2. Cashiering
- Maintaining and managing the Supervisors' cashbook and bank account.
3. Creditors
- Dealing with creditor correspondence and telephone conversations.
 - Maintaining creditor information on the case management system.
 - Reviewing proofs of debt received from creditors.
4. Realisation of Assets
- Corresponding with the Director regarding book debt collections.
 - Liaising with the Director regarding the provision of management accounts.

In addition to the routine work above, we have spent additional time preparing and issuing a Notice of Breach, further details of which are set out later in this report.

This work was necessary to administer the Arrangement. Some of the work was required by statute and regulatory guidance, but it contributed to the payment of the agreed dividends to creditors and the conclusion of this Arrangement. We think that this shows that the agreed Joint Supervisors' fee charged is a fair and reasonable reflection of the work carried out.

Information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Voluntary Arrangement Fees' also published by R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy are available at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version. A hard copy of both documents can be obtained on request.

5. **Office holder's expenses**

We have incurred expenses to 15th January 2020 of £111.53 and comprise specific bond (£80.00) and conference call charges (£31.53).

We have not been able to draw any expenses in this matter.

No agents or professional advisors have been utilised in the reporting period.

A summary of the expenses originally estimated to be incurred in the Arrangement, and those actually incurred to date, is overleaf:

Nature of expense	Estimated expenses	Expenses incurred to date
Specific penalty bond	£160.00	£80.00
Court fee	£50.00	£50.00
Conference call charges	Nil	£31.53
Total	£210.00	£161.53

As at 15th January 2020, we do not anticipate that the expenses we will incur in this matter will exceed the total expenses estimated in the proposal.

6. Progress and prospects for the full implementation of the Arrangement

A Notice of Breach was issued on 8th August 2019 as a result of the Company's failure to provide an update to the Joint Supervisors in respect of debtor recoveries six months following approval of the Arrangement.

The Company rectified the breach on 22nd August 2019 by providing an update on debtor recoveries and trading activity for the period in question.

A further update on debtor recoveries was required on the Anniversary of the approval of the Arrangement but has not been received. We have written to the Director of the Company to request this information. If this information is not received shortly a further Notice of Breach will be issued.

The original proposal envisaged a total dividend of 1.45p in the £. No distributions have been made to creditors to date as no contributions have been received into the Arrangement. Whilst the proposals provide for the first dividend to be paid to creditors 3 months after the first anniversary, this was subject to contributions being received to enable a dividend to be paid. The first distribution will therefore be made once sufficient contributions have been received to enable a dividend to be paid.

It is still expected that the Arrangement will be fully implemented and that the final dividend to creditors will now be a minimum 1p in the £. As previously stated, this dividend rate does not take into account additional contributions from trading profits (if any) and therefore this may increase relative to any contributions received in this regard.

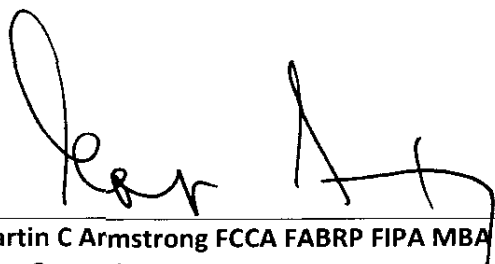
7. Matters outstanding

- a) Agreement of claims. Any creditor who has not yet submitted a claim should now do so as soon as possible.
- b) Book Debts. As previously reported, a further update on debtor recoveries was required on the Anniversary of the approval of the Arrangement but has not been received. We have written to the Director of the Company to request this information. If this information is not received shortly a further Notice of Breach will be issued.
- c) Profit Contributions. The Company must provide management accounts prepared to the anniversary of the Arrangement to the Joint Supervisors within 2 months of each anniversary. The Company must then contribute a sum equal to 50% of its annual profit over the first 2 years of the Arrangement, as defined by FRS 102, within 4 months of each anniversary.

We are awaiting receipt of the management accounts to the first anniversary in order that a trading review can be undertaken, and any associated profit contributions referred to above can be calculated and paid into the Arrangement.

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong, can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

If creditors or members have any queries regarding the conduct of the Arrangement, or if they want hard copies of any of the documents made available on-line, they should contact me at Turpin Barker Armstrong, Turpin Barker Armstrong or by email at ryan.russell@turpinba.co.uk, or by phone on 020 8661 7878.

A handwritten signature in black ink, appearing to read 'Martin C Armstrong', written over a horizontal line.

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Supervisor

17th February 2020