

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	→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 7 2 9 9 4 8 5	
Company name in full	Key Letts Limited	
2	Supervisor's name	
Full forename(s)	Stephen	
Surname	Penn	
3	Supervisor's address	
Building name/number	Unit 2	
Street	Railway Court	
Post town	Ten Pound Walk	
County/Region	Doncaster	
Postcode	D N 4 5 F B	
Country		
4	Supervisor's name ^①	① Other supervisor Use this section to tell us about another supervisor.
Full forename(s)		
Surname		
5	Supervisor's address ^②	② Other supervisor Use this section to tell us about another supervisor.
Building name/number		
Street		
Post town		
County/Region		
Postcode		
Country		

CVA3

Notice of supervisor's progress report in voluntary arrangement

6	Date of voluntary arrangement															
Date	^d		^d		^m		^m		^y		^y		^y		^y	
	0		3		0		3		2		0		2		0	
7	Period of progress report															
Date from	^d		^d		^m		^m		^y		^y		^y		^y	
	0		3		0		3		2		0		2		1	
Date to	^d		^d		^m		^m		^y		^y		^y		^y	
	0		2		0		3		2		0		2		2	
8	Progress report															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
9	Sign and date															
Supervisor's signature	Signature  X															
Signature date	^d		^d		^m		^m		^y		^y		^y		^y	
	1		7		0		3		2		0		2		2	

**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 **Danielle Jones**

Company name **Absolute Recovery Limited**

Address
Unit 2
Railway Court

Post town **Ten Pound Walk**

County/Region **Doncaster**

Postcode

D	N	4		5	F	B
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Country

DX **info@absrecovery.co.uk**

Telephone **01302 572701**

**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

Supervisor's Annual Progress Report to Creditors

**Key Letts Limited -
Company Voluntary Arrangement (CVA)**

16 March 2021

KEY LETTS LIMITED
COMPANY VOLUNTARY ARRANGEMENT (CVA)

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KEY LETTS LIMITED
COMPANY VOLUNTARY ARRANGEMENT (CVA)

1 Introduction

- 1.1 You will recall that I was appointed Supervisor of Key Letts Limited (the **Company**)'s CVA, on 3 March 2020. By way of reminder, the CVA provided in the main for contribution as follows

Months	For year £'000	Cumulative £'000
Directors Loan Repayments Months 1-24 @ £5,285 / month	126,840	126,840
Initial Lump Sum Contribution	14,000	140,840
Months 1-36 @ £1,274 / month	45,864	186,704
Total		186,704

- 1.2 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 3 March 2021 to 2 March 2022 (**the Period**) with a comparison to the Directors' Statement of Affairs values together with a cumulative account since my appointment.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <http://www.absolute-recovery.co.uk/privacypolicy.html>. If you are unable to download this, please contact us and a hard copy will be provided to you.

2 Progress of the CVA

Voluntary Contributions

- 2.1 I have received contributions of £7,218.00 and payments in respect of overdrawn directors' loan account totalling £35,445.00 in the period covered by this report from the Company and the Director.
- 2.2 Since the date of the approval of the CVA and the Supervisors appointment, contributions total £22,232 and overdrawn directors loan account payments total £61,667.00.
- 2.3 The monthly contributions are not up to date.
- 2.4 A variation was put forward to creditors on 19th March 2021 to extend the Arrangement duration from 36 months to 40 months with the last payment being made on 3 July 2023. Creditors were asked to vote on this by 9th April 2021. You will recall the extension was accepted.
- 2.5 The Variation enabled the director and company to pay £4,526.93 for 28 months so that the company would achieve 100 pence in the £.
- 2.6 However, despite the variation being agreed, the Company were still having financial difficulties as such they have fallen behind with contributions. I have provided the Company with all available options, but they are adamant that they do not wish to go into liquidation.
- 2.7 The Company advised in October 2021 that they was considering offering a settlement of £40,000 to all creditors to conclude the Arrangement. An email was sent to HM Revenue & Customs to assess the likeliness of this being accepted and they responded advising that a variation was to be put forward for them to consider the terms. This was not put forward as on 9 December 2021, the director advised that a potential investor wished to review the original CVA to ascertain the outstanding balance as well as the amount that had been paid to date as they was looked to invest some funds into the business and purchasing 49% of the shares therefore, wished to obtain clarity in respect of the business and its liabilities. This was not taken any further and no further information was received from the director.

KEY LETTS LIMITED
COMPANY VOLUNTARY ARRANGEMENT (CVA)

- 2.8 On 19th January 2022 a breach notice was issued to the Company as a result of the Company not making the monthly contributions although several telephone calls and email chasers were issued. The Company was given until 21 February 2022 to rectify. However, the notice expired without rectifications being made and or the director of the company making contact with me.
- 2.9 Therefore, on 21 February 2022, I requested that a petition be made to wind up the Company in accordance with the terms of the arrangement and the modifications.

Other Assets

- 2.10 A further £3.63 has accrued during the period and a total of £14.37 has accrued since my appointment.

3 Annual Review of Profitability

The terms of the CVA and specifically modification 20 to the proposal requires the Company to contribute 50% of any rise in net income after provision for tax. The company is to provide management accounts to facilitate such a review within 1 month of the anniversary of the CVA. No information has been provided as at the date of this report and therefore no calculation has been carried out.

4 Creditors

Preferential Creditors

- 4.2 There are no preferential creditors' claims in the CVA.

Unsecured Creditors

- 4.3 I have reviewed and admitted all claims of the unsecured creditors which totalled £170,488.22.

5 Supervisor's Remuneration

- 5.1 Creditors approved that the basis of the Supervisor's remuneration be based on time spent by him and his staff in dealing with the CVA. The time costs incurred in the Period total £14,644.25, which represents 61.42 hours at an average rate of £238.43 per hour. The Supervisor's cumulative time costs as of 8 March 2022, total £23,158.50. This represents 103.69 hours at an average rate of £226.48 per hour.
- 5.2 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 together with a cumulative Analysis since my appointment.
- 5.3 Attached, as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors and the expenses of the CVA.
- 5.4 A copy of the guide to insolvency practitioners' fees in a Voluntary Arrangement is available on request or can be downloaded from:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/voluntary-arrangement-creditor-fee-guide--6-april-2017.ashx?la=en>

- 5.5 The Supervisor's time cost estimate included in the original Proposal was £15,000 which was approved by creditors. As can be seen above it is likely that this estimate will be exceeded due to the non-payment of the contributions, the variation proposal put forward to creditors, contact

- 1.1 with HM Revenue & Customs and extra time being spent on the case which was not envisaged. Due to these changed circumstances, the revised estimate of the Supervisor's fees is now £30,000. This is to take into consideration the extra work anticipated to petition to wind up the company and to issue a termination report,

2 Supervisor's Expenses

- 2.1 The table below outlines the expenses that have been incurred since my appointment as Supervisor:

	Incurred to date £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Category 1 expenses				
Specific Penalty Bond	1,064	Nil	Nil	1,064
Category 2 expenses				
None	-	-	-	-

3 Distributions

- 3.1 Creditors will recall that a first dividend was declared and distributed on 26 May 2021 in the total sum of £49,446.74 at the rate of 29p/£.
- 3.2 At present, I have funds of approximately £38,466.63 in hand. As I have instructed solicitors to issue a winding up petition, I will distribute the remaining funds after my fees and costs have been deducted from the funds in hand with the termination report that will be issued after the company has been wound by the court. The date for the hearing has not yet been set,

4 Estimated Outcome

- 4.1 The CVA estimates for the final dividend to unsecured creditors is yet to be determined and will depend on the costs associated with issuing the petition to wind up the Company. This will be reported in the termination report.

Should you require further information at any time, please do not hesitate to contact Larissa Bell of this office.

Yours faithfully



Stephen Penn
Supervisor

Appendix A

**Receipts and Payments Account for the Period from 3 March 2021 to 2 March 2022Cumulative
Receipts and Payments Account for the Period from 3 March 2020 to 2 March 2022**

Key Letts Limited
(Under a Voluntary Arrangement)
SUPERVISOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 03/03/2021 To 02/03/2022 £	From 03/03/2020 To 02/03/2022 £
RECEIPTS			
Overdrawn Directors Loan		35,445.00	61,667.00
Voluntary contributions		7,218.00	22,232.00
Lump Sum		0.00	14,000.00
Bank Interest Gross		3.63	14.37
		42,666.63	97,913.37
PAYMENTS			
Nominees Fee		0.00	10,000.00
Trade & Expense Creditors		168.22	168.22
Customs & Excise		49,278.52	49,278.52
		49,446.74	59,446.74
Net Receipts/(Payments)		(6,780.11)	38,466.63
MADE UP AS FOLLOWS			
Bank 1 Current		(6,780.11)	38,466.63
		(6,780.11)	38,466.63

KEY LETTS LIMITED
COMPANY VOLUNTARY ARRANGEMENT (CVA)

Appendix B
Time Analysis for the Period from 3 March 2021 to 2 March 2022

Time Entry - SLP9 Time & Cost Summary

KEY0838 - Key Letts Limited

Project Code: POST

From: 03/03/2021 To: 02/03/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.05	32.17	21.50	0.10	53.82	12,529.25	232.80
Case Specific Matters	0.00	1.80	0.80	0.60	3.20	990.00	309.38
Creditors	0.00	3.60	0.50	0.30	4.40	1,125.00	255.68
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.05	37.57	22.80	1.00	61.42	14,644.25	238.43
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary + Cumulative

KEY0838 - Key Letts Limited
From: 03/03/2020 To: 02/03/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Administration & Planning	0.05	44.04	47.80	0.10	91.99	20,361.00	221.34	90.89	20,086.00
Case Specific Matters	0.00	3.70	0.80	0.60	5.10	1,482.50	290.69	4.90	1,432.50
Creditors	0.00	4.40	1.90	0.30	6.60	1,640.00	248.48	6.60	1,640.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	0.05	52.14	50.50	1.00	103.69	23,483.50	226.48	102.39	23,158.50
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			

Appendix C

Additional Information in Relation to Supervisor's Fees & Expenses

Staff Allocation and the Use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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.

We have not utilised the services of any subcontractors in this case.

Professional Advisors

We have not utilised the services of any advisors in this case.

Supervisor's Expenses

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Supervisor's fees were approved by creditors.

Details of any Category 1 and Category 2 expenses incurred in the arrangement can be found in the body of the Progress Report.

Charge-Out Rates

Absolute Recovery Limited's current charge-out rates effective from 1 January 2021 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Description	Rates per hour 2012-2021 £	21/06/2021 onwards
Partner	350	550
Manager/Senior Manager	225-275	350-400
Other Senior Professional	175-225	275-300
Administrator/Cashier	150-175	200-250
Junior Administrator	100	200
Assistance & Support Staff	100	175