

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

TUESDAY



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A04

16/06/2020

#115

COMPANIES HOUSE

1 Company details

Company number 07427606

Company name in full Denison 2 Limited

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

2 Supervisor's name

Full forename(s) Philip

Surname Booth

3 Supervisor's address

Building name/number Coopers House

Street Intake Lane

Post town Ossett

County/Region

Postcode WF50RG

Country

4 Supervisor's name^①

Full forename(s)

Surname

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

5 Supervisor's address^②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other supervisor
Use this section to tell us about
another supervisor.

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6 Date of voluntary arrangement

Date

d	0	d	5	m	0	m	4	y	2	y	0	y	1	y	9
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7 Period of progress report

Date from

d	0	d	5	m	0	m	4	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to

d	0	d	4	m	0	m	4	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8 Progress report

☒ I attach a copy of the progress report

9 Sign and date

Supervisor's signature

Signature

X

P. B. K.

X

Signature date

d	0	d	2	m	0	m	6	y	2	y	0	y	2	y	0
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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 **Alistair Barnes**

Company name **Booth & Co**

Address **Coopers House**

Intake Lane

Post town **Ossett**

County/Region

Postcode **W F 5 0 R G**

Country

DX

Telephone **01924 263777**



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

TO ALL KNOWN CREDITORS

When telephoning please ask for Alistair Barnes

Our Ref: PB/AB/DEN001/6

2 June 2020

Dear Sirs

Denison 2 Limited t/a The Kimberley Hotel ("the Company") – Company Voluntary Arrangement ("CVA")
In the High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd) CVA No. 316 of 2019 - Annual Progress Report to Members & Creditors

Further to my appointment as Supervisor on 5 April 2019, I write to update creditors on the progress and efficacy of the CVA as follows.

Key Terms of the CVA Proposal

The main terms of the proposal, approved without modifications on 5 April 2019, are summarised below:

- The Company will make the following contributions from trading profits:

Months 1 – 60	£	£
	5,000	300,000
Total		<u>300,000</u>

- The arrangement will last approximately 5 years and 3 months.
- After the costs and expenses of the arrangement, the estimated dividend to unsecured creditors will be 70p in £.
- If the monthly payments fall more than 3 months into arrears, this will enable the Supervisor to issue an Abort Certificate or a Certificate of Non-Compliance.

Case Progress

1. Voluntary Contributions

- 1.1 As at 4 April 2020, the Company had paid monthly contributions totalling £38,000, however payments should have totalled £60,000, thus the Company has accrued in excess of four months arrears.
- 1.2 The monthly contributions first fell into arrears following the severe Winter flooding which occurred between November 2019 and February 2020. This caused a significant downturn in business, which resulted in there being insufficient funds available to pay the monthly contribution.
- 1.3 The Director had intended to bring the monthly payments up to date in March 2020, however, in March 2020 two of the housekeeping staff tested positive for the Covid-19 virus, and in accordance with government guidelines the Hotel closed on 20 March 2020.

Head Office: Coopers House, Intake Lane, Ossett WF5 0RG
Telephone: 01924 263777
Fax: 01924 276224
Email: enquiries@boothinsolvency.co.uk
www.boothinsolvency.co.uk

Sheffield Office: The Masters House, Arundel Street, Sheffield S1 4RE
Telephone: 0114 399 2800
Fax: 0114 399 2801

- 1.4 All of its staff have been furloughed in accordance with the government scheme currently in place.
- 1.5 As a result of these developments, the Company has been unable to pay any further contributions.
- 1.6 The Hotel is intending to reopen on Monday 3 August 2020 with social distancing measures in place. Only continental breakfast will be available and will be served to guests in their rooms. The two restaurants and bars will remain closed pending further government announcements relating to the easing of lockdown restrictions.
- 1.7 The current unprecedented situation caused by the Covid-19 Pandemic has therefore necessitated a proposed variation to the CVA, and a separate report detailing this, together with notice of a decision on the proposed variation to be taken by correspondence, is also available for viewing and downloading from The Creditor Gateway website.

2. Other Realisations

- 2.1 The only other realisation to date is a small amount of bank interest.
- 2.2 No other asset realisations were anticipated and there have been no other realisations during the period.

3. Supervisor's Payments

- 3.1 During the period covered by this report an amount in the sum of £400 plus VAT has been paid to Michael Steel & Co. in respect of the desktop valuations which they undertook in the period prior to my appointment as Supervisor.
- 3.2 Clarion Solicitors have accrued costs in the sum of £380.50 plus VAT and £50, in respect of their legal fees and disbursements respectively which were incurred in filing the CVA proposal and associated documentation in Court. These costs have been paid in the period following that to which this report relates.
- 3.3 During the period covered by this report an interim dividend of 6p in £ was declared and paid to all proving creditors, and further details of this are provided at Paragraph 6 below.
- 3.4 Other than a small amount of bank charges, the only other payments which have been made during the period are in relation to the Nominee's Fee and Supervisor's Disbursements, further details of which are provided below.

4. Nominee's and Supervisor's Remuneration

- 4.1 During the period covered by this report I have drawn the agreed Nominee's Fee of £5,000.
- 4.2 In accordance with the terms of the CVA proposal, my remuneration as Supervisor is to be calculated on a time cost basis.
- 4.3 I have not drawn any fees in respect of my time costs for acting as Supervisor and dealing with the administration of the Arrangement during the period covered by this report.
- 4.4 Total time costs to 4 April 2020 amount to £5,987.50, comprising a total of 30.1 hours spent on the administration of the case at an average rate of £198.92 per hour.

4.5 A detailed breakdown of Supervisor's time costs is attached at Appendix B, together with details of the hourly charge out rates of Booth & Co which increased with effect from 1 January 2020.

4.6 A description of the routine work undertaken since my appointment as Supervisor is as follows:

Administration and Planning

- Statutory notifications.
- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and case details on the case management system.
- Case bordereau.
- Case planning and administration.
- Preparing reports to members and creditors.

Cashiering

- Maintaining and managing the Supervisor's cashbook and bank account.
- Ensuring statutory lodgement and tax lodgement obligations are met.

Creditors

- Dealing with creditor correspondence and telephone conversations.
- Preparing reports to creditors.
- Maintaining creditor information on the case management system.
- Reviewing and adjudicating on proofs of debt received from creditors.
- Issuing a Notice of Intended Dividend
- Declaring and paying an interim dividend to unsecured creditors.

Realisation of Assets

- Corresponding with the Director and collecting payments.

Disbursements

4.7 To date I have incurred and drawn disbursements amounting to £1,313.98, as detailed below:

<u>Category 1</u>	£	<u>Category 2</u>	£
<u>Disbursements</u>		<u>Disbursements</u>	
Postage	33.63	Photocopying	40.35
Insurance Bond*	1,220.00		
Advertising	20.00		
	<u>1,273.63</u>		<u>40.35</u>

(*Mandatory fixed cost insurance policy relative to the total value of assets subject to the CVA)

4.8 Category 1 disbursements relate to external services provided which are directly attributable to the case. Category 2 disbursements relate to shared or allocated costs which generally relate to internal charges made for items such as postage, photocopying, faxes, room hire and mileage.

- 4.9 Creditor approval is required for Category 2 disbursements to be charged as an expense of the CVA in accordance with best practice guidelines as set out in Statement of Insolvency Practice 9. Creditors approved these charges at the meeting of creditors held on 4 April 2019.
- 4.10 Further 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/>.
- 4.11 A copy of 'Voluntary Arrangements, A Creditors Guide to Insolvency Practitioners' Fees' also published by R3 can be found at <https://www.r3.org.uk/technical-library/england-wales/fees>. A copy of this firm's fee policy can be obtained by sending a request to enquiries@boothinsolvency.co.uk.

5. Receipts and Payments

- 5.1 Attached to this report is a Receipts and Payments Account for the period from 5 April 2019 to 4 April 2020. I am currently holding a balance of £7,283.

6. Creditors' Claims & Dividends

Preferential Creditors

- 6.1 No preferential creditors were anticipated in the CVA proposal and no claims have been received.

Unsecured Creditors

- 6.2 Unsecured claims which would rank for dividend in the CVA were estimated to be £397,344 for the purposes of the Estimated Outcome Statement.
- 6.3 During the period covered by this report I had received seventeen Proofs of Debt totalling £392,729. On 25 September 2019 a Notice of Intended Dividend was issued to all creditors who had not proved their claim, with the last date for proving claims being 21 October 2019.
- 6.4 On 12 November 2019 an interim dividend of 6p in £ was paid to all proving creditors. The total amount admitted for dividend was £392,729 and the total amount distributed was £23,518.
- 6.5 During the period following that to which this report relates the final claim of HM Revenue & Customs in the sum of £193,690 was received. This is higher than was estimated in the Proposal, and the estimated dividend payable to unsecured creditors has therefore reduced from 70p in £, per the CVA Proposal, to approximately 65p in £.
- 6.6 Future dividend prospects will depend on whether creditors vote to accept the variation being proposed, the extent to which the Company is able to recover following the Covid-19 pandemic, and the further costs and expenses incurred in administering the CVA.

7. Complaints Procedure

- 7.1 Any concerns or issues should be directed to me in writing in the first instance and I will provide details of this firm's complaints policy.
- 7.2 If I am unable to resolve the concern or query, it is possible for creditors to follow this up with the Insolvency Service's complaints gateway. Any such complaints should be addressed to The

Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, online at www.gov.uk/complain-about-insolvency-practitioner; or by phone on 0300 678 0015.

8. General

- 8.1 Should you have any queries regarding this report or any aspect of the case, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Booth', written in a cursive style.

**Phil Booth
Supervisor**

**Voluntary Arrangement of
Denison 2 Limited Trading As: The Kimberley Hotel
Supervisor's Summary of Receipts & Payments**

Statement of Affairs £		From 05/04/2019 To 04/04/2020 £	From 05/04/2019 To 04/04/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	0.16	0.16
300,000.00	Debtor Contributions	38,000.00	38,000.00
		38,000.16	38,000.16
	COST OF REALISATIONS		
	Agents/Valuers Fees	400.00	400.00
	Bank Charges	6.00	6.00
(350.00)	Legal Fees (1)	NIL	NIL
(5,000.00)	Nominee's Fees	5,000.00	5,000.00
(1,260.00)	Supervisor's Expenses	1,313.98	1,313.98
(15,000.00)	Supervisor's Fees	NIL	NIL
		(6,719.98)	(6,719.98)
	UNSECURED CREDITORS		
(30,000.00)	HM Revenue & Customs (PAYE)	2,435.62	2,435.62
(110,000.00)	HM Revenue & Customs (VAT)	6,932.14	6,932.14
(257,344.00)	Trade & Expense Creditors	14,150.37	14,150.37
		(23,518.13)	(23,518.13)
(118,954.00)		7,762.05	7,762.05
	REPRESENTED BY		
	Bank 1 Current		7,682.05
	Vat Receivable		80.00
			7,762.05

Time Entry - SIP9 Time & Cost Summary

DEN001 - Denison 2 Limited
Project Code: POST
To: 04/04/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.20	7.10	0.00	0.90	9.20	1,916.00	208.26
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.50	15.20	0.00	3.70	19.40	3,739.00	192.73
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	1.50	0.00	0.00	1.50	332.50	221.67
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.70	23.80	0.00	4.60	30.10	5,987.50	198.92
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

BOOTH & CO – FEES & DISBURSEMENTS 2020/21**ADDITIONAL INFORMATION IN RELATION TO OFFICE HOLDER'S FEES PURSUANT TO THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 9**

Please find outlined below a schedule of Booth & Co charge out rates:-

<u>Staff Grade</u>	<u>Rate/Hour £</u> (From 01/01/20)	<u>Rate/Hour £</u> (01/01/18 to 31/12/19)
Insolvency Practitioner (appointment taking)	275 - 295	250 - 275
Senior Manager	235 - 260	210 - 235
Manager	195 - 225	175 - 195
Senior Administrator	165 - 180	150 - 165
Administrator	135 - 150	125 - 140
Cashier/Support	105 - 125	90 - 115

The charge out rates are subject to periodic reviews and change. The higher rates referred to above may be applied on more complex matters. If used, creditors will be informed accordingly.

In cases of exceptional complexity, the insolvency practitioner reserves the right to obtain authority from the committee or the creditors that their remuneration shall be fixed as a percentage of the value of the assets which are realised or distributed, or both.

An analysis of time costs incurred will be provided to creditors under the following areas of activity:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

Disbursements

There are two types of disbursements; direct disbursements (known as 'Category 1') and indirect disbursements (known as 'Category 2').

i) Category 1

Category one disbursements do not require approval by creditors. Typically, these include external supplies of incidental services specifically identifiable to the case, such as postage, advertising, invoiced travel and external printing, room hire, insolvency bond and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Postage, external room hire and insolvency bond costs are charged out at the actual rate incurred.

ii) Category 2

Category two disbursements do require creditor approval and include elements of shared or allocated costs.

- Photocopying is charged at 15p per sheet/copy.
- Internal room hire (only charged for statutory meetings of members, creditors or a creditors' committee) is charged at £75 per hour (minimum charge £75; maximum charge £150).
- Mileage is charged at 45p per mile.
- Internal books and records storage is charged at £6 per box per annum.

Insolvency Guide to Unsecured Creditors

The insolvency trade association, R3, has launched a website, www.creditorinsolvencyguide.co.uk for cases in England and Wales, which is a step-by-step guide to the insolvency process for unsecured creditors, particularly small businesses who are unfamiliar with the insolvency process.

It sets out in straightforward English how creditors can engage in the insolvency process and includes:

- how different insolvency procedures work;
- simple explanations of insolvency terminology,
- useful tips on how to help oversee the running of the insolvency case.

For additional information regarding the remuneration of insolvency practitioners, please use the link <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/england-wales> and click on 'SIP 9'.