

# 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](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 7 4 2 7 6 0 6

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 W F 5 0 R G

Country

### 4 Supervisor's name<sup>①</sup>

Full forename(s)

Surname

① Other supervisor

Use this section to tell us about  
another supervisor.

### 5 Supervisor's address<sup>②</sup>

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other supervisor

Use this section to tell us about  
another supervisor.

# CVA3

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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	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to 

d	0	d	4	m	0	m	4	y	2	y	0	y	2	y	1
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## 8 Progress report

☒ I attach a copy of the progress report

## 9 Sign and date

Supervisor's signature

Signature

X

*P. Book*

X

Signature date

d	0	d	1	m	0	m	6	y	2	y	0	y	2	y	1
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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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

## TO ALL KNOWN CREDITORS

When telephoning please ask for Alistair Barnes

Our Ref: PB/AB/JS/DEN001/6

1 June 2021

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 – Second 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. This report covers the period from 5 April 2020 to 4 April 2021 and should be read in conjunction with my previous annual progress report which covered the period from 5 April 2019 to 4 April 2020.

### 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		300,000

- 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 Creditors will recall from my previous progress report that as at 4 April 2020, the Company had fallen into arrears with the monthly contributions. Total expected contributions during the first year of the CVA were £60,000, however the Company had only been able to pay monthly contributions totalling £38,000.
- 1.2 Following the onset of the Covid-19 pandemic the Hotel closed on 20 March 2020 and was unable to pay any further contributions after that date.

- 1.3 On 2 June 2020, a variation to the CVA was proposed. This was based on the Hotel reopening on 3 August 2020 with various restrictions in place. A loan of £50,000 was to be obtained from Barclays Bank Plc under the Bounce Back Loan Scheme, and this would provide sufficient funds to facilitate the reopening of the Hotel and an amount in the sum of £25,000 would be paid into the CVA in respect of the arrears of contributions.
- 1.4 The lump sum payment was to be received by 31 August 2020, and it was proposed that the Company would then resume making monthly contribution payments of £5,000 commencing from 1 January 2021. The term of the CVA would also be extended by 9 months.
- 1.5 The proposed variation was accepted without modification by creditors on 26 June 2020, and the sum of £25,000 as referred to above was received on 2 September 2020.
- 1.6 However, following the further lockdown which began on 1 November 2020, and restrictions imposed on businesses by the tier system which followed on 1 December 2020, the Hotel was unable to operate and ceased trading on 29 November 2020.
- 1.7 On 22 December 2020, an Abort Certificate was issued and Mr Lewis subsequently instructed Booth & Co to assist him in taking the steps necessary to place the Company into Creditors Voluntary Liquidation. A procedure to appoint a Liquidator by deemed consent was commenced and the Deemed Consent date was 3 February 2021.
- 1.8 However, following further discussions with Mr Lewis it became apparent that there could be some potential interest in the acquisition of the leasehold, which was not due to end until 31 May 2025. Christie & Co, a national firm of specialist business sales advisors, had previously been instructed to offer the business for sale in 2018. Mr Lewis contacted them again and instructed them to market the leasehold interest on a short-term basis in order to establish if there were any parties which would have an interest in acquiring it.
- 1.9 The meeting of members convened to place the Company into Liquidation was cancelled in order for Christie & Co to progress with marketing the leasehold. Christie & Co subsequently identified a number of potentially interested parties and a number of viewings were arranged.
- 1.10 On 25 February 2021 an offer in the sum of £325,000 was received from an unconnected third party called 231 Holdings Ltd (Co No.12941745), which included a separate offer to Denison Ltd to purchase fixtures and fittings located in the Hotel which were owned by Denison Ltd.
- 1.11 On 29 March 2021 I wrote to creditors to canvass their views on the proposed sale of the leasehold and, following completion, steps being taken to place the Company into Creditors Voluntary Liquidation. Creditors were requested to express any views to me in writing within 7 days of the letter, and no responses were subsequently received.
- 1.12 Further negotiations took place between the various parties, including the Landlord, and shortly after the period covered by this report, the sale completed on 16 April 2021, following which instructions were given to Booth & Co to assist the Director in taking the steps necessary to place the Company into Creditors Voluntary Liquidation.
- 1.13 The Company was placed into Creditors Voluntary Liquidation on 18 May 2021, and Philip Booth was appointed as Liquidator on the same date. Further details of the completion of the sale of the leasehold and steps taken to place the Company into Creditors Voluntary Liquidation are provided in the Final Progress Report which accompanies this report.

## **2. Other Realisations**

- 2.1 The only other realisation during the period covered by this report 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, legal fees and disbursements amounting to £380 plus VAT and £50 respectively have been paid to Clarion Solicitors. These costs were incurred in filing the CVA proposal and associated documentation in Court.
- 3.2 During the period covered by this report a second interim dividend of 2p in £ was declared and paid to all proving creditors, and further details of this are provided at Paragraph 6 below.
- 3.3 During the period VAT in the sum of £76 has been paid which is not recoverable.
- 3.4 Other than a small amount of bank charges, no other payments have been made.
- 3.5 Further information regarding the Nominee's Fee and Supervisor's Disbursements is provided below.

## **4. Nominee's and Supervisor's Remuneration**

- 4.1 The agreed Nominee's Fee of £5,000 was drawn in the previous period.
- 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 During the period covered by this report I have not yet drawn any fees in respect of my time costs for acting as Supervisor and dealing with the administration of the Arrangement. These fees were drawn in the period following that covered by this report and further details are provided in the Supervisor's Final Progress Report.
- 4.4 Total time costs to 4 April 2021 amount to £21,845, comprising a total of 104.70 hours spent on the administration of the case at an average rate of £208.64 per hour. During the period to which this report relates, time costs amount to £15,857.50, representing a total of 74.60 hours spent on the administration of the case at an average rate of £212.57 per hour. A detailed breakdown of the Supervisor's time costs is attached to this report.
- 4.5 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.

#### Employee Claims

- Dealing with employees in relation to their statutory redundancy entitlements.
- Liaising with the Redundancy Payments Service to agree employee claims.

#### 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 Progress reports to creditors.
- Assisting the Director to propose variations to the CVA.
- Maintaining creditor information on the case management system.
- Reviewing and adjudicating on proofs of debt received from creditors.
- Issuing a Notice of Intended Dividend.
- Agreeing creditor claims for dividend purposes.
- Declaring and paying interim and final dividends to unsecured creditors.

#### Realisation of Assets

- Corresponding with the Director and collecting contribution payments.

#### Expenses (formerly Disbursements)

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

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

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

- 4.7 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.
- 4.8 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.
- 4.9 The definition of Category 2 disbursements has changed with effect from 1 April 2021, following the introduction of the amended Statement of Insolvency Practice 9 'Payments to Insolvency

Office Holders and their Associates from an Estate' (SIP 9) which prohibits the recovery of expenses that might represent overhead costs as an expense or disbursement. On this basis, no further photocopying costs have been paid after 1 April 2021.

- 4.10 SIP 9 now also requires separate creditor approval for expenses made to associates, which are defined as 'Category 2 Expenses'. Having reviewed the expenses incurred in this case, I have concluded that no expenses fall into this category.
- 4.11 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/>.
- 4.12 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](mailto:enquiries@boothinsolvency.co.uk).
- 4.13 My firm's updated fees and expenses charging policy is attached to this report.

## **5. Receipts and Payments**

- 5.1 Attached to this report is a Receipts and Payments Account for the period from 5 April 2020 to 4 April 2021.

## **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 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 declared paid to all proving creditors. The total amount admitted for dividend was £392,729 and the total amount distributed was £23,518.
- 6.5 On 14 October 2020 a second interim dividend of 2p in the £ was declared and paid to all proving creditors. The total amount admitted for dividend was £432,550, and the total amount distributed was £8,651.
- 6.6 The total amount distributed to creditors is £32,169, representing a total dividend of 8p in the £ on agreed claims.

## **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](http://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', with a stylized flourish at the end.

**Phil Booth**  
**Supervisor**

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

Statement of Affairs £		From 05/04/2020 To 04/04/2021 £	From 05/04/2019 To 04/04/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	0.16
300,000.00	Debtor Contributions	25,000.00	63,000.00
		25,000.00	63,000.16
	COST OF REALISATIONS		
	Agents/Valuers Fees	NIL	400.00
	Bank Charges	12.00	18.00
	Legal Disbursements	50.00	50.00
(350.00)	Legal Fees	380.50	380.50
(5,000.00)	Nominee's Fees	NIL	5,000.00
(1,260.00)	Supervisor's Expenses	NIL	1,313.98
(15,000.00)	Supervisor's Fees	NIL	NIL
	VAT - Irrecoverable	76.10	156.10
		(518.60)	(7,318.58)
	UNSECURED CREDITORS		
(30,000.00)	HM Revenue & Customs (PAYE)	1,007.19	3,442.81
(110,000.00)	HM Revenue & Customs (VAT)	2,866.61	9,798.75
(257,344.00)	Trade & Expense Creditors	4,777.64	18,928.01
		(8,651.44)	(32,169.57)
<b>(118,954.00)</b>		<b>15,829.96</b>	<b>23,512.01</b>
	REPRESENTED BY		
	Bank 1 Current		23,512.01
			<b>23,512.01</b>

# Time Entry - SIP9 Time & Cost Summary

DEN001 - Derison 2 Limited  
Project Code: POST  
From: 05/04/2019 To: 04/04/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.00	16.70	0.00	16.10	35.80	6,661.00	186.06
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	3.50	54.70	0.00	6.20	64.40	14,146.50	219.67
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	4.50	0.00	0.00	4.50	1,037.50	230.56
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>6.50</b>	<b>75.90</b>	<b>0.00</b>	<b>22.30</b>	<b>104.70</b>	<b>21,845.00</b>	<b>208.64</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

DEN001 - Denison 2 Limited  
Project Code: POST  
From: 05/04/2020 To: 04/04/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.80	9.60	0.00	15.20	26.60	4,745.00	178.38
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	3.00	39.50	0.00	2.50	45.00	10,407.50	231.28
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	3.00	0.00	0.00	3.00	705.00	235.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	4.80	52.10	0.00	17.70	74.60	15,857.50	212.57
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

**BOOTH & CO – FEES & EXPENSES 2021/2022****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:-

<b><u>Staff Grade</u></b>	<b>Rate/Hour £</b> (From 01/01/20)	<b>Rate/Hour £</b> (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

**Expenses**

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

**i) Category 1**

Category one expenses 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.

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

Also chargeable will be any properly reimbursed costs and expenses incurred by personnel in connection with the case including those of any agents and solicitors who are not associates within the definition of Section 435 IA86 or could be perceived to be associates by a reasonably informed third party pursuant to the provisions of the Insolvency Code of Ethics.

**ii) Category 2**

Category two expenses do require creditor approval and include payments to associates or that include an element of shared or allocated costs.

Pursuant to changes made to Statement of Insolvency Practice 9, effective from 01 April 2021, Booth & Co will not seek to recharge any costs which may be deemed to be overheads of the business, for example internal room hire or internal document storage.

#### Insolvency Guide to Unsecured Creditors

For general information regarding insolvency, the insolvency trade association, R3, has launched a website, <http://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'.