

# 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 6 8 5 4 7 5

Company name in full Heads Of The Valleys Development Company Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Supervisor's name

Full forename(s) Stephen

Surname Lancaster

### 3 Supervisor's address

Building name/number Stanmore House

Street 64-68 Blackburn Street

Post town Radcliffe

County/Region Manchester

Postcode M 2 6 2 J S

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

## Notice of supervisor's progress report in voluntary arrangement

<b>6</b>	<b>Date of voluntary arrangement</b>																
Date	<sup>d</sup>	2	<sup>d</sup>	2	<sup>m</sup>	0	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	8	
<b>7</b>	<b>Period of progress report</b>																
Date from	<sup>d</sup>	2	<sup>d</sup>	2	<sup>m</sup>	0	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	3	
Date to	<sup>d</sup>	2	<sup>d</sup>	1	<sup>m</sup>	0	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	4	
<b>8</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
<b>9</b>	<b>Sign and date</b>																
Supervisor's signature	Signature <b>X</b>  <b>X</b>																
Signature date	<sup>d</sup>	0	<sup>d</sup>	2	<sup>m</sup>	0	<sup>m</sup>	4	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	4	

# 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 **Ralph Paxton**

Company name **Lucas Ross Limited**

Address **Stanmore House**

**64-68 Blackburn Street**

Post town **Radcliffe**

County/Region **Manchester**

Postcode **M 2 6 2 J S**

Country

DX

Telephone **0161 509 5095**



### 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)**

# **HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - IN COMPANY VOLUNTARY ARRANGEMENT**

**Supervisor's Sixth Annual Progress Report pursuant to  
Rule 2.41 of the Insolvency (England & Wales) Rules  
2016  
For the period from 22 February 2023 to 21 February  
2024**

# HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - IN CVA PROGRESS REPORT

## 1. INTRODUCTION, CREDITORS' RIGHTS AND ABBREVIATIONS

The following abbreviations will be used as appropriate throughout this report:

Act	Insolvency Act 1986
Arrangement	Company Voluntary Arrangement
Company	Heads Of The Valleys Development Company Limited
Proposals	CVA Proposals
Rules or Rule	Insolvency Rules 2016
SofA	Statement of Affairs signed by the director at the start of the process
Supervisor	Stephen Lancaster of Lucas Ross Limited Stanmore House, 64-68 Blackburn Street, Radcliffe, Manchester, M26 2JS

Kevin Lucas was appointed as Supervisor on 22 February 2018.

This is the sixth annual progress report to creditors and covers the period from 22 February 2023 to 21 February 2024 and is issued pursuant to Rule 2.41 of the Rules to provide creditors with an update on the progress of the Arrangement. This report should be read in conjunction with any previous reports.

### Creditors' rights

At the end of this report is an extract from the Insolvency Rules 2016 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the Arrangement. Creditors may access information setting out creditors' rights in respect of the approval of Supervisor's remuneration free of charge from this office on request

Complaints about Insolvency Practitioners should be made to the office of the relevant Supervisor in the first instance. If you are not satisfied with the response, the Insolvency Service has a central gateway for considering complaints. This gateway can be found at <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue a complaint.

All Licensed Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work. The Insolvency Code of Ethics can be found at [IPA Code of Ethics \(insolvency-practitioners.org.uk\)](https://ipa.org.uk/code-of-ethics)

# HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - IN CVA PROGRESS REPORT

## STATUTORY INFORMATION

Name of Supervisor:	Stephen Lancaster of Lucas Ross Limited, Stanmore House, 64-68 Blackburn Street, Radcliffe, Manchester, M26 2JS
Commencement date:	22 February 2018
Duration:	138 months
Court reference number:	2125 of 2018
Company name:	Heads of the Valleys Development Company Limited ("the Company")
Registered number:	07685475
Date of incorporation:	28 June 2011
Nature of business:	Specialist construction of automotive focused development
Registered office:	The Coach House, 79 Mill Way, Grantchester, Cambridge, CB3 9ND
Changes in office holder:	None during the review period

## 2. PROGRESS OF THE ARRANGEMENT DURING THE PERIOD

### Distribution of shares

Further to the approval of a variation in the last reporting period a new class of shares was created and distributed to creditors in May 2023 in place of a cash distribution of 100 p/£ as originally proposed.

### Funds from Aventa Capital Partners Limited ("Aventa")

The Company was a creditor in the Company Voluntary Arrangement of Aventa. The supervisor of Aventa declared a first and final dividend to unsecured creditors in April 2023, and accordingly the sum of £109 was paid to the Company.

### Future Actions

The Arrangement has been successfully varied as outlined above. However, in order for it to be fully implemented requires the completion of any remaining statutory obligations and administrative tasks of the case, including settling the balance of fees still outstanding. The

## HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - IN CVA PROGRESS REPORT

Supervisor will attend to completion of these tasks before issuing a Certificate of Full Implementation.

### 3. COSTS OF THE ARRANGEMENT

A summary of the receipts and payments account is attached for your information, analysed to show activity in the last year and the entire period of the Arrangement as appropriate.

It shows actual receipts and actual payments rather than accrued and unrealised/unpaid receipts and payments.

#### Remuneration of the Supervisor

The basis upon which the Supervisor charges remuneration was agreed by creditors at the virtual meeting held on 22 February 2018. Creditors agreed that the Supervisor could draw remuneration based on the time spent by him and his staff in attending to matters arising in the Arrangement.

The Supervisor's time costs for the period 22 February 2022 to 21 February 2023 are £3,912.00 and are shown in more detail at the end of this report. This represents 20.1 hours at an average hourly rate of £194.63. Time has been spent on Admin & Planning and Creditors; below is further guidance on the work involved for each category:

Category	Description of work undertaken
Admin & Planning	Work undertaken in this regard includes preparing and submitting the previous progress report, internal strategy reviews, and all other internal aspects of the case. Some of this work is required in order for the Supervisor to fulfil his functions and will not necessarily derive a financial benefit to the case.
Creditors	In respect of reporting the outcome of the variation and general creditor correspondence.

The Supervisor's total time costs to date since the commencement of the Arrangement are £34,298.00. This represents 136.6 hours at an average hourly rate of £251.08. For transparency, the Supervisor's time costs are slightly higher than the originally proposed figure of £30,000.00 owing to the necessity of convening a second decision procedure as outlined above.

There are no funds from which to draw remuneration within the estate.

#### Expenses

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

## HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - IN CVA PROGRESS REPORT

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder and may be paid without prior approval.
- Category 2 expenses are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Any expenses paid during the reporting period are shown on the receipts and payments account at the end of this report.

All expenses incurred to date are shown below:

Expense Incurred	Incurred in prior period £	Incurred in this period £	Paid to end of period £	Total anticipated period end cost £
<b>Category 1</b>				
Specific bond	2,745.95	-	-	2,745.95
Postage (at cost) - Postworks	91.00	-	-	136.50
<b>Total</b>	<b>2,836.95</b>	<b>-</b>	<b>-</b>	<b>2,882.45</b>

A copy of 'A Creditors' Guide to Insolvency Practitioner Fees in Voluntary Arrangements' which provides guidance on creditors' rights on how to approve and monitor a Supervisor's remuneration and on how the remuneration is set is available from the Supervisor on request at no cost.

### 5. PROSPECTS FOR CREDITORS

#### Secured Creditors

The following securities have been given by the Company and registered at Companies House:

Chargeholder name	Created	Security type
Santander UK PLC	28 November 2012	Fixed and floating charge
The Welsh Ministers	20 December 2012	Fixed and floating charge
The Welsh Ministers	18 July 2014	Fixed and floating charge

In accordance with the terms of the Proposals the secured creditors are expected to be settled in full.

#### Preferential Creditors

There are no known preferential creditors in this matter.



## **HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - IN CVA PROGRESS REPORT**

### **Unsecured Creditors and Prescribed Part**

Pursuant to Section 176A of the Act where a company has granted a floating charge to a creditor on or after 15 September 2003, a proportion of the net property of that company must be made available purely to unsecured creditors.

The Company has granted floating charges after 15 September 2003 and therefore the prescribed part does apply.

The SofA detailed unsecured creditors of £31,425,283. As at the date of this report claims have been received totalling £29,143,780.

As per the varied terms of the Arrangement the Company has distributed a new class of shares to creditors, as detailed above, in place of the original planned distribution of 100 p/£ to unsecured creditors.

### **Next Report to Creditors**

The next report to creditors is expected to be the final report and will be issued once all matters pertaining to the Arrangement have been concluded.

If you require any further information please contact us via [help@lucasross.co.uk](mailto:help@lucasross.co.uk).

**Stephen Lancaster**  
**Supervisor**

**2 April 2024**

*Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive*

**18.34.**

- (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—
- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
  - (b) an unsecured creditor with either—
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up—
    - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
    - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

*Applications under rules 18.34 and 18.35 where the court has given permission for the application*

**18.36.**

- (1) This rule applies to applications made with permission under rules 18.34 and 18.35.
- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.

- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

*Applications under rule 18.34 where the court's permission is not required for the application*  
**18.37.**

- (1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.
- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.

## OFFICE HOLDER'S FEES AND DISBURSEMENTS POLICY

### Fees based on Time Properly Given and the Estimation of Fees

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

### Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent working on the relevant insolvency appointment shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees.

### Charge Out Rates

Hourly charge out rates from 1 January 2022 are:

Charges for usual cases	Standard work (£)	Investigation work beyond 3 months (£)
Partner/Director/Consultant	395-500	474-600
Manager/Senior Manager	300-390	360-468
Assistant Manager	260-300	312-360
Administrator/Senior Administrator	175-240	210-288
Cashier	140	140
Junior and Support Staff	110-140	132-168

Hourly charge out rates for time spent under the category of investigations persisting beyond the first 3 months of an insolvency appointment shall be charged at a rate 20% higher than those shown above to reflect the speculative nature of the work being performed. This increase will not apply to work performed in relation to the categories of Admin and Planning, Creditors or Asset Realisations. The increase will also not apply to the cashier grade of staff as it is not envisaged the cashier grade would be utilised within the investigation work.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website or by email from this office.

The Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report. Where such increases affect the total fees incurred and take these over the totality of any fee resolution proposed previously, an additional fee resolution will be sent to creditors for their consideration.

### Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

### VAT

Services provided by Insolvency practitioners are subject to VAT, except when acting as Nominee or Supervisor of an estate.

Our fees will be subject to VAT at the appropriate rate.

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

## Expenses

Every case dealt with will incur expenses in addition to fees.

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder and may be paid without prior approval.
- Category 2 expenses are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Category 1 can include, but not be limited to, insolvency bonds, statutory advertising, postage costs, company searches, land registry searches, post redirection, third party postal service, external room hire, public transport, subsistence and accommodation costs incurred by staff whilst attending to the administration of the estate, bank charges, Anti Money Laundering searches.

Category 2 can include, but not be limited to, mileage, storage of books and records where each estate is not separately invoiced but a per box charge is applied and the number of boxes for the case is known, any payments to a person/provider where a reasonable and informed third party would consider there to be an association.

Any authorised category 2 expenses which have been charged shall be shown in the statutory abstract of accounts.

Lucas Ross Limited currently charge mileage at 50 pence per mile.

Voluntary Arrangement of  
Heads Of The Valleys Development Company Limited  
Supervisor's Summary of Receipts & Payments

Statement of Affairs £		From 22/02/2023 To 21/02/2024 £	From 22/02/2018 To 21/02/2024 £
	SECURED ASSETS		
	Dividend payment	108.99	108.99
		108.99	108.99
	SECURED CREDITORS		
(2,250,000.00)	Santander	NIL	NIL
(11,461,000.00)	Welsh Government	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
31,489,134.00	Voluntary Contributions	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(8,124,825.00)	Connected Creditors	NIL	NIL
(10,073,353.00)	Contingent Creditors	NIL	NIL
(809,617.00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(150,000.00)	HM Revenue & Customs - VAT	NIL	NIL
(12,267,488.52)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(13,647,149.52)		108.99	108.99
	REPRESENTED BY		
	Bank 1 Current		108.99
			108.99

## Time Entry - SIP9 Time & Cost Summary

H0035 - Heads Of The Valleys Development Company Limited  
All Post Appointment Project Codes  
From: 22/02/2023 To: 21/02/2024

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.40	0.40	0.00	14.60	16.40	3,285.00	200.30
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.10	0.00	3.60	3.70	627.00	169.46
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	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	1.40	0.50	0.00	18.20	20.10	3,912.00	194.63
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

# Time Entry - SIP9 Time & Cost Summary

H0035 - Heads Of The Valleys Development Company Limited  
All Post Appointment Project Codes  
From: 22/02/2018 To: 21/02/2024

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	21.60	27.20	10.50	53.10	112.40	29,097.00	258.87
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.90	3.70	4.80	14.20	23.60	4,998.50	211.80
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.30	0.30	0.00	0.00	0.60	202.50	337.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	22.80	31.20	15.30	67.30	136.60	34,298.00	251.08
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	