

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

Company number 08423098
Company name in full Brown Property Services Limited

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

2 Supervisor's name

Full forename(s) Lane
Surname Bednash

3 Supervisor's address

Building name/number Craftwork Studios
Street 1-3 Dufferin Street
Post town London
County/Region
Postcode EC1Y 8NA
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.

CVA3

Notice of supervisor's progress report in voluntary arrangement

6 Date of voluntary arrangement

Date

d	1	d	9	m	0	m	8	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7 Period of progress report

Date from

d	1	d	9	m	0	m	8	y	2	y	0	y	2	y	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to

d	1	d	8	m	0	m	8	y	2	y	0	y	2	y	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8 Progress report

☒ I attach a copy of the progress report

9 Sign and date

Supervisor's signature

Signature

X



X

Signature date

d	0	d	7	m	0	m	9	y	2	y	0	y	2	y	2
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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	Sean Emmett
Company name	CMB Partners UK Limited
Address	Craftwork Studios 1-3 Dufferin Street
Post town	London
County/Region	
Postcode	E C 1 Y 8 N A
Country	
DX	
Telephone	020 7377 4370



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

**Voluntary Arrangement of
Brown Property Services Limited
Supervisor's Summary of Receipts & Payments**

Statement of Affairs £		From 19/08/2021 To 18/08/2022 £	From 19/08/2020 To 18/08/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	2.97	2.97
NIL	Cash at Bank	NIL	NIL
50,345.00	CVA Contributions	11,950.86	22,019.82
NIL	Furniture & Equipment	NIL	NIL
NIL	Retentions	NIL	NIL
	Third Party Contribution	25,000.00	25,000.00
		36,953.83	47,022.79
	COST OF REALISATIONS		
	Specific Bond	105.00	105.00
	Supervisor's Fees	2,500.00	2,500.00
		(2,605.00)	(2,605.00)
	PREFERENTIAL CREDITORS		
(1,000.00)	DE Arrears & Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(27,600.00)	Associated company	NIL	NIL
(10,000.00)	DE - RED/PILON	NIL	NIL
(61,377.00)	Directors	NIL	NIL
(138,185.00)	HMRC - VAT/CIS	NIL	NIL
(48,540.66)	Trade & Expense Creditors	7,044.53	7,044.53
		(7,044.53)	(7,044.53)
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(236,457.66)		27,304.30	37,373.26
	REPRESENTED BY		
	Bank 1 Current		37,373.26
			37,373.26

Supervisor's
Annual Progress Report to Creditors

Brown Property Services Limited -
Company Voluntary Arrangement (CVA)

Period from 19 August 2021
to 18 August 2022

Report Dated: 30 August 2022



CMB|PARTNERS

Head Office:
Craftwork Studios
1-3 Dufferin Street
London
EC1Y 8NA

Telephone:
+44 (0) 20 7377 4370

Email:
info@cmbukltd.co.uk
Ask For:
Sean Emmett

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- 1 Introduction
- 2 Progress of the CVA
- 3 Annual Review of Profitability
- 4 Creditors
- 5 Supervisor's Remuneration
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- 7 Distributions
- 8 Estimated Outcome

APPENDICES

- A Receipts and Payments Account from 19 August 2021 to 18 August 2022, and a cumulative account from 19 August 2020 to 18 August 2022
- B Time Analysis for the period from 19 August 2021 to 18 August 2022
- C Cumulative Time Analysis from 19 August 2020 to 18 August 2022
- D Additional Information in relation to Supervisor's fees and expenses
- E Estimated Outcome Statement as at 18 August 2022

1 Introduction

- 1.1 I, Lane Bednash, of CMB Partners UK Limited, was appointed Supervisor of Brown Property Services Limited's (the Company) Company Voluntary Arrangement (CVA), on 19 August 2020.
- 1.2 By way of reminder, the CVA provided in the main for contributions of £839.08 per month for 5 years.
- 1.3 The Company trades as developers of building projects from premises at Unit 26 Garratt Business Park, Rosemary Road, London, SW17 0AR.
- 1.4 The Company's registered office is 14 David Mews, London, W1U 6EQ; and its registered number is 08423098.
- 1.5 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 19 August 2021 to 18 August 2022 (the Period), and a cumulative account from 19 August 2020 to 18 August 2022, with a comparison to the directors' Estimated Outcome Statement.
- 1.6 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.cmbukltd.co.uk. 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

- 2.2 Under the terms of the CVA, as modified, the Company was required to make monthly contributions of £839.08 for a period of five years, totalling £50,344.80. This was initially considered sufficient to meet a minimum dividend requirement of 20 pence in the pound to the ordinary unsecured creditors.
- 2.3 In light of the increased level of claims, from November 2021 the Company increased its monthly contributions to £1,048.18, in an attempt to ensure the minimum dividend requirement could be met.
- 2.4 In the Period covered by this report I have received further contributions totalling £11,950.86, making a total of £22,019.82. The Company's contributions are fully up to date.

Third Party Lump Sum

- 2.5 In summer 2022 I was contacted by the directors who advised that the Company could not maintain this level of contributions as an economic downturn is anticipated, and the business was already being hit by spiralling costs in respect of materials and labour. As an alternative, the directors wished to offer a lump sum contribution of £25,000 from their personal funds, to bring the CVA to an early conclusion.
- 2.6 Those funds were received in the Period and were being held to the directors' order, pending creditors' considerations of the proposed variations to the CVA, but did not yet form part of the CVA funds as at 18 August 2022.
- 2.7 On 2 August 2022 formal variations to the CVA were circulated to creditors as decisions by correspondence as follows:
 - That the Company and the Supervisor shall accept the offer from the directors to make a lump sum contribution of £25,000.00 to the CVA, if these variations are approved.
 - That on receipt of the lump sum contribution, the Company's obligations under the CVA shall be complete.
 - That the Supervisor's fees shall be approved on the basis of a total set amount of £15,000 i.e. a further £12,500 in addition to £2,500 drawn to date.

- The Supervisor shall declare and pay a second and final dividend of 10.59 pence in the pound, giving a total return to the creditors of 13.59 pence in the pound, within one month of the decision date.

- 2.8 Those variations were approved by creditors on 26 August 2022, after the period covered by this report, and I am now in a position to bring the CVA to a conclusion accordingly.

Other Assets

- 2.9 The Company's chattel assets were excluded from CVA and are being used in the continuance of trading.

Sale of Assets to Directors

- 2.10 No assets have been sold to the Directors or other parties connected to the Company.

3 Annual Review of Profitability

- 3.1 The terms of the CVA require the Supervisor to conduct a full review of the Company's profitability at each anniversary of the CVA. To enable the Supervisor to carry out this function, the Company is required to provide management accounts to include Profit and Loss for the preceding 12 months with the relevant balance sheet, and cash flow projection for the following 12-month period within one month of the anniversary. The Supervisor shall obtain an increase in voluntary contributions of not less than 50% of any rise in net income after provision for tax.
- 3.2 In view of the lump sum settlement offer made by the directors, which has been accepted by the creditors, I do not propose to carry out a further formal review, although it is clear that the level of contributions would need to have been reduced, if the CVA were to continue.

4 Creditors

Secured Creditors

- 4.1 HSBC Bank plc holds a fixed and floating charge over the Company's assets, which was created on 30 April 2013. In the Statement of Affairs, the amount outstanding to the Bank was shown to be £37,784. Under the terms of the approved CVA, the secured creditor was excluded from the CVA, and continues to rely on its security over the assets.

Preferential Creditors

- 4.2 In the event that the Company had entered liquidation, it was estimated that the Directors, in their capacity as employees, would have preferential claims arising from their employment totalling say £1,000. However, they have been retained in the ongoing trading, and no preferential claims have arisen in the CVA.

Unsecured Creditors

- 4.3 In the Statement of Affairs, unsecured claims were estimated to total £285,703. This included the Directors' claims totalling £61,377, the claim of an associated company for £27,600, and the Directors' potential claims as employees' totalling £10,000 had the Company gone into liquidation.
- 4.4 The Directors and the associated company had waived their entitlements to dividend, and no claims have crystallised from the Directors as employees who have been retained.
- 4.5 Unsecured claims expected to rank in the CVA therefore totalled £186,726, comprising the debts due to trade and expense creditors for £48,541 and HM Revenue & Customs for £138,185.
- 4.6 I have received and agreed claims from three creditors totalling £234,817.69, comprising the debts due to trade and expense creditors for £48,242.30 and HM Revenue & Customs for £186,575.39. One further

claim for £1,071.91 was withdrawn. The increase in the level of HMRC's claim is largely due to the additional VAT due in the periods immediately prior to the approval of the CVA.

- 4.7 On 30 September 2021 declared and paid a first interim dividend of 3.00 pence in the pound on the agreed claims, amounting to £7,044.53.

5 Supervisor's Remuneration

- 5.1 The fees of the Nominee amounting to £6,000 were paid in full prior to the approval of the CVA, as previously reported.
- 5.2 Creditors approved that the Supervisor's remuneration be based on time spent by him and his staff in dealing with the CVA. A modification provided that the Supervisor's fee shall not exceed £12,500 per annum, and shall be drawn proportionately in line with receipts. However, with the minimum dividend requirement, the Supervisor's fees were effectively restricted to £2,500 per annum.
- 5.3 As set out in my letter to creditors on 2 August 2022, my involvement has been greater than anticipated due to time spent contacting creditors who did not respond to the initial correspondence inviting them to prove their claims, and in liaising with the Company's directors, Accountants and HM Revenue & Customs regarding the difficulties in filing post-CVA VAT returns.
- 5.4 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. My time costs in the period from 19 August 2021 to 18 August 2022 amounted to £16,485.50, which represents 42.60 hours at an average rate of £386.98 per hour.
- 5.5 Attached at Appendix C is a cumulative Time Analysis from 19 August 2020 18 August 2022. My total time costs amounted to £27,598.00, which represents 76.75 hours at an average rate of £359.58 per hour.
- 5.6 In the period covered by this report I drew fees of £2,500, in accordance with the modification requested by creditors.
- 5.7 As a result of the variations approved on 26 August 2022, my fees have now been approved on the basis of a total set amount of £15,000 i.e. a further £12,500, in addition to the £2,500 already drawn.
- 5.8 Attached, as Appendix D is additional information in relation to our policy on staffing, the use of sub-contractors and the expenses and disbursements of the CVA.
- 5.9 A copy of the guide to insolvency practitioners' fees in a Voluntary Arrangement is available on request or can be downloaded from www.cmbukltd.co.uk.

6 Supervisor's Expenses

- 6.1 The table below outlines the expenses that have been incurred since my appointment as Supervisor and those paid in the Period covered by this report:

	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	105.00	-	105.00	-

7 Distributions

- 7.1 Under the terms of the CVA proposal, as modified, creditors were to receive a minimum total dividend of 20 pence in the pound.

- 7.2 As noted above, on 30 September 2021 I declared a first interim dividend to unsecured creditors of 3 pence in the pound, amounting to £7,044.53.
- 7.3 As a result of the variations approved on 26 August 2022, the creditors resolved that the third party lump sum of £25,000 would be accepted in full and final settlement of the Company's obligations under the CVA, and that after the payment of my fees as set out above, this would leave sufficient funds to enable a second and final dividend to be paid to the unsecured creditors of 10.59 pence in the pound, giving a total return of 13.59 pence in the pound.
- 7.4 I am now taking steps to bring the CVA to a conclusion.

8 Final Outcome

- 8.1 Attached to this report at Appendix E is an Estimated Outcome Statement, which reflects the variations approved by creditors on 26 August 2022.
- 8.2 My Final Report on the Outcome of the CVA is being issued concurrently with this Annual Progress Report.
- 8.3 Should you require further information at any time, please do not hesitate to contact Sean Emmett of this office.

Yours faithfully



Lane Bednash
Supervisor

Appendix A

Statement of Affairs		From 19/08/2021 To 18/08/2022	From 19/08/2020 To 18/08/2022
£		£	£
	ASSET REALISATIONS		
	Bank Interest Gross	1.22	1.22
NIL	Cash at Bank	NIL	NIL
50,345.00	CVA Contributions	11,950.86	22,019.82
NIL	Furniture & Equipment	NIL	NIL
NIL	Retentions	NIL	NIL
	Third Party Funds	<u>25,000.00</u>	25,000.00
		36,952.08	47,021.04
	COST OF REALISATIONS		
	Specific Bond	105.00	105.00
	Supervisor's Fees	<u>2,500.00</u>	2,500.00
		(2,605.00)	(2,605.00)
	PREFERENTIAL CREDITORS		
(1,000.00)	DE Arrears & Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(27,600.00)	Associated company	NIL	NIL
(10,000.00)	DE - RED/PILON	NIL	NIL
(61,377.00)	Directors	NIL	NIL
(138,185.00)	HMRC - VAT/CIS	NIL	NIL
(48,540.66)	Trade & Expense Creditors	7,044.53	7,044.53
		(7,044.53)	(7,044.53)
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(236,457.66)		27,302.55	37,371.51
	REPRESENTED BY		
	Bank 1 Current		37,371.51
			37,371.51

Time Entry - Detailed SIP9 Time & Cost Summary

Appendix B

B0119 - Brown Property Services Limited
From: 19/08/2021 To: 18/08/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : General Case Administration	0.30	0.00	0.00	0.00	0.30	135.00	450.00
701 : Statutory Reports & Returns	2.00	5.20	0.00	0.00	7.20	2,735.00	379.86
702 : Cashiering	0.00	0.00	0.00	0.95	0.95	142.50	150.00
703 : Job Planning & Review	7.10	4.60	0.30	0.00	12.00	5,037.50	419.79
704 : Taxation	0.00	0.60	0.00	0.00	0.60	237.00	395.00
707 : Partner/Manager Review	1.15	0.00	0.00	0.00	1.15	515.00	447.83
Admin & Planning	10.55	10.40	0.30	0.95	22.20	8,802.00	396.49
503 : Unsecured Creditors (exc Crown)	0.40	5.40	0.20	0.00	6.00	2,187.50	364.58
504 : Unsecured Creditors (Crown - CT, Nler, etc.)	0.80	1.50	0.00	0.00	2.30	895.00	389.13
508 : Creditors' meetings	0.00	2.20	0.00	0.00	2.20	869.00	395.00
509 : Dealing with Proxies	0.00	0.60	0.00	0.00	0.60	237.00	395.00
512 : Unsecured Distributions	0.00	1.50	0.00	0.00	1.50	525.00	350.00
Creditors	1.20	11.20	0.20	0.00	12.60	4,713.50	374.09
300 : Debtor Collection	0.00	1.40	0.00	0.00	1.40	490.00	350.00
307 : Other	0.00	0.80	0.00	0.00	0.80	316.00	395.00
309 : Voluntary arrangements - contributions	0.70	3.60	0.00	0.00	4.30	1,650.50	383.84
310 : Voluntary arrangements - annual reviews	0.00	1.30	0.00	0.00	1.30	513.50	395.00
Realisation of Assets	0.70	7.10	0.00	0.00	7.80	2,970.00	380.77
Total Hours	12.45	28.70	0.50	0.95	42.60	16,485.50	386.98
Total Fees Claimed						0.00	

Time Entry - Detailed SIP9 Time & Cost Summary

Appendix C

B0119 - Brown Property Services Limited
From: 19/08/2020 To: 18/08/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : General Case Administration	0.30	0.00	0.40	0.00	0.70	220.00	314.29
701 : Statutory Reports & Returns	3.70	5.20	0.00	0.00	8.90	3,470.00	389.89
702 : Cashiering	0.00	0.00	0.10	1.80	1.90	290.00	152.63
703 : Job Planning & Review	8.80	4.90	3.70	0.00	17.40	6,502.50	373.71
704 : Taxation	1.90	7.10	0.00	0.00	9.00	3,342.00	371.33
706 : Agents/Advisors	0.20	0.00	0.00	0.00	0.20	80.00	400.00
707 : Partner/Manager Review	1.15	2.70	0.00	0.00	3.85	1,460.00	379.22
708 : Other	0.00	0.20	0.00	0.00	0.20	70.00	350.00
Admin & Planning	16.05	20.10	4.20	1.80	42.15	15,434.50	366.18
503 : Unsecured Creditors (exc Crown)	1.40	5.40	1.80	0.00	8.60	2,907.50	338.08
504 : Unsecured Creditors (Crown - CT, Nler, etc.)	4.10	3.50	1.20	0.00	8.80	3,255.00	369.89
508 : Creditors' meetings	0.00	2.20	0.00	0.00	2.20	869.00	395.00
509 : Dealing with Proxies	0.00	0.60	0.00	0.00	0.60	237.00	395.00
510 : Shareholders (inc Dividends/Distributions)	0.00	0.00	1.70	0.00	1.70	340.00	200.00
512 : Unsecured Distributions	0.00	1.50	0.00	0.00	1.50	525.00	350.00
Creditors	5.50	13.20	4.70	0.00	23.40	8,133.50	347.59
200 : Directors' and Debtors' Correspondence	0.00	0.00	0.30	0.00	0.30	60.00	200.00
Investigations	0.00	0.00	0.30	0.00	0.30	60.00	200.00
300 : Debtor Collection	0.00	2.50	0.00	0.00	2.50	875.00	350.00
307 : Other	0.10	1.30	0.20	0.30	1.90	616.00	324.21
309 : Voluntary arrangements - contributions	0.70	4.50	0.00	0.00	5.20	1,965.50	377.98
310 : Voluntary arrangements - annual reviews	0.00	1.30	0.00	0.00	1.30	513.50	395.00
Realisation of Assets	0.80	9.60	0.20	0.30	10.90	3,970.00	364.22
Total Hours	22.35	42.90	9.40	2.10	76.75	27,598.00	359.58
Total Fees Claimed						0.00	

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 professional advisors in this case.

Supervisor's Expenses

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (**Category 1 expenses**) and those that do (**Category 2 expenses**).

Category 1 Expenses

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval. Examples include; agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment.

Category 2 Expenses

These 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.

It is this firm's policy that we do not seek to recover Category 2 expenses.

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

Charge-Out Rates

CMB Partners UK Limited's charge-out rates are detailed below. Please note this firm records its time in minimum units of 6 minutes.

From 1 June 2020 to date	
Staff	(per hour)
Director/Insolvency Practitioner	£400 - £500
Senior Manager/Manager	£350 - £395
Senior Administrator	£275 - £345

BROWN PROPERTY SERVICES LIMITED
COMPANY VOLUNTARY ARRANGEMENT (CVA)

Administrator	£155 - £250
Cashier/Support	£100 - £150

Brown Property Services Limited - CVA
Estimated Outcome Statement as at 18 August 2022

	Notes	Receipts and Payments to 18 Aug 2022 £	Estimated Future Movement £	Estimated Outcome £
Assets Subject to Floating Charge				
CVA Contributions (60 months @ £839.08)	1	22,019.82	0.00	22,019.82
Third Party Lump Sum Settlement		0.00	25,000.00	25,000.00
Bank interest		1.22	uncertain	1.22
		<u>22,021.04</u>	<u>25,000.00</u>	<u>47,021.04</u>
Estimated Costs				
Supervisor's Fees	2	(2,500.00)	(12,500.00)	(15,000.00)
Supervisor's Disbursements		<u>(105.00)</u>	<u>0.00</u>	<u>(105.00)</u>
		<u>(2,605.00)</u>	<u>(12,500.00)</u>	<u>(15,105.00)</u>
Available for Preferential Creditors	3	19,416.04	12,500.00	31,916.04
Preferential Creditors - Employee Arrears/Holiday Pay		<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Available for Unsecured Creditors		19,416.04	12,500.00	31,916.04
Dividend to Unsecured Creditors		(7,044.53)	(24,871.51)	(31,916.04)
Balance		<u>12,371.51</u>	<u>(12,371.51)</u>	<u>0.00</u>
Unsecured claims agreed		234,817.69	234,817.69	234,817.69
Estimated p/£ Dividend to Unsecured Creditors	5	<u>3.00</u>	<u>10.59</u>	<u>13.59</u>