

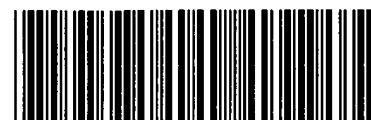
CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

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#252

COMPANIES HOUSE

1	Company details
Company number	0 8 4 2 3 0 9 8
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	E C 1 Y 8 N A
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	<table border="1"><tr><td>d</td><td>1</td><td>d</td><td>9</td><td>m</td><td>0</td><td>m</td><td>8</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>2</td><td>y</td><td>0</td></tr></table>	d	1	d	9	m	0	m	8	y	2	y	0	y	2	y	0	
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7	Period of progress report																	
Date from	<table border="1"><tr><td>d</td><td>1</td><td>d</td><td>9</td><td>m</td><td>0</td><td>m</td><td>8</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>2</td><td>y</td><td>0</td></tr></table>	d	1	d	9	m	0	m	8	y	2	y	0	y	2	y	0	
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d	1	d	8	m	0	m	8	y	2	y	0	y	2	y	1			
8	Progress report																	
	<input checked="" type="checkbox"/> I attach a copy of the progress report																	
9	Sign and date																	
Supervisor's signature	<table border="1"><tr><td>Signature</td><td></td><td></td></tr></table>	Signature																
Signature																		
Signature date	<table border="1"><tr><td>d</td><td>3</td><td>d</td><td>0</td><td>m</td><td>0</td><td>m</td><td>9</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>2</td><td>y</td><td>1</td></tr></table>	d	3	d	0	m	0	m	9	y	2	y	0	y	2	y	1	
d	3	d	0	m	0	m	9	y	2	y	0	y	2	y	1			

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

Supervisor's Annual Progress Report to Creditors

Brown Property Services Limited - Company Voluntary Arrangement (CVA)

Period from 19 August 2020
to 18 August 2021

Report Dated: 30 September 2021



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 2020 to 18 August 2021
- B Time Analysis for the period from 19 August 2020 to 18 August 2021
- C Additional Information in relation to Supervisor's fees and expenses
- D Estimated Outcome Statement as at 18 August 2021

1 Introduction

- 1.1 You will recall that I, Lane Bednash of CMB Partners UK Limited, was appointed Supervisor of Brown Property Services Limited (the Company)'s 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 2020 to 18 August 2021 (the Period) 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

- 2.1 Under the terms of the CVA, as modified, the Company is required to make monthly contributions of £839.08 for a period of five years. This was considered sufficient to meet a minimum dividend requirement of 20 pence in the pound to the ordinary unsecured creditors.
- 2.2 I have received contributions totalling £10,068.96 in the Period covered by this report. The Company's contributions are fully up to date and in accordance with the terms of the CVA.

Other Assets

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

Sale of Assets to Directors

- 2.4 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 I confirm that I have received the Company's accounts for the year ended 28 February 2021, and management accounts for the period from 1 March 2021 to 31 July 2021. I have also received an updated cashflow forecast for the period from September 2021 to August 2022.
- 3.3 Having reviewed this information, I do not consider that the Company is able to increase the level of its contributions at this time.

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 of the Company was excluded from the arrangement, 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 are expected to arise 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 under the ongoing trading.
- 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 With this report I am declaring and paying 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 had been paid in full prior to the approval of the CVA.
- 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 provides 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 are effectively restricted to £2,500 per annum.
- 5.3 The time costs incurred in the Period from 19 August 2020 to 18 August 2021 total £11,112.50, which represents 34.15 hours at an average rate of £325.40 per hour.
- 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.
- 5.5 The Supervisor's time cost estimate included in the original Proposal was £12,500 which was approved by creditors. It is likely that this estimate will be exceeded 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. I will provide a revised estimate of my costs in a future report.
- 5.6 Attached, as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors and the expenses and disbursements of the CVA.

- 5.7 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 are to receive a minimum total dividend of 20 pence in the pound.
- 7.2 At present, I have funds of approximately £10,908, in hand, from which I propose to draw fees of £2,500 and expenses of £105. Accordingly, I now declare a first interim dividend to unsecured creditors of 3 pence in the pound, amounting to £7,044.53. This will leave a contingency for future costs, including for presenting a winding up petition should the CVA fail.

8 Estimated Outcome

- 8.1 Attached to this report at Appendix D is a revised estimated outcome statement which gives an update on the anticipated costs of the CVA and the outcome for creditors.
- 8.2 In view of the increased claim from HMRC, the current level of contributions will be insufficient to achieve the minimum dividend requirement of 20 pence in the pound. I will therefore will engage in discussions with the Directors and HMRC as to how the CVA may be brought to a successful conclusion.
- 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

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

Estimated Outcome £		From 19/08/2020 To 18/08/2021 £	From 19/08/2020 To 18/08/2021 £
	ASSET REALISATIONS		
NIL	Cash at Bank	NIL	NIL
50,345.00	CVA Contributions	10,068.96	10,068.96
NIL	Furniture & Equipment	NIL	NIL
NIL	Retentions	NIL	NIL
		<u>10,068.96</u>	<u>10,068.96</u>
	PREFERENTIAL CREDITORS		
(1,000.00)	DE Arrears & Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	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	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(236,457.66)</u>		<u>10,068.96</u>	<u>10,068.96</u>
	REPRESENTED BY		
	Bank 1 Current		10,068.96
			<u>10,068.96</u>

Time Entry - Detailed SIP9 Time & Cost Summary

B0119 - Brown Property Services Limited
 From: 19/08/2020 To: 18/08/2021
 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	0.00	0.00	0.40	0.00	0.40	85.00	212.50
701 : Statutory Reports & Returns	1.70	0.00	0.00	0.00	1.70	735.00	432.35
702 : Cashiering	0.00	0.00	0.10	0.85	0.95	147.50	155.26
703 : Job Planning & Review	1.70	0.30	3.40	0.00	5.40	1,465.00	271.30
704 : Taxation	1.90	6.50	0.00	0.00	8.40	3,105.00	369.64
706 : Agents/Advisors	0.20	0.00	0.00	0.20	0.20	80.00	400.00
707 : Partner/Manager Review	0.00	2.70	0.00	0.00	2.70	945.00	350.00
708 : Other	0.00	0.20	0.00	0.00	0.20	70.00	350.00
Admin & Planning	5.50	9.70	3.90	0.85	19.95	6,632.50	332.46
503 : Unsecured Creditors (exc Crown)	1.00	0.00	1.60	0.00	2.60	720.00	276.92
504 : Unsecured Creditors (Crown - CT, Nler, etc.)	3.30	2.00	1.20	0.00	6.50	2,360.00	363.08
510 : Shareholders (inc Dividends/Distributions)	0.00	0.00	1.70	0.00	1.70	340.00	200.00
Creditors	4.30	2.00	4.50	0.00	10.80	3,420.00	316.67
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	1.10	0.00	0.00	1.10	385.00	350.00
307 : Other	0.10	0.50	0.20	0.30	1.10	300.00	272.73
309 : Voluntary arrangements - contributions	0.00	0.90	0.00	0.00	0.90	315.00	350.00
Realisation of Assets	0.10	2.50	0.20	0.30	3.10	1,000.00	322.58
Total Hours	9.90	14.20	8.90	1.15	34.15	11,112.50	325.40
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
Administrator	£155 - £250
Cashier/Support	£100 - £150

Brown Property Services Limited - CVA
Estimated Outcome Statement as at 18 August 2021

	Notes	Receipts and Payments to 18 Aug 2021 £	Estimated Future Movement £	Estimated Outcome £
Assets Subject to Floating Charge				
CVA Contributions (60 months @ £839.08)	1	10,068.96	40,275.84	50,344.80
Bank interest		0.00	uncertain	0.00
		<u>10,068.96</u>	<u>40,275.84</u>	<u>50,344.80</u>
Estimated Costs				
Supervisor's Fees	2	0.00	(12,500.00)	(12,500.00)
Supervisor's Disbursements		0.00	(500.00)	(500.00)
		<u>0.00</u>	<u>(13,000.00)</u>	<u>(13,000.00)</u>
Available for Preferential Creditors	3			37,344.80
Preferential Creditors - Employee Arrears/Holiday Pay				<u>N/a</u>
Available for Unsecured Creditors				<u>37,344.80</u>
Unsecured Creditors	4	Claims agreed	Future claims	Total Claims
Trade & Expense Creditors		48,242.30	nil	48,242.30
HM Revenue & Customs - VAT		76,227.57	nil	76,227.57
HM Revenue & Customs - PAYE/NI		110,347.82	nil	110,347.82
Employees - Notice and Redundancy Pay		N/a	N/a	0.00
Directors (claim £61,377, waived entitlement to dividend)		N/a	N/a	0.00
Intercompany debt (£27,6000, waived entitlement to dividend)		N/a	N/a	0.00
		<u>234,817.69</u>	<u>0.00</u>	<u>234,817.69</u>
Estimated p/£ Dividend to Unsecured Creditors	5	0.00		15.90