

# 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 2 5 4 8 3 1 2

Company name in full Plexus Cotton Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Supervisor's name

Full forename(s) Richard John

Surname Harrison

### 3 Supervisor's address

Building name/number c/o Interpath Ltd

Street 10th Floor, One Marsden Street

Post town Manchester

County/Region

Postcode M 2 1 H W

Country

### 4 Supervisor's name<sup>①</sup>

Full forename(s) Howard

Surname Smith

#### ① Other supervisor

Use this section to tell us about  
another supervisor.

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

Building name/number c/o Interpath Ltd

Street Tailor's Corner, Thirsk Row

Post town Leeds

County/Region

Postcode L S 1 4 J F


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>	0	<sup>d</sup>	4	<sup>m</sup>	0	<sup>m</sup>	5	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	7	
<b>7</b>	<b>Period of progress report</b>																
Date from	<sup>d</sup>	0	<sup>d</sup>	4	<sup>m</sup>	0	<sup>m</sup>	5	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	1	
Date to	<sup>d</sup>	0	<sup>d</sup>	3	<sup>m</sup>	0	<sup>m</sup>	5	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	2	
<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  X																
Signature date	<sup>d</sup>	2	<sup>d</sup>	7	<sup>m</sup>	0	<sup>m</sup>	6	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	2	

# 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 **Clare McCain**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**

Post town **Glasgow**

County/Region

Postcode **G 2 5 H F**

Country

DX

Telephone **Tel +44 (0) 113 521 7510**



### 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)**

# Supervisors' Annual Progress Report 4 May 2021 to 3 May 2022

Plexus Cotton Limited – under a  
Voluntary Arrangement

# Glossary

## **The Act**

Insolvency Act 1986 as amended

## **The Company**

Plexus Cotton Limited under a Voluntary Arrangement, a company incorporated in England and Wales (Company number 02548312).

## **CVA/Arrangement**

Company Voluntary Arrangement between the Company and its CVA Creditors under the Act on the terms set out in the Proposals as modified and varied.

## **CVA Creditors' Fund**

Fund set up by the Supervisors to receive payments from the Company under the terms of the CVA.

## **Directors**

Nicholas Earlam, Peter Egli, Johannah Fischer and Nicholas Penn, the directors of the Company as at the date of issuance of the report.

## **Effective Date**

The date of the Creditors' and Shareholders' Meeting, 4 May 2017.

## **Proposal**

Proposals of the Directors for the CVA (comprising the terms of the CVA) of the Company.

## **Statement of Affairs**

Summary of the Directors' statement of affairs in respect of the Company.

## **The Joint Supervisors/Supervisors/we/our/us**

Richard Harrison of Interpath Advisory, 10th Floor, One Marsden Street, Manchester, M2 1HW and Howard Smith of Interpath Advisory, Tailor's Corner 4th floor, Thirsk Row, Leeds, LS1 4DP.

## **Unsecured Creditor**

Each creditor to whom the Company owes an unsecured liability other than an excluded creditor or subordinated creditor.

# Contents

<b>1</b>	<b>Receipts</b>	<b>2</b>
<b>2</b>	<b>Payments</b>	<b>2</b>
<b>3</b>	<b>Progress of the Arrangement</b>	<b>2</b>
3.1	Further variation to the CVA	2
3.2	Creditors' Committee	3
3.3	Unsecured creditors	3
<b>4</b>	<b>Supervisors' Remuneration</b>	<b>3</b>
<b>5</b>	<b>Future conduct of the arrangement</b>	<b>4</b>
<b>Appendix 1</b>	<b>Receipts and payments account for the period 4 May 2021 to 3 May 2022</b>	<b>5</b>
<b>Appendix 2</b>	<b>Time cost analysis for the period from 4 May 2021 to 3 May 2022</b>	<b>6</b>
<b>Appendix 3</b>	<b>Expenses for the period from 4 May 2021 to 3 May 2022</b>	<b>7</b>

In the High Court of Justice

Case No. 2911 of 2017

Chancery Division

High Court of Justice Chancery Division -  
Companies Court

In the matter of Plexus Cotton Limited (the  
'Company')

and in the matter of the Insolvency Act 1986

We attach as Appendix 1 a copy of the Supervisors' annual summary of receipts and payments in the above Voluntary Arrangement for the period 4 May 2021 to 3 May 2022 (the 'Period') and we report as follows:

## **1 Receipts**

No realisations have been made during the Period as set out in the attached receipts and payments account (Appendix 1).

## **2 Payments**

No payments have been made during the Period as set out in the attached receipts and payments account (Appendix 1).

## **3 Progress of the Arrangement**

### **3.1 Further variation to the CVA**

On 4 March 2022, the Joint Supervisors sent creditors a formal notice of a decision procedure which the Supervisors convened in accordance with Clause 16 (Material variation of the CVA) of the CVA proposal to seek the approval of the creditors in relation to a variation request proposed by the Directors which, in the Supervisors' opinion, materially alters the effect of the CVA.

The purpose of the variations was to allow the Company more time to make the required minimum level of payments into the CVA. The new payment milestones are:

- \$2.5 million by 4<sup>th</sup> May 2023;
- \$4.0 million by 4<sup>th</sup> May 2024;
- \$6.0 million by 4<sup>th</sup> May 2025;
- \$12.0 million by 4<sup>th</sup> May 2026; and
- \$13.75 million by 4<sup>th</sup> May 2027.

The variation was approved by creditors on 24 March 2022.

## **3.2 Creditors' Committee**

The Company continues to produce business updates to the Creditors' Committee.

## **3.3 Unsecured creditors**

As you are aware, creditors claims have been agreed at \$21,114,007 of which \$5,514,359 is subordinated and ineligible for participation in CVA distributions. All claims have been finalised with the exception of one creditor whose claim is potentially partially secured by funds held in escrow. As previously reported, that element of the creditor's claim (being \$217,177) has been held pending the outcome of legal proceedings.

On the assumption that the Company is able to make the maximum contributions of \$13.75 million, the total return to creditors from the CVA will be approximately 86c in the \$ (of which 4c in the \$ has been paid to date) depending on the level of CVA costs.

# **4 Supervisors' Remuneration**

In accordance with the terms of the Proposal the Joint Supervisors' remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Arrangement.

Attached at Appendix 2 is a detailed analysis of time spent and charge out rates for each grade of staff for the various areas of work carried out in the Period (as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No.9) together with details of expenses incurred to date.

In the Period the Joint Supervisors incurred time costs of £50,600, representing 105 hours at an average rate of £484 per hour. This includes tax, VAT and pensions advice from Interpath Advisory in-house specialists. Expenses of £46 were also incurred, shown at Appendix 3. This brings the cumulative time costs to £328,672 and expenses to £1,202.

No fees or expenses were paid to the Joint Supervisors during the Period. Total fees and expenses drawn to date are £245,000 and £1,107 respectively.

The Joint Supervisors may request further fee approval from creditors shortly for the last two years' work.

By way of a reminder, the CVA Proposal estimated that the total fees to be paid to the Supervisors would be £250,000 plus outlays and VAT thereon. We more or less reached this figure within the first three years of what was anticipated at the onset to be a four-year process. However, as reported previously, the CVA was substantially varied two years ago and, at the same time, a Creditors' Committee was formed. In addition, the CVA has been further varied during the Period.

The process by which these changes were incorporated into the CVA proposal, the formation of the Committee and subsequent reporting procedures have resulted in additional costs being incurred which were not foreseen at the date our original estimate was provided. These additional areas of work are set out in detail in our report covering the 12-month period ending 3 May 2020. Our work this year has continued to involve



reviewing the Company's progress reports and circulating them to the Creditors' Committee and also seeking the views of the Committee Members on the variation to the CVA along with the formalities to creditors in respect of the decision procedure for the variation.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

A creditors' guide to fees can be found at:

<https://www.r3.org.uk/media/documents/publications/professional/Voluntary%20Arrangement%20Creditor%20Fee%20Guide%20April%202017.pdf>

However, if you are unable to access this guide and would like a copy then please contact Poppy Bayley on 0113 521 8121.

## 5 Future conduct of the arrangement

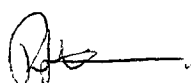
The Company's obligations to make contributions from earnings will continue until the earliest of the tenth anniversary of the Effective Date or the date on which aggregate payments into the CVA Creditors' Fund total \$13.75 million.

The CVA will be concluded as soon as reasonably practicable after the Company's obligations to make payments from earnings has ceased.

The Joint Supervisors will continue to perform their duties as set out in the Proposals. This will include, but is not limited to, making further distributions to creditors, reporting to the Creditors' Committee and any other functions which it may be necessary or expedient for the Supervisors to undertake in connection with the implementation of the Arrangement.

If you have any further queries in relation to the above, please direct them to Poppy Bayley on 0113 521 8121.

Signed



Dated

27 June 2022

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Richard John Harrison  
Joint Supervisor

## Appendix 1

## Receipts and payments account for the period 4 May 2021 to 3 May 2022

Plexus Cotton Limited - USD \$ - USD foreign currency - under a Voluntary Arrangement			
Abstract of receipts & payments			
Statement of affairs (\$)	From 04/05/2021 To 03/05/2022 (\$)	From 04/05/2017 To 03/05/2022 (\$)	
OTHER REALISATIONS			
CVA Creditor Funds	NIL	1,134,697.00	
	NIL	1,134,697.00	
COST OF REALISATIONS			
Supervisors' fees	NIL	(316,684.07)	
Supervisors' expenses	NIL	(1,441.12)	
Irrecoverable VAT	NIL	(3,874.08)	
Legal fees	NIL	(19,565.59)	
Legal disbursements	NIL	(91.45)	
Bank charges	NIL	(26.42)	
	NIL	(341,682.73)	
UNSECURED CREDITORS			
Trade & expense	NIL	(592,747.16)	
	NIL	(592,747.16)	
	<b>NIL</b>	<b>200,267.11</b>	
REPRESENTED BY			
Floating ch. VAT rec'able		19.22	
Floating charge current		200,247.89	
		<b>200,267.11</b>	

## Appendix 2

## Time cost analysis for the period from 4 May 2021 to 3 May 2022

General correspondence	<b>17.90</b>	10,201.00	569.89
General (Cashiering)	<b>1.40</b>	461.00	329.29
Reconciliations (& IPS accounting reviews)	<b>3.00</b>	1,180.80	393.60
Fees and WIP	<b>0.20</b>	112.00	560.00
Appointment and related formalities	<b>2.40</b>	1,416.00	590.00
Checklist & reviews	<b>7.60</b>	3,309.80	435.50
Pre-appointment checks	<b>4.00</b>	2,760.00	690.00
Strategy documents	<b>5.20</b>	2,686.00	516.54
Post appointment VAT	<b>1.50</b>	700.50	467.00
Meetings	<b>4.80</b>	2,434.00	507.08
Reports	<b>15.95</b>	8,876.15	556.50
General correspondence	<b>0.40</b>	186.80	467.00
Statutory reports	<b>40.20</b>	16,275.30	404.86
<b>Total in period</b>	<b>104.55</b>	<b>50,599.35</b>	<b>483.97</b>
Brought forward time (appointment date to SIP 9 period start date)	707.47	278,071.95	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	104.55	50,599.35	
Carry forward time (appointment date to SIP 9 period end date)	812.02	328,671.30	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

## Appendix 3

## Expenses for the period from 4 May 2021 to 3 May 2022

Stationery	45.73	NIL	<b>45.73</b>
<b>Total</b>	<b>45.73</b>	<b>NIL</b>	<b>45.73</b>

### Interpath Advisory Policy for the recovery of expenses

Where funds permit the Supervisors will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

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

**Category 1 expenses:** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party who is not an associate of the office-holders. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Supervisors or their staff.

**Category 2 expenses:** These are costs that are directly referable to the appointment in question but not a payment to an independent third party. These include payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

**Associates:** are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm. Please note that the above expenses are considered Associate expenses and will be subject to additional Category 2 expenses approval should we wish to draw these.

The only Category 2 expenses that Interpath Advisory currently include is mileage. Mileage claims fall into three categories:

- use of privately-owned vehicle or car cash alternative – 45 pence per mile.
- use of company car – 60 pence per mile.
- use of Managing Director's car – 60 pence per mile.

For all of the above car types, when carrying passengers an additional 5 pence per mile per passenger will also be charged where appropriate.

Any expenses to be paid from the estate are disclosed within the summary of disbursements above.

**[www.interpathadvisory.com](http://www.interpathadvisory.com)**

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