

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

WEDNESDAY



Q8GPD62R

QIQ

23/10/2019

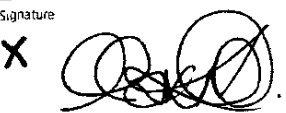
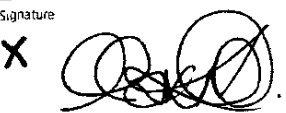
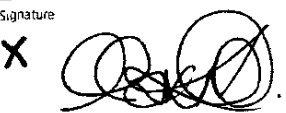
#97

COMPANIES HOUSE

1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 2 7 2 8 6 4 0		
Company name in full	Simplantex Healthcare Limited		
2	Supervisor's name		
Full forename(s)	Maxine		
Surname	Reid		
3	Supervisor's address		
Building name/number	3rd Floor		
Street	37 Frederick Place		
Post town	Brighton		
County/Region	Sussex		
Postcode	B N 1 4 E A		
Country			
4	Supervisor's name ^①		
Full forename(s)	Sean		① Other supervisor Use this section to tell us about another supervisor.
Surname	Bucknall		
5	Supervisor's address ^②		
Building name/number	3rd Floor		② Other supervisor Use this section to tell us about another supervisor.
Street	37 Frederick Place		
Post town	Brighton		
County/Region	Sussex		
Postcode	B N 1 4 E A		
Country			

CVA3

Notice of supervisor's progress report in voluntary arrangement

6	Date of voluntary arrangement																	
Date	<table border="1"><tr><td>d</td><td>2</td><td>d</td><td>3</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>1</td><td>y</td><td>8</td></tr></table>	d	2	d	3	m	0	m	8	y	2	y	0	y	1	y	8	
d	2	d	3	m	0	m	8	y	2	y	0	y	1	y	8			
7	Period of progress report																	
Date from	<table border="1"><tr><td>d</td><td>2</td><td>d</td><td>3</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>1</td><td>y</td><td>8</td></tr></table>	d	2	d	3	m	0	m	8	y	2	y	0	y	1	y	8	
d	2	d	3	m	0	m	8	y	2	y	0	y	1	y	8			
Date to	<table border="1"><tr><td>d</td><td>2</td><td>d</td><td>2</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>1</td><td>y</td><td>9</td></tr></table>	d	2	d	2	m	0	m	8	y	2	y	0	y	1	y	9	
d	2	d	2	m	0	m	8	y	2	y	0	y	1	y	9			
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>1</td><td>d</td><td>7</td><td>m</td><td>1</td><td>m</td><td>0</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>9</td></tr></table>	d	1	d	7	m	1	m	0	y	2	y	0	y	1	y	9	
d	1	d	7	m	1	m	0	y	2	y	0	y	1	y	9			

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 **Maxine Reid**

Company name **Quantuma LLP**

Address **3rd Floor**

37 Frederick Place

Post town **Brighton**

County/Region **Sussex**

Postcode **B N 1 4 E A**

Country

DX

Telephone **01273 322400**



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

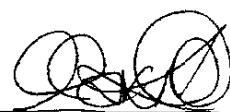
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Voluntary Arrangement of
Simplantex Healthcare Limited
Joint Supervisors' Trading Account**

Statement of Affairs £	From 23/08/2018 To 22/08/2019 £	From 23/08/2018 To 22/08/2019 £
TRADING EXPENDITURE		
Electricity - Dual Energy Direct	354.34	354.34
Gas - Crown Gas & Power	1,003.95	1,003.95
Insurance	1,553.03	1,553.03
	<u>(2,911.32)</u>	<u>(2,911.32)</u>
TRADING SURPLUS/(DEFICIT)	<u>(2,911.32)</u>	<u>(2,911.32)</u>

**Voluntary Arrangement of
Simplantex Healthcare Limited
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 23/08/2018 To 22/08/2019 £	From 23/08/2018 To 22/08/2019 £
	SECURED ASSETS		
200,000.00	Freehold Property: 110a Longstone Ro	76,000.00	76,000.00
550,000.00	Freehold Property: 145a Ashford Road	499,000.00	499,000.00
		<u>575,000.00</u>	<u>575,000.00</u>
	SECURED CREDITORS		
(290,000.00)	Chargeholder - Bank of Scotland	279,749.41	279,749.41
	Seneca	12,382.27	12,382.27
		<u>(292,131.68)</u>	<u>(292,131.68)</u>
	ASSET REALISATIONS		
	Bank Interest Gross	69.77	69.77
80,005.00	Director's Loan Account	NIL	NIL
5,863.00	Furniture & Equipment	400.00	400.00
10,000.00	IP Design and rights	NIL	NIL
12,416.00	Plant & Machinery	NIL	NIL
15,000.00	Stock	25,250.00	25,250.00
	Trading Surplus/(Deficit)	<u>(2,911.32)</u>	<u>(2,911.32)</u>
		22,808.45	22,808.45
	COST OF REALISATIONS		
	Accountants fees	1,215.00	1,215.00
	Agents Fees - Hunt Commercial	9,025.00	9,025.00
	Agents/Valuers Fees - SIA	6,352.00	6,352.00
	EPC	250.00	250.00
	Joint Supervisors Expenses	3.00	3.00
	Joint Supervisors Fees	31,853.00	31,853.00
	Legal Fees - Hart Brown	8,670.00	8,670.00
	MVS Waste Clearance	2,620.00	2,620.00
	Nominee's Expenses	104.01	104.01
	Photocopying	14.40	14.40
	Postage	20.52	20.52
	Proposal and Nominee Fees	8,000.00	8,000.00
	Specific Bond	135.00	135.00
	Stationery	18.00	18.00
		<u>(68,279.93)</u>	<u>(68,279.93)</u>
	UNSECURED CREDITORS		
(13,539.00)	Employee Notice Pay	NIL	NIL
(14,445.00)	Employees Redundancy Claims	NIL	NIL
(47,380.00)	HMRC - VAT	NIL	NIL
(20,000.00)	Quantuma LLP	NIL	NIL
(222,057.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(140.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
265,723.00		237,396.84	237,396.84
	REPRESENTED BY		
	Current Account No 1		232,431.01
	Current Account No 2		5,051.43
	Vat Payable		(5,130.00)
	Vat Receivable		5,044.40
			<u>237,396.84</u>



Maxine Reid
Joint Supervisor

Simplantex Healthcare Limited

(Company Voluntary Arrangement)

("the Company")

THE JOINT SUPERVISORS' PROGRESS REPORT

16 OCTOBER 2019

This report has been prepared for the sole purpose of updating the members and creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members and creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Maxine Reid and Sean Bucknall of Quantuma LLP, 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA, were appointed Joint Supervisors of Simplantex Healthcare Limited on 23 August 2018.

Maxine Reid is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales and Sean Bucknall is licensed to act as an Insolvency Practitioner by the Insolvency Practitioners Association

CONTENTS

1. Executive Summary
2. Receipts and Payments
3. The Joint Supervisors' Fees and Expenses
4. Creditors' Claims
5. Exercise of Supervisors Powers
6. Conclusion

APPENDICES

- I. Statutory Information
- II. The Joint Supervisors' Receipts and Payments Account
- III. Breakdown of the Joint Supervisors' Time Costs
- IV. Full Details of Work Undertaken during the Review Period

1. Executive Summary

This report describes the progress since the commencement of the CVA ("the Review Period") and the prospects for the full implementation of the CVA.

A summary of key information in this report is detailed below.

Contributions and assets

Contribution / Asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Freehold Property: 145a Ashford Rd	550,000	499,000	-	499,000
Freehold Property: 110a Longstone Rd	200,000	76,000	-	76,000
Leasehold Property: 1 st Floor 110a Longstone Rd	Included in above figure	-	30,000	30,000
Furniture & Equipment	5,863	400	-	400
Stock	15,000	25,250	-	25,250
Plant & Machinery	12,416	-	-	-
Director's Loan Account	80,005	-	-	-

Expenses

Expense	Estimated per CVA Proposal	Expense incurred to date	Proposed further expense to closure, based upon the variation	Total anticipated expense, based upon the variation
Insurance	-	1,553.03	1,000.00	2,553.03
Electricity and Gas	-	1,358.29	-	1,358.29
Specific Bond	135.00	135.00	-	135.00
Proposal and Nominees Fee	8,000.00	8,000.00	-	8,000.00
Nominees Expenses	-	104.01	-	104.01
Joint Supervisors fees	20,000.00	45,536.25	6,463.75	52,000.00
Joint Supervisors Expenses	165.00	55.92	90.00	145.92
EPC	-	250.00	-	250.00
MVS Waste Clearance	-	2,620.00	-	2,620.00
Agents/Valuers fees	8,000.00	6,352.00	-	6,352.00
Estate Agents' fees	18,750.00	9,025.00	500.00	9,525.00
Legal fees	2,500.00	8,670.00	1,500.00	10,170.00
Accountants' fees	-	1,215.00	3,800.00	5,015.00
Administrative Expenses	-	-	1,200.00	1,200.00

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Preferential creditors	-	100p / £
Unsecured creditors	-	56.57p / £

Summary of key issues outstanding

Lease of 110a Longstone Road

As creditors are aware, Longstone Road incorporated a non-commercial element in the building, being the first floor, which was the property in which the director and former director had been, and continues to reside

As the purchaser of the properties wished to purchase only the commercial elements of the buildings, the advice received from the solicitor, instructed by the former director, was that the purchase would need to be for the freehold of Longstone Road and in return, the purchaser would grant a lease to the Company in respect to the first floor element of Longstone Road.

Prior to this lease being granted, a valuation of the internal element the first floor of Longstone Road was required and accordingly Hunt Commercial attended the property to carry out this valuation.

Hunt Commercial's report advised that whilst consent had been granted by Eastbourne Borough Council for a self-contained residential flat, the property itself had not been finished to a habitable condition and it was difficult to provide a definitive valuation. Following opinions from local residential agents however, a valuation was provided of £120,000, should the flat be completed to a good condition and finished state.

Hunt Commercial's report also stated however that given the amount of works that needs to be carried out at the property to bring it to a habitable state and the current market conditions, the property has a value in the region of £70,000 once necessary works have been completed.

Whilst planning consent had been granted, it was clearly established that the property had not been converted to a self-contained residential flat. As a result the purchaser's and Company's solicitors had to address this position and the grant of a 20 year commercial lease to the Company was agreed in respect of the first floor of Longstone Road. The valuation undertaken by Hunt Commercial was undertaken prior to this lease being entered into.

An indicative offer for the purchase of the commercial lease was previously received from the freeholder of £30,000. This offer was made informally and agent's advice was required to establish whether this was worthy of further consideration. However, this offer has since been withdrawn.

Subsequent to this offer, the freeholder contacted my office to advise that based upon advice received from The J M Partnership (Surveyors) Ltd, the first floor of 110a Longstone Road is unsafe and accordingly is uninhabitable.

Discussions are ongoing around the impact upon the insurances and the prospect that the current and former directors will need to vacate this property. Please be advised that at this time, no tenancy agreement is in place nor are any funds being paid in relation to their occupation of the first floor of Longstone Road. In addition the Supervisors have sought a further valuation and recommendations from Stiles Harold Williams Partnership LLP, a RICS approved valuer and property real estate advisory business.

The Joint Supervisors have recently written to all known interested parties inviting offers to purchase the lease of the first floor of 110a Longstone Road. However, no offers have been accepted as at the date of this report.

Prospects for implementation

Variation

The Company was unable to meet its requirements under the CVA Proposal. Therefore, on 8 August 2019, the Joint Supervisors circulated proposed variations to the terms of the CVA:

A majority of the creditors voted and agree to the following variation on 28 August 2019:

That the CVA be permitted to continue and that the Company seek to sell the leasehold property at 110a Longstone Road, Eastbourne, BN21 3UA, for the best price achievable, with the net proceeds of sale being paid into the CVA by no later than 1 February 2020 and that creditors accept a total dividend in the region of £56.57p in the £ in full and final settlement of their liabilities.

2. Receipts and Payments

Attached at **Appendix II** is the Joint Supervisors' Receipts and Payments Account for the Review Period. The contents are in the main self-explanatory

Freehold Properties

The proposal provided that within the Arrangement, the Company would market for sale its two properties and would pay the funds totalling £460,000 into the CVA. The properties included in the CVA were as follows:

- 145a Ashford Road, Eastbourne, BN21 3UA ("Ashford Road")
- 110a Longstone Road, Eastbourne, BN21 3UA ("Longstone Road")

The proposal advised that the properties had a combined value of £750,000 (Ashford Road at £550,000 and Longstone Road at £200,000) and after allowing for the charges held over the properties in favour of Bank of Scotland for £290,000 to be deducted, would result in a net equity figure of £460,000 becoming available to the CVA.

Sale of Commercial Properties

Following the CVA being accepted by creditors, an offer was received from an independent third party who wished to purchase both Ashford Road and Longstone Road on 17 September 2018. The purchaser's interest was limited to the commercial elements of both buildings and their offer received was £575,000.

Negotiations between the purchaser, Hunt Commercial (the agents instructed by the Company to market Ashford Road for sale) and the former director were ongoing from 17 September 2018 to 22 October 2018, the date the offer was accepted.

Unfortunately, due to the former directors' ill health and the pressures he was facing in attempting to trade the business, there was a breakdown in communication between the Company, Hunt Commercial and the purchaser. Both myself and my team were regularly contacted as regards the progress being made on reviewing the offer and My office primarily became the contact point between the former director and the purchaser as regards negotiations.

Following the recommendation of Hunt Commercial that the offer received be accepted as it was the best offer given in the current market conditions, the offer was duly accepted. The former director of the Company instructed John Guthrie of Hart Brown solicitors to deal with the sale on 25 October 2018.

The apportionment for the sale proceeds was to be split £499,000 against the freehold for Ashford Road and £76,000 against the ground floor of Longstone Road.

During the course of progressing from acceptance to exchange there were further breakdowns in communication and again, my office became the contact point between the parties as regards the contract negotiations. In addition, a range of protracted issues required resolution with these being further impacted by the former director's ill health and negotiations around the treatment of the first floor premises of Longstone Road.

Following a 20 year commercial lease being granted to the Company for the first floor premises at Longstone Road, contracts were finally exchanged for both freeholds and incorporated the Ashford Road and ground floor property at Longstone Road on 6 February 2019. Sale completion was finally achieved on 29 April 2019.

With the properties achieving a combined sale price of £575,000 and after allowing for the charges of Bank of Scotland and Seneca, Hart Brown settled their legal fees and Hunt Commercial's fees prior to remitting the net proceeds of £262,122.32 into the CVA on 30 April 2019, as set out in the table below.

	£
Sale of Properties	575,000.00
Less:	
Bank of Scotland – Charge	(279,749.41)
Seneca – Charge	(12,382.27)
Hart Brown – legal fees inc VAT	(10,396.00)
Hunt Commercial – agent fees inc VAT	(10,350.00)
Subtotal	(312,877.68)
Net proceeds	262,122.32

The CVA arrangement estimated net realisations of £460,000 from the sale of property. The remaining sum anticipated was to be achieved from the sale of the lease over the first floor of Longstone Road to which I would comment as follows.

Furniture and Equipment, Stock and Plant and Machinery

Under the terms of the CVA Proposal, the Company was to sell the following assets over a 12 month period with the realisations being paid into the CVA.

After a period of time, it became apparent that the former director was struggling to trade the business and realise these assets, in part due to the former directors' ill health. In order to assist with the realisation of these assets, SIA were instructed by the former director to assist the Company with the sale.

I would comment on the asset realisations as follows:

Furniture & Equipment

These items had been valued for the purposes of the CVA by SIA and consisted of a range of modern fixed built-in office furniture and a range of additional office furniture items and chairs. There was also a networked but dated IT system and a number of televisions, though these were considered to be of relatively low value. These assets were valued at £5,863 and this value was used for the purposes of the CVA.

The IT system was sold for £400 plus VAT. The televisions were confirmed as being on lease finance, which were recovered and sold by Siemens with the realisations reducing their claim in the CVA.

The remaining assets were deemed to be of little value due to the cost involved in their removal. Therefore, no further realisations were made in this regard.

Stock

These items had been valued by SIA for the purposes of the CVA who advised that the stock was a range of very niche products targeted specifically at those with mobility issues and were of

relatively low individual value. The Company's stock list dated 31 January 2018 indicated stock held at cost of £184,199, of which some £31,127 comprised discontinued or obsolete items. SIA valuation of these assets, based on a closure scenario, was in the region of £22,500 to £30,000. Following this valuation, the Company sold a number of items and the former director estimated the value of the remaining stock to be in the region of £15,000.

SIA were instructed by the Company to dispose of the stock using the most advantageous method available.

SIA concluded that a third party's offer of £25,250 plus VAT was very likely to represent the best net realisation for the stock and they recommended to the Company that this offer be accepted.

Consequently, the Company's stock was sold to a third party on 18 December 2018 for £25,250 plus VAT, which was received in full on 18 December 2018.

Plant & Machinery

Plant and machinery consisted of a range of standard warehouse equipment and mainly older racking and shelving, together with sewing and embroidery machinery. SIA valued these in the region of £12,416 and for the purposes of the CVA this realisable value was used.

No realisations have been made during the CVA in respect of Plant & Machinery

Two embroidery machines were sold by SIA for £15,000 plus VAT prior to the CVA in June 2018. These funds were utilised by the Company to pay employee wages and general business running costs.

As the cost of removing the fixed warehouse equipment outweighed the anticipated realisation, the equipment was used to partly off-set the cost associated with clearing the trading premises, with the clearance company reducing their daily charge accordingly.

Book Debts

The Company had access to an invoice discounting facility provided by Lloyds Commercial Finance, which was subject to a fixed and floating charge. It was understood that Lloyds Commercial Finance had collected the ledger out and been paid in full. All book debts were collected and paid into the Company's overdrawn bank account held at the Bank of Scotland and these monies served to reduce the overall liability to the Bank of Scotland.

Directors Loan Account ("DLA")

As per the CVA proposal, the DLA had not been fully quantified by the Company accountant and the figure detailed in the proposal of £80,005 was an estimate of what was outstanding. The former director was not in a position to repay this DLA into the CVA but advised in the proposal that this would be dealt with following the CVA's successful completion.

Following the CVA being accepted by creditors, Mr Oliver Askaroff was declared bankrupt on 5 June 2019 and subsequently resigned as a director of the Company. The Company will therefore need to file a proof of debt in the bankruptcy of Mr Askaroff.

Trading

The former director originally provided cash flow projections for the period of July 2018 to July 2019, indicating that the Company would generate income of £71,400, which after the deduction of operating expenses, would result in a net contribution into the CVA of £24,922.

The CVA terms also provided that the Joint Supervisors conduct a review of the Company's trading accounts no more than three months before each anniversary with the primary objective of

assessing whether the Company has generated any surplus that may be contributed to the CVA in addition to the regular payments.

To date, no additional income has been received from trading and following the sale of the trading premises and stock, no future realisations will be received in this regard.

Bank Interest:

During the review period, bank interest of £69.77 has been received in the CVA account.

In accordance with the CVA terms, Joint Nominees' fees of £8,000 have been drawn. Section 3 below provides information regarding the Joint Supervisors' fees and expenses.

3. The Joint Supervisors' Fees and Expenses

The CVA terms provide that the Joint Supervisors are remunerated on the basis of time properly incurred by them and their staff in the administration of the CVA at the Joint Supervisors' standard charge-out rates applicable at the time.

Appendix III provides a breakdown of the time costs between the grades of staff allocated to the administration of this matter. In summary, the Joint Supervisors' time costs for the Review Period totals £45,536.25, representing 216.55 hours at an average hourly rate of £210.28. The sum of £31,853 has been drawn.

These time costs were incurred in carrying out the tasks listed in **Appendix IV** of which the following were the most material:

The additional sum of £14,422.25 has also been drawn on 30 August 2019. As this is after the Review Period, it is not shown on the receipts and payments account at **Appendix II**.

Administration and Planning: complying with the statutory and regulatory duties as regards filing, maintaining records and conducting periodic case reviews.

Realisation of Assets: as referred to above, a significant amount of time was spent in my office being the contact point for all parties as regards the sale of the assets.

Creditors: responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims; adjudicating on all claims received, preparing a notice of intended dividend and drafting a progress report for creditors

The attached breakdown shows that a significant proportion of the time costs incurred relate to Administration, Statutory and Regulatory tasks. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Supervisors and their staff have carried out their work to high professional standards. In addition, time has been spent supervising the Company's compliance with the CVA terms and in reacting to the breach, together with additional work corresponding with a number of creditors on a frequent basis. This has increased the Supervisors time costs considerably, though this work was required in order to maximise the property realisations in the CVA.

Significant time has also been spent in dealing with creditors' claims and particularly in assisting the employees with their claims and dealing with creditors who became known to the Joint Supervisors after they had been appointed. Although this work has had no direct financial benefit to creditors, it is the Joint Supervisors' duty to ensure that dividends will be correctly paid to creditors in line with their statutory entitlements.

The CVA Proposal disclosed that the Joint Supervisors' fees for administering and completing the CVA were estimated to be £20,000. In view of the time costs incurred to date and the anticipated

work to conclude the CVA, it is estimated that the final time costs of the Joint Supervisors and their staff will be in this region of £52,000, due to the difficulties encountered and the additional work carried out, as described above.

Further work will also be carried out in respect of additional correspondence with creditors including paying a distribution to all known creditors, general correspondence with the director, agreeing a sale of the lease of 110a Longstone Road, together with various work associated with the CVA. The costs anticipated to be incurred in respect of this additional work forms part of the £52,000 estimated to be incurred and drawn by the Joint Supervisor during the course of the CVA.

A copy of a Creditor's Guide to Supervisors' Fees together with Quantuma LLP's current schedule of charge-out rates and chargeable disbursements can be downloaded from <https://www.quantuma.com/guide/creditors-guide-fees>. The Guide which applies to this case can be found in the section marked effective from 6 April 2017. Alternatively, both publications are available upon request from the Joint Supervisors free of charge.

In common with all professional firms, charge out rates increase from time to time over the period of the arrangement. As a consequence, there have been changes in the rates charged since appointment which can be reviewed on Quantuma LLP's current schedule of charge-out rates and chargeable disbursements, referred to above.

Joint Supervisors Expenses

I summarise below the disbursements that have been met by my firm, of which £3 has been recovered from the estate.

Name of Expense	Amount incurred/accrued during Review Period £	Amount paid £	Amount outstanding £
AML Search Fee	3.00	3.00	-

I have also incurred the following Category 1 disbursements, which do not need the specific approval of creditors, during the Review Period:

Name of Expense	Amount incurred/accrued during Review Period £	Amount paid £	Amount outstanding £
Specific Bond	135.00	135.00	-
EPC	250.00	250.00	-
MVS Waste Management	2,620.00	2,620.00	-
Postage	20.52	20.52	-
AML Search Fee	3.00	3.00	-
Total	3,028.52	3,028.52	-

The Joint Liquidators' Category 2 disbursements for the Review Period are as follows:

Name of Expense	Amount incurred/accrued during Review Period £	Amount paid £	Amount outstanding £
Photocopying	14.40	14.40	-
Stationery	18.00	18.00	-
Total	32.40	32.40	-

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in the firm's schedule of current charge out rates and chargeable disbursements referred

to above Creditors approved the payment of Category 2 disbursements on this basis on 22 August 2018.

EPC

In order that the sale of the properties could be completed, an energy performance certificate was required. As the Company did not have funds to meet this cost, this was met from the funds held in the CVA.

Costs totalling £250 were paid in respect of the EPC costs.

MVS Waste Clearance

In order that the sale of the properties could be completed, the purchaser requested that the site be cleared of all the furniture, equipment, residual stock etc. Following advice from SIA, they advised that it would be more cost effective that the CVA pay for the site to be cleared as opposed to instructing SIA to remove and attempt to sell on the remaining items.

As the Company did not have funds to meet this cost, this was met from the funds held in the CVA.

Costs totalling £2,620 were paid in respect of clearance costs.

Professional Costs

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
SIA Group (UK) London Ltd	Valuer/Auctioneer	Fixed fee of 10% on asset realisations plus time costs
Hunt Commercial	Estate Agents	Fixed fee of 1.5% on property Realisations plus fixed fee of £400
Simon Coles & Co	Accountant	Fixed fee
Team 4 Solutions	Bookkeeper	Fixed fee
Hart Brown Solicitors	Solicitors	Time costs
Stiles Harold Williams	RICS valuer and property advisory	Fixed fee

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Please note that Hart Brown Solicitors were instructed by the Company to assist with the sale of the freehold properties.

Agents/Valuers Fees

SIA were instructed to assist with the valuation and sale of the Company's stock. SIA's fees were agreed at 10% of realisations, together with time costs associated with the marketing and disposal at short notice.

SIA's fees and disbursements total £6,352 and these have been settled in full.

Agents Fees

Hunt Commercial were instructed by the Company to market and sell the freehold properties. Hunt Commercial's fees were agreed by the Company prior to the CVA at 1.5% of the sale price.

Following the sale of the freehold properties for £575,000, Hunt's fees totalled £8,625 plus VAT and these have been settled in full from the sale proceeds

The additional sum of £400 plus VAT was paid to Hunt Commercial for a recent valuation obtained on the first floor property at 110a Longstone Road, Eastbourne, BN21 3UA.

The sum of £750 plus VAT has been agreed to be paid to Stiles Harold Williams for a valuation and advice in relation to the first floor property at 110a Longstone Road, Eastbourne BN21 3UA.

Legal Fees

Hart Brown were instructed as solicitors to assist with the sale of the freehold properties. Their fee was based on a fixed fee of £6,000 plus disbursements plus VAT.

The additional sum of £2,500 plus disbursements plus VAT was drawn for the period from exchange to completion

Hart Brown's fees and disbursements totalling £8,670 plus VAT have been settled in full from the sale proceeds

Accountant's fees

Simon Coles & Co were instructed as accountants to assist with the calculation of Capital Gains Tax following the sale of the freehold properties, together with an estimated CGT in relation to the leasehold first floor flat.

Simon Coles' fee totalled £1,165 and this has been settled in full.

In addition, Team 4 Solutions were instructed to provide the accountant with information necessary to prepare recent Company accounts, required to obtain HMRC's claim in the CVA.

Team 4 Solutions fee totalled £50 plus VAT and this has been settled in full.

Simon Coles & Co are also in the process of assisting with preparing Company accounts, Corporation Tax return and computations.

Simon Coles' fee in respect of the above will be £3,800, which currently remains unpaid.

Administrative Expenses

In accordance with paragraphs 1.5 and 1.6 of the proposal, I am writing to remind creditors that Quantuma LLP are a creditor of the CVA and that as the CVA will not achieve 100p in the £, Quantuma LLP's claim requires adjudication on by an external IP.

Paragraphs 1.5 and 1.6 state:

1.5 The Joint Nominees confirm that advice has been provided, together with assistance in liaising with the creditors, in the director's efforts to wind up the business and its affairs on an informal basis or a solvent winding up. However, the process has taken longer than envisaged from the outset and creditor support is waning.

1.6 Therefore, the Joint Nominees in dealing with the director and creditors prior to the CVA proposal:

1.6.1 Are a creditor of the CVA in the sum of £20,000.

1.6.2 In order to remove any potential or perceived conflict, the Joint Nominees confirm that they will not vote on the proposal.

- 1.6.3 Will also not be included in the 'total' debt to unsecured creditors at the voting stage.
- 1.6.4 If the CVA does not achieve 100p in the £ and Quantuma LLP's claim needs to be adjudicated on, an external IP will be instructed to adjudicate on their claim specifically.

Accordingly, the Joint Supervisor instructed Kreston Reeves LLP to adjudicate on Quantuma LLP's claim at a cost of £1,200 plus VAT, payable out of asset realisations, which has since been settled in full.

4. Creditors' Claims

In accordance with the CVA terms, a Notice to Submit Claims was issued to creditors on 23 August 2018 and a Notice of Intended Dividend was issued on 8 August 2019

The creditors' claims received for dividend purposes are summarised as follows:

Creditor	Number of Claims Received	Claims received £
Employee/ RPO preferential claims	3	3,382
HMRC – VAT/PAYE/NIC	1	56,860
Employee/RPO non-preferential claims	4	21,682
Trade and Expense	31	280,073
Quantuma LLP	1	20,000
TOTAL	40	381,997

A distribution to preferential creditors of 100p in the £ will be declared within three months after the anniversary of the CVA.

The dividend prospects as set out in the CVA Proposal were based on the creditors' claims estimated at that time, totalling £317,421. The claims received to date are greater than the total listed in the CVA Proposal and it should also be noted that the Joint Supervisors are yet to receive HMRC's final claim in the CVA.

Notice of Intended Dividend

The CVA terms provide that the first dividend shall be paid to creditors three months after the anniversary after the Nominees' fee has been drawn and provided that HMRC's final claim has been agreed

As the Company's accountant is in the process of filing the required returns, it is anticipated that HMRC will shortly be in a position to submit their final claim in the CVA.

Therefore, a Notice of Intended Dividend was circulated to creditors on 8 August 2019. However, it is possible that the first dividend will not be declared in this timescale.

5. Exercise of Supervisors Powers

Notice of Default

HM Revenue & Customs notified the Supervisors in March 2019 that the Company had failed to submit VAT and Corporation Tax returns

A notice of breach was issued to the Company on 25 March 2019 requesting to rectify the position by 1 May 2019.

Further correspondence has been received from HMRC confirming that the former director had corresponded in respect of the outstanding returns and HMRC would not take any further action at this time.

The Joint Supervisors have also instructed accountants to prepare recent accountants in order to submit the outstanding Corporation Tax return. It is anticipated that HMRC's claim will increase in the region of £29,565.

6. Conclusion

As stated above, the Company was unable to meet its requirements under the CVA Proposal. Therefore, on 8 August 2019, the Joint Supervisors circulated proposed variations to the terms of the CVA, resulting in creditors voting to continue and that the Company seek to sell the leasehold property at 110a Longstone Road, for the best price achievable, with the net proceeds of sale being paid into the CVA by no later than 1 February 2020 and that creditors accept a total dividend in the region of £56 57p in the £ in full and final settlement of their liabilities

The CVA is currently progressing as anticipated and the Joint Supervisors will continue to monitor the Company's adherence to its terms, taking appropriate steps in line with the CVA terms where necessary.

Please note that the Joint Supervisors are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. Additionally the Joint Supervisors are also bound by the regulations of their Licensing Bodies

To comply with the Provision of Services Regulations, some general information about Quantuma LLP, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information>. General information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>.

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link www.quantuma.com/legal-notice.

Should you have any questions or queries regarding this report, please do not hesitate to contact Edward Allingham on 01273 322400 or by email at Edward.Allingham@Quantuma.com.

Dated this 16 October 2019



Maxine Reid
Joint Supervisor

APPENDIX I**(COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	Simplantex Healthcare Limited
Previous Names	N/A
Proceedings	Company Voluntary Arrangement
Court	Brighton County Court
Court Reference	2018-59 of 2018
Date of Appointment	23 August 2018
Joint Supervisors	Maxine Reid and Sean Bucknall Quantuma LLP 3rd Floor, 37 Frederick Place, Brighton, Sussex BN1 4EA
Registered office Address	c/o Quantuma LLP 3rd Floor, 37 Frederick Place, Brighton, Sussex BN1 4EA
Company Number	02728640
Incorporation Date	3 July 1992
Company Secretary	N/A
Auditors	N/A
Directors at date of Appointment	Oliver Askaroff

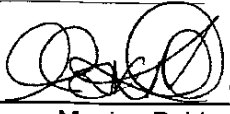
**Voluntary Arrangement of
Simplantex Healthcare Limited
Joint Supervisors' Trading Account
To 22/08/2019**

S of A £	£	£
TRADING EXPENDITURE		
Insurance	1,553.03	
Electricity - Dual Energy Direct	354.34	
Gas - Crown Gas & Power	1,003.95	
		(2,911.32)
TRADING SURPLUS/(DEFICIT)		(2,911.32)

**Voluntary Arrangement of
Simplantex Healthcare Limited
To 22/08/2019**

S of A £		£	£
	SECURED ASSETS		
550,000.00	Freehold Property: 145a Ashford Road	499,000.00	
200,000.00	Freehold Property: 110a Longstone Ro	76,000.00	
			575,000.00
	SECURED CREDITORS		
(290,000.00)	Chargeholder - Bank of Scotland	279,749.41	
	Seneca	12,382.27	
			(292,131.68)
	ASSET REALISATIONS		
10,000.00	IP Design and rights	NIL	
5,863.00	Furniture & Equipment	400.00	
15,000.00	Stock	25,250.00	
12,416.00	Plant & Machinery	NIL	
	Bank Interest Gross	69.77	
	Trading Surplus/(Deficit)	(2,911.32)	
80,005.00	Director's Loan Account	NIL	
			22,808.45
	COST OF REALISATIONS		
	Specific Bond	135.00	
	Proposal and Nominee Fees	8,000.00	
	Nominee's Expenses	104.01	
	Joint Supervisors Fees	31,853.00	
	Joint Supervisors Expenses	3.00	
	EPC	250.00	
	MVS Waste Clearance	2,620.00	
	Agents/Valuers Fees - SIA	6,352.00	
	Agents Fees - Hunt Commercial	9,025.00	
	Legal Fees - Hart Brown	8,670.00	
	Accountants fees	1,215.00	
	Photocopying	14.40	
	Stationery	18.00	
	Postage	20.52	
			(68,279.93)
	UNSECURED CREDITORS		
(222,057.00)	Trade & Expense Creditors	NIL	
(14,445.00)	Employees Redundancy Claims	NIL	
(13,539.00)	Employee Notice Pay	NIL	
(47,380.00)	HMRC - VAT	NIL	
(20,000.00)	Quantuma LLP	NIL	
			NIL
	DISTRIBUTIONS		
(140.00)	Ordinary Shareholders	NIL	
			NIL
265,723.00			237,396.84

**Voluntary Arrangement of
Simplantex Healthcare Limited
To 22/08/2019**

S of A £	£	£
REPRESENTED BY		
Vat Receivable		5,044.40
Current Account No 1		232,431.01
Current Account No 2		5,051.43
Vat Payable		(5,130.00)
		237,396.84
		
		Maxine Reid Joint Supervisor

Time Entry - Detailed SIP9 Time & Cost Summary

6002740 - Simplantex Healthcare Limited
From: 23/08/2018 To: 22/08/2019
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	7.70	0.00	1.10	0.20	9.00	2,892.50	311.72
100A Initial Statutory & General Notifications & Filing	0.50	0.00	0.00	0.00	4.60	790.00	171.74
101 Insurance / Bonding	0.00	0.00	2.10	0.00	2.10	317.00	150.95
103 IPS Case / File set up / Filing	0.00	0.00	4.90	0.00	5.30	778.00	146.79
104 General Administration	9.10	0.20	62.80	3.30	75.40	12,875.00	170.76
105 Case strategy / Review	4.60	0.00	6.40	0.00	13.00	2,768.00	212.92
106 VAT & CT matters and returns	0.00	0.00	3.70	0.00	3.70	587.00	158.65
Admin & Planning	21.90	0.20	87.10	3.90	113.10	20,920.50	184.97
500 Cashiering	0.00	0.00	0.60	9.30	9.90	1,311.00	132.42
Cashiering	0.00	0.00	0.60	9.30	9.90	1,311.00	132.42
201 Creditors	1.80	0.10	0.30	0.00	2.20	712.00	323.64
202A Employees	0.00	0.70	3.10	0.00	3.80	640.00	168.42
203 Creditor correspondence / Call	8.20	0.20	13.90	0.00	22.30	5,073.00	227.49
204 Unsecured Creditors claims	0.70	0.00	2.30	1.35	4.35	744.75	171.21
207 : Payment of dividends	0.00	0.00	0.30	0.00	0.30	45.00	150.00
207A Notice of Intended Dividend	0.00	0.00	1.60	0.00	1.60	256.00	160.00
207B Reviewing & Adjudicating Creditors' Claims	0.80	0.00	0.00	0.00	0.80	286.00	357.50
211 Annual / Progress report	0.30	0.00	11.30	0.00	11.60	1,911.50	164.78
Creditors	11.80	1.00	32.80	1.35	46.95	9,668.25	205.93
300 Investigations	0.30	0.00	0.00	0.00	0.30	90.00	300.00
Investigations	0.30	0.00	0.00	0.00	0.30	90.00	300.00
400 Realisation of Assets	19.10	0.00	2.30	0.00	21.40	6,237.50	291.47
401 Freehold / Leasehold Property	15.60	0.90	4.10	0.00	20.60	6,283.00	304.03
402 Plant and Machinery	0.40	0.00	0.10	0.00	0.50	156.00	312.00
408 Stock	1.60	0.00	0.20	0.00	1.80	590.00	327.78
Realisation of Assets	36.70	0.90	6.70	0.00	44.30	13,246.50	299.02
500 Trading	0.00	0.00	1.40	0.00	1.40	210.00	150.00
501 Management of Operations	0.00	0.00	0.20	0.00	0.20	30.00	150.00
503 Employee issues / payroll	0.00	0.00	0.40	0.00	0.40	60.00	150.00
Trading	0.00	0.00	2.00	0.00	2.00	300.00	150.00
Total Hours	70.70	2.10	129.20	14.55	216.55	45,536.25	210.28
Total Fees Claimed						31,853.00	

Time Entry - Detailed SIP9 Time & Cost Summary

6002740 - Simplantex Healthcare Limited
From: 23/08/2018 To: 22/08/2019
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
---------------------------------	---------	---------	----------------------------	----------------------------	-------------	---------------	-------------------------

Time Entry - SIP9 Time & Cost Summary

Category 2 Disbursements

6002740 - Simplantex Healthcare Limited
Project Code: POST
From: 23/08/2018 To: 22/08/2019

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest

Transaction Date	Type and Purpose	Amount
29/08/2018	AML Electronic Identification Search Jordans search	3.00
03/09/2018	Stationery Stationery re report of the consideration of the Proposal	18.00
03/09/2018	Photocopying Photocopying re report of the consideration of the Proposal	14.40
08/08/2019	Stationery Mail out - stationery - Proposed Variation and Notice of Intended Dividend	23.00
08/08/2019	Photocopying Mail out - photocopying - Proposed Variation and Notice of Intended Dividend	27.60
Total		86.00

APPENDIX IV

Full Narrative Details of Work Undertaken during the Review Period

General Description	Includes
Administration and Planning	
Initial Statutory duties Notifications to HMRC of the CVA Statutory requirements for compliance HMRC, HMRC and HMRC Preparation of the CVA and documentation and filing with other notification of the CVA	
Obtaining a Section 109 order	
Setting up electronic filing and electronic case details	
General Administration of the CVA All running costs of the CVA and initials of the CVA	
Case Strategy and Compliance Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists	
Monitoring the Company's compliance with the terms of the CVA and taking necessary steps in the event of any delayed compliance with, or breaches of, the terms	
Periodic review of amount of contribution	
Reviewing quarterly/annual management accounts Liaising with Director and HMRC about finalisation of the pre appointment tax position of the company Monitoring compliance with the terms of the VA	
Receiving and following up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator Finalising pre appointment tax position	
Preparation of correspondence to potential creditors inviting submission of proofs of debt Receipt of proofs of debt Adjudicating on claims Request further information from claimants regarding claims Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on any complex claims	
Preparation of correspondence to creditors advising of intention to declare distribution Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution	

General Description	Includes
	Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends
Creditor Reports	Preparing annual progress report, meeting and general reports to creditors
Meeting of Creditors Decision Resolutions, Variation of Proposal Required	Preparation of meeting notices, proxies/voting forms notice of meeting to all creditors Collate and examine proofs and proxies/votes to decide on resolutions Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and draft minutes of meeting. Responding to queries and questions following meeting Issuing notice of result of meeting
Cashflow	
Bank Account Administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments

Current Charge-out Rates of the staff working on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support

The minimum unit of time recorded is 6 minutes

Rates may have been subject to periodic increase

Partners	370
Directors	345
Senior Manager	265
Manager	210
Assistant Manager	195
Senior Administrator	185
Administrator	160
Case Accountant	135