

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1 26A(4)(a) or
Rule 1 54 of the Insolvency Rules
1986**R.1.26A(4)(a)/
R.1.54**

For Official Use

To the Registrar of Companies

Company number

04562900

Name of company

(a) Insert full name of company

(a) B B C B Limited

(b) Insert full name and address

I (b) Jeremiah Anthony O'Sullivan (IP No 8333), Bishop Fleming LLP, 2nd Floor
Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS
supervisor of a voluntary arrangement taking effect on

(c) Insert date

(c) 23 June 2010

Attach my progress report for the period

from

(c) 23 June 2014

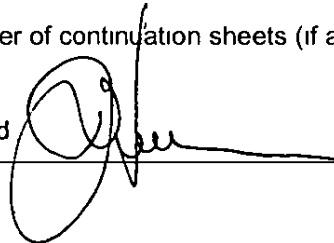
to

(c) 22 June 2015

Number of continuation sheets (if any) attached

-

Signed



Date

20.8.15

Presenter's name, address and
referenceJ A O'Sullivan, Bishop Fleming LLP, 2nd Floor
Stratus House, Emperor Way, Exeter Business
Park, Exeter, EX1 3QSTel 01392 448800, Fax 01392 365536
Ref MR/BB9907/CVA0507A

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Liquidation Section

Post Room



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COMPANIES HOUSE

**Supervisor's
Annual Progress Report to Creditors**

**B B C B Limited -
Company Voluntary Arrangement (CVA)**

Date: 20 August 2015

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APPENDICES

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- B Cumulative Time Analysis for the period from 23 June 2010 to 22 June 2015
- C Additional Information in relation to Supervisor's fees pursuant to Statement of Insolvency Practice No 9

1 Introduction

- 1 1 You will recall that I was appointed Supervisor of B B C B Limited (the **Company**)'s CVA, on 23 June 2010. By way of reminder, the CVA provided in the main for the company to continue to trade in the short term in order to effect an orderly realisation of its property and other assets. This was expected to generate sufficient funds to discharge its secured liabilities and to meet its unsecured liabilities in full.
- 1 2 As previously reported, the CVA could not be progressed on that basis and instead, through variation of the original terms, has been kept in effect to allow the Directors to pursue an Interest Rate Hedging Product [IRHP] claim against its former bankers, Clydesdale Bank plc.
- 1 3 Presently, the CVA is due to terminate on 22 December 2015.
- 1 4 This report now provides an update on the progress in the CVA in accordance with Rule 1.26 of the Insolvency Rules 1986. At Appendix A, I have provided an account of my Receipts and Payments for the year ended 22 June 2015 with a comparison to the Directors' Statement of Affairs values together with a cumulative account since my appointment.

2 Realisation of Assets

Voluntary Contributions

- 2 1 No funds have been introduced into the CVA during the year to 22 June 2015 or cumulatively.
- 2 2 The Company is continuing to pursue a claim against its principal bankers, Clydesdale Bank plc, in respect of an alleged mis-selling of an embedded swap product. An initial offer of compensation had been made by the Bank but this had not been accepted by the Company as the Directors did not have sufficient supporting information available to determine the merits of that offer.
- 2 3 I am advised that the Company has recently conducted a thorough review of its transactions with the Bank going back over several years, the process being hampered initially by the lack of clarity regarding the application by the Bank of monies from the sale of numerous charged properties, and that its considered response to the Bank's original offer of settlement has been submitted.
- 2 4 A higher offer is being pursued and the Company is currently awaiting the Bank's response.

Sale of Assets to Directors

- 2 5 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that I am not aware of any assets having been sold to a Director of the Company.

3 Creditors

Secured Creditors

- 3 1 With the exception of Clydesdale Bank plc, all secured creditors of the Company have been paid in full from property disposals in accordance with the terms of their respective Legal Charges.
- 3 2 The position regarding the Bank remains unclear. At present, I have received no notice of any shortfall in respect of their borrowings that might rank as an unsecured claim in the CVA.

Preferential Creditors

3 3 The position is as follows

	Agreed Claims £
Employee claims funded by BIS	19,679 67
Employee excess claims - 14 claims	10,578 97
	30,258 64

Unsecured Creditors

3 4 Unsecured creditors to be included in the CVA were estimated to total £788,805 I have received the following claims, including claims received from associated creditors

	Claims £	Received
Trade & Expense Creditors	492,302	
BIS/Employees' Claims	62,783	
H M Revenue & Customs (provisional)	206,514	
Directors' Claims	595,000	
	1,356,599	

3 5 A significant number of unsecured creditors have yet to file formal claims with me These were estimated in the Directors' Statement of Affairs to amount to over £500,000 (including an associated creditor's claim estimated at £258,559 93)

3 6 The claims of associated creditors stand outside of the CVA for dividend purposes but would otherwise rank to claim in a Liquidation

3 7 I have at this stage sought to acknowledge but not agree claims received It remains unlikely, as previously reported, that any dividend will become payable to unsecured creditors in this CVA

4 Supervisor's Remuneration

4 1 The CVA provides that my remuneration will be based upon the time costs of the Supervisor and his staff in executing the CVA

4 2 The Supervisor's time costs as at 22 June 2015 total £33,385 00 This represents 171 65 hours at an average rate of £194 49 per hour To date, £nil has been drawn on account Attached as Appendix B is a Time Analysis in accordance with the provisions of Statement of Insolvency Practice 9 (SIP9), which provides details of the activity costs incurred by staff grade to date

4 3 No additional time costs have been charged since 22 June 2014

4 4 Attached, as Appendix C, is additional information in relation to our policy on staffing, the use of sub-contractors and re-charging of disbursements

4 5 A copy of the guide to insolvency practitioners fees in a Voluntary Arrangement is available on request or can be downloaded from www.bishopfleminginsolvency.co.uk/r3

- 4 6 The Supervisor's remuneration estimate included in the original Proposal was £15,000 which was approved by creditors. This estimate will be exceeded due to additional time involved in monitoring the Arrangement as a result of the initial extension of its term and dealing with the further extensions by variation. Due to these changed circumstances, the revised estimate of the Supervisor's fees is now £35,000.

5 Distributions

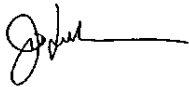
- 5 1 There remain no funds in the CVA.
- 5 2 The likelihood of an dividend distribution to preferential unsecured creditors will be dependent on the outcome of the Company's action against the Bank as detailed in section 2 above.

6 Estimated Outcome

- 6 1 I am unable at this time to provide an estimated outcome statement due to the uncertain nature of the claim detailed above.

Should you require further information at any time, please do not hesitate to contact Malcolm Rhodes of this office.

Yours faithfully



J A O'Sullivan
Supervisor

Enc

**Voluntary Arrangement of
B B C B Limited**

Appendix A

Statement of Affairs		From 23/06/2014 To 22/06/2015	From 23/06/2010 To 22/06/2015
	SECURED ASSETS		
1,295,000 00	Trevose House	NIL	NIL
689,000 00	Longstone House	NIL	NIL
1,350,000 00	Penzance property portfolio	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	SECURED CREDITORS		
(2,397,566 00)	Clydesdale re Trevose	NIL	NIL
(453,096 00)	Clydesdale re Longstone	NIL	NIL
(561,806 00)	Clydesdale re Penzance	NIL	NIL
(290,000 00)	Clydesdale re CWH	NIL	NIL
(161,415 00)	Clydesdale re Co Overdraft	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	GENERAL SECURED GROUP		
270,000 00	Bakehouse Penzance	NIL	NIL
(164,384 00)	HSBC re Bakehouse mortgage	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
40,000 00	Plant & Machinery	NIL	NIL
20,000 00	Motor Vehicles	NIL	NIL
1,000 00	Stock	NIL	NIL
43,500 00	Knights contract (net of costs)	NIL	NIL
250,000 00	Lizard Communitycontract (net of cost)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	PREFERENTIAL CREDITORS		
(15,245 61)	Employee Arrears & Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(527,991 69)	Trade & Expense Creditors	NIL	NIL
(54,296 03)	Employees Claims	NIL	NIL
(258,559 93)	Directors Loans	NIL	NIL
(220,000 00)	Private Loans	NIL	NIL
(1 00)	HM Revenue & Customs (Corp Tax)	NIL	NIL
(206,513 99)	HM Revenue & Customs (PAYE/NIC)	NIL	NIL
(1 00)	HM Revenue & Customs (VAT)	NIL	NIL
(1 00)	A Smith contract	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(1,352,477 25)		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

B B C B Limited (Voluntary Arrangement)

Analysis of Supervisor's time costs for the period 23 June 2010 to 22 June 2015

	Hours					Cost	
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Costs £	Average Hourly rate £
Administration & Planning	2 00	29 10	2 50	-	33 60	6,195 25	184 38
Monitoring Trading	25 20	8 85	-	-	34 05	8,136 25	238 95
Creditors	-	48 60	4 25	3 40	56 25	10,062 75	178 89
Tax & VAT	-	7 80	0 45	-	8 25	1,539 50	186 61
Statutory Reporting	-	33 55	-	3 00	36 55	6,991 25	195 44
Statutory Duties & Compliance	-	2 85	0 10	-	2 95	460 00	155 93
Supervisor's hours and time costs to date, and average rate					171 65	33,385 00	194 49

**Additional Information in Relation to Supervisor's Fees Pursuant to
Statement of Insolvency Practice 9**

Appendix C

1 Policy

Detailed below is Bishop Fleming LLP's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1 1 *Staff allocation and the use of subcontractors*

Our 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, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

1 2 *Professional advisors*

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
[Ashfords] (legal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1 3 *Disbursements*

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Bishop Fleming LLP for the provision of services which include an element of recharged overhead, for example, room hire or document storage.

2 Charge-out rates

A schedule of Bishop Fleming LLP's charge-out rates was issued to creditors at the time the basis of the Supervisor's remuneration was approved. There have been no material increases in charge-out rates since that date, although rates have been reviewed annually on 1 July each year. A schedule of our current rates is attached, together with a summary of our charge out rates in the past 5 years. Please note that this firm records its time in minimum units of 6 minutes.

Bishop Fleming LLP Business Recovery & Insolvency

Information to Creditors

Charge out rates and policy regarding the recharge of Disbursements

Charge out Rates (£ per hour)	Business Recovery & Insolvency Staff	Other Staff
Insolvency Practitioner / Partner	£295	£180 – £300
Senior Manager	£235	£110 - £225
Manager	£195	£85 - £170
Other Senior Professionals	£160	£45 - £150
Support Staff	£120 - £135	£20 - £110

Most of the work on the assignment will be undertaken by specialist staff in the Business Recovery & Insolvency department, but some tasks will be performed by other staff in the General Practice, Corporate Finance, Taxation, Payroll and Administration departments where appropriate, which will be charged out at their normal rates

Time is usually charged in units of 0.1 hour (i.e. 6 minutes) but the minimum unit of time that may be recorded is 0.017 of an hour (1 minute)

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1 or Category 2

Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff.

Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made.

Bishop Fleming LLP proposes to recover category 2 disbursements as follows:

- Insolvency Practitioner and staff mileage re-imburement at HMRC approved 'AMAP' rates – currently 45p / mile plus 5p / mile for each additional Bishop Fleming LLP passenger
- Faxes at 40p per sheet and Photocopying at 10p per sheet, based on comparative commercial rates

All costs are subject to VAT, where applicable

Bishop Fleming LLP Business Recovery & Insolvency

Information to Creditors

Summary of Charge Out Rates in the past 5 years

Charge Out Rates (£ per hour) **11 July 2011** **9 July 2012** **1 July 2013** **7 July 2014** **6 July 2015**

Business Recovery & Insolvency Staff

Insolvency Practitioner / Partner

Senior Manager	£265 £180 - £195	£275 £205	£285 £215	£295 £225	£295 £235
Manager	£140 - £160	£150 - £170	£160 - £180	£165 - £190	£195
Other Senior Professionals	£85 - £140	£135 - £140	£145	£150	£160
Support Staff	£33 - £100	£95 - £110	£95 - £120	£110 - £125	£120 - £135

Other Staff

included above

Partner		£180 - £300	£180 - £300	£180 - £300	£180 - £300
Senior Manager		£110 - £225	£110 - £225	£110 - £225	£110 - £225
Manager		£85 - £170	£85 - £170	£85 - £170	£85 - £170
Other Senior Professionals		£45 - £150	£45 - £150	£45 - £150	£45 - £150
Support Staff		£20 - £110	£20 - £110	£20 - £110	£20 - £110

Charge out rates were reviewed annually in early July. The new charge out rates were effective from the dates shown.

For periods prior to 1 June 2014 charge out rates refer to Bishop Fleming, from 1 June 2014 they refer to Bishop Fleming LLP.