

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 4 9 5 6 1 9 4

Company name in full Busaba Eathai Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Philip

Surname Dakin

3 Supervisor's address

Building name/number Kroll Advisory Ltd. t/a Kroll

Street The Shard

32 London Bridge Street

Post town

County/Region London

Postcode S E 1 9 S G

Country United Kingdom

4 Supervisor's name^①

Full forename(s) Geoffrey Wayne

Surname Bouchier

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address^②

Building name/number Kroll Advisory Ltd. t/a Kroll

Street The Shard

32 London Bridge Street

Post town

County/Region London

Postcode S E 1 9 S G

Country United Kingdom

② Other supervisor

Use this section to tell us about
another supervisor.

CVA3

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6

Date of voluntary arrangement

Date 28092020

7

Period of progress report

Date from 28092020

Date to 27092021

8

Progress report


☒ I attach a copy of the progress report

9

Sign and date

Supervisor's signature

Signature

X 

X

Signature date

18112021

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 Tom Marston

Company name Kroll Advisory Ltd. t/a Kroll

Address The Shard

32 London Bridge Street

Post town

County/Region London

Postcode S E 1 9 S G

Country United Kingdom

DX

Telephone 020 7029 5039



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



Annual Report to Creditors

18 November
2021

Busaba Eathai Limited
(Under Company Voluntary
Arrangement)

Joint Supervisors' Annual Report for the period from 28 September
2020 to 27 September 2021

Kroll Advisory Ltd.
The Shard
32 London Bridge Street
London SE1 9SG

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1. Executive Summary

- 1.1 This report describes the progress during the Reporting Period and the prospects for the implementation of the CVA.
- 1.2 A summary of key information in this report is detailed below.

Contributions and Assets

Contribution / Assets (as set out in the CVA Proposal)	Total Contribution Received
Contribution Amount of £100,000	£100,000

Expenses

Expenses	Expenses incurred to date	Anticipated further Expenses to Closure
Joint Supervisors' Remuneration	£40,000	£19,629
Mailing and Postage	£1,511	Nil

Dividend Prospects

Creditor Class	Distribution / dividend paid to date	First and Final Dividend
Preferential creditors	Nil	Nil
Unsecured creditors	Nil	0.6p / £

2. Progress to Date

- 2.1 During the Reporting Period, the Joint Supervisors issued a Notice of Intended Dividend to the Compromised Creditors, which confirmed that final claims in the CVA for dividend purposes were due to be submitted by 11 October 2021. The Joint Supervisors have since adjudicated on Compromised Creditors' claims and will shortly declare a dividend to these Compromised Creditors with admitted claims.
- 2.2 As set out in the CVA Proposal, the Joint Supervisors had envisaged a dividend being declared within three months of the approval by the creditors of the CVA Proposal. Pursuant to the CVA Proposal, the Company was to render all outstanding VAT and corporation tax returns within three months of the Commencement Date.
- 2.3 The Company was unable to render all outstanding tax returns within three months of the CVA Commencement date due to delays in finalising its audited financial statements for the period ending 20 September 2020.
- 2.4 Pursuant to the CVA Proposal, the Joint Supervisors exercised their sole discretion not to fail the CVA as the delayed submission of outstanding VAT and corporation tax returns had no impact on the quantum of the dividend to be declared to Compromised Creditors and it would not be in the best interests of creditors to fail the CVA.
- 2.5 The Company's outstanding corporation tax returns were submitted in August 2021. Following the submission of the Company's outstanding corporation tax returns, HMRC submitted their final claim on 6 September 2021.

- 2.6 The Joint Supervisors will shortly declare a dividend to the Compromised Creditors with admitted claims.
- 2.7 It is anticipated that the CVA will be successfully implemented, as set out in the CVA Proposal as the Contribution Amount of £100,000 has been received by the Joint Supervisors and the quantum of the dividend to Compromised Creditors is expected to be 0.6p in the pound.
- 2.8 Once the Joint Supervisors are satisfied that the Company has complied with all material terms of the CVA, the Joint Supervisors will issue a Notice of Completion and once issued, the CVA shall have no further effect other than to release the Company from any further liability in respect of all debts owed to the Compromised Creditors.

3. Receipts and Payments

- 3.1 Attached at Appendix II is the Joint Supervisors' Receipts and Payments Account for the CVA.

4. Joint **Supervisors'** Remuneration and Expenses

- 4.1 The CVA Proposal provides that the Joint Supervisors are remunerated on the basis of time properly incurred by them and their staff at the Joint Supervisors' standard charge-out rates applicable at the time. The Joint Supervisors' time costs were estimated at £40,000 in the CVA Proposal. Appendix III provides a breakdown of the time costs incurred during the Reporting Period by the Joint Supervisors and their staff which total £69,629.
- 4.2 These time costs were incurred in carrying out the tasks listed in Appendix IV of which the following were the most material:
 - 4.2.1 Administration and Planning
 - 4.2.1.1 complying with the statutory and regulatory duties as regards filing, maintaining records, managing a cash book and bank account, conducting periodic case reviews and drafting this annual report; and
 - 4.2.1.2 Monitoring and processing the Company's payment of the Contribution Amount.
 - 4.2.2 Creditors
 - 4.2.2.1 responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims; and
 - 4.2.2.2 adjudicating on all claims received, including requesting further information from creditors where necessary.
- 4.3 The attached breakdown shows that a significant proportion of the time costs incurred relate to Administration and Planning, which mainly relates to undertaking statutory duties. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progress of the CVA, which has ensured that the Joint Supervisors and their staff have carried out their work

to high professional standards. In addition, the time spent supervising the Company's compliance with the CVA Proposal has increased the likelihood that the CVA will be implemented successfully.

- 4.4 Time has also been spent in dealing with Compromised Creditors' claims and particularly in assisting creditors with the submission of their claims as well as the adjudication of claims for dividend purposes. The Joint Supervisors were required to seek additional information from certain creditors in order to assess claims received. Although this work has had no direct financial benefit to creditors, it is the Joint Supervisors' duty to ensure that dividends are correctly paid to Compromised Creditors in accordance with the approved CVA Proposal.
- 4.5 The CVA Proposal disclosed that the Joint Supervisors' remuneration and expenses will be paid from the Contribution Amount. In view of the time costs incurred to date and the anticipated work to conclude the CVA, the final time costs of the Joint Supervisors and their staff will exceed the estimate provided in the CVA Proposal, due to unforeseen delays encountered and the additional work carried out, as described above.
- 4.6 As detailed at Paragraph 4.1, the Joint Supervisors' time costs for the Reporting Period total £69,629, which exceeds the estimate of the Joint Supervisors' time costs as detailed in the CVA Proposal by £29,629. The Joint Supervisors will only draw further remuneration of £19,629 to the completion of the CVA, to allow for the estimated dividend rate to Compromised Creditors to equal the estimate set out in the CVA Proposal.
- 4.7 Creditors may access a Guide to Company Voluntary Arrangement Fees at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/> or a hard copy will be provided on request.
- 4.8 Payments in respect of the Joint Supervisors' remuneration and expenses during the Reporting Period are detailed in the Receipts and Payments Account at Appendix II.

5. Creditors' Claims and Dividends

- 5.1 A Notice of Intended Dividend was issued on 17 September 2021, which notified Compromised Creditors that all claims in the CVA must be submitted by 11 October 2021.
- 5.2 The Compromised Creditors' claims received for dividend purposes are summarised as follows:

Creditor	Claims Received (Dividend Purposes) £	Claims Admitted £
HMRC	1,421,138.80	1,421,138.80
Non-Preferential Employee Claims	114,970.28	110,327.87
Non-Business Critical Infrastructure Creditors	776,353.05	717,891.28
Landlords	15,597,336.46	4,080,586.86
Total	17,909,798.59	6,329,944.81

- 5.3 The CVA Proposal set out that all preferential creditors' claims shall be paid in full by the Company, in the ordinary course of business. As such, there are no preferential claims within the CVA.

5.4 The estimated dividend prospects as set out in the CVA Proposal were based on known Compromised Creditors' claims estimated at that time totalling £8,629,506. Claims admitted for dividend purposes total £6,400,435. As such, the quantum of the dividend will be 0.6p in the pound, which is the same as the estimated dividend rate stated in the CVA Proposal.

5.5 The Joint Supervisors anticipate declaring a first and final dividend to the Compromised Creditors in November 2021.

6. Completion of the CVA

6.1 The CVA will be deemed to have been implemented following the final dividend paid to Compromised Creditors and the Joint Supervisors being satisfied that all sums due to creditors would otherwise have had Preferential Claims have been paid or provided for by the Company.

6.2 The Joint Supervisors expect the CVA to be completed in December 2021.

6.3 Should you have any questions or queries regarding this report, please contact the case team dealing with this matter, on Busaba@Kroll.com.

Yours faithfully
For and on behalf of
Busaba Eathai Limited



Philip Dakin
Joint Supervisor

Enc.

Appendix I Statutory Information

Company information		
Company and trading name	Busaba Eathai Limited	
Date of incorporation	6 November 2003	
Registered Number	04956194	
Company Director(s)	Terence Harrison and Michael Linden	
Company Secretary	Michael Linden	
Shareholders	Busaba Eathai Cleanco Limited James Anthony Poole (TP2 Limited)	
Trading address	2nd Floor 42-48 Great Portland Street London W1W 7NB	
Registered office	Current: 2nd Floor 42-48 Great Portland Street London	Former: 2nd Floor 42-48 Great Portland Street London W1W 7NB
Company Voluntary Arrangement Information		
Company Voluntary Arrangement Appointment	Company Voluntary Arrangement appointment granted in the High Court of Justice, 3669 of 2020	
Appointor	Creditors	
Date of Appointment	28 September 2020	
Joint Supervisors	Phillip Dakin and Geoffrey Bouchier	

Appendix II **Joint Supervisors' Receipts and Payments Account**

Busaba Eathai Limited (Under Company Voluntary Arrangement)

Joint Supervisors' Receipts and Payments Account for the Reporting Period

Statement of Affairs Estimated to Realise Values		For the Reporting Period Period from 28 September 2020 to 27 September 2021
(£)		(£)
100,000.00	Asset Realisations	100,000.00
<u>100,000.00</u>	CVA Contribution	<u>100,000.00</u>
	Cost of Realisation	
	Stationery & Postage	(1,511.16)
	Irrecoverable VAT	(300.67)
	Joint Supervisors' Disbursements	(395.00)
	Joint Supervisors' Remuneration	(40,000.00)
		<u>(42,206.83)</u>
	Total	<u><u>57,793.17</u></u>
	Represented By:	
	Floating / Main Account	<u>57,793.17</u>
	Total	<u><u>57,793.17</u></u>

Appendix III **Breakdown of Joint Supervisors' Time Costs**

Busaba Eathai Limited (Under Company Voluntary Arrangement)

Analysis of the Joint Supervisors' Time Costs for the Reporting Period

Classification of Work Function	Managing Director	Hours			Total Hours	Time Cost (£)	Avg Hourly Rate
		Manager	Senior	Assistant			
Administration & Planning							
Cashiering & Accounting	0.00	0.80	0.70	11.20	12.70	3,373.50	264.12
General Admin	0.00	18.40	0.00	30.00	48.40	14,924.00	308.35
General Correspondence	0.00	21.70	0.00	41.60	63.30	19,512.50	298.31
IPS Set Up & Maintenance	0.00	0.40	0.00	4.00	4.40	1,242.00	282.27
Meetings	1.50	0.30	0.00	0.00	1.80	1,324.50	735.83
Proposals	0.00	0.00	0.00	1.00	1.00	200.00	200.00
Statutory Matters (Meetings & Reports & Notices)	2.00	3.00	0.00	8.80	13.80	5,849.00	423.84
Strategy Planning & Control	0.50	6.00	0.00	1.20	7.70	3,953.00	513.38
					153.10	50,378.50	329.06
Creditors							
Creditors Committee	0.00	0.40	0.00	0.00	0.40	178.00	445.00
Employee Matters	0.00	2.20	0.00	2.00	4.20	1,539.00	366.43
Preferential Creditors	0.00	0.80	0.00	0.00	0.80	356.00	445.00
Unsecured Creditors	0.00	24.30	0.00	28.30	52.60	17,177.50	326.57
					58.00	19,250.50	331.91
Total Hours:	4.00	78.30	0.70	128.10	211.10		329.84
Total Time Costs: (£)	3,000.00	36,347.50	285.50	29,996.00		69,629.00	

Appendix IV Full Details of Work Undertaken

This summary should be read in conjunction with the contents of this report together with Appendix 3.

The Joint Supervisors' time costs incurred during the Reporting Period total £69,629 representing 211 hours at an average hourly charge out rate of £330. The Joint Administrators provide the following supporting narrative in relation to these time costs:

Administration and Planning

A total of £ 50,379 has been incurred during the Reporting Period in relation to the administration and planning, representing 153 hours at an average hourly rate £329.

Time costs in this category include the following:

- Filing of documents to meet statutory requirements
- Filing of documents
- 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
- Preparing correspondence opening accounts
- Requesting bank statements
- Bank account reconciliations
- Maintenance of the estate cash book
- Banking remittances and issuing cheques/BACS payments
- Discussions regarding strategies to be pursued
- Maintaining the Joint Supervisors' internal systems to manage creditor claims.

Whilst the majority of the above is not undertaken to provide a direct financial benefit to creditors, the Joint Supervisors are required to undertake and / or document these activities in accordance with various duties and statute.

Future time costs are likely to include the following tasks:

- Reconciling the bank account
- Preparing and issuing the Joint Supervisors' Annual Report.

Creditors

A total of £19,251 of time costs have been incurred to creditors during the Reporting Period, representing 58 hours at an average hourly rate of £332.

Time costs in this category include the following:

- Receive and follow up creditor enquiries via telephone
- Review and prepare correspondence to creditors and their representatives via email and post
- Assisting employees to pursue claims via the Redundancy Payments Office
- 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

- Preparation of correspondence to creditors advising of intention to declare distribution
- Preparation of distribution calculation.

Time costs in this category have had a direct benefit for creditors except as they are predominantly related to dealing with compromised creditors' claims in order to pay the dividend as outlined the CVA Proposal.

Future time costs are likely to include the following tasks:

- Corresponding with Compromised Creditors in respect of their claims
- Preparation of distribution calculation
- Formally declaring a first and final dividend
- Finalising payment of the dividend to the Compromised Creditors.

V Definitions

Word or Phrase	Definition
the Commencement Date	The date the CVA Proposal was approved by the Company's creditors, being 28 September 2020
Compromised Creditors	As defined in the CVA Proposal
the Company	Busaba Eathai Limited
the Contribution Amount	The sum of £100,000 to be paid to the Joint Supervisors by the Company to enable payment of costs and a first and final dividend in accordance with the terms of the CVA Proposal.
the CVA	the Company Voluntary Arrangement as approved by creditors on the Commencement Date
the CVA Proposal	The CVA Proposal dated 8 September 2020 and accepted by creditors on 28 September 2020
HMRC	HM Revenue and Customs
the Reporting Period	28 September 2020 to 27 September 2021