

# CVA3

## Notice of supervisor's progress report in voluntary arrangement



Companies House

THURSDAY



A18 \*A7AIQJDN\* 19/07/2018 #196  
COMPANIES HOUSE

1, please  
at  
house

### 1 Company details

Company number 0 5 5 5 9 5 8 8

Company name in full AVS-SYS Limited

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals.

### 2 Supervisor's name

Full forename(s) Jonathan

Surname Taylor

### 3 Supervisor's address

Building name/number Suite 101 & 102, Empire Way Business Park

Street Liverpool Road

Post town Burnley

County/Region

Postcode B B 1 2 6 H H

Country

### 4 Supervisor's name <sup>1</sup>

Full forename(s)

Surname

Other supervisor  
Use this section to tell us about  
another supervisor.

### 5 Supervisor's address <sup>1</sup>

Building name/number

Street

Post town

County/Region

Postcode

Country

Other supervisor  
Use this section to tell us about  
another supervisor.

# CVA3

Notice of supervisor's progress report in voluntary arrangement

## 6 Date of voluntary arrangement

Date 

2	3	0	5	2	0	1	7
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## 7 Period of progress report

Date from 

2	3	0	5	2	0	1	7
---	---	---	---	---	---	---	---

  
Date to 

2	2	0	5	2	0	1	8
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## 8 Progress report

☒ I attach a copy of the progress report

## 9 Sign and date

Supervisor's signature

Signature

X

*[Handwritten Signature]*

X

Signature date

d	1	d	8	m	0	m	7	y	2	y	0	y	1	y	8
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# 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.

Jonathan Mark Taylor

T H Financial Recovery

Suite 101 & 102, Empire Way Business Park

Suite 101 & 102, Empire Way Business Park

Burnley

Postcode	B	B	1	2		6	H	H
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DX

01282 332222



### 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)**

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**AVS-SYS LIMITED COMPANY VOLUNTARY ARRANGEMENT**

**Report of the Joint Supervisors**

**In accordance with Rule 2.41 of the Insolvency (England and Wales) Rules 2016**

**Name of Supervisor**

**Jonathan Mark Taylor**

**Date of appointment**                      **23 May 2017**

**Date of Report**

## **1. INTRODUCTION**

- 1.1 I write following my appointment as supervisor of the above company's voluntary arrangement at meetings of creditors and members held on 23 May 2017.
- 1.2 Pursuant to Rule 2.41 of the Insolvency (England and Wales) Rules 2016 I write to provide you with the supervisor's report on the voluntary arrangement. Please find attached as Appendix 1 an up to date Receipts and Payments account.

## **2. BACKGROUND**

Jonathan Mark Taylor and was appointed supervisor of the company on 23 May 2017.

The company's registered office is St Georges House, Dragons Lane, Sandbach, CW11 3PA

## **3. ASSET REALISATIONS**

- 3.1 The directors' proposal as modified envisaged that the company continue to trade and make available payments of £516,400 from net profit which would be payable in 39 tranches of £12,600 each plus a lump sum payment of £25,000 to be paid within 30 days of approval.
- 3.2 The sum of £25,000 was received, together with the first contribution, within 30 days of approval as per the modifications. During this reporting period £126,000 was received in respect of contributions and one month arrears accrued.
- 3.3 The proposal stated that the company would also contribute 50% of net profit. I have requested up to date management accounts which I expect to receive within the next 14 days. If this information is not received the supervisor will write to creditors to seek their views as to whether this constitutes a breach of the CVA terms.

## **4. CREDITORS' CLAIMS**

- 4.1 The final claim was received from HM Revenue and Customs on 27 November 2017 and totalled £380,736.69, which is higher than the directors' estimate in the statement of affairs of £342,224.79. However, the company is due a research and development tax rebate which will be used to offset the HMRC claim. It is anticipated the debt will be reduced significantly and I am awaiting receipt of the amended claim which HMRC confirm they hope to send within the next 4 weeks.
- 4.2 Trade and expense creditors at the date of the voluntary arrangement totalled £116,791. Proofs of debt for voting purposes received total £162,567.14. A modification to the Arrangement states that where the total value of creditors claims exceeds by 10% or more of the stated value of their affairs supplied by the company for the purposes of this proposal this will constitute a breach of the arrangement. In the event of such a breach the Supervisor shall ascertain from creditors what they wish to do in the context of the arrangement overall. Until the HMRC amended claim is received, this cannot be confirmed.

## **5. DIVIDEND PROSPECTS**

- 5.1 The first distribution to creditors of 18.26 pence in the £ was issued on 15 June 2018 but as this is outside of this reporting period it is not detailed on the attached receipts and payments account. Further dividends will be paid on receipt of the HMRC claim. I have reserved sufficient funds to distribute an equalisation dividend to HMRC based on their currently submitted claim, until such time as the final position is confirmed.

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## 6. COSTS AND EXPENSES

6.1 You will note on the Receipts and Payments account attached that the nominee's remuneration has been paid in full. The role of the Nominee included:

- advising the directors on the options for the Company and periodically assessing whether a CVA has a reasonable prospect of being approved and implemented successfully;
- meeting the other requirements of the regulatory body as regards Statement of Insolvency Practice 3.2, e.g. proportionate investigations into the Company's assets and liabilities;
- drafting the Nominee's report, CVA Proposal, Statement of Affairs and other documents to support the Proposal, which usually involves a number of exchanges with the directors, key staff members, the Company's accountants and major or key creditors and often involves consultation with solicitors and professional valuers;
- meeting the statutory requirements as regards filing documents at the Court;
- issuing notice of the meetings to all members, notice of the decision procedure to creditors and other interested parties;
- responding to queries from creditors, members and the directors in relation to the meetings and decision procedure, the CVA process, their claims and the Company's financial position;
- dealing with, or assisting the directors to deal with, any issues arising prior to the meetings;
- examining and quantifying creditors' claims and proxy forms and liaising with the directors in relation to any modifications proposed; and
- holding the meeting of members and conducting the decision procedure for creditors.

Fixing the Nominee's fee as a set amount provides creditors with certainty as regards the fee irrespective of unforeseen complications in completing the above tasks and, if the Nominee were to charge a fee on the alternative basis of time costs incurred by them and their staff, there is little doubt that this would result in a fee in excess of that proposed

6.2 The supervisor's fees were estimated at £22,500 and the modifications restrict further fees being drawn. The sum of £6,900 has been drawn during this reporting period and time costs amount to £8,507.50, representing 47.3 hours at an average rate of £179.86.

6.3 It is currently envisaged that:

- the original fees estimate is unlikely to be exceeded; and
- the original expenses estimate has been exceeded by £440 due to the modified increase in realisations which lead to an increased bond level fee.

The Supervisor's main tasks include:

- meeting statutory notice requirements following approval of the CVA;
- drafting and issuing annual progress reports to creditors and members and filing statutory documents with the Registrar of Companies;
- maintaining case files, which must include records to show and explain the administration of the CVA and any decisions made by the Supervisor that materially affect the administration;
- monitoring and maintaining an adequate statutory bond;
- conducting periodic case reviews to ensure that the CVA is progressing efficiently, effectively and in line with the statutory requirements;
- maintaining and updating the estate cash book and bank account, including regular bank reconciliations and processing receipts and payments;
- 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;
- adjudicating on creditors' claims, declaring distributions and dealing with any unclaimed dividends; and
- issuing a final report to creditors and members and filing statutory documents to bring the CVA to a close.

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Creditors may access a Guide to Fees in a Voluntary Arrangement at [www.thfr.co.uk](http://www.thfr.co.uk) (stakeholder login) or a hard copy will be provided on request.

We understand that these tasks do not always improve / increase creditor realisations, but this work adds value and assurance that the arrangement is Supervised and Regulated in accordance with Insolvency Law.

**7. CONCLUSION**

- 7.1 As previously advised we await receipt of the amended HMRC claim. Once received we will be in a position to assess the required number of additional contributions due to conclude the CVA. On this basis it is anticipated that the term of the Arrangement will be reduced significantly.
- 7.10 If you have any queries regarding the contents of this report then please telephone either Nicola Roberts or myself on 01282 332222.



**Jonathan Mark Taylor**  
**T H Financial Recovery**

Supervisor



**APPENDIX 1**  
**Supervisor's Receipts and Payments Account**

**AVS-SYS Limited - In Company Voluntary Arrangement  
Supervisor's Abstract of Receipts & Payments**

**From 23 May 2017 to 22 May 2018**

<b>S of A £</b>		<b>£</b>
	<b>RECEIPTS</b>	
491,400	Voluntary Contributions	126,000.00
NIL	Bank Interest Net of Tax	2.32
NIL	Lump Sum Payment	25,000.00
<u>491,400</u>		<u>151,002.32</u>
	<b>PAYMENTS</b>	
NIL	Petitioners Costs	(920.00)
5,000	Nominee Remuneration	(5,000.00)
22,500	Supervisor Remuneration	(6,900.00)
NIL	Nominee Disbursement	(1,210.00)
NIL	Vat Receivable	(42.00)
1,000	Specific Bond	(1,440.00)
<u>28,500</u>		<u>(15,512.00)</u>
<u>462,900</u>	<b>CASH IN HAND</b>	<u>135,490.32</u>

**Supervisor's Remuneration Schedule**  
**AVS-SYS Limited**  
**Between 23 May 2017 and 22 May 2018**

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	10.50	0.00	12.40	0.00	22.90	4,353.00	190.09
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.60	0.00	0.00	0.00	0.60	150.00	250.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	4.80	0.00	19.00	0.00	23.80	4,004.50	168.26
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prescribed Part	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total hours</b>	15.90	0.00	31.40	0.00	47.30		
<b>Time costs</b>	4,047.50	0.00	4,460.00	0.00		8,507.50	
<b>Average hourly rate</b>	254.56	0.00	142.04	0.00			179.86

Description	Total Incurred £	Total Recovered £
	0.00	0.00
<b>Totals</b>	<b>0.00</b>	<b>0.00</b>

**Summary of Fees**

Time spent in administering the Assignment	Hours	47.30
Total value of time spent to 22 May 2018	£	8,507.50
Total Supervisor's fees charged to 22 May 2018	£	6,900.00

[illegible]