

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 9 1 8 7 3 1 8	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	MBI Lynwood Limited	
2	Supervisor's name	
Full forename(s)	Robert William	
Surname	Sadler	
3	Supervisor's address	
Building name/number	Devonshire House	
Street	32/34 North Parade	
Post town	Bradford	
County/Region		
Postcode	B D 1 3 H Z	
Country		
4	Supervisor's name ^①	
Full forename(s)		① Other supervisor Use this section to tell us about another supervisor.
Surname		
5	Supervisor's address ^②	
Building name/number		② Other supervisor Use this section to tell us about another supervisor.
Street		
Post town		
County/Region		
Postcode		
Country		

CVA3

Notice of supervisor's progress report in voluntary arrangement

6 Date of voluntary arrangement

d	d	m	m	y	y	y	y
1	2	1	1	2	0	1	9

7 Period of progress report

d	d	m	m	y	y	y	y
1	2	1	1	2	0	1	9

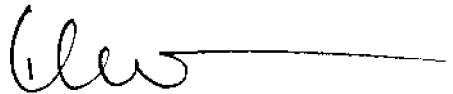
d	d	m	m	y	y	y	y
1	1	1	1	2	0	2	0

8 Progress report☒ I attach a copy of the progress report**9** Sign and date

Supervisor's signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
0	8	0	1	2	0	2	1

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 **David Hodgson**

Company name **Auker Rhodes Limited**

Address **Devonshire House**

32/34 North Parade

Post town **Bradford**

County/Region

Postcode **B D 1 3 H Z**

Country

DX

Telephone **01274 299499**



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
MBI Lynwood Limited
Joint Supervisor's Summary of Receipts & Payments**

Statement of Affairs £		From 12/11/2019 To 11/11/2020 £	From 12/11/2019 To 11/11/2020 £
	SECURED ASSETS		
1,410,000.00	Freehold land & property	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
Uncertain	Llandudno Bay Hotel & Spa Limited	NIL	NIL
Uncertain	MBI Clifton Moor Limited	NIL	NIL
Uncertain	MBI Consulting (UK) Limited	NIL	NIL
Uncertain	MBI Hawthorn Care Limited	NIL	NIL
Uncertain	MBI Smithy Bridge Limited	NIL	NIL
		NIL	NIL
1,410,000.00		NIL	NIL
	REPRESENTED BY		
			NIL

Note:


 Robert William Sadler
 Supervisor



**MBI LYNWOOD LIMITED
(COMPANY VOLUNTARY ARRANGEMENT)**

SUPERVISOR'S PROGRESS REPORT

**THE SUPERVISOR'S FIRST PROGRESS REPORT IN ACCORDANCE WITH
RULE 2.41 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
LEEDS INSOLVENCY AND COMPANIES LIST**

**IN THE MATTER OF THE INSOLVENCY ACT 1986
AND
IN THE MATTER OF MBI LYNWOOD LIMITED**

8 JANUARY 2021



AUKER RHODES ACCOUNTING LIMITED

**Devonshire House
32-34 North Parade
Bradford
BD1 3HZ**

Tel: 01274 299499

APPOINTMENT OF SUPERVISOR

Date of appointment:	12/11/19	
Date of Supervisor's appointment:	Robert William Sadler	12/11/19
	John Paul Sugden	12/11/19
Court case number:	Leeds Insolvency & Companies List, CR-2019-001176	

On 15 October 2020, John Paul Sugden was removed as Joint Supervisor of the Company by an Order of the Court. The Order was advertised in the London Gazette on 10 November 2020.

Under the terms of the Order, John Paul Sugden was granted his release, or discharge from liability, as appropriate, 21 days after the publication of the Order.

Creditors should note that:

- the Proposal was accepted by creditors at a meeting of creditors held on 12 November 2019;
- the Supervisor acts as an officer of the Court without personal liability;
- Rob Sadler is licensed by the Insolvency Practitioners Association.

INTRODUCTION

The Supervisor's Progress Report¹, in accordance with the Insolvency (England and Wales) Rules 2016 ("the Rules"), provides creditors with an update on the Arrangement since the appointment of the Supervisor on 12 November 2019. The Report covers the period 12 November 2019 to 11 November 2020.

This report is private and confidential and is for the sole purpose of providing creditors of the Company with the information that the Supervisor is required to do by the Act and Rules. No part of this report may be reproduced or quoted from, referred to or used for any other purpose without the express permission of the Supervisor.

THE PROPOSALS

Creditors may recall that the Proposal, dated 22 October 2019, provided for an estimated dividend to unsecured creditors totalling 26.64p in the £. The dividend in the CVA is against all contractual future returns and payments discounted back to the date of the acceptance of the CVA.

It was originally estimated that the Arrangement would be completed in twelve months, (ie by 11 November 2020) however, the Arrangement has been extended by the Supervisor for a further six months to allow for the completion of the sale of the care home and for a dividend to be paid.

PROGRESS DURING THE PERIOD OF THIS REPORT

The Administrators' Proposal for a CVA was circulated to all known creditors via email, where creditors' email addresses had been identified, on 23 October 2019 and by post on 24 October 2019 detailing how to access the creditors' portal².

Following a request by the majority creditor, formal notice of a physical meeting of creditors was included in the Administrators' Proposal, which was held at 10am on 12 November 2019.

The following decisions were considered at the meeting:

¹ Rule 2.41 of the Rules

² Rule 1.50 of the Rules

1. The proposed Company Voluntary Arrangement be approved.
2. If Resolution 1 is approved, for the appointment of the Administrators as Supervisors and agreement that acts may be completed by any one or both of them.

The decisions were accepted by 86.76% of voting creditors.

A copy of the Chair's report on the meeting was uploaded to the creditors' portal on 18 November 2019.

Following the acceptance of the CVA Proposal the Supervisor has continued to complete and fulfil his statutory and regulatory obligations in accordance with the Act and Rules.

The Proposal was based on the sale of the care home property once the leasehold interests on the title at HM Land Registry have been surrendered. On 23 July 2020 a sale agreement was exchanged.

On 11 September 2020, two companies associated with the Company, Qualia Care Developments Limited and Qualia Care Properties Limited, entered into Administration. The Administrations have caused delays in progressing the CVA due to the distraction that they have caused for the Company's management. The sale is, however, now moving forward.

The knock-on effect of the Administrations and delays due to the Covid-19 pandemic have meant that the sale process has been unable to be completed within the duration of the CVA as it was originally proposed. The Supervisor has extended the term of the Arrangement for a further six months to allow for the sale process to be completed and a dividend to be paid to creditors.

Notice of the extension was uploaded to the creditors' portal on 5 November 2020.

Claims have been submitted in respect the debts due to the Company. It is expected that payments will be made by way of dividend in due course, however, the timing and quantum is yet to be determined.

It is expected that the sale and dividend process can be completed within the revised timescale which is due to end on 11 May 2021.

WHAT REMAINS TO BE DONE IN THE CVA

The Supervisor will continue to monitor the sale situation and will be requesting the completion of the lease surrender documentation shortly.

On the receipt of funds in respect of the sale of the property the Supervisor will agree creditors' claims and make payment of the dividend. For the avoidance of doubt, creditors' claims will not be agreed for dividend purposes until such time as the deed of surrender has been correctly completed as per section 15.8 of the Proposal.

Claims will be submitted in respect of Llandudno Bay Hotel & Spa Limited, MBI Clifton Moor Limited, MBI Hawthorne Care Limited, MBI Smithy Bridge Limited (all currently in Administration) and MBI Consulting (UK) Limited (in Liquidation) however it should be noted that the Supervisor has reviewed the progress reports in respect of these companies and it is doubtful that any recoveries will be received.

The Supervisor will continue to monitor the situation in respect of the debts due to the Company.

THE SUPERVISOR'S RECEIPTS AND PAYMENTS ACCOUNT

Attached at Appendix A is the Supervisor's Receipts and Payments Account covering the twelve month period from 12 November 2019 to 11 November 2020.

As detailed in the Account, no Receipts or Payments have been received or paid during the reporting period.

THE ESTIMATED OUTCOME FOR CREDITORS

The Supervisor is not aware of any secured or preferential creditors.

The estimate of the dividend that will be available to unsecured creditors in the CVA is 26.64 pence in the pound. Creditors should note that this dividend would represent 26.64 pence in the pound against all contractual future returns and payments discounted back to this date. This dividend is anticipated to be paid to creditors prior to the conclusion of the extension period, being 11 May 2021.

THE SUPERVISOR'S REMUNERATION, EXPENSES & DISBURSEMENTS

The remuneration of the Supervisor was detailed within the Proposal, which was agreed by creditors on 12 November 2019. An estimate of the Supervisor's costs was included in section 38 of the proposal, based on 5% of realisations in the Arrangement and totalling £70,500.

The Supervisor has incurred costs of £6,185 in the current period. An analysis of the time incurred is attached at Appendix B.

Auker Rhodes Accounting's charge out rates and disbursements policy can be found at Appendix D. Details of the expenses that the Administrators have incurred are also attached at Appendix C.

A Creditors Guide to Voluntary Arrangement Fees can be accessed at www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/28888/page/1/version-1-issued-april-2010. A hard copy of the Guide can be requested from the Supervisor's office.

EU REGULATION

Regulation (EU) Number 2015/848 of the European Parliament and of the Council applies to these proceedings, which the Supervisor believes are "main proceedings" within the meaning of Article 3 of the Regulation.

OTHER MATTERS

Should creditors have any questions arising from this Progress Report they should contact the Supervisor's office.



ROBERT WILLIAM SADLER
Supervisor

MBI Lynwood Limited
(Individual Voluntary Arrangement)

Supervisors Receipts and Payments Account for the period
12 November 2019 to 11 November 2020

INCOME	Total (£)
	<hr/> 0.00 <hr/>
EXPENDITURE	
	<hr/> 0.00 <hr/>
Balance	<hr/> 0.00 <hr/>
MADE UP AS FOLLOWS	
	<hr/> 0.00 <hr/>

APPENDIX B

MBI Lynwood Limited Analysis of Supervisors time costs for the period 12/11/2019 to 11/11/2020

Classification of work function	Officeholder	Manager	Other senior professionals	Assistants & support staff	Total hours	Time costs (£)	Average hourly rate (£)
Case Administration	6.30	7.50	0.00	0.00	13.80	3,075.00	222.83
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closure	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors & shareholders	2.40	6.10	0.00	0.00	8.50	1,820.00	214.12
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	5.00	0.20	0.00	0.00	5.20	1,290.00	248.08
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	13.70	13.80	0.00	0.00	27.50	6,185.00	224.91

Remuneration and expenses incurred by the Supervisor in the period 12 November 2019 to 11 November 2020

	Incurred & paid from 12/11/19 to 11/11/20	Incurred remaining unpaid to date	Total incurred from 12/11/19 to date
	£	£	£
Supervisor's remuneration			
Auker Rhodes Accounting Limited	-	6,185.00	6,185.00
Supervisor's expenses			
Supervisor's bond	-	1,520.00	1,520.00
Mileage	-	42.05	42.05
Parking	-	3.70	3.70
Rail fare	-	4.20	4.20
	-	7,754.95	7,754.95

AUKER RHODES ACCOUNTING – EXPENSES & CHARGEOUT RATES

INTRODUCTION

This note applies where a licensed Insolvency Practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Required professional practice¹ states that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories:

- ❑ *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a specific insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges; and
- ❑ *Category 2 expenses (approval required)* – all other items of expenditure:
 - which cannot, or cannot easily, be directly related to a specific insolvency case because there is an element of shared or allocated cost; and / or
 - where the cost of the expense incurred is an estimated, utilised cost with the estimate based on external costs or opportunity cost.

EXPENSES

- ❑ *Category 1 expenses (approval not required)* – except for any items referred to below, all such items are re-charged to the case as they are incurred.
- ❑ *Category 2 expenses (approval required)*
 - (A) The following items of expenditure are re-charged as described:
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 per meeting;
 - Car mileage is re-charged at the rate of 35 pence per mile;
 - Storage of books and records (when not rechargeable as a *Category 1 expense*) is re-charged on the basis that the number of standard archive boxes held in storage for a specific case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;)
 - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge:
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*.

STANDARD CHARGEOUT RATES AND CHARGING POLICY

The rates applying as at the date of this report are as follows:

Grade of staff	Chargeout rate (£ per hour)
Partner & appointment taker	250
Manager	200
Administrator	125
Admin / support staff	75 – 125

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of five minutes.

¹Statement of Insolvency Practice 9 (SIP 9) effective from 1 December 2015.