

# CVA3

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



Companies House

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11/10/2019

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COMPANIES HOUSE

### 1 Company details

Company number 0 2 0 2 5 9 5 7

Company name in full The Island Trading Company Limited

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

### 2 Supervisor's name

Full forename(s) Frederick Charles

Surname Satow

### 3 Supervisor's address

Building name/number New Bridge Street House

Street 30 - 34 New Bridge Street

Post town London

County/Region

Postcode E C 4 V 6 B J

Country

### 4 Supervisor's name <sup>①</sup>

Full forename(s) Paul Michael

Surname Davis

① Other supervisor  
Use this section to tell us about  
another supervisor.

### 5 Supervisor's address <sup>②</sup>

Building name/number New Bridge Street House

Street 30 - 34 New Bridge Street

Post town London

County/Region

Postcode E C 4 V 6 B J

Country

② 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 

d	2	d	6	m	0	m	8	y	2	y	0	y	1	y	5
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## 7 Period of progress report

Date from 

d	2	d	6	m	0	m	8	y	2	y	0	y	1	y	8
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Date to 

d	2	d	5	m	0	m	8	y	2	y	0	y	1	y	9
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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	0	d	9	m	1	m	0	y	2	y	0	y	1	y	9
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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.

Contact name **Kimberley Reid**

Company name **MacIntyre Hudson LLP**

Address  
**New Bridge Street House**  
**30 - 34 New Bridge Street**

Post town **London**

County/Region

Postcode **E C 4 V 6 B J**

Country

DX

Telephone **0207 429 4100**



### 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)**

**Voluntary Arrangement of  
The Island Trading Company Limited  
Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 26/08/2018 To 25/08/2019 £	From 26/08/2015 To 25/08/2019 £
	<b>ASSET REALISATIONS</b>		
	3rd Party Contributions	137,301.03	476,668.72
	Bank Interest Gross	1,782.42	2,561.93
Uncertain	Book Debts	NIL	NIL
8,679.00	Cash at Bank	NIL	NIL
NIL	Furniture & Equipment	NIL	NIL
	Petition Costs on Trust	NIL	2,500.00
Uncertain	Prepayments	NIL	NIL
		<u>139,083.45</u>	<u>481,730.65</u>
	<b>COST OF REALISATIONS</b>		
	Bond	NIL	210.00
	Joint Supervisors' Expenses	NIL	259.29
	Joint Supervisors' Fees	15,000.00	32,500.00
	Petitioners Costs	NIL	920.00
	Sec of State Fees	NIL	NIL
	VAT	NIL	51.86
		<u>(15,000.00)</u>	<u>(33,941.15)</u>
	<b>PREFERENTIAL CREDITORS</b>		
NIL	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(1,022,000.00)	Director's Loan	NIL	NIL
NIL	Employees	NIL	NIL
(510,825.02)	HMRC	400,000.00	400,000.00
(2,825,834.00)	Trade & Expense Creditors	NIL	NIL
		<u>(400,000.00)</u>	<u>(400,000.00)</u>
<b>(4,349,980.02)</b>		<b><u>(275,916.55)</u></b>	<b><u>47,789.50</u></b>
	<b>REPRESENTED BY</b>		
	Bank 2 Current - METRO - NIB		47,789.50
			<b><u>47,789.50</u></b>

Note:



Frederick Charles Satow  
Supervisor

**To All Known Creditors and Members  
The Island Trading Company Limited ("the Company")  
Company Voluntary Arrangement ("CVA")  
In the High Court No. 5318 of 2015**

**Joint Supervisor's fourth report to creditors on the progress of the arrangement**

**1. Introduction**

The Company Voluntary Arrangement ("CVA") was approved on 26 August 2015 and I was appointed Joint Supervisor with Paul Michael Davis. This is the fourth annual progress report to creditors for the period 26 August 2018 to 25 August 2019.

Attached at Appendix 1 is my receipts and payments account for the 12 months ended 25 August 2019 together with a summary which gives details of all transactions for the 48 months since the commencement of the voluntary arrangement on 26 August 2015.

**2. Comments on receipts and payments**

**Receipts**

Voluntary Contributions

Under the terms of the CVA Blue Mountain Music Limited ('Blue Mountain'), a third party is scheduled to make 60 consecutive monthly contributions of £15,416.67. Since commencement of the CVA I have received contributions totalling £476,668.72. I confirm that within the reporting period, I have received 9 contributions totalling £137,301.03.

Creditors will recall from my previous reports, that Blue Mountain were behind their payment schedule and that the Director was seeking advice as to the best way to proceed given that HM Revenue & Customs ("HMRC") had submitted a revised final claim that was considerably higher than their previous claim.

On 8 November 2018, creditors approved a variation to the CVA and I confirm that Blue Mountain commenced voluntary contributions in December 2018 in accordance with the terms detailed in the variation.

The Company has confirmed that they have not received any windfalls since the approval of the CVA.

Bank Interest

Bank interest totalling £1,782.42 has been earned on the funds held in the estate bank account in this reporting period and £2,561.93 has been earned in total.

**Payments**

Joint Supervisors' Fees

MHA Macintyre Hudson has been paid £15,000 (VAT exempt) within the reporting period for acting as Joint Supervisors of the CVA. Further details are provided in this report under the heading 'Office Holders' Remuneration'.

HMRC

A payment of £400,000 was made to HMRC within the reporting period. Further details are provided in this report under the heading "Creditors claims and distributions".

There have been no other payments within the reporting period.

### 3. **Creditor claims and distributions**

HMRC are the largest creditor in the CVA and initially submitted a claim of £939,366. A revised final claim of £1,159,816.23 was received in July 2017 and admitted for dividend purposes.

On 6 August 2019, I declared a first interim dividend in the sum of £400,000 to HMRC as the only creditor of the CVA.

I confirm that there will be further distributions however I am unable to confirm the quantum or timing at this stage but I hope that the second dividend can be distributed on or before the next anniversary.

### 4. **Office holder's remuneration**

Under the terms of the proposal, my remuneration as Joint Supervisor is to be calculated on a time cost basis. It was estimated that my time costs would amount to £22,500 for the duration of the CVA but when the variation was proposed, I advised creditors that I expected my time costs to be in the region of £40,000. The increase is due to time spent liaising with the Director regarding the proposed variation to the CVA, chasing the Company regarding the payment of contributions and correspondence with HMRC regarding their claim.

My total time costs to 25 August 2019 amount to £59,793.26, representing 205.43 hours which have been charged at an average charge out rate of £291.06, of which £15,893.84, representing 51.83 hours was charged in the period between 26 August 2018 and 25 August 2019 at an average charge out rate of £306.65.

I have drawn £32,500 plus VAT to date of which £15,000 was drawn in the period between 26 August 2018 and 25 August 2019. A schedule of my time costs incurred to date is attached as Appendix 2.

HMRC submitted a modification when the variation was proposed, to cap the Joint Supervisors fee at £35,000.

A description of the routine work undertaken since my last progress report is as follows:

#### 1. Administration and Planning

- Statutory notifications;
- Preparing documentation required;
- Dealing with all routine correspondence;
- Maintaining physical case files and electronic case details on the case management system;
- Review and storage;
- Case bordereau;
- Preparing reports to members and creditors;
- Convening and holding virtual meetings of members;
- Convening decision procedures;

#### 2. Cashiering

- Ensuring statutory lodgements and tax lodgement obligations are met;
- Undertaking regular reconciliations of the estate bank account;

#### 3. Creditors

- Dealing with correspondence with HMRC and telephone conversations;

- Preparing reports to creditors;
- Maintaining creditor information on the case management system;

#### 4. Realisation of Assets

- Corresponding with directors and collecting payments.

In addition to the routine work above, I have spent additional time as follows:

- Preparing and executing the variation to the CVA
- Agreeing the claim from HMRC and distributing the first interim dividend

This work was necessary to administer the CVA. Some of the work was required by statute and regulatory guidance, but it contributed to the payment of the agreed dividends to creditors and the conclusion of this arrangement.

In common with all professional firms, charge out rates increase from time to time over the period of the CVA. As a consequence, there have been changes in the rates charged since appointment. The following table shows the current and previous charge out rates:

<b>Grade of staff</b>	<b>Current charge-out rate per hour, effective from 1 April 2019</b>	<b>Current charge-out rate per hour, effective from 1 April 2018</b>
	<b>£</b>	<b>£</b>
Partner	540	520
Director	370-490	370-490
Senior manager	395	395
Manager	320-335	280-335
Supervisor/Senior administrator	280-310	200-290
Case administrator	170-290	170-290
Cashier	185	185
Support staff	165	165

These charge-out rates are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

During the course of the year I have taken the necessary steps to discharge my duties as supervisor in accordance with the terms of the arrangement. This includes monitoring for receipt of the company's contributions, reviewing the company's trading, agreeing creditors' claims, (and paying a dividend to creditors).

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Supervisors' Fees' also published by R3, together with an explanatory note which shows MHA MacIntyre Hudson's fee policy are available at the link <https://www.macintyreHUDSON.co.uk/?/guides-to-fees>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2010 version. A hard copy of both documents can be obtained on request from the address below.

#### 5. **Office holder's expenses**

I have incurred expenses to 25 August 2018 of £469.29 of all which was incurred and drawn in previous reporting periods. To confirm I have not incurred any expenses in the period since my last progress report and I have not used the services of any agents or professionals.

I have not incurred category 2 disbursements within the reporting period.

**6. Matters outstanding**

- a) Continue to receive the voluntary contributions on a monthly basis until the end of the CVA;
- b) Declare further distributions to HMRC following agreement of their claim;

**7. Progress and prospects for the full implementation of the arrangement**

Modification 24, approved as part of the CVA on 21 August 2015 reads:

*The arrangement shall not be capable of successful completion until all unsecured, non-preferential creditors claiming in the arrangement have received a minimum dividend of 95.17 pence/£.*

The variation (to modification 24 and the proposal generally) confirms that the Supervisor may treat the arrangement as having completed successfully, even if the unsecured, non-preferential creditors claiming in the arrangement have received a minimum dividend of less than 95.17 pence/£ where the reduction is a result of HMRC proving in the CVA for more than £939,366 (the figure stated in the proposal for HMRC liabilities) and the supervisor's time-cost remuneration.

At MacIntyre Hudson LLP we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this letter.

If you consider that I have not dealt with your comments or complaint appropriately you, then put details of your concerns in writing to our complaints officer Michael Sanders at the address indicated in the covering letter. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone 0300 678 0015 - calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you're calling from the UK.



**Frederick Charles Satow**  
**Joint Supervisor**  
**Authorised to act in the UK by**  
**The Institute of Chartered Accountants in England & Wales**



**The Island Trading Company Limited**  
**(Under a Voluntary Arrangement)**  
**Supervisors' Summary of Receipts and Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 26/08/2015 To 25/08/2018 (£)</b>	<b>From 26/08/2018 To 25/08/2019 (£)</b>	<b>Total (£)</b>
Furniture & Equipment	NIL	0.00	0.00	0.00
Book Debts	Uncertain	0.00	0.00	0.00
Prepayments	Uncertain	0.00	0.00	0.00
Cash at Bank	8,679.00	0.00	0.00	0.00
3rd Party Contributions		339,367.69	137,301.03	476,668.72
Bank Interest Gross		779.51	1,782.42	2,561.93
Petition Costs on Trust		2,500.00	0.00	2,500.00
Employee Arrears/Hol Pay	NIL	0.00	0.00	0.00
Employees	NIL	0.00	0.00	0.00
		<b>342,647.20</b>	<b>139,083.45</b>	<b>481,730.65</b>
<b>PAYMENTS</b>				
Petitioners Costs		920.00	0.00	920.00
Joint Supervisors' Fees		17,500.00	15,000.00	32,500.00
Joint Supervisors' Expenses		259.29	0.00	259.29
Bond		210.00	0.00	210.00
Trade & Expense Creditors	(2,825,834.00)	0.00	0.00	0.00
Director's Loan	(1,022,000.00)	0.00	0.00	0.00
HMRC	(510,825.02)	0.00	400,000.00	400,000.00
		<b>18,889.29</b>	<b>415,000.00</b>	<b>433,889.29</b>
<b>Net Receipts/(Payments)</b>		<b>323,757.91</b>	<b>(275,916.55)</b>	<b>47,841.36</b>
<b>MADE UP AS FOLLOWS</b>				
Bank 2 Current - METRO - NIB		323,706.05	(275,916.55)	47,789.50
VAT Receivable / (Payable)		51.86	0.00	51.86
		<b>323,757.91</b>	<b>(275,916.55)</b>	<b>47,841.36</b>

Note:



Frederick Charles Satow  
Supervisor

**The Island Trading Company Limited**  
(Company Voluntary Arrangement)

Analysis of time costs for the period 26 August 2015 to 25 August 2019

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashiering		Total Hours		Time Cost		Average Hourly Rate	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours		£		£	
Administration and Planning	1.50	690.00	6.30	2,479.00	1.80	531.00	33.95	7,850.17	10.83	1,724.34	0.00	0.00	54.38		13,274.51		244.11	
Accounting for Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.90	246.00	0.20	32.00	0.00	0.00	1.10		278.00		252.73	
Case Accounts	0.00	0.00	0.10	49.00	0.30	97.50	0.60	169.00	6.80	1,072.50	4.90	826.50	12.70		2,214.50		174.37	
Case Review and Case Diary Mgmt	0.00	0.00	0.45	199.25	0.00	0.00	9.50	2,773.00	0.00	0.00	0.00	0.00	9.95		2,972.25		298.72	
Cashiering	0.00	0.00	0.10	36.50	1.00	325.00	2.80	838.00	3.20	541.50	9.10	1,639.00	16.20		3,380.00		208.64	
Communicating with Creditors	0.00	0.00	13.55	6,133.75	0.00	0.00	9.10	2,346.00	0.40	62.00	0.00	0.00	23.05		8,541.75		370.57	
Corresponding with Employees	0.00	0.00	0.00	0.00	0.00	0.00	2.10	522.00	0.00	0.00	0.00	0.00	2.10		522.00		248.57	
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	1.50	465.00	0.00	0.00	0.00	0.00	1.50		465.00		310.00	
Fixed Charge Creditors	0.00	0.00	0.10	46.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10		46.50		465.00	
Fixed Charge Realisations	0.00	0.00	0.15	54.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15		54.75		365.00	
Floating Charge Realisations	0.00	0.00	2.75	1,301.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.75		1,301.25		473.18	
Investigations	0.00	0.00	50.55	18,930.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.55		18,930.75		374.50	
IPS Setup and Maintenance	0.00	0.00	0.10	36.50	0.00	0.00	0.10	22.00	0.00	0.00	0.00	0.00	0.20		58.50		292.50	
Meetings	0.00	0.00	0.00	0.00	0.00	0.00	1.10	319.00	0.00	0.00	0.00	0.00	1.10		319.00		290.00	
Non-pref claim adjudication	0.00	0.00	0.00	0.00	0.00	0.00	1.10	341.00	0.00	0.00	0.00	0.00	1.10		341.00		310.00	
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	9.40	2,078.00	0.00	0.00	0.00	0.00	9.40		2,078.00		221.06	
Statutory Reporting Matters	0.00	0.00	0.00	0.00	1.10	352.00	17.80	4,612.50	0.00	0.00	0.00	0.00	18.90		4,964.50		262.67	
Strategy Case Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.20	51.00	0.00	0.00	0.00	0.00	0.20		51.00		255.00	
<b>Total</b>	<b>1.50</b>	<b>690.00</b>	<b>74.15</b>	<b>29,267.25</b>	<b>4.20</b>	<b>1,305.50</b>	<b>90.15</b>	<b>22,632.67</b>	<b>21.43</b>	<b>3,432.34</b>	<b>14.00</b>	<b>2,465.50</b>	<b>205.43</b>		<b>59,793.26</b>		<b>291.06</b>	
<b>Average Hourly Rate, £</b>		<b>460.00</b>		<b>394.70</b>		<b>310.83</b>		<b>251.06</b>		<b>160.17</b>		<b>176.11</b>						

**The Island Trading Company Limited**  
(Company Voluntary Arrangement)

**Analysis of time costs for the period 26 August 2018 to 25 August 2019**

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashiering		Total Hours		Time Cost		Average Hourly Rate	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)				£	£	£
Administration and Planning	0.00	0.00	0.80	394.00	0.00	0.00	4.50	1,333.00	2.93	518.34	0.00	0.00	8.23		2,245.34		272.82	
Accounting for Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
Case Accounts	0.00	0.00	0.10	49.00	0.00	0.00	0.40	118.00	1.20	222.00	1.00	201.00	2.70		590.00		218.52	
Case Review and Case Diary Mgmt	0.00	0.00	0.20	98.00	0.00	0.00	7.70	2,337.00	0.00	0.00	0.00	0.00	7.90		2,435.00		308.23	
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	2.80	838.00	1.70	315.50	4.00	790.00	8.50		1,943.50		228.65	
Communicating with Creditors	0.00	0.00	5.70	2,821.00	0.00	0.00	3.60	1,056.00	0.00	0.00	0.00	0.00	9.30		3,877.00		416.88	
Corresponding with Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	1.50	465.00	0.00	0.00	0.00	0.00	1.50		465.00		310.00	
Fixed Charge Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
Fixed Charge Realisations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
Floating Charge Realisations	0.00	0.00	1.50	745.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50		745.00		496.67	
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
IPS Setup and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
Meetings	0.00	0.00	0.00	0.00	0.00	0.00	1.10	319.00	0.00	0.00	0.00	0.00	1.10		319.00		290.00	
Non-pref claim adjudication	0.00	0.00	0.00	0.00	0.00	0.00	1.10	341.00	0.00	0.00	0.00	0.00	1.10		341.00		310.00	
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
Statutory Reporting Matters	0.00	0.00	0.00	0.00	1.10	352.00	8.90	2,581.00	0.00	0.00	0.00	0.00	10.00		2,933.00		293.30	
Strategy Case Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>8.30</b>	<b>4,107.00</b>	<b>1.10</b>	<b>352.00</b>	<b>31.60</b>	<b>9,388.00</b>	<b>5.83</b>	<b>1,055.84</b>	<b>5.00</b>	<b>991.00</b>	<b>51.83</b>		<b>15,893.84</b>		<b>306.65</b>	
<b>Average Hourly Rate, £</b>		<b>0.00</b>		<b>494.82</b>		<b>320.00</b>		<b>297.09</b>		<b>181.10</b>		<b>198.20</b>						