

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 0 9 0 2 4 9

Company name in full BMB Clothing Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Howard

Surname Smith

3 Supervisor's address

Building name/number 4th Floor, Tailors Corner

Street Thirsk Row

Post town Leeds

County/Region

Postcode L S 1 4 D P

Country

4 Supervisor's name^①

Full forename(s) Christopher Robert

Surname Pole

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address^②

Building name/number 45 Church Street

Street

Post town Birmingham

County/Region

Postcode B 3 2 R T

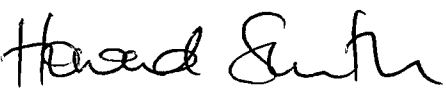
Country

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	1	^d	1	^m	0	^m	8	^y	2	^y	0	^y	2	^y	0
7	Period of progress report															
Date from	^d	1	^d	1	^m	0	^m	8	^y	2	^y	0	^y	2	^y	1
Date to	^d	1	^d	0	^m	0	^m	8	^y	2	^y	0	^y	2	^y	2
8	Progress report															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
9	Sign and date															
Supervisor's signature	Signature X  X															
Signature date	^d	2	^d	8	^m	0	^m	9	^y	2	^y	0	^y	2	^y	2

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 **Rebe Hughes**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**

Glasgow

Post town

County/Region

Postcode **G 2 5 H F**

Country

DX

Telephone **Tel +44 (0) 161 529 9008**



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

Supervisors'
Annual
Progress
Report 11
August 2021 to
10 August 2022

BMB Clothing Limited under a
Voluntary Arrangement

Glossary

Allowed CVA Claim	In relation to a CVA Claim, the CVA Claim or that part of the CVA Claim that is admitted by the Supervisors or has been determined in a final and binding manner
The Company	BMB Clothing Limited
Claims Date	30 December 2021
CVA / Voluntary Arrangement	Company Voluntary Arrangement
Compromised Creditors' Payment Fund / CCPF	Fund established by the Company pursuant to Clause 16 of the CVA Proposal and administered by the Supervisors for the benefit of the Compromised Creditors Payment Fund Creditors
Joint Supervisors / We / Our / Us	Howard Smith of 4th Floor, Tailors Corner, Thirsk Row, Leeds. LS1 4DP and Chris Pole of 45 Church St, Birmingham B3 2RT
Interpath	Interpath Advisory
The Period	11 August 2021 to 10 August 2022
The Proposal	The Proposal for the CVA of BMB Clothing Limited approved by creditors on 10 August 2020

Contents

1	Receipts	3
1.1	Company contributions to the CVA	3
1.2	Bank interest	3
2	Payments	3
2.1	Compromised creditors' distribution	3
2.2	Bank charges	3
3	Progress of the Arrangement	4
3.1	Challenge	4
3.2	Compromised Creditors' Payment Fund and Profit Share Fund	4
3.3	Unsecured Creditors and dividends paid	4
4	Office Holders' Remuneration	5
5	Future conduct of the Arrangement	6
Appendix 1	Receipts and payments account for the period 11 August 2021 to 10 August 2022	7
Appendix 2	Time cost analysis for the period from 11 August 2021 to 10 August 2022	8
Appendix 3	Expenses for the period from 11 August 2021 to 10 August 2022	10

In the High Court of Justice

Case No. 620 of 2020

Chancery Division

High Court of Justice, Business and Property
Courts in Leeds

In the matter of BMB Clothing Limited (the
'Company')

and in the matter of the Insolvency Act 1986

Please note that KPMG LLP sold its restructuring practice in the UK to Interpath Limited ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealing of the arrangement of the Company and your case contacts remain the same.

We attach as Appendix 1 a copy of the Supervisors' annual summary of receipts and payments in the above Voluntary Arrangement for the period 11 August 2021 to 10 August 2022 (the 'Period') and we report as follows:

1 Receipts

1.1 Company contributions to the CVA

In accordance with Clause 16 of the CVA Proposal, the Company made monthly installments totalling £5,100,000 in the Period. Total contributions received from the Company total £9,350,000.

1.2 Bank interest

Bank interest totalling £406 was received in the Period.

2 Payments

2.1 Compromised creditors' distribution

During the Period, we distributed £4,548,123 in relation to the admitted claims of compromised creditors as part of the Voluntary Arrangement.

2.2 Bank charges

Bank charges of £340 in the Period were paid in relation to CHAPS payments.

3 Progress of the Arrangement

3.1 Challenge

As you are aware, no application was made to Court to challenge the CVA following its approval by the creditors and shareholders.

3.2 Compromised Creditors' Payment Fund and Profit Share Fund

In order to participate in the Compromised Creditors' Payment Fund ('CCPF') and Profit Share Fund ('PSF') (as appropriate) compromised creditors were required to submit a Notice of Claim by the Claims Date, being 30 December 2021. Any CCPF creditors which failed to submit a Notice of Claim to the Supervisors before the Claims Date are not eligible to participate in any CVA distributions in accordance with the provisions of Clause 18 of the CVA Proposal.

Creditors whose claims are agreed are also entitled to a pro-rata share of the Profit Share Fund. In accordance with Clause 17 of the CVA Proposal, the Company is obliged to pay 10% of the amount by which any Profits Before Tax exceed £5 million. The Profit Share Fund shall be paid out to each Compromised CVA Creditor with an Allowed CVA Claim in accordance with Clause 17 of the Proposal. The Company shall pay the relevant proportion of the Profit Share Contribution into the Profit Share Fund within 2 months of the end of the each of the First Profit Share Period (Company's financial year ended 28 January 2023) and within 2 months of the end of the Second Profit Share Period (Company's financial year ended 27 January 2024).

The PSF will be administrated by the Company and shall be paid out to each Compromised CVA Creditor with an Allowed CVA Claim in accordance with Clause 17 within the period of 4 months following the end of the Second Profit Share Period.

Please see below an update on the claim agreement process.

3.3 Unsecured Creditors and dividends paid

As stated in the Proposal, the principal objective of the Voluntary Arrangement is to compromise rent arrears and amounts due to suppliers and other creditors and to facilitate the rationalisation of the Company's retail and concession-based operations.

Under the terms of the CVA, Category 2 creditors with agreed claims will receive an estimated dividend of 60p in the £, with all other creditors receiving an estimated 10p in the £ from the CCPF.

To the period end of this report, claims in excess of £47 million have been admitted, with a further £4.7 million subject to adjudication by the Supervisors. There are also a significant number of creditors who have not yet submitted a claim in the CVA. These creditors are no longer eligible to participate in any CVA distributions. The claims adjudication continues.

At the request of the Company, the Supervisors have continued to make regular interim distributions from the contributions received from the Company.

According to the Directors' Statement of Affairs, as at 31 May 2020 (schedule 15 of the Proposal), the estimated claims of unsecured creditors totalled £78,048,000. To date, we have admitted claims totalling £47,052,251 with a total of £4,548,123 having been distributed.

4 Office Holders' Remuneration

In accordance with the terms of the Proposal the Supervisors' remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Arrangement.

Attached at Appendix 2 is a detailed analysis of time spent and charge out rates for each grade of staff for the various areas of work carried out in the Period (as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No.9) together with details of expenses incurred to date.

In the Period the Joint Supervisors incurred time costs of £271,096, representing 774 hours at an average rate of £350 per hour. Expenses of £667 were also incurred, shown at Appendix 3. No expenses have been drawn in the Period.

The Proposal estimated the total fees to be paid to the Joint Supervisors' is £200,000 plus outlays and VAT thereon. However, this estimate has already been exceeded due to significantly greater than anticipated volumes of employee and creditor correspondence and queries being received, the complexities around the agreement of creditor claims, and the declaration and payment of monthly interim dividend payments.

During the Period, we issued fee invoices on account totalling £37,500 in relation to Supervisors' fees.

Total Nominees' fees of £132,044 were settled by the Company prior to the Supervisors' appointment in comparison with the estimate of £150,000 contained in the Proposal.

Both Nominees' fees and Supervisors' remuneration were not taken from funds available to creditors. Creditors' funds are kept separate throughout the CVA process.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

A creditors' guide to fees can be found at:

<https://www.r3.org.uk/media/documents/publications/professional/Voluntary%20Arrangement%20Creditor%20Fee%20Guide%20April%202017.pdf>

However, if you are unable to access this guide and would like a copy then please email bmbcva@interpathadvisory.com

5 Future conduct of the Arrangement

The Company's obligations to make contributions to the CCPF continue. Up to the date of this report, the Company has made 22 monthly contributions to the CCPF, with 2 monthly contributions remaining.

The CVA will be concluded as soon as reasonably practicable after the Company's obligations to make the CVA monthly contributions has ceased.

The Joint Supervisors will continue to perform their duties as set out in the CVA Proposals. This will include, but is not limited to:

- dealing with the monthly contributions from the Company to the CVA;
- agreeing remaining creditor claims and dealing with creditor queries;
- making distributions to creditors from the CCPF;
- reporting to creditors on the progress of the Arrangement; and
- any other functions which may be necessary or expedient for the Supervisors to undertake in connection with the implementation of the Arrangement.

If you have any further queries in relation to the above, please direct them to bmbcva@interpathadvisory.com

Signed



Dated

28 September 2022

Howard Smith

Joint Supervisor

Appendix 1

Receipts and payments account for the period 11 August 2021 to 10 August 2022

BMB Clothing Limited - under a Voluntary Arrangement			
Abstract of receipts & payments			
Statement of affairs (£)		From 11/08/2021 To 10/08/2022 (£)	From 11/08/2020 To 10/08/2022 (£)
ASSET REALISATIONS			
10,200,000.00	Company Contributions to CVA	5,100,000.00	9,350,000.00
		5,100,000.00	9,350,000.00
OTHER REALISATIONS			
	Bank interest, gross	405.88	469.40
		405.88	469.40
COST OF REALISATIONS			
	Bank charges	340.00	(30.00)
		340.00	(30.00)
UNSECURED CREDITORS			
	Compromised creditors distribution	(4,516,508.30)	(7,752,772.41)
	EP(C)A bal. & redundancy	(31,615.15)	(31,615.15)
		(4,548,123.45)	(7,784,387.56)
10,200,000.00		552,622.43	1,566,051.84
REPRESENTED BY			
	Fixed charge current		NIL
	Floating charge current		1,566,051.84
			1,566,051.84

Appendix 2

Time cost analysis for the period from 11 August 2021 to 10 August 2022

SIP 9 –Time costs analysis (11/08/2021 to 10/08/2022)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	200.50	59,211.85	295.32
Reconciliations (& IPS accounting reviews)	7.30	2,739.30	375.25
General			
Fees and WIP	13.25	4,735.05	357.36
Statutory and compliance			
Budgets & Estimated outcome statements	2.45	1,107.05	451.86
Checklist & reviews	17.35	5,657.50	326.08
Statutory receipts and payments accounts	0.60	435.00	725.00
Strategy documents	25.35	7,678.40	302.90
Creditors			
Creditors and claims			
Agreement of unsecured claims	118.00	48,746.80	413.11
General correspondence	65.65	19,575.55	298.18
Payment of dividends	284.50	108,877.50	382.70
Statutory reports	18.65	7,382.90	395.87
Employees			
Agreeing employee claims	0.20	99.00	495.00
Correspondence	19.30	4,591.50	237.90
DTI redundancy payments service	0.20	93.40	467.00
Investigation			
Directors			
Correspondence with directors	0.70	165.20	236.00
Total in period	774.00	271,096.00	350.25
Brought forward time (appointment date to SIP 9 period start date)	1,079.85	363,807.80	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	774.00	271,096.00	
Carry forward time (appointment date to SIP 9 period end date)	1,853.85	634,903.80	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes

Managing Director	690	725	725
Director	620	675	675
Senior Manager	560	590	590
Manager	467	495	495
Senior Administrator	325	345	345
Administrator	236	245	245
Support	147	345	155

Narrative of work carried out for the period from 11 August 2021 to 10 August 2022.

The key areas of work have been:

Strategy documents, Checklist and reviews	monitoring and reviewing the CVA strategy; reviewing matters affecting the outcome of the CVA; complying with internal filing and information recording practices, including documenting strategy decisions.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; raising bills to the Company in accordance with the basis which has been approved by them.
Cashiering	receipt of contributions to the CVA from the Company; cheque and CHAPS payments in relation to the dividends paid to creditors with admitted claims; account reconciliations.
Creditors and claims	dealing with creditor correspondence regarding the ongoing operation of the Company; requesting creditor claims; maintaining claims records, notifying creditors of claims deadline and responding to enquiries from creditors regarding the CVA and submission of their claims; recalculating landlord claims for dividend purposes to reflect the terms of the CVA; reviewing claims submitted by creditors, recording claim amounts and maintaining claim records; monthly dividend declarations and payments of numerous interim dividends to creditors with admitted claims; preparation of the annual report to creditors.

Appendix 3

Expenses for the period from 11 August 2021 to 10 August 2022

Postage	NIL	523.29	NIL	NIL	523.29
Stationery	NIL	143.54	NIL	NIL	143.54
Total	NIL	666.83	NIL	NIL	666.83

Interpath Advisory Policy for the recovery of expenses

Where funds permit the Supervisors will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party who is not an associate of the office-holders. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Supervisors or their staff.

Category 2 expenses: These are costs that are directly referable to the appointment in question but not a payment to an independent third party. These include payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

The only Category 2 expenses that Interpath Advisory currently include is mileage. Mileage claims fall into three categories:

- use of privately-owned vehicle or car cash alternative – 45 pence per mile.
- use of company car – 60 pence per mile.
- use of Managing Director's car – 60 pence per mile.

For all of the above car types, when carrying passengers an additional 5 pence per mile per passenger will also be charged where appropriate. Any expenses to be paid from the estate are disclosed within the summary of disbursements above.

www.interpathadvisory.com

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