

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 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 4 D A

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 1 Snowhill

Street Snowhill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G H

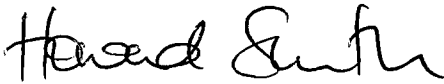
Country

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 0				
Date to	^d 1	^d 0	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1				
8	Progress report											
<input checked="" type="checkbox"/> I attach a copy of the progress report												
9	Sign and date											
Supervisor's signature	<div>Signature</div> <div>X  X</div>											
Signature date	^d 0	^d 5	^m 1	^m 0	^y 2	^y 0	^y 2	^y 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 **Cara McNally**

Company name **Interpath Advisory**

Address **1 St Peter's Square**

Manchester

Post town

County/Region

Postcode **M 2 3 A E**

Country

DX

Telephone **Tel +44 (0) 161 529 9000**



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 2020 to
10 August 2021

BMB Clothing Limited

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 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA and Chris Pole of One Snowhill, Snowhill Queensway, Birmingham B4 6GH
Interpath	Interpath Advisory
The Period	11 August 2020 to 10 August 2021
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
3.4	Notice of Claims Date Deadline	5
4	Office Holders' Remuneration	5
5	Future conduct of the Arrangement	6
Appendix 1	Receipts and payments account for the period 11 August 2020 to 10 August 2021	7
Appendix 2	Time cost analysis for the period from 11 August 2020 to 10 August 2021	8
Appendix 3	Expenses for the period from 11 August 2020 to 10 August 2021	11

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 2020 to 10 August 2021 (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 £4,250,000 in the Period.

1.2 Bank interest

Bank interest totalling £64 was received in the Period.

2 Payments

2.1 Compromised creditors' distribution

During the Period, we distributed £3,255,391 in relation to the admitted claims of compromised creditors as part of the Voluntary Arrangement.

2.2 Bank charges

Bank charges of £370 in the Period were paid in relation to CHAPS payments.

3 Progress of the Arrangement

3.1 Challenge

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 are required to submit a Notice of Claim by the Claims Date, being 30 December 2021.

Any CCPF creditors which fail to submit a Notice of Claim to the Supervisors before the Claims Date will not be 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 approximately 10p in the £ from the CCPF.

To date, claims in excess of £43 million have been admitted, with a further £9 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. We have made provisions for anticipated claims yet to be received. The claims adjudication continues.

At the request of the Company, the Supervisors have made 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 £43,376,379 with a total of £3,225,391 having been distributed.

3.4 Notice of Claims Date Deadline

On 20 November 2020, prior to the first interim dividend declaration, we issued a Notice of intention to declare a dividend to those creditors who had not submitted a claim in the Voluntary Arrangement.

As outlined in the Proposal, any creditor who is a compromised CVA creditor may not receive any dividend from the Compromised CVA Creditor Fund if they do not submit their claim before the expiry of the Claims Date, being **30 December 2021**.

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 £363,808, representing 1,080 hours at an average rate of £337 per hour. Expenses of £28 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 being received during the Period, the complexities around the agreement of creditor claims, and the declaration and payment of monthly interim dividend payments.

During the Period, we issued a fee invoice on account of £100,000 in relation to Supervisors' fees which the Company has paid.

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 are estimated to continue for at least a further 12 months. Up to the date of this report, the Company has made 11 monthly contributions to the CCPF, with 13 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 creditor claims;
- 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

5 October 2021

Howard Smith

Joint Supervisor

Appendix 1

Receipts and payments account for the period 11 August 2020 to 10 August 2021

BMB Clothing Limited - under a Voluntary Arrangement			
Abstract of receipts & payments			
Statement of affairs (£)		From 11/08/2020 To 10/08/2021 (£)	From 11/08/2020 To 10/08/2021 (£)
ASSET REALISATIONS			
10,200,000.00	Company Contributions to CVA	4,250,000.00	4,250,000.00
		4,250,000.00	4,250,000.00
OTHER REALISATIONS			
	Bank interest, gross	63.52	63.52
		63.52	63.52
COST OF REALISATIONS			
	Bank charges	(370.00)	(370.00)
		(370.00)	(370.00)
UNSECURED CREDITORS			
	Compromised creditors distribution	(3,255,391.34)	(3,255,391.34)
		(3,255,391.34)	(3,255,391.34)
10,200,000.00		994,302.18	994,302.18
REPRESENTED BY			
	Fixed charge current		3.07
	Floating charge current		994,299.11
			994,302.18

Appendix 2

Time cost analysis for the period from 11 August 2020 to 10 August 2021

SIP 9 –Time costs analysis (11/08/2020 to 10/08/2021)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
Fund management	1.00	620.00	620.00
General (Cashiering)	125.40	35,785.95	285.37
Reconciliations (& IPS accounting reviews)	8.20	2,697.50	328.96
General			
Fees and WIP	10.45	3,898.40	373.05
Statutory and compliance			
Appointment and related formalities	44.00	17,446.30	396.51
Bonding & Cover Schedule	0.80	188.80	236.00
Checklist & reviews	9.00	2,355.00	261.67
Statutory receipts and payments accounts	1.60	377.60	236.00
Strategy documents	38.90	20,303.20	521.93
Creditors			
Creditors and claims			
Agreement of unsecured claims	371.90	127,932.00	344.00
General correspondence	211.60	67,795.55	320.39
Payment of dividends	158.75	58,127.50	366.16
Secured creditors	0.75	420.00	560.00
Statutory reports	17.30	5,194.30	300.25
Employees			
Agreeing employee claims	18.25	4,307.00	236.00
Correspondence	51.85	12,606.20	243.13
DTI redundancy payments service	5.00	1,180.00	236.00
Pension funds	1.10	682.00	620.00
Pensions reviews	0.70	165.20	236.00
Investigation			
Directors			
Correspondence with directors	3.30	1,725.30	522.82
Total in period	1,079.85	363,807.80	336.91

SIP 9 –Time costs analysis (11/08/2020 to 10/08/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	1,079.85	363,807.80	
Carry forward time (appointment date to SIP 9 period end date)	1,079.85	363,807.80	

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.

Charge-out rates (£) for: Restructuring

Grade	From 01 Jan 2020 £/hr	From 01 Oct 2020 £/hr	From 01 Jan 2021 £/hr
Partner	690	690	690
Director	620	620	620
Senior Manager	560	560	560
Manager	467	467	467
Senior Administrator	325	325	325
Administrator	236	236	236
Support	147	147	147

Narrative of work carried out for the period from 11 August 2020 to 10 August 2021.

The key areas of work have been:

Appointment & related formalities	<ul style="list-style-type: none"> ■ production of the Chairman's report of the creditors' and member's meetings; ■ notification of appointment to creditors, the Court and Companies House.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ dealing with creditor correspondence regarding the ongoing operation of the Company wrongly addressed to the Supervisors; ■ assisting redundant employees in making claims for their entitlements from the

Redundancy Payments Service;
responding to employee queries and maintaining claims records;
requesting creditor claims;
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;
preparation of the annual report to creditors;
issuing a notice of intention to declare dividend;
declaration and payment of eight interim dividends to creditors with admitted claims.

Appendix 3

Expenses for the period from 11 August 2020 to 10 August 2021

External printing	27.64	NIL	27.64
Total	27.64	NIL	27.64

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 SIP 9 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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