

CVA1

Notice of voluntary arrangement taking effect



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0	4	6	2	8	0	4	9
Company name in full	Environment Systems Limited							

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Supervisor's name

Full forename(s)	Siann
Surname	Huntley

3 Supervisor's address

Building name/number	Sophia House
Street	28 Cathedral Road
Post town	Cardiff
County/Region	
Postcode	C F 1 1 9 L J
Country	

4 Supervisor's name ^①

Full forename(s)	Sean
Surname	Ward

① Other supervisor

Use this section to tell us about another supervisor.

5 Supervisor's address ^②

Building name/number	Sophia House
Street	28 Cathedral Road
Post town	Cardiff
County/Region	
Postcode	C F 1 1 9 L J
Country	

② Other supervisor

Use this section to tell us about another supervisor.

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6 Date CVA took effect

Date

d	1	d	9	m	0	m	7	y	2	y	0	y	2	y	3
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7 Report of consideration of proposal

☒ I attach a copy of the report of consideration of the proposal

8 Sign and date

Supervisor's signature

Signature

X

Harvey

X

Signature date

d	1	d	9	m	0	m	7	y	2	y	0	y	2	y	3
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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	Sean Ward
Company name	Leonard Curtis
Address	40 queen Square
Post town	Bristol
County/Region	
Postcode	B S 1 4 Q P
Country	
DX	
Telephone	0117 929 4900



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

**IN THE High Court of Justice Business and Property Courts in Bristol - Company & Insolvency List (CHD)
No CR-2023-BRS-000069**

**IN THE MATTER OF THE INSOLVENCY ACT 1986
AND
IN THE MATTER OF
ENVIRONMENT SYSTEMS LIMITED - COMPANY VOLUNTARY ARRANGEMENT ("THE COMPANY")
HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN BRISTOL - COMPANY &
INSOLVENCY LIST (CHD) NUMBER CR-2023-BRS-000069
COMPANY NUMBER: 04628049**

This report is made by Sean Ward of Leonard Curtis, Sophia House, 28 Cathedral Road, , Cardiff, CF11 9LJ ("the Chair") pursuant to the provisions of Section 4(6) of the Insolvency Act 1986 ("the Act") and Rule 2.38 of the Insolvency (England and Wales) Rules 2016 ("the Rules") and is the Chair's Report on the result of the virtual meeting of creditors and meeting of members of Environment Systems Limited ("the Company").

CREDITORS' VIRTUAL MEETING

Date of virtual meeting 19 July 2023 at 10.00am

Resolution to be Considered

- That the proposal for a Company Voluntary Arrangement be approved (with or without modifications)

Voting on the resolution for the approval of the proposal for a company voluntary arrangement was as follows:-

For the resolution	£727,048.00
Against the resolution	£Nil

The attached modifications to the proposal were proposed by the creditors and were accepted by the Company.

I attach a list of creditors present in person or by proxy showing the value of their claims for voting and how they voted on each resolution or whether they abstained and which are considered to be connected with the Company.

Resolution Outcome

In accordance with Rule 15.34(3) of the Rules a majority of 75% or more in value of those creditors responding approved the proposal for a company voluntary arrangement.

In addition, and also in accordance with Rule 15.34(4) of the Rules, those voting against the resolution did not include more than half of the total value of those unconnected creditors whose claims were admitted for voting.

The proposal for a company voluntary arrangement was therefore approved by the Creditors and Siann Huntley and Sean Ward of Leonard Curtis were appointed as Joint Supervisors.

No other resolution was taken at the meeting.

MEMBERS' MEETING

Date of meeting 19 July 2023 at 11.00am

Resolution to be Considered

- That the proposal for a Company Voluntary Arrangement be approved (with or without modifications)

Voting on the resolution for the approval of the proposal for a company voluntary arrangement was as follows:-

For the resolution	£120,463
Against the resolution	£Nil

I attach a list of members present in person or by proxy showing how they voted on each resolution or whether they abstained.

Resolution Outcome

In accordance with Rule 2.36 of the Rules, or otherwise as provided for in the Company's articles, a majority greater than one half in value of the members present in person or by proxy and voting on the resolution approved the proposal for a company voluntary arrangement.

No other resolution was taken at the meeting.

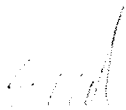
CROSS BORDER INSOLVENCY REGULATIONS

COMI proceedings, establishment proceedings or proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

OTHER INFORMATION

There is no further information that I think it appropriate to make known to the Court.

Dated this 19 July 2023



SEAN WARD
CHAIR


Siann Huntley is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 19130 and Sean Ward is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 28270

	Modifications proposed by Voluntary Arrangements Service (VAS) on behalf of H M Revenue & Customs in respect of: -
	Environment Systems Limited
	<i>If any of the modifications are not accepted then the VAS vote(s) must be taken as a rejection.</i>
EFFECT	
1.	(Interpretation) Any modification to the entire proposal approved by creditors and accepted by the company shall wholly supersede any contradictory terms or implied provisions in the proposal. Any conflicting modification(s) proposed by creditors shall be fully resolved prior to approval of the proposal in order that the intention of the modification is given priority and effect.
2.	(Variation) No variation shall be proposed following approval of the arrangement that would cause or have the effect of varying or removing <u>modifications imposed by HMRC</u> in support of the proposal without the express agreement of the HMRC Voluntary Arrangements Service.
3.	(Variation) The company shall not, within 12 months of approval of the arrangement, propose a variation that will reduce the yield to creditors below that forecast unless the Supervisor can provide clear evidence that the resolution results from changed trading circumstances that could not have been foreseen when the proposal was made to creditors. The Supervisor's evidence together with supporting financial information and notice of a creditors' vote shall be circulated to creditors giving at least 14 days clear notice. No variation fee shall be drawn without creditors' approval.
HMRC CLAIM(S)	
4.	(Taking Control of Goods or 'distrain' in Northern Ireland) In return for HMRC surrendering its security for the benefit of creditors as a whole, the Controlled Goods Agreement is to be paid as an expense of the voluntary arrangement to the extent of an agreed valuation of the goods which have been taken control of and in a sum no greater than the valuation, plus specified costs. The company shall introduce sufficient funds over the duration of the arrangement to ensure that the dividend to unsecured creditors is not reduced by this payment.
5.	(HMRC claim) The HMRC claim in the arrangement will include PAYE/NIC together with assessed tax, levy or duty (VAT) due to the day before the meeting to approve the arrangement and CTSA / assessed tax for the accounting period(s) ended on or before the date of approval of the arrangement.
6.	(Time limit) No time limit for lodging claims shall apply to HMRC.
7.	(Post approval returns and liabilities) All statutory returns and payments due to HMRC post approval of the arrangement shall be provided on or before their due date
8.	(Time to Pay Arrangements) Whilst the company are in a CVA they shall not request a Time to Pay Arrangement with any other department within HMRC without first consulting with the Voluntary Arrangement Service. If any Time to Pay Arrangement is agreed without obtaining the permission of VAS then this will be cancelled and will constitute an irrevocable breach of the arrangement.
9.	(Post approval returns and liabilities and time to pay) Should the company find itself unable to pay HMRC any post CVA liabilities which fall due after the meeting of creditors they must contact the Voluntary Arrangements Service to advise them of this.
10.	(Outstanding returns) Should any statutory accounts and returns be overdue at the date of the creditors' meeting they shall be provided to HMRC within one calendar month of the approval date together with any other information required in support of the return.

11.	(Dividend prohibition) No non preferential distribution will be made until the HMRC Final Claim has been made and the supervisor has admitted the claim for dividend purposes.
12.	(Expenses of arrangement) CTSA /VAT due on realisation of assets included in the arrangement will be regarded as an expense of realising the asset payable out of the net sale proceeds.
13.	<p>(Tax-Overpayments) Set-off of refunds due from the Crown against debts due to the Crown will be in accordance with statute and established legal principles.</p> <p>Any repayment due to the company for periods for which claims arise under the arrangement, when so ever they may arise, shall firstly be offset against HMRC's claims in the arrangement. Any remaining surplus shall be similarly applied to the claims of other Crown departments and should any surplus remain it shall be repaid to the company.</p> <p>Any repayments due to the company for periods that arise after the arrangement shall be applied to any post approval HMRC liability with any surplus being repaid to the company.</p>
GENERAL	
14.	(Co debtors) The release of the company from its debts by the terms of CVA shall not operate as a release of any co-debtor for the same debts.
15.	(Increased claims) Where the total value of creditor's 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.
16.	<p>(Termination) The arrangement shall terminate upon:</p> <p>(a) The making of a winding up order against the company or the company going into administration.</p> <p>(b) (where there is express authority for the supervisor so doing) the supervisor issuing a certificate of termination.</p>
17.	(Arrangement trusts) Before the termination of the arrangement the trusts expressed or implied shall cease, save assets already realised shall (after provision for supervisor's fees and disbursements) be distributed to arrangement creditors.
18.	<p>(Non-compliance) Failure to comply with any express term of the arrangement shall constitute a breach of the company's obligation under the arrangement. The supervisor shall work with the company to remedy any breach of obligation. Rule 15.34 shall apply where any variation is proposed.</p> <p>If any breach of obligation is not remedied within 30 days of its occurrence this shall constitute default of the CVA that cannot be remedied and the supervisor shall petition for a winding up order. If the company incurs a breach on 3 separate occasions (these need not be consecutive) then this will constitute an irrevocable failure of the arrangement.</p>
ASSETS	
19.	Included/excluded asset

	For the avoidance of doubt and unless specifically excluded below all of the company's assets will be included within the arrangement.
	As per the proposal.
CONTRIBUTIONS/REVIEWS	
20.	(Payments) The company is to make no fewer than 48 monthly voluntary contributions of not less than £17,000, totalling not less than £816,000 during the term of the arrangement.
21.	Due to the substantial support that has been provided by HMRC under the Coronavirus Job Retention Scheme, any PAYE and National Insurance contributions arising from CJRS are expected to have been paid in full. If not, these must be treated as priority repayments in the arrangement, ahead of all other unsecured creditor claims (including other elements of HMRC's claim).
22.	(Annual contribution review) The supervisor is to conduct a full review, at each anniversary of the arrangement, based upon the month end immediately preceding the anniversary of the arrangement of the company's business income and expenditure. To enable the supervisor to perform this function management accounts to include Profit and Loss for the preceding 12 months shall be furnished to the supervisor together with the relevant balance sheet and cash flow projection for the following 12 month period within one month of the anniversary. The supervisor shall obtain an increase in voluntary contributions of not less than 50% of any rise in net income after provision for tax.
23.	(Directors loans) Directors and shareholders are within 12 months of the approval date to repay in full all loans made to them by the company. The company is within 7 days of receipt to pass all monies recovered to the supervisor for the benefit of the arrangement. The directors and shareholders shall not borrow any further funds from the company for the duration of the arrangement. Failure to repay loans and/or of the company officers incurring additional loan accounts shall be deemed an irrevocable breach of the arrangement.
24.	(Associated creditors) The associated creditors namely Mr Graeme Summers and Mr Steven Keyworth have offered to defer their claims in the arrangement. For the avoidance of doubt their offer is to waive their dividend entitlement in favour of all non-associated creditors under the arrangement. Thus the claims of the connected creditors shall be compromised within and shall not survive the arrangement or be paid outside.
25.	(Duration) The duration of the arrangement shall not exceed 54 months without the prior approval of a 75% majority in value of creditors' claims voting on the resolution.
26.	(Contributions) Should any voluntary contribution fall 30 days into arrears or fall below the amount specified in the arrangement and remain so after 30 days this shall constitute a failure of the arrangement and the Supervisor shall petition for the compulsory winding up of the company.
27.	(Supervisor) The discretion given to the Supervisor in paragraph 5.2.4 to vary contributions shall be removed. Instead the views of creditors are to be canvassed and the Supervisor is to supply all creditors with a report showing how each voted and the majority decision reached.
DIRECTORS AND SHAREHOLDERS	
28.	The directors of the company shall not:

	<p>a) declare or pay any dividend to themselves or the shareholders of the company for the duration of the voluntary arrangement.</p> <p>b) declare or pay themselves additional remuneration and or fees above the annual rate of inflation.</p> <p>c) enter into any contract or undertaking for the sale of the business nor dispose of the goodwill or of any assets or goodwill forming part of or essential to its continuing trade.</p> <p>d) create or extend any mortgage, debenture, charge or security over any part of the company/business except for those that subsist at the date of the proposal. This shall not affect any commercial factoring or similar arrangement.</p>
COMPLETION	
29.	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 100 pence in the pound (p/£).
FEES	
30.	(Expenses of VA) HMRC petition costs are to be paid as an expense of the arrangement in priority to the unpaid nominee's fees and expenses as at the date of the meeting of creditors, supervisor's fees, remuneration and disbursements.
31.	(Fees) The supervisor's fee shall not exceed £22,500 in total and shall be drawn proportionately in line with receipts.
32.	(Winding up fees) On the day of the creditors meeting which approves the proposal the company shall pay over to the nominee in cleared funds sufficient for winding up proceedings against the company. Should the full amount of cleared funds not be received by the time of the meeting of creditors this shall be deemed non-acceptance of this modification and as such HMRC's vote shall be counted as one for rejection of the proposal.
33.	(Confirmation) The supervisor shall confirm in their report of the meeting of creditors that sufficient funding has been received.
34.	(Liquidation costs provision) The supervisor shall retain sufficient funds for winding up proceedings against the company and such funds will rank ahead of any other expense of the arrangement. For the avoidance of doubt this shall include unpaid nominee's fees and expenses as at the date of the meeting of creditors at which the proposal is approved. Funds set aside under this provision shall not be used to fund a creditors' voluntary liquidation and shall remain an asset of the arrangement. Funds retained by the supervisor to enable winding up proceedings to be taken shall be distributed to creditors upon satisfactory completion of the arrangement subject to a limit of 100 pence in the pound being achieved.

Signed 

Name **Miss C Fisher**
Insolvency Officer

Date **10/07/2023**

AUTHORISED TO SIGN ON BEHALF OF HM REVENUE & CUSTOMS

ENVIRONMENT SYSTEMS LIMITED
COMPANY NUMBER: 04628049
DECISIONS CONSIDERED AT THE VIRTUAL MEETING OF CREDITORS DATED 19 JULY 2023 at 10.00am

1. That the Proposal for a Company Voluntary Arrangement be approved (with or without modification)

	Creditor	Date Received	Claim £	Voting (For/Against)	Modifications Proposed
1	HM Revenue & Customs	10/7/2023	727,048.00	For	Yes
	Final decision		727,048.00	For	Yes



Signed:
Sean Ward

Chair

Dated: 19 July 2023

ENVIRONMENT SYSTEMS LIMITED
COMPANY NUMBER: 04628049
DECISIONS CONSIDERED AT THE MEETING OF MEMBERS DATED 19 JULY 2023 at 11.00am

1. The proposal for a Voluntary Arrangement be approved

	Member	Ordinary Shares	Shareholding %	Voting (For/Against)
1	Steven Keyworth	56,420	46.8	For
2	Graeme Summers	56,420	46.8	For
3	Kathryn Medcalf	5,871	4.9	For
4	John Finch	1,752	1.4	For
	Final decision	120,463	99.9	For

Signed:
Sean Ward
Chair
Dated: 19 July 2023

