

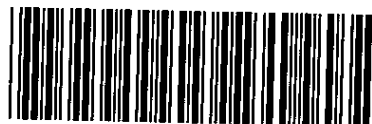
CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

THURSDAY



A18 *A89I1PWH* 11/07/2019 #21
COMPANIES HOUSE

1 Company details

Company number O C 3 1 9 0 5 9

Company name in full Blackett Hart & Pratt LLP

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

2 Supervisor's name

Full forename(s) Dean

Surname Watson

3 Supervisor's address

Building name/number C/O Begbies Traynor

Street 340 Deansgate

Post town Manchester

County/Region

Postcode M 3 4 L Y

Country

4 Supervisor's name ^①

Full forename(s) Gary N

Surname Lee

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

5 Supervisor's address ^②

Building name/number C/O Begbies Traynor

Street 340 Deansgate

Post town Manchester

County/Region

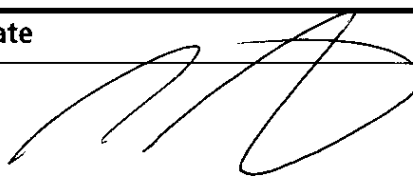
Postcode M 3 4 L Y

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	9	m	0	m	5	y	2	y	0	y	1	y	6
7	Period of progress report															
Date from	d	1	d	9	m	0	m	5	y	2	y	0	y	1	y	8
Date to	d	1	d	8	m	0	m	5	y	2	y	0	y	1	y	9
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	0	d	9	m	0	m	7	y	2	y	0	y	1	y	9

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 **Carl Dawson**

Company name **Begbies Traynor (Central) LLP**

Address **340 Deansgate**

Manchester

Post town **M3 4LY**

County/Region

Postcode

Country

DX **manchester@begbies-traynor.com**

Telephone **0161 837 1700**



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

**HIGH COURT OF JUSTICE, DISTRICT REGISTRY
MANCHESTER
No 2016-2421 of 2016**

Dean Watson and Gary N Lee appointed joint supervisors on 19 May 2016.

Blackett Hart & Pratt LLP (Voluntary Arrangement of a Limited Liability Partnership)

Joint Supervisors' Annual Progress Report

Period: 19 May 2018 to 18 May 2019

Important Notice

This progress report has been produced by the supervisors solely to comply with their statutory duty to report to creditors on the progress of the Voluntary Arrangement. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them or by any other person for any purpose whatsoever.

Contents

- ☐ Interpretation
- ☐ Relevant information
- ☐ Introduction
- ☐ Abstract of receipts and payments
- ☐ Progress during the period of this report
- ☐ Prospects for full implementation of the Arrangement
- ☐ Proposed variation of the Arrangement
- ☐ Estimated outcome for creditors
- ☐ Supervisors' remuneration & disbursements
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
 - 1. Joint supervisors' account of receipts and payments
 - 2. Joint supervisors' time costs and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"LLP"	Limited Liability Partnership
"the LLP"	Blackett Hart & Pratt LLP (Under a Voluntary Arrangement)
"the Supervisors" "we" "us" "our" etc	Dean Watson and Gary Lee of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the LLP's creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a LLP, means a creditor of the LLP who holds in respect of his debt a security over property of the LLP, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)

2. RELEVANT INFORMATION

Name of LLP	Blackett Hart & Pratt LLP
Trading name(s):	BHP Law, Blackett Hart & Pratt
Date of Incorporation:	11 April 2006
LLP registered number:	OC319059
LLP registered office:	Westgate House, Faverdale, Darlington, DL3 0PZ
Commencement date of the Arrangement	19 May 2016
Duration of the Arrangement	5 years and 6 months
Main provisions of the Arrangement	<p>The LLP will make monthly contributions of £15,000 for 60 months commencing on 15 June 2016.</p> <p>The LLP will make additional contributions if trading performance is better than forecast.</p>

Variations to the Arrangement since approval

There have been no variations to the Proposal. Please see Section 7 for details of the proposed variation that was rejected by the LLP's creditors.

Anticipated dividends

We anticipate a further dividend will be issued within the next 6 months

3. INTRODUCTION

- 3.1 The Rules require that we send the LLP, its creditors (bound by the Arrangement) and its members details of all receipts and payments of money that we have received or paid whilst we have been acting as Supervisors of the Arrangement.
- 3.2 In addition to accounting for the receipts and payments, we are required to report each year on the progress of the Arrangement and the prospects for its full implementation.
- 3.3 This is our third annual report, which should be read in conjunction with our previous annual reports to May 2017 and May 2018

4. ABSTRACT OF RECEIPTS AND PAYMENTS

Please find at Appendix 1 an abstract which shows the receipts and payments during the period of this report.

RECEIPTS

Contributions

In the period, monthly contributions of £15,000 each have been received in line with the agreed proposals. Total contributions within the period of this report amounts to £180,000.

Bank Interest

Bank Interest of £728.87 has been received in the period.

PAYMENTS

Supervisors fee

The sum of £10,000 has been drawn in relation to the Joint Supervisor's fees. Further details may be found in Section 8 of this report.

Unsecured dividend

An unsecured dividend in the sum of £128,297.67 was paid to creditors on 30 January 2019. This represents a dividend of 6.46 pence in the pound.

Office Holders Expenses

Office Holders Expenses of £392 have been paid within the period of this report in relation to:

- Bonding
- Court filing fees

5. PROGRESS DURING THE PERIOD OF THIS REPORT

5.1 You will recall that the terms of the Arrangement as varied by creditors provided for the following:

- Monthly contributions of £15,000 from 15 June 2016

5.2 All payments to date have been made in accordance with the proposals.

5.3 **What work has been done in the past year, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that materially affect the case.

Time which has been charged to "General Case Administration and Planning" includes work of this nature together with periodic reviews of the case and the Supervisors internal diary system. Case planning is necessary in order to ensure the orderly and efficient winding up of the LLP's estate.

Other tasks included in this category of work include sundry tasks such as filing, photocopying and email correspondence, monitoring the monthly contributions, liaising with the LLP

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practice set out by the R3 body which represents business recovery professionals).

Time charged in this period relating to Compliance with the Insolvency Act, Rules and best practice includes the following tasks:

- Drafting annual progress report to creditors
- Uploading progress report documents to internet website system for creditors to view
- Internal review of diary systems in respect of outstanding compliance issues
- Banking duties including bank reconciliations and reviews
- Writing out cheques in respect of the dividend distribution
- Review of Joint Supervisors bond to ensure bonding levels are correct.

Time charged to this category of work relates to the monitoring and collection of contributions.

Dealing with all creditors' claims (including employees), correspondence and distributions

Insolvency Practitioners will need to deal with the claims of creditors during the course of their time in office, which will include the recording of those claims together with the provision of ad hoc updates to creditors and dealing with general queries from those creditors. When funds allow, the Insolvency Practitioner will make distributions to creditors in accordance with the specified order of priority governing secured claims, preferential claims and unsecured claims.

The time which has been charged to this category of work includes, the following tasks:-

- Agreeing the claims of 40 creditors
- Liaising with the landlords in relation to their claims
- Liaising with chartered surveyor in relation to landlord claims
- Reviewing the position of excluded creditors
- Calculation and payment of annual dividend distribution

Other matters which includes meetings, tax, litigation, pensions and travel

During the period of this report, a nominal amount of time has been spent in relation to the VAT position of the LLP.

6. PROSPECTS FOR FULL IMPLEMENTATION OF THE ARRANGEMENT

- 6.1 We are pleased to confirm that the LLP appears to be on target to complete the Arrangement in accordance with the terms approved by creditors. As detailed above, we have continued to collect contributions from the LLP at the agreed rate and we have no reason to believe that this will not continue. We have reviewed the LLP's management accounts which confirm that the LLP is performing as expected and so, at this stage, we expect the Arrangement to complete as envisaged by the Proposal.

7. OUTCOME OF PREVIOUSLY PROPOSED VARIATION OF THE ARRANGEMENT

- 7.1 In our previous progress report dated May 2018 we proposed the following variation to creditors:

In accordance with the modified proposals, it is requested that the limit of £30,000 for supervisors fees is removed and we request the following variation:

- **Supervisors time costs to be charged at 75% of normal rates.**

The proposal was rejected by creditors meaning the Supervisors fee limit remains at £30,000.

8. ESTIMATED OUTCOME FOR CREDITORS

- 8.1 The total estimated amount owed to creditors at the commencement of the Arrangement was £4,116,872.

- 8.2 The current agreed creditor claims amount to £1,985,000. As creditors will be aware from our previous progress report the initial claim submitted by the landlord amounted to £1.3 million. Funds have been set aside by the Joint Supervisors in relation to a dividend payable to the landlord, but the claim has not yet been agreed. The Joint Supervisors will continue to liaise with the landlord with a view to finalising their claim.
- 8.3 On the basis of sums received to date and estimated future receipts we estimate that in line with the terms of the Arrangement, an outcome for creditors in region of 30 in the £. This is subject to the final claim of the landlord. We expect to be in a position to pay a further dividend within 6 months.

9. JOINT SUPERVISORS' REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as Supervisors) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement. Our fees are currently limited to £30,000.

Our time costs for the period from 19 May 2018 to 18 May 2019 amount to £18,807 which represents 79.7 hours at an average rate of £235.97 per hour. An analysis of time costs incurred in this period is attached at Appendix 2 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable creditors to consider the level of those fees in the context of the case.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Table of time spent and charge-out value for the period 19 May 2018 to 18 May 2019
- ☐ Cumulative table of time spent and charge-out value for the period 19 May 2016 to 18 May 2019

For the period from 19 May 2018 to 18 May 2019 supervisors' remuneration of £10,000 has been drawn.

A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2010' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

10. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

Contributions

The Joint Supervisor will continue to monitor and collect the monthly contributions of £15,000.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The following specific tasks shall be undertaken in the future:

- General administration of case, filing, photocopying
- Updating diary checklists computerised and manual lists
- Closing computerised system
- Reviewing the final checklists
- Calculating final costs to be paid
- Liaising with the LLP

Compliance with the Insolvency Act, Rules and best practice

The following specific tasks shall be undertaken in the future:

- Preparation and distribution of annual progress report
- Preparation and distribution of final progress report
- Drafting letters and sending progress report to Companies House, the LLP, Members and Auditors
- Drafting letter and sending final progress report to Companies House, the LLP, Members and Auditors
- Review of Joint Supervisors bond to ensure bonding levels are correct.
- Review of case files.

Realisation of assets

The following specific tasks shall be undertaken in the future:

- Collection and monitoring of contributions
- Completion of paperwork to account for contributions received

Dealing with all creditors' claims (including employees), correspondence and distributions

The following specific tasks shall be undertaken in the future:

- Reviewing and agreeing creditor claims
- Completion of paperwork in relation to the interim dividend
- Calculation of interim dividend
- Corresponding with creditors where required
- Agreeing landlord's claim

Other matters which includes meetings, tax, litigation, pensions and travel

The following specific tasks shall be undertaken in the future:

- VAT returns shall be completed periodically and the Insolvency Practitioners staff shall prepare and submit the VAT returns and final VAT returns where applicable.

How much will this further work cost?

It is estimated that future time costs will be in region of £7,500 per annum.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows: -

- Storage of records £20.00
- Agents fees in relation to the landlords claim. (This is currently unknown we estimate it to be in the region £2,000 to £5,000)

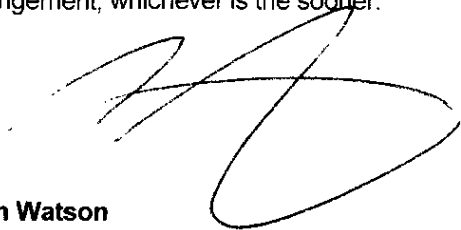
11. OTHER RELEVANT INFORMATION

Use of personal information

Please note that in the course of discharging our duties as supervisors, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

We will report again in approximately one year's time or at the conclusion of our administration of the Arrangement, whichever is the sooner.



Dean Watson
Joint Supervisor

Dated: 9 July 2019

JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 19 May 2018 to 18 May 2019

Statement of Affairs £	From 19/05/2018 To 18/05/2019 £	From 19/05/2016 To 18/05/2019 £	
	ASSET REALISATIONS		
	Bank Interest Gross	728.87	946.63
100,000.00	Book Debts	NIL	NIL
2,500.00	Computer Equipment	NIL	NIL
10,000.00	Fixtures & Fittings	NIL	NIL
10,000.00	Leasehold Property	NIL	NIL
2,500.00	Motor Vehicles	NIL	NIL
	PVA Contributions	180,000.00	510,000.00
100,000.00	Work In Progress	NIL	NIL
		180,728.87	510,946.63
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	2,050.00
	Legal Fees (1)	NIL	2,500.00
	Nominees fee	NIL	7,500.00
	Office Holders Expenses	392.00	392.00
	Supervisor fees	10,000.00	20,000.00
		(10,392.00)	(32,442.00)
	PREFERENTIAL CREDITORS		
	Employees re Arrears/Hol Pay	NIL	1,000.00
		NIL	(1,000.00)
	FLOATING CHARGE CREDITORS		
(262,758.00)	Handelsbanken	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(233,439.00)	Accruals	NIL	NIL
(1,300,000.00)	Employee Redundancy Claims	NIL	NIL
(163,963.00)	Former Members	NIL	NIL
(223,547.00)	HMRC (PAYE)	NIL	NIL
(385,439.00)	HMRC (VAT)	NIL	NIL
(1,000,000.00)	Landlord Claims	NIL	NIL
(1,025,999.00)	Loans	NIL	NIL
(821,727.00)	Trade Creditors	128,297.67	255,732.44
		(128,297.67)	(255,732.44)
(5,191,872.00)		42,039.20	221,772.19

JOINT SUPERVISORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 19 May 2018 to 18 May 2019
- c. Cumulative time Costs Analysis for the period from 19 May 2016 to 18 May 2019.

BEGBIES TRAYNOR CHARGING POLICY

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 draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	60 - 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in units 6 minute units.