

Rule 1.26/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress Report**R.1.26A(4)(a)/
R.1.54****Pursuant to Rule 1.26A(4)(a) or
Rule 1.54 of the Insolvency Rules
1986**

To the Registrar of Companies

For Official Use

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Company Number

02891178

(a) Insert full name of

Name of Company

Paragon Business Furniture Limited

(b) Insert full name and
AddressI/We Lloyd Biscoe
009141
Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EGWayne Macpherson
009445
Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG

(c) Insert date

supervisors of a voluntary arrangement taking effect on


(c) 8 April 2010,

Attach our progress report for the period
from(c) 8 April 2012
to

(c) 7 April 2013

Number of continuation sheets (if any) attached 0

Signed



Date

29/05/13

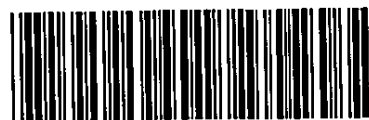
Presenter's name, address
and referencePA019CVA
Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG**For Official Use**

Liquidation Section

Post Room

COMPANIES HOUSE

FRIDAY



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A07

31/05/2013

#23

Voluntary Arrangement of Paragon Business Furniture Limited

Statement of Affairs	From 08/04/2012 To 07/04/2013	From 08/04/2010 To 07/04/2013
ASSET REALISATIONS		
Debtor Contributions	37,102 50	76,887 50
Bank Interest Gross	20 34	24 64
Bank Interest Net of Tax	NIL	2 83
	<u>37,122 84</u>	<u>76,914 97</u>
COST OF REALISATIONS		
Office Holders Fees	NIL	4,000 00
Office Holders Expenses	NIL	606 00
Pension Costs	NIL	300 00
Bank Charges	22 00	51 29
	<u>(22 00)</u>	<u>(4,957 29)</u>
PREFERENTIAL CREDITORS		
Redundancy Payments Office	NIL	2,341 51
Employee Arrears/Hol Pay	NIL	2,993 68
	<u>NIL</u>	<u>(5,335 19)</u>
	<u>37,100.84</u>	<u>66,622.49</u>
REPRESENTED BY		
Vat Receivable		966 05
Bank 1 Current		133 47
Bank 1 Deposit		65,522 97
		<u>66,622.49</u>


 Lloyd Biscoe
 Joint Supervisor

Hertford County Court No 206 of 2010

Lloyd Biscoe and Wayne Macpherson appointed joint supervisors
on 8 April 2010

**Paragon Business Furniture Limited (Company
Voluntary Arrangement)**

Joint Supervisors' Progress Report pursuant to
Rule 1.26A of The Insolvency Rules 1986

Period: 08/04/2012 to 07/04/2013

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.

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- ☐ Progress during the period of this report
- ☐ Prospects for full implementation of the Arrangement
- ☐ Estimated outcome for creditors
- ☐ Supervisors' remuneration & disbursements
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 - 2 Joint supervisors' time costs and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Paragon Business Furniture Limited (Under a Voluntary Arrangement)
"the Supervisors"	Lloyd Biscoe and Wayne Macpherson, both of Begbies Traynor (Central) LLP of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(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 Company	Paragon Business Furniture Limited		
Trading name(s)			
Date of Incorporation	25 January 1994		
Company registered number	02891178		
Company registered office	14 West Place, West Road, Harlow, Essex, CM20 2GY		
Commencement date of the Arrangement	8 April 2010		
Duration of the Arrangement	5 years		
Main provisions of the Arrangement	<p>The company would make voluntary contributions over five years, however these would be minimal for the first two months of the arrangement</p> <p>The contributions were to be stepped in line with the below</p> <table><tr><td>Year 1</td><td>£1,746 (Month 3 – 12)</td></tr></table>	Year 1	£1,746 (Month 3 – 12)
Year 1	£1,746 (Month 3 – 12)		

Year 2	£2,182 50
Year 3	£3,637 50
Year 4	£3,637 50
Year 5	£3,637 50

Anticipated dividends

A dividend of 100 pence in the £ was paid to preferential creditors on 26 April 2011 totalling £5,335 19. A first dividend to the unsecured creditors of the Company is due to be paid shortly. The last date for proving in this regard is 20 June 2013.

3. INTRODUCTION

- 3.1 Pursuant to Rule 1.26A(6) of the Rules, the Supervisors are required to send the Company, its creditors (bound by the Arrangement) and its members an abstract of receipts and payments which shows all receipts and payments of money whilst the Supervisors have been acting as supervisors of the Arrangement.
- 3.2 In addition to accounting for the receipts and payments, Rule 1.26A requires the Supervisors to report on the progress of the Arrangement and the prospects for its full implementation.
- 3.3 This is the Supervisors' third annual report, which should be read in conjunction with the second annual report circulated on 1 June 2012.

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 as well as cumulative figures showing the receipts and payments since the date of the Supervisors' appointment.

5. PROGRESS DURING THE PERIOD OF THIS REPORT

- 5.1 Set out below are details of the progress that has been made during the period of this report.
- 5.2 You will recall that the terms of the Arrangement provided for the following:
 - 5.2.1 The company would make contributions totalling £174,600 over the course of five years. The contributions be made as follows -

Year 1	£1,746 (Month 3-12)
Year 2	£2,182 50
Year 3	£3,637 50
Year 4	£3,637 50
Year 5	£3,367 50

Outcome for Creditors

Specifically it was proposed that the claims of preferential creditors be discharged in full and that the unsecured creditors would receive a return of 42.3 pence in the £ over the course of the arrangement.

Exclusions from dividends/postponement of claims:-

Rae Woods, a director of the company, confirmed that he would be excluded from receiving a dividend within the arrangement. The directors also confirmed that Hog Furnishing Limited and Mr K Hams agreed to postpone their claims until all creditors were paid in line with the anticipated dividend.

Progress Made

The receipts and payments account shows that the Company has made nine voluntary contribution payments within the third year of the arrangement. Two further payments were made prior to the end of the year but were not accounted for until after this period. The remaining contribution outstanding for the period has now been received. Therefore, the company has continued to meet the terms of its voluntary arrangement in respect of the payment of voluntary contributions.

A dividend was paid to preferential creditors of 100 pence in the £ during a prior period.

The sum of £300 was paid to Alexander Forbes Trustee Services Limited during a prior period for advice concerning a company pension scheme.

A notice of intended dividend has been issued to creditors giving a last date for proving of 20 June 2013.

6. PROSPECTS FOR FULL IMPLEMENTATION OF THE ARRANGEMENT

It remains the view of the Joint Supervisors that the Arrangement is likely to complete in accordance with the terms of the Arrangement as the company has fully complied with the terms of the Arrangement to date.

7. ESTIMATED OUTCOME FOR CREDITORS

- 7.1 The total amount owed to unsecured creditors at the commencement of the Arrangement was £598,684. Of this sum, £138,628.06 was owed to an associated company, Hog Furnishing Limited and the sum of £264 was owed to Mr K Hams, both of which agreed to postpone their claims. Rae Woods, a director of the company was owed £114,100 and confirmed that he would be excluded from receiving a dividend within the arrangement.
- 7.2 The Supervisors estimate, within the terms of the Arrangement that an outcome for creditors will be in the region of 42.3p in the £. They expect to be in a position to pay a first dividend shortly after the last date for creditors to prove their claims on 20 June 2013.

8. JOINT SUPERVISOR'S REMUNERATION & DISBURSEMENTS

The Supervisors' remuneration has been fixed by reference to the time properly given by them (as Supervisors) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which are attached at Appendix 2 of this report

The Supervisors' time costs for the period from 08/04/2012 to 07/04/2013 amount to £4,725 which represents 20.6 hours at an average rate of £229.37 per hour. An analysis of time costs incurred in this period and prepared in accordance with Statement of Insolvency Practice 9 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 the body responsible for the approval of the Supervisors' fees to consider the level of those fees in the context of the case.

The following further information in relation to the Supervisors' time costs and disbursements is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Table of time spent and charge-out value for the period 08/04/2012 to 07/04/2013
- ☐ Cumulative table of time spent and charge-out value for the period from 8 April 2010 to 7 April 2013

For the period from 08/04/2012 to 07/04/2013 the Supervisors have not drawn any remuneration or disbursements

The Supervisors confirm that to 07/04/2013, they have drawn the total sum of £4,000 by way of remuneration plus disbursements of £606 plus VAT. These sums were drawn in the first year of the CVA.

The Supervisors' time costs for the entire period of the voluntary arrangement from 8 April 2010 to 07 April 2013 amount to £14,261 which represents 70.7 hours at an average rate of £201.71 per hour.

I am obliged to provide details of my firm's disbursements, which have been charged as follows

Disbursement	£
Photocopying	422.00
Postage	71.50
Bonding	<u>260.00</u>
	<u>753.50</u>

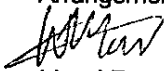
A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2010' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will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

9. OTHER RELEVANT INFORMATION

As advised earlier in this report, the company are still paying their voluntary contributions and a first dividend to unsecured creditors will be declared shortly

10. CONCLUSION

The Supervisors will report again in approximately 1 year's time or at the conclusion of the Arrangement, whichever is the sooner



Lloyd Biscoe
Joint Supervisor


Dated 30 May 2013

JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 08/04/12 to 07/04/13

Voluntary Arrangement of Paragon Business Furniture Limited

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Bank 1 Deposit		65,522 97
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 Lloyd Biscoe
 Joint Supervisor

JOINT SUPERVISORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value for the period from 08/04/2012 to 07/04/2013,
- d Cumulative table of time spent and charge-out value for the period from 8 April 2010 to 7 April 2013

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. 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 expenses (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 expenses (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 may be charged by some offices and is charged at the rate of £100 (London £150) per meeting. External meeting room usage is charged at cost.
- Car mileage is charged at the rate of 45 pence per mile.

Expenses which should be treated as Category 2 expenses (approval required) – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 expenses. The following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

- Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are

Minimum charge of £33 per quarter for up to three boxes. Four to Two Hundred Boxes charged at £9.90 per box per quarter. Over two hundred boxes are charged at half the aforementioned price, presently £4.95 per box per quarter. Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited is required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

- BTG Asset Consulting may be engaged to undertake valuations and/or disposal of the assets in this case. BTG Asset Consulting is a part of Begbies Traynor Group plc and therefore an associated company. Their charges are based on 15% of realisations or time costs at a Partner rate of £125 per hour and Manager rate of £100 per hour. A separate charge will be levied for any valuations to be provided at a fixed fee of £500 + VAT. Disbursements are charged at cost and mileage is recovered at 40p per mile. All figures stated are net of VAT.

(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 expense*.

- 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 Southend-on-Sea office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Junior Administrator	160
Support	160

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

