

Rule 1.26A/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of  
Supervisor's Progress Report

Pursuant to Rule 1.26A(4)(a) or  
Rule 1.54 of the  
Insolvency Rules 1986

**R.1.26A(4)(a)/**  
**R.1.54**

For Official Use

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To the Registrar of Companies

Company Number

04348866

Name of Company

Essex Denture Centre Limited

I / We  
Lee De'ath  
Town Wall House  
Balkerne Hill  
Colchester  
Essex  
CO3 3AD

Richard Toone  
Chantrey Vellacott DFK LLP  
Russell Square House  
10-12 Russell Square  
LONDON  
WC1B 5LF

supervisor(s) of a voluntary arrangement taking effect on

18 April 2011

Attach my progress report for the period

18 April 2012

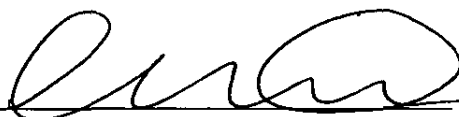
to

17 April 2013

Number of continuation sheets (if any) attached

1

Signed



Date 14/06/2013

Chantrey Vellacott DFK LLP  
Town Wall House  
Balkerne Hill  
Colchester  
Essex  
CO3 3AD

Ref ESSE39231/LMD/SMS/MH

For Official Use

Insolvency Section

Post Room

TUESDAY



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18/06/2013

#292

COMPANIES HOUSE

# **Voluntary Arrangement of Essex Denture Centre Limited**

Statement of Affairs	From 18/04/2012 To 17/04/2013	From 18/04/2011 To 17/04/2013
51,060 00		
ASSET REALISATIONS		
Debtor Contributions	8,250 00	17,250 00
Bank Interest Gross	23 03	37 62
	<u>8,273 03</u>	<u>17,287 62</u>
COST OF REALISATIONS		
Specific Bond	15 00	135 00
Nominees Feea	NIL	2,500 00
Office Holders Fees	5,500 00	8,000 00
Postage	18 17	18 17
Legal Fees (1)	65 31	65 31
	<u>(5,598 48)</u>	<u>(10,718 48)</u>
UNSECURED CREDITORS		
(138,512 56) Unsecured Creditors	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
<u>(87,452.56)</u>	<u>2,674.55</u>	<u>6,569 14</u>
REPRESENTED BY		
Bank 1 Current		6,569 14
		<u>6,569 14</u>

Note

  
 Lee De'ath  
 Joint Supervisor

**IN THE MATTER OF  
ESSEX DENTURE CENTRE LIMITED – UNDER A VOLUNTARY ARRANGEMENT**

**REPORT OF THE JOINT SUPERVISOR  
PURSUANT TO RULE 1.26A(4)  
OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

**Chantrey Vellacott DFK LLP**

**Town Wall House  
Balkerne Hill  
Colchester  
Essex  
CO3 3AD**

**Telephone Number: 01206 578004  
Fax Number: 01206 763386**

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Website' [www.cvsdfk.com](http://www.cvsdfk.com)**

## **ESSEX DENTURE CENTRE LIMITED – UNDER A VOLUNTARY ARRANGEMENT**

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## **ESSEX DENTURE CENTRE LIMITED – UNDER AN INDIVIDUAL VOLUNTARY ARRANGEMENT (“THE ARRANGEMENT”)**

### **REPORT OF THE JOINT SUPERVISOR**

**14 JUNE 2013**

### **INTRODUCTION**

I, Lee De'ath, of Chantrey Vellacott DFK LLP, Town Wall House, Balkerne Hill, Colchester, Essex, CO3 3AD, together with Ken Touhey, was appointed Joint Supervisor of the Arrangement on 18 April 2011

As noted in my letter to creditors dated 19 November 2012, Ken Touhey decided to leave Chantrey Vellacott DFK which took effect on 30 September 2012. Accordingly, as part of the firm's procedures the majority of Ken's appointment have been transferred, by way of a High Court Order dated 14 August 2012, and he has been replaced as Joint Supervisor by Richard Toone

In accordance with Rule 1.26A(4) of The Insolvency Rules 1986 (as amended) I am pleased to present my report on the progress in the Arrangement. This report relates to the period 18 April 2012 to 17 April 2013

The company has failed to meet its obligations under the Arrangement, details of which are provided below. As such, the Joint Supervisors have written to the Company advising of the breach and giving a period of 30 days to remedy the breach and provide the outstanding information to the Joint Supervisors. Should the information not be received within the timeframe provided then the Joint Supervisors will take steps to fail the Arrangement and circulate their final report, in accordance with Rule 1.29(2) of The Insolvency Rules 1986 (as amended)

### **BACKGROUND**

As creditors will recall, it was stated in the Company's proposals that the Company would make minimum monthly contributions of £750 from the profits of the Company for a period of 60 months from the acceptance of the proposals

It was further proposed that following the completion of repayment of a Bank loan in December 2014 additional contribution of £604 per month would be made for the remainder of the Voluntary Arrangement

As at 31 March 2010, the Company's statutory accounts indicated that the directors had overdrawn loan accounts totalling £68,728. The Directors believed that there were sums due to them in respect of costs and expenses incurred and settled on behalf of the Company which had not been offset against their loan accounts. As part of the proposals, it was agreed that the Joint Supervisors would carry out a full reconciliation of the directors' loan accounts and determine the amounts due from each of the directors. It was proposed that the balance of sums due would be repaid in equal instalments over the duration of the arrangement

Despite several requests, the directors have failed to deliver up the information to allow the Joint Supervisors to complete their reconciliation of the loan account position

In addition to the above, the proposals provided that the directors submit to the Joint Supervisors details of the Company's profit and loss, cashflow reconciliations and projections at yearly intervals to assist the Joint Supervisors in the calculation of surplus income to determine whether increased contributions of lump sum amounts should be paid into the arrangement. If the Company's net profit before tax and interest exceeded £17,500 in the first year of the arrangement, then 50% of the excess (after any tax payable thereon) would be paid in addition to the £750 monthly contributions

Despite requesting this information, the directors have failed to provide it. Furthermore, following the completion of the second anniversary the directors have again failed to provide the Joint Supervisors with the above information

As part of HM Revenue & Customs ("HMRC") agreement to the Company's proposals a number of modifications were proposed and agreed by the directors. These modifications were circulated to creditors with the Chairman's report dated 20 April 2011

As part of these modifications, it was agreed that the Company would complete all statutory returns and payments due to HMRC post CVA approval on or before the due dates. Following receipt of correspondence from HMRC it is evident that the Company has failed to comply with these modifications. As such, the Company is in breach of HMRC's modifications and the Joint Supervisors are required to take steps to fail the arrangement accordingly

## **RECEIPTS AND PAYMENTS ACCOUNT**

An abstract of the Supervisors' Receipts and Payments for the period concerned is attached at Appendix 1

## **ASSET REALISATIONS**

### ***Contributions***

As noted above, under the terms of the Arrangement, the company was required to make voluntary contributions of £750 per month for a minimum of 60 months. I can confirm that the Company has complied with this requirement. Contributions totalling £8,250 have been received in the period covered by this report. Total contributions of £18,750 have been received in the Voluntary Arrangement to date

### ***Bank Interest Gross***

Gross bank interest has accrued on the funds held in the estate account in the sum of £37.62 of which £23.03 relates to the period covered by this report

## **DIVIDEND PROSPECTS**

### **Secured Creditors**

The Company has one secured creditor, Lloyds TSB Commercial Finance Limited, which holds a fixed and floating charge created on 1 December 2004. As detailed in the Company's proposals, secured creditors are not bound by the terms of the Voluntary Arrangement.

### **Preferential Creditors**

The Joint Supervisors are not aware of any preferential claims within the meaning of Schedule 6 of the Act and to date the Joint Supervisors have not received any preferential claims.

### **Unsecured Creditors**

Unsecured creditors' claims of £58,787 have been received to date compared to total claims of £138,512 in the Company's Statement of Affairs.

No distributions have been made to date. The Joint Supervisors will shortly circulate, under separate cover, a Notice of Intended Dividend. As noted above, the Company has failed to comply with its obligations under the Arrangement. As such, should the Company be unable to provide the information requested within the time provided, the Joint Supervisors will move to fail the arrangement and take steps to distribute the funds held in accordance with the terms of the Arrangement.

As such, and if you have not already done so, I should be grateful if you would complete the attached proof of debt form included as Appendix 5 and return it to me with supporting documentation.

## **COSTS OF REALISATION**

Specific bond payments have been made in the sum of £135 in respect of the statutory requirement to have a bond in place.

Legal fees have been incurred in the sum of £65 in respect of the transfer by way of a High Court Order of Mr Touhey's cases and his replacement as Supervisor by Richard Toone.

## **NOMINEE'S FEE**

In accordance with the terms of the accepted Proposals, a Nominee's fee of £2,500 was payable. This amount has been paid under the Arrangement.

## **SUPERVISORS' REMUNERATION AND DISBURSEMENTS**

In accordance with the terms of the accepted Proposals, the Supervisors' remuneration will be based on my firm's costs, in addition to drawing Category 2 disbursements.

A summary of the Supervisors' time costs, covering the period since my appointment and the period covered by this report, analysed by grade of staff, are attached at Appendix 2

In accordance with the Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals and adopted by my professional licensing body, I advise that the overall time spent during the period of the administration of the case (18 April 2011 to 7 June 2013) and charge out value of that time is 59.3 hours and £9,791 respectively. In relation solely to the period covered by this report, I advise that the overall time spent and charge out value of that time is 26 hours and £4,551 respectively.

This equates to an average hourly charge out rate of £165.11. These figures do not include VAT.

To date, the Joint Supervisors have drawn fees in the sum of £8,000 and disbursements in the sum of £18.17 of which fees of £5,500 have been drawn since my last report.

The work undertaken as Supervisor is derived from the responsibilities placed upon me by the underlying legal and regulatory framework for work of this nature. I have been assisted by the assignment manager and administrator, together with secretarial staff and cashiers. All personnel were charged directly to the assignment for all of the time relating to the case.

Although this case generally should be of average complexity with no exceptional responsibility falling upon me as Joint Supervisor, my time costs are greater than initially anticipated as a result of the directors' failure to provide the information required in a timely manner.

### **CHARGE OUT RATES**

In common with other professional firms, my charge out rates increase from time to time over the period of the administration of the case. I enclose an explanation of office holders' charging and disbursement recovery policies for your reference as Appendix 3.

A guide to Insolvency Practitioners' Fees – Voluntary Arrangements, which provides information for creditors in relation to the remuneration of a Supervisor, can be accessed at the website of the Association of Business Recovery Professionals at

<http://www.r3.org.uk/index.cfm?page=1210>

Alternatively, I can provide you with a copy on written request.

### **RIGHT TO REQUEST FURTHER INFORMATION**

I would draw your attention to Rule 1.55 of the Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix 4. These Rules set out the circumstances under which creditors may request further information in relation to the Nominee's or Supervisors' remuneration and expenses.



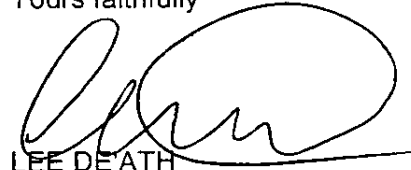
## CONCLUSION

As noted above, and in accordance with the Company's proposals, the Joint Supervisors have advised the Company's directors that if the information required under the terms of the Arrangement, is not provided within 30 days then the Joint Supervisors will have no alternative but to take steps to terminate the Arrangement and circulate a Non-Compliance Certificate. This will result in the Joint Supervisors petitioning for the winding-up of the Company.

Following the settlement of the remaining costs the Joint Supervisors will distribute any funds held in accordance with the terms of the Arrangement and continue to exercise their powers under the arrangement.

Should you require any further information, in addition to that already given, please contact Matthew Hartigan at this office, on 01206 578004.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lee Death', with a large, stylized loop at the end.

LEE DEATH

Joint Supervisor

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

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# Voluntary Arrangement of Essex Denture Centre Limited

Statement of Affairs		From 18/04/2012 To 17/04/2013	From 18/04/2011 To 17/04/2013
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	COST OF REALISATIONS		
	Specific Bond	15 00	135 00
	Nominees Feea	NIL	2,500 00
	Office Holders Fees	5,500 00	8,000 00
	Postage	18 17	18 17
	Legal Fees (1)	65 31	65 31
		<u>(5,598 48)</u>	<u>(10,718 48)</u>
(138,512 56)	UNSECURED CREDITORS		
	Unsecured Creditors	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
<u>(87,452 56)</u>		<u>2,674 55</u>	<u>6,569 14</u>
	REPRESENTED BY		
	Bank 1 Current		6,569 14
			<u>6,569 14</u>

Note

  
 Lee De'ath  
 Joint Supervisor

**SUMAMRY OF JOINT SUPERVISORS' TIMECOSTS & DISBURSEMENTS**

ESSEX DENTURE CENTRE CVA - ESSE40142

Time and Chargeout Summary for the period 18/04/2011 to 07/06/2013							
Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	2 30	3 10	28 60	11 20	45 20	7,002 50	154 92
Investigations	0 00	0 50	0 30	0 00	0 80	152 50	190 62
Realisation of Assets	0 00	1 70	0 50	0 00	2 20	591 50	268 86
Creditors	0 60	2 30	7 70	0 00	10 60	1,869 50	176 37
Shareholdings	0 50	0 00	0 00	0 00	0 50	175 00	350 00
Total Hours	3 40	7 60	37 10	11 20	59 30	9,791 00	165 11
Total fees Claimed	1,190 00	2,101 00	4,914 50	1,585 50	9,791 00		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Couriers	18 17
Other	65 31
	83 48

ESSEX DENTURE CENTRE CVA - ESSE40142

Time and Chargeout Summary for the period 18/04/2012 to 17/04/2013							
Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	0 50	2 00	9 40	4 90	16 80	2,717 50	161 76
Realisation of Assets	0 00	1 50	0 50	0 00	2 00	531 50	265 75
Creditors	0 10	2 30	4 80	0 00	7 20	1,302 00	180 83
Total Hours	0 60	5 80	14 70	4 90	26 00	4,551 00	175 04
Total fees Claimed	210 00	1,660 00	2,012 50	668 50	4,551 00		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Other	65 31
	65 31

## CHANTREY VELLACOTT DFK LLP

### CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

#### Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 1 August 2011 £ per hour
Partners / Office Holders	350 - 450
Consultants	350 - 450
Directors	325 - 340
Senior Manager	300 - 315
Managers	280 - 295
Assistant Managers	260 - 275
Senior Executive	220 - 250
Executive	125 - 175
Analyst	100 - 105
Cashier	120 - 160
Secretaries and office admin support	80 - 110

Chargeout rates are normally reviewed annually on 1 July when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

#### Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, storage, online reporting facilities, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

#### Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate

#### Circulars to creditors

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

#### Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT is levied to cover the cost of booking the room.

#### Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

#### Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

#### Chantrey Vellacott DFK LLP

Effective 1 August 2012

Chantrey Vellacott DFK is a limited liability partnership registered in England and Wales (NoOC313147) whose registered office is at Russell Square House, 10-12 Russell Square, London, WC1B 5LF. The term "partner" denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.

**Extracts of Rule 1.55 of The Insolvency Rules 1986 (as amended)**

**1.55 Provision by nominee or supervisor of information about time spent on a proposal or voluntary arrangement**

**1 55(1) [Duty of nominee or supervisor to provide statement]** A person ("the relevant person") who has acted or is acting as -

- a) a nominee in respect of a proposed voluntary arrangement, or
- b) a supervisor in respect of a voluntary arrangement

must, on request in writing by any person mentioned in paragraph (2), supply free of charge to that person a statement complying with paragraph (3)

**1 55(2) [Who may request statement]** The persons referred to in paragraph (1) are -

- a) any director of the company,
- b) where the proposal has been approved, any creditor or member of the company in respect of the arrangement

**1 55(3)[Period and content of statement]** The statement referred to in paragraph (1)-

- a) must cover the period beginning with the date of the appointment of the relevant person as nominee or supervisor, as the case may be, and ending -
  - (i) with the date next before the date of making the request on which the relevant person has completed any period as nominee or supervisor, or both, which is a multiple of 6 months, or
  - (ii) where the relevant person has ceased to act as nominee or supervisor, the date upon which the person so ceased, and
- b) must comprise the following details -
  - (i) the total number of hours spent on the voluntary arrangement by the relevant person whether as nominee or supervisor, or both, and any staff assigned to the voluntary arrangement during that period,
  - (ii) for each grade of individual so engaged, the average hourly rate at which any work carried out by individuals in that grade is charged, and
  - (iii) the number of hours spent by each grade of staff during that period

**1 55(4) [Time limit to request statement]** No request pursuant to this Rule may be made where more than 2 years has elapsed since the relevant person ceased to act in any capacity in relation to the proposal or any voluntary arrangement arising out of the approval of the proposal

**1.55(5) [Time limit for supply of statement]** Any statement required to be provided to any person under this Rule must be supplied within 28 days of that date of the receipt of the request by the person required to supply it

**COMPANY VOLUNTARY ARRANGEMENT****Essex Denture Centre Limited**

Date of Voluntary Approval – 18 April 2011

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date of the interim order	£
4	Details of any documents by reference to which the debt can be substantiated [Note the nominee or supervisor may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax  (b) amount of claim NET of Value Added Tax	£  £
6	If total amount above includes outstanding uncapitalised interest, please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with Schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	