

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

07133151

Name of Company

Cushionflex Limited

I / We

Philip Booth, Booth &amp; Co, Coopers House, Intake Lane, Ossett, WF5 0RG

supervisor(s) of a voluntary arrangement taking effect on

11 December 2014

Attach my progress report for the period

11 December 2014

to

10 December 2015

Number of continuation sheets (if any) attached

1

Signed



Date

09/02/16

Booth & Co  
Coopers House  
Intake Lane  
Ossett

WF5 0RG

Ref CUS001/PB/AB/MJ

For Official Use

Insolvency Section

Post Room

THURSDAY



A08

\*A501E155\*

11/02/2016

#146

COMPANIES HOUSE

**TO ALL KNOWN CREDITORS**

When telephoning please ask for Alistair Barnes

Our Ref: PRB/AB/CUS001/4

9 February 2016

Dear Sirs

**Cushionflex Limited ("the Company") – Company Voluntary Arrangement ("CVA")  
Leeds District Registry: No. 1213 of 2014**

Further to my appointment as Supervisor on 11 December 2014, I write to update creditors on the progress and efficacy of the CVA as follows.

**Key Terms of the CVA Proposals**

The main terms of the proposals, which were approved with modifications on 11 December 2014, are summarised below:

- The term of the CVA is 60 months. For the first 36 months, a contribution of £4,000 is to be paid in December, which reduces to £2,500 per month from January to March, and increases to £5,000 per month from April to November. In the fourth and fifth years of the arrangement the monthly contribution for April to November increases to £6,500 per month.
- If the monthly contribution falls more than 2 months into arrears, then this shall constitute a default of the CVA which cannot be remedied, and the Supervisor shall immediately petition for the compulsory winding up of the Company (HMRC modification no.15).
- All statutory returns and payments due to HMRC due after the commencement of the CVA shall be provided on or before the due date. (HMRC modification no.5).
- The duration of the arrangement will not exceed 63 months without the prior approval of a 75% majority in value of creditors' claims voting for the resolution (HMRC modification no.20).
- The Supervisor will conduct a full review every 12 months of the Company's business income and expenditure and obtain an increase in voluntary contributions of not less than 50% of any rise in the net income after provision for tax (HMRC modification no.17).
- The Company shall not, within 12 months of approval, propose a variation to the arrangement that will reduce the yield to creditors below the forecast of 100p/£ unless the Supervisor can provide clear evidence that the variation proposal results from changed trading circumstances that could not have been foreseen when the arrangement was approved (HMRC modification no.22)

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Sheffield Office The Masters House Arundel Street Sheffield S1 4RE  
Telephone 0114 399 2800  
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## **Case Progress**

### **1. Voluntary Contributions**

- 1.1 As at 11 December 2015, monthly contributions in the sum of £31,500 had been received. There were therefore arrears at that date of £20,000, which is the equivalent of 4 months of contributions.
- 1.2 I can confirm that a further contribution of £2,500 has been received as at the date of this report.
- 1.3 The Company is therefore in breach of HMRC modification number 15 as referred to above.

### **2. Other Receipts**

- 2.1 Gross bank interest in the sum of £6.11 has also been received.

### **3. Supervisor's Payments**

- 3.1 Agents fees of £250 plus VAT have been paid to CW Harrison & Son in relation to their costs incurred in providing advice on the value of the Company's tangible assets.

### **4. Nominee's and Supervisor's Remuneration**

- 4.1 I have drawn my Nominee's Fee of £5,000 plus VAT, as agreed by creditors.
- 4.2 I have not drawn any fees in respect of my time costs for acting as Supervisor and dealing with the administration of the arrangement. Total time costs to 10 December 2015 are £6,862.50, comprising a total of 36.8 hours spent on the administration of the case at an average rate of £186.48 per hour.
- 4.3 A detailed breakdown of Supervisor's time costs is attached at Appendix B.
- 4.4 This firm's hourly charge-out rates have changed with effect from 01 April 2015. Please find attached a summary of the new schedule of hourly charge-out rates attached to this report.

### **Disbursements**

- 4.5 During the period to which this report relates I have incurred disbursements totalling £1,503.90, all of which have been paid. Further details are as follows;

<b><u>Category 1</u></b>	<b>£</b>	<b><u>Category 2</u></b>	<b>£</b>
<b><u>Disbursements</u></b>		<b><u>Disbursements</u></b>	
Insurance Bond	1,440.00	Photocopying	27.30
Statutory Advertising	10.00	Postage	13.00
Company Searches	4.00	Travel	9.60
	<hr/>		<hr/>
	1,454.00		49.90
	<hr/>		<hr/>

*(\*Mandatory fixed cost insurance policy relative to the total value of assets subject to the CVA)*

- 4.6 Category 1 disbursements relate to external services provided which are directly attributable to the case. Category 2 disbursements relate to shared or allocated costs which generally relate to internal charges made for items such as postage, photocopying, faxes, room hire and mileage.
- 4.7 Creditor approval is required for Category 2 disbursements to be charged as an expense of the arrangement. Creditors approved these charges at the meeting of creditors held on 11 December 2014.
- 4.8 I propose to draw disbursements and Supervisor's fees in accordance with the terms of the proposal and modifications in due course.

## **5. Receipts and Payments**

- 5.1 Attached to this report at Appendix A is a Receipts and Payments Account for the period 11 December 2014 to 10 December 2015.

## **6. Creditors' Claims & Dividends**

### Preferential Creditors

- 6.1 In the Estimated Outcome Statement which was appended to the proposals no preferential claims were anticipated and none have been received.

### Unsecured Creditors

- 6.2 In the Estimated Outcome Statement which was appended to the proposals, unsecured creditors totalled £260,825. I have received ten proof of debt forms to date with claims totalling £163,574.
- 6.3 I am currently in the process of agreeing unsecured creditors' claims in order to declare and pay a dividend. The amount and timing of this will depend on the final value of unsecured claims admitted for dividend purposes and further costs incurred in the CVA.

## **7. General**

- 7.1 The Company has breached the terms of the proposals as referred to above. In accordance with the terms of the proposal a Non-Compliance Certificate has now been issued and a copy is enclosed.
- 7.2 I recently met with the Directors in order to discuss the Company's financial position. It became apparent at this meeting that as a result of rapidly declining turnover with no prospect of improvement in the foreseeable future, the Directors' view was that the business was no longer viable, and not capable of remedying the breaches in the terms of the CVA.
- 7.3 The Directors have therefore decided to commence proceedings for the Company to be placed into Creditors Voluntary Liquidation. The Company ceased trading on 15 January 2016 and meetings of Members and Creditors at which it is intended to place the Company into liquidation have been convened for 10 February 2016. The formal documentation relating to the liquidation proceedings have been sent to Creditors under separate cover.

7.4 I trust that this report has updated you sufficiently on the current position. Should you have any queries regarding this report please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Booth', written in a cursive style.

**Phil Booth**  
**Supervisor**

**Voluntary Arrangement of  
Cushionflex Limited  
Supervisor's Abstract of Receipts & Payments**

Statement of Affairs		From 11/12/2014 To 10/12/2015	From 11/12/2014 To 10/12/2015
<b>ASSET REALISATIONS</b>			
281,500 00	Debtor Contributions	31,500 00	31,500 00
	Bank Interest Gross	6 11	6 11
		<u>31,506 11</u>	<u>31,506 11</u>
<b>COST OF REALISATIONS</b>			
	Nominee's Fee	5,000 00	5,000 00
	Office Holders Expenses	1,503 90	1,503 90
	Agents/Valuers Fees (1)	250 00	250 00
		<u>(6,753 90)</u>	<u>(6,753 90)</u>
<b>281,500.00</b>		<b><u>24,752.21</u></b>	<b><u>24,752.21</u></b>
<b>REPRESENTED BY</b>			
	Bank 1 Current		24,702 21
	Vat Control Account		50 00
			<u>24,752.21</u>



Philip Booth  
Supervisor

# Time Entry - SIP9 Time & Cost Summary

CUS001 - Cushionflex Limited  
Project Code POST  
To 10/12/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.50	9.90	0.00	2.80	15.20	2,717.00	178.75
Case Specific Matters	0.00	1.80	0.00	0.00	1.80	341.00	189.44
Creditors	0.30	2.10	0.20	0.00	2.60	486.50	187.12
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	17.20	0.00	0.00	17.20	3,318.00	192.91
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>2.80</b>	<b>31.00</b>	<b>0.20</b>	<b>2.80</b>	<b>36.80</b>	<b>6,862.50</b>	<b>186.48</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

**CERTIFICATE OF NON-COMPLIANCE**

**IN THE LEEDS DISTRICT REGISTRY NO. 1213 OF 2014**

**IN THE MATTER OF CUSHIONFLEX LIMITED**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

I, Philip Booth, the Supervisor of the Company Voluntary Arrangement ('CVA') of the above named Company, hereby give notice to Creditors by the issuing of this Certificate of Non-Compliance pursuant to the terms of the Company's CVA proposal that:

1. The Company has fallen into in excess of 2 months arrears with its monthly CVA payments and the Directors are taking the steps necessary to place the Company into Creditors Voluntary Liquidation.
2. This Certificate has been sent to the Company, its Members and All Known Creditors in accordance with the proposals.

Dated: 9 February 2016

Signed:



Philip Booth  
Supervisor

## **BOOTH & CO – FEES & DISBURSEMENTS 2015/16**

### **ADDITIONAL INFORMATION IN RELATION TO OFFICE HOLDER'S FEES PURSUANT TO THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 9**

Please find outlined below a schedule of Booth & Co charge out rates:-

<b><u>Staff Grade</u></b>	<b>Rate/Hour £ (From 01/04/15)</b>	<b>Rate/Hour £ (01/07/12 to 31/03/15)</b>
Insolvency Practitioner (appointment taking)	225-250	210
Senior Manager	195-210	185
Manager	160-175	150
Senior Administrator	140-155	135
Administrator	115-130	100
Cashier/Support	75-110	75

The charge out rates are subject to periodic reviews and change. The higher rates referred to above may be applied on more complex matters. If used, creditors will be informed accordingly.

In cases of exceptional complexity, the insolvency practitioner reserves the right to obtain authority from the committee or the creditors that their remuneration shall be fixed as a percentage of the value of the assets which are realised or distributed, or both.

An analysis of time costs incurred will be provided to creditors under the following areas of activity:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

### **Disbursements**

There are two types of disbursements; direct disbursements (known as 'Category 1') and indirect disbursements (known as 'Category 2').

#### **i) Category 1**

Category one disbursements do not require approval by creditors. Typically, these include external supplies of incidental services specifically identifiable to the case, such as postage, advertising, invoiced travel and external printing, room hire, insolvency bond and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Postage, external room hire and insolvency bond costs are charged out at the actual rate incurred.

#### **ii) Category 2**

Category two disbursements do require creditor approval and include elements of shared or allocated costs.

- Photocopying is charged at 15p per copy.
- Internal room hire (only charged for meetings of members, creditors or a creditors' committee) is charged at £75 per hour (minimum charge £75; maximum charge £150).
- Mileage is charged at 45p per mile.
- Internal books and records storage is charged at £6 per box per annum.

### Insolvency Guide to Unsecured Creditors

The insolvency trade association, R3, has launched a website, [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk) for cases in England and Wales, which is a step-by-step guide to the insolvency process for unsecured creditors, particularly small businesses who are unfamiliar with the insolvency process.

It sets out in straightforward English how creditors can engage in the insolvency process and includes:

- how different insolvency procedures work;
- simple explanations of insolvency terminology,
- useful tips on how to help oversee the running of the insolvency case.

For additional information regarding the remuneration of insolvency practitioners, please use the link <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/england-wales> and click on 'SIP 9'