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JOINT SUPERVISORS ANNUAL REPORT

TO ALL KNOWN CREDITORS

Your Ref

Date 23 September 2011

Our Ref

LH/I041/NH-MDS/OT

Dear Sirs

RE: Imported Perishable Produce Ltd ("the Company") - Company Voluntary Arrangement

In the Macclesfield County Court CVA No 95 of 2008

We write with reference to previous correspondence in the above matter and can confirm that it is now three years since the approval of the above Arrangement on 29th August 2008

Accordingly, under the provisions of the Insolvency Act 1986 and the Insolvency Rules 1986 [as amended], we enclose an up to date Income and Expenditure Account for your records

Voluntary Contributions

The Company undertook to make contributions of £2,000 per month for the first 4 months increasing to £3,000 for the next 8 months and £4,000 per month for the remaining 24 months of the Arrangement At a meeting of creditors held in November 2010, voluntary contributions were reduced to £1,500 per month. As at the anniversary of the Arrangement, the sum of £72,000 had been received whereas the Company should have paid £73,500 and is therefore deemed to be one month in arrears but within the terms of the Arrangement.

Review of accounts

The Joint Supervisors must review the Company's management accounts on a 6 monthly basis and audited accounts annually. The reviews undertaken to date have shown that the Company is not in a position to increase contributions. The next review due is for the year ended 30th September 2011.

Variation

At a meeting of creditors held on 11th November 2010, the following resolutions were approved by creditors

- 1. To waive the breach of the Arrangement in respect of arrears in contributions
- 2 To accept voluntary contributions of £1,500 per month for a period of 32 months ing from September 2010 in lieu of remaining contributions and the again again at the date this resolution is accepted by creditors

Lines Henry Limited 5 Tabley Court, Victoria Street, Altrincham, Cheshire WA14 1EZ.

Directors Neil Henry MIPA FABRP | Mike Simister LLB MIPA

Note Neil Henry and Mike Simister are authorised to act as insolvency Practitioners by the Insolvency Practitioners Association—
Where they act as Administrators or Administrative Receivers they do so as agents of the company without personal liability

Incorporated in England & Wales Registered Number 5494604 Lines Henry is a trading name of Lines Henry Limited

WEDNESDAY

AIQ 26/10/2011
COMPANIES HOUSE

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3 To extend the term of the Arrangement by a further two years with the revised date of completion being 29th August 2013

Dividend Distributions

A dividend of 100p in the pound was paid to preferential creditors in November 2009

A first dividend of 4 26 pence in the pound was paid to unsecured creditors also in November 2009. A second dividend of 11 15 pence in the pound was declared to unsecured creditors in February 2011. A third dividend of 4 46 pence in the pound to unsecured creditors is enclosed with this report although this dividend is not reflected in the enclosed Income & Expenditure Account since it was declared after the anniversary.

Any creditor that had not lodged a proof of debt form and agreed the same with the Joint Supervisors by the final date for proving was excluded from the distribution. We refer you to the attached schedule detailing creditors with outstanding claims

Remuneration

The Proposal disclosed that the Nominee would be paid a fixed fee of £7,500 plus VAT From this fee the Nominee was authorised to pay Beauchamp Charles £1,000 plus VAT for initial advice and its assistance in preparing financial projections. The enclosed Income and Expenditure account shows that these fees have been drawn in full

The account also shows that Joint Supervisors remuneration of £12,550 plus VAT has been drawn in the period since the approval of the Arrangement on 29th August 2008 against time costs of £12,677 80, in accordance with the terms of the Proposal. The modified terms of the Proposal state that Joint Supervisors remuneration will be fixed on a time cost basis, with authority to draw fees on account

Time costs brought forward from our last annual report amount to £8,656 80. The following gives a breakdown of the costs for the period 29th August 2010 to 28th August 2011

Classification of work function	Partner	Manager	Other Senior Professionals	Admin Staff	Support Staff	Total Hours	Time Costs £	Average Hourly Rate
Administration & Planning	1 10	2 00	0 00	4 10	0 75	7 95	1,371 75	178 72
Realising Assets	0 00	0 00	0 00	8 70	0 00	8 70	1,261 50	145 00
Creditors	0 20	0 25	0 00	6 30	3 50	10 25	1,387 75	135 39
Total Time Costs	383 50	438 75	0 00	2,752 50	446 25		4,021.00	
Total Hours	1 30	2 25	0 30	19 10	4 25	26 90		
Average Rate	295 00	195 00	0 00	144 11	105 00			
TIME COSTS BROUGHT FORWARD						8,656 80		
TOTAL TIME COSTS TO DATE					12,677.80	<u>l</u>		

The following gives a breakdown of the costs to date

Classification of work function	Partner	Manager	Other Senior Professionals	Admin Staff	Support Staff	Total Hours	Time Costs £	Average Hourly Rate
Administration & Planning	2 00	2 00	0 00	21 05	1 85	26 90	4,157 75	149 97
Realising Assets	0 80	0 00	0 00	13 70	0 00	14 50	2,210 50	170 71
Creditors	0 80	0 25	0 00	33 77	9 00	43 82	5,872 55	128 64
Case Specific	0 00	0 00	0 30	2 80	0 00	3 10	437 00	
Pre-App	6 30	0 00	0 00	72 75	0 00	80 05	9,426 00	
Total Time Costs	2,605 50	0 00	45 00	17,875 30	1,139 25		22,103 80	
Total Hours	9 90	0 00	0 30	144 07	10 85	167 37		
Average Rate	263 18	0 00	150 00	124 07	105 00			
TOTAL TIME COSTS TO DATE						12,677 80		

The charge out rates currently used are as follows

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Partner	290
Senior Manager	195
Consultant	150
Administrator	140 - 145
Cashier	105 - 150
Support Staff	60
Employment Consultant	60

Disbursements

The Proposal provided for the Nominee to charge disbursements in relation to the meeting of creditors. We are required to advise creditors of "category 2 disbursements" which are defined as amounts paid to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest. During the Arrangement thus far the following such payments have been made -

£ per Hour

Nominee's Disbursements	£
Meeting Room for the meeting of creditors	50.00
5,075 sheets @ 8p per sheet	406 00

Postage 145 letters @ 68p per letter	100 05
Joint Supervisors' Disbursements	£
3,571 sheets @ 8p per sheet	285 68
Postage 193 letters @ 36p per letter 139 letters @ 46p per letter 72 letters @ 50p per letter 6 letters @ 92p per letter	69 48 63 94 36.00 5 52

We can confirm that a copy of this report has been forwarded to Macclesfield County Court and the Company

The Joint Supervisors will provide any further information on written request

Yours faithfully

Neil Henry

Joint Supervisor

Imported Perishable Produce Ltd (Under a Voluntary Arrangement)

Income and Expenditure Account / / to 28 August 2011

INCOME	Total (£)
Contributions	72,000 00
Bank Interest Gross	3 79
	72,003 79
EXPENDITURE	
Specific Bond	125 00
Nominees Fees	7,500 00
Hire of Board Room	50 00
Company Search	9 00
Nominees Disbursements	506 05
Supervisors fees	12,550 00
Joint Supervisors Disbursements	460 26
Travelling	31 20
Tax & NI on Preferential claims	1,265 56
Preferential Creditors	2,601 50
Trade & Expense Creditors	33,259 27
	58,357 84
Balance	13,645 95
MADE UP AS FOLLOWS	
VAT Receivable	1,639 86
Bank 1 - Current	10,309 21
Vat Control Account	1,696 88
	13,645 95

Lines Henry Limited Imported Perishable Produce Ltd Creditors with Outstanding Proofs

Key	Name	S of A £	S of A 2 £	S of A Total £
CC01	Cargo 2 Go	528 76	0 00	528 76
CH05	HFĞL Ltd	18,004 00	0 00	18,004 00
CL00	Laserline Print Ltd	193 88	0 00	193 88
CM03	McMullan Transport	1,439 38	0 00	1,439 38
CN01	Northridge Finance Ltd	19,342 00	0 00	19,342 00
CN02	Northridge Finance Ltd	1,204 25	0 00	1,204 25
CO01	O2 (UK) Ltd	513 12	0 00	513 12
CP00	Phosyn PLC	14 29	0 00	14 29
CP06	Protec Direct Ltd	99 37	0 00	99 37
CR03	Reed Business	650 22	0 00	650 22
CR04	Reid Transport Ltd	3,971 51	0 00	3,971 51
CR08	R Vernon Haulage	1 00	0 00	1 00
CS00	SDV (UK) Ltd	6,470 00	0 00	6,470 00
CS01	Shenton Garden Supplies	115 65	0 00	115 65
CS02	Simarco International	1,078 65	0 00	1,078 65
CT00	T Costello	193 08	0 00	193 08
CT05	Tennants Distribution	874 79	0 00	874 79
17 Entries Totalling		54,693.95	0.00	54,693 95

Proof of Debt - General Form

Imported Perishable Produce Ltd

Date of Voluntary Arrangement 29th August 2008 Macclesfield County Court No 95 of 2008

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 bankruptcy order	£
4	Details of any documents by reference to which the debt can be substantiated [Note the official receiver or trustee 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	
	Date	