

Rule 1 24/1 54

The Insolvency Act 1986

Notice to Registrar of Companies
of Voluntary Arrangement
Taking Effect

Pursuant to Section 4 of, or paragraph
30 of Schedule A1 to,
the Insolvency Act 1986

S.4/ Para 30 Sch A1

For Official Use

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Company Number

01367227

To the Registrar of Companies

Insert full name of
Company

Name of Company

Chalon UK Limited

Insert full name and
Address

I, Mark Upton
Ensors
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Insert date

the chairman of meetings held in pursuance of Section 4 the Insolvency Act 1986 on
17 October 2012 enclose a copy of my report of the said meetings

Signed



Date

17 October 2012

Presenter's name,
address and reference
(if any)

A0250
Chalon UK Limited

Mark Upton
Ensors
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

For Official Use

Liquidation Section

Post Room

MONDAY



A1K2CCMH

A22

22/10/2012

#190

COMPANIES HOUSE



CHARTERED ACCOUNTANTS

Cardinal House, 46 St Nicholas Street
Ipswich, Suffolk IP1 1TT

T 01473 220022 F 01473 220033
E mail@ensors.co.uk W www.ensors.co.uk

Your Ref

Our Ref MU/RD/JS/A0250/2A

19 October 2012

TO ALL KNOWN CREDITORS

Dear Sir/ Madam

**Chalon UK Limited (the Company)- a Company Voluntary Arrangement (CVA)
In the Taunton County Court CVA No 179 of 2012**

I am writing to advise you that at a meeting of creditors held on 17 October 2012, proposals for a CVA for the Company were approved with modifications

The proposals incorporated the appointment of myself, Mark Upton as Supervisor of the CVA, I am licensed by the Institute of Chartered Accountants in England & Wales

I enclose a copy of the Chairman's Report on the meetings of creditors and members, together with a form to enable you to register your claim. Please complete the form and return it to me

Please contact Jodie Stockings of my office, should you require any further information or wish to discuss any aspect of the CVA

Yours faithfully
For and on behalf of
Chalon UK Limited

Mark Upton
Supervisor

Also at	Huntingdon	Partners	Paul Williams FCA	Helan Purnsey FCA	David Scrivener ACA
Bury St Edmunds	London	Robert Hatch FCA	John Matthews FCA	Daniel Clifford ACA	Malcolm McGready FCA
Cambridge	Saxmundham	Ivor Gorman FCA	Graham Page FCA	Carl Page FCCA	Mark Upton ACA
		Bob Williams FCA	Stephen Runnacles FCA	Robert Leggett ACA	Barry Gosling FCCA

**Chairman's Report to the Court on a Meeting of Creditors and Members
Pursuant to section 4 of The Insolvency Act 1986**

In the Taunton County Court 179 of 2012

Re Chalon UK Limited

Of Hambridge Mill, Hambridge, Langport, Somerset, TA10 0BP

I Mark Upton of Ensors, Cardinal House, 46 St Nicholas Street, Ipswich, Suffolk, IP1 1TT hereby report to the Court as follows

Creditors' Meeting

A meeting of creditors was held on 17 October 2012 at 10 00am at Charlton House Spa Hotel, Shepton Mallet, Nr Glastonbury, Somerset, BA4 4PR pursuant to Section 3 of the Insolvency Act 1986

At that meeting the proposals for a Company Voluntary Arrangement (CVA) were accepted with modifications by creditors, incorporating the appointment of myself, Mark Upton of Ensors, Cardinal House, 46 St Nicholas Street, Ipswich, Suffolk, IP1 1TT as Supervisor

The details of the resolutions proposed at the meeting and votes cast by creditors on each resolution are as follows

Resolution 1 – That the Proposed Company Voluntary Arrangement be approved with modifications – all creditors -

For the Resolution	<u>£884,236 21</u>	<u>90 40</u>
Against the Resolution	<u>£93,911 26</u>	<u>9 60</u>
	<u>£978,147 47</u>	<u>100%</u>

In accordance with Rule 1 19 of the Insolvency Rules 1986, a majority of greater than the required 75% of creditors voting (by value) approved the CVA Details of how creditors voted is provided on the attached schedule

Resolution 2 – That the Proposed Company Voluntary Arrangement be approved with modifications – excluding connected creditors -

There were no connected creditors voting on the proposal and so a second vote excluding connected creditors was deemed to have approved the Proposal with the same voting as Resolution 1

The resolutions were accepted, subject to the attached modifications agreed by the Director

Members' Meeting

A meeting of the Company's members was held on 17 October 2012 at 11 30am, at Charlton House Spa Hotel, Shepton Mallet, Nr Glastonbury, Somerset, BA4 4PR pursuant to Section 3 of the Insolvency Act 1986. The following members attended the meeting either in person or by proxy and voted unanimously to approve the proposals for a CVA.

Member	Shares Held
Wessex Bristol Investments Limited	11,283,000
Total voting for acceptance	11,283,000
Percentage voting for acceptance	100%

The EC Regulation on Insolvency Proceedings applies. These proceedings are main proceedings as defined in Article 3 of the Regulation. The Company's centre of main interest is within the United Kingdom.

Dated this 17 October 2012



Mark Upton
Chairman

Chalon UK Ltd

Summary of proxies and voting at meeting of creditors

Name of Creditor	Proxy/Claim Submitted £	Proxy Holder If Not Chairman	Value of Claim Admitted for Voting		
			For £	Against £	Invalid £
A1 Cleaning Services	480 00		480 00		
Arco Ltd	421 68		421 68		
Looking Glass of Bath	1,920 00		1,920 00		
Brass & Traditional Sinks Ltd	8,626 53		8,626 53		
Bracketts	5,324 17			5,324 17	
Bray Designs Upholstery Ltd	4,224 00		4,224 00		
Clayton Munroe Ltd	1,647 44		1,647 44		
Core Kitchens Ltd	1,792 00				1,792 00
Darren Chung Photography	5,214 00		5,214 00		
DR Kitchen Appliances Ltd	314 10		314 10		
Mr Christopher Duncan	76,344 00		76,344 00		
Eon Energy Solutions Ltd	1,132 30		1,132 30		
Fiddes & Sons Ltd	21,739 03	Simon Girling		21,739 03	
Gold Link International	335 40		335 40		
Hafele UK Ltd	3,176 13		3,176 13		
Harrogate Borough Council	9,240 60		9,240 60		
CPA Plc (formerly Hettich UK)	5,892 95		5,892 95		
The National Magazine Company Ltd	36,114 94	Andrew Watling		36,114 94	
Phillip Hayes	3,614 00		3,614 00		
The Original Country Woodwork (Global)	4,135 20		4,135 20		
The Voluntary Arrangements Service	459,053 23		459,053 23		
IPC Media Ltd	34,597 20		34,597 20		
Isis Compressor Service	1,150 70		1,150 70		
Adam Jackaman	4,304 00				4,304 00
J Rotherham Masonry Ltd	1,963 30		1,963 30		
KA Bellinger	16,927 20		16,927 20		
Kingfisher Packaging	7,743 88		7,743 88		
Leuco (GB) Ltd	555 40		555 40		
Minerale	1,848 96		1,848 96		
Madregal Designs Ltd	509 10				509 10
Merlin Abrasives	3,972 91		3,972 91		
Miele	15,022 29		15,022 29		
Nolan Business Solutions Plc	6,357 78		6,357 78		
Neil Beaton (NB Joiners)	3,300 00		3,300 00		
New World Timber Ltd	7,853 81	Simon Girling		7,853 81	
Numatic International Ltd	26,182 35		26,182 35		

The Oriental Stone Co Ltd	19,175 99		19,175 99
Colin Osman	1,918 50		1,918 50
The Performing Right Society	2,174 80		2,174 80
Quooker UK Ltd	4,641 50		4,641 50
Robbins Timber Ltd	81,877 02	Richard Bagnall & Gordon Lamb	81,877 02
Romo Ltd	90 12		90 12
The Royal Borough of Kensington & Chelsea	35,469 00	Simon Girling	35,469 00
Sitting Firm Chair Makers Ltd	4,921 20		4,921 20
South Somerset District Council	3,588 06		3,588 06
South West Marble & Granite - In Liquidation	11,138 40		11,138 40
Extant (UK) Ltd	11,989 20	Simon Girling	11,989 20
Stewart & Co	21,635 20		21,635 20
Andrew Stray	3,456 90		3,456 90
Southern Communications	645 11		645 11
Stonecraft Edinburgh Ltd	2,968 32		2,968 32
Talbot-Owen Ltd	254 72		254 72
Tempest Cosgrave Ltd	1,110 00		1,110 00
The Trustees of the Hambridge Executive Scheme	409,500 00		1 00
Viridor Waste (Somerset) Ltd	5,717 64		5,717 64
Wells Printing Services	2,076 00		2,076 00
Westover Garage Ltd	303 65	Gary Webb & David Huntley	303 65
Western Fuels	11,536 05	Simon Girling	11,536 05
Wurth UK Ltd	4,870 61		4,870 61
Wincanton Print Company Ltd	1,366 60		1,366 60
W S Fabrications Ltd	599 28		599 28
Westin Ltd	4,321 32		4,321 32
Mr David Harrison	294 39		294 39
	<u>1,430,670 16</u>		<u>884,236 21</u>
			<u>93,911 26</u>
			<u>6,605 10</u>

Summary of Voting in respect of the Resolution that the proposed Company Voluntary Arrangement be approved with modifications

	£	%
Total Votes Cast	978,147 47	100 00
Votes in Favour	884,236 21	90 40
Votes Against	93,911 26	9 60

Chalon UK Limited

Modifications to the Company Voluntary Arrangement as Accepted by the Director

Modifications proposed by Voluntary Arrangement Service (VAS) on behalf of H M Revenue & Customs

- 1 **[Interpretation]** where a modification to the proposal is approved by creditors and accepted by the company, the entire proposal shall be construed in the light of the modification and read to give effect to that modification such that any contrary or potentially contrary provisions in the proposed shall either be ignored, or interpreted, in order that the intention of the modification is given priority and effect
- 2 **[HMRC claim]** The HMRC (former IR) claim in the CVA will include PAYE/NIC due to the date, of the meeting to approve the arrangement, [or the commencement of the prior administration] and CTSA / assessed tax for the accounting period(s) ended on or before the date of approval of the arrangement [or date of commencement of the prior administration]
- 3 **[HMRC claim]** The HMRC '(former HMC&E) claim in the NVA will include assessed tax, levy or duty to the date of approval or [to the date of commencement of the prior administration]
- 4 **[Post approval returns and Liabilities]** all statutory returns and payments due to HMRC post approval shall be provided on or before the due date
- 5 **[Outstanding returns]** all statutory accounts and returns overdue at the date of the creditors' meeting shall be provided to HMRC within 3 months of the approval date together with any other information required
- 6 **[Dividend prohibition]** No non preferential distribution will be made until (i) a CTSA return has been filed for the accounting period ended on or immediately prior to the date, of approval, or of commencement of the prior administration (ii) a VAT and/or other levy or duty return due to HMRC has been filed up to the date of the approval or [the date of commencement of the prior administration] or (iii) an HMRC Determination or assessment has been made and the supervisor has admitted their final claims
- 7 **[Expenses of arrangement]** CTSA/VAT due on realisation of assets included in the arrangement will be regarded as an expense of realising the asset payable out of the net sale proceeds
- 8 **[Tax-Overpayments]** Set off of refunds due from the Crown against debts due to the Crown will be in accordance with statute and established legal principles
- 9 **[Expenses of VA]** HMRC distress / petition costs are to be paid as an expense of the arrangement, in priority to the nominee's fees and supervisor's fees, remuneration and disbursements
- 10 **[Co debtors]** the release of the company from its debts by the terms of the CVA shall not operate as a release of any co-debtor for the same debts
- 11 **[Termination]** The arrangement shall terminate upon
 - (a) The making of a winding up order against the company, or the passing of a winding up resolution or the company going into administration
 - (b) (Where there is express authority for the supervisor so doing) the supervisor issuing a certificate of termination

12 **[Arrangement trusts]** Upon termination of the arrangement the arrangement trusts expressed or Implied shall cease, save that assets already realised shall [after provision for supervisor's fees and disbursements] be distributed to arrangement creditors

13 **[Liquidation costs provision]** The supervisor shall set aside sufficient funds for winding up proceedings against the Company and such funds will rank ahead of any other expenses of the arrangement

14 **[Non-compliance]** Failure to comply with any express term of the arrangement shall constitute a breach of the company's obligation under the arrangement. The supervisor shall work with the company to remedy any breach of obligation. Rule 1.19 shall apply where any variation is proposed. But if any breach of obligation is not remedied within 60 days of its occurrence this shall constitute default of the CVA that cannot be remedied and the supervisor shall petition for a winding up order

15 **[Windfall]** should the company receive or become entitled to any assets / funds which had not been foreseen in the proposal details shall be notified to the supervisor immediately and such sums shall be paid into the CVA until all costs, creditors' claims and statutory interest have been paid in full. Until costs, claims and statutory interest are paid in full all the company's other obligations under the arrangement shall continue and the payment shall not reduce the amount of contribution due from the company

16 **[Contributions]** If the company should fail to pay 3 monthly contributions (these need not be consecutive) this shall constitute default of the CVA that cannot be remedied and the Supervisor shall immediately petition for the compulsory winding-up of the company

17 **[Payments]** The Company is to make monthly voluntary contributions of not less than £5,000.00 during the currency of the arrangement

18 **[Third Party Payments]** Third party payments shall be made in the amounts detailed below -

i) Immediately on approval of the CVA the sum of £25,000 and

ii) At the end Of Years 1, 2,3 and 4 of the CVA the sum of £10,000 (a total of £40,000)

[This will provide creditors with an additional £65,000 over the term of the CVA from third party sources and will lead to a revised estimated dividend based on the Statement of Affairs at Appendix C of the Proposal of 29.3p In the £

The additional funds are proposed to be provided by Wessex Bristol Limited and as a consequence the limit of the additional cash flow funding to be provided by Wessex Bristol limited referred to at Paragraph 6.13 of the Proposal be limited to £150,000]

19 **[Dividend Payments]** all claims will rank in their respective classes for dividend from the first dividend date after they have been lodged with, and admitted by the supervisor

20 **[Duration]** The duration of the arrangement shall not exceed 63 months without the prior approval of a 75% majority in value of creditors' claims voting for the resolution

21 **[Statutory Interest]** Where creditors' claims are met in full, S189 IA1986 shall apply. All references to winding up shall be taken as references to CVA and statutory interest shall be paid from the date the arrangement is approved, or the date of any earlier winding up order, or administration to the date of payment so far as available funds will allow

22 The arrangement shall not be capable of successful completion until all unsecured, non-preferential creditors claiming in the arrangement have received a minimum dividend of 29.3pence/£

23 **[Variation]** 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 29.3pence/£ 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. For the avoidance of doubt, simple mis-forecasting of business turnover or profitability shall not provide cause for variation. The supervisor's evidence, supporting financial information and notice of a creditors' vote shall be circulated to creditors giving at least 14 days clear notice. Creditors shall be asked to say whether the costs associated with the variation shall be met from VA funds in the event that it is rejected.

24 **The directors of the company shall not.**

- a) Declare or pay any dividend to shareholders for the duration of the voluntary arrangement
- b) Declare or pay themselves additional remuneration or fees save shall be agreed with creditors representing 75% of voting creditors

Modification proposed by E.ON Energy Solutions Ltd

- 1 All future bill for gas and electricity supplied are to be paid by monthly variable direct debit

A further Modification proposed at the meeting

- 1 Additional third party contributions are to be made over the life of the CVA to ensure that the minimum dividend of 29.3pence/£ is achieved. The timing of such requests for additional contributions are to be at the discretion of the Supervisor.

All the above modifications were agreed by the Director, Ayiaz Ahmed of Chalon UK Limited