

Rule 1 24

The Insolvency Act 1986
Report of Meetings
Approving Voluntary Arrangement
Pursuant to Section 4 of the
Insolvency Act 1986

S.4

To the Registrar of Companies

For Official Use

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Company Number

03593482

Insert full name of
company

Name of Company

Universal Bedding And Upholstery (1998) Limited

Insert full name and
address

I /We E Walls
C12 Marquis Court
Marquis Way
Team Valley
Gateshead
NE11 0RU

9113-2

Insert date

the chairman of meetings held in pursuance of Section 4 of the Insolvency Act 1986 on
16 July 2007 enclose a copy of my report of the said meetings

Signed



Date

16/7/07

Presenter's name,
address and reference

(if any)

N1730
Universal Bedding And Upholstery
(1998) Limited

E Walls
Marlor Walls
C12 Marquis Court
Marquis Way
Team Valley
Gateshead
NE11 0RU

For Official Use

Liquidation Section

Post Room

WEDNESDAY



A47

AXHC6RC9
18/07/2007
COMPANIES HOUSE

452

Universal Bedding And Upholstery (1998) Limited
– Under Company Voluntary Arrangement ("CVA")
Chairman's Report
Meeting of creditors held at The Holiday Inn, Great North Road,
Seaton Burn, Newcastle upon Tyne, NE13 6BP
On 16 July 2007 at 11.00 am

E Walls the Nominee of the proposed CVA acted as chairman of the meeting. The proposal for the CVA confirmed that Mr Walls was a licensed Insolvency Practitioner authorised by the Insolvency Practitioners Association to act as both nominee and supervisor of the proposed voluntary arrangement.

The chairman gave a brief update of the current trading position and informed the meeting that the combined voluntary arrangement service ("CVAS") of the HM Revenue & Customs had submitted a schedule of amendments to the proposal together with proxies voting for acceptance of the proposal as amended. The proposed amendments were accepted by the directors of the company and are detailed at appendix A to this report.

There being no further business the meeting moved to a formal vote. The votes cast are summarised at Appendix B.

The chairman confirmed that the proposed company voluntary arrangement as amended by the attached modifications had been duly approved by creditors.

There being no further business the meeting was drawn to a close. The meeting of shareholders which was held following the meeting of creditors also approved the company voluntary arrangement as amended.

For the avoidance of doubt, it was resolved that EC Regulation 1346/2000 applied as the Company's registered office being the centre of its main interests is situated in a Member State of the EC and voluntary arrangements are within the definition of insolvency proceedings under Article 2 of the Regulations. For the reasons stated herein it was considered by the Supervisor that EC Regulation 1346/2000 on insolvency proceedings will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulations.



E Walls
Supervisor and Chairman

Modifications Proposed by Voluntary Arrangements Service (VAS) on behalf of HM Revenue & Customs

If any of the modifications are not accepted then the VAS vote(s) must be taken as rejection

Universal Bedding and Upholstery (1998) Limited

- 1 **(Interpretation)** Where a modification to the proposal is approval 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 proposal 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 CVA will include assessed tax, levy or duty due 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 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 proceeds
- 8 **(Tax overpayments)** During the currency of the arrangement, any tax/excise/VAT repayments that relate to a period prior to the date of approval of the arrangement shall be offset rateably against the appropriate department's preferential and non-preferential claims in the arrangement. Any remaining surplus shall be similarly applied to the claims of other government departments before being offered to the Supervisor for the benefit of the arrangement. Any repayments relating to a period after the approval of the arrangement shall be offset against any post approval tax debts. Any remaining surplus will then be treated as a windfall and offered to the supervisor for the benefit of the arrangement
- 9 **(Expenses of VA)** Any 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)** Should any voluntary contribution fall 30 days into arrears or fall below the amount specified in the arrangement and remain so after 30 days this shall constitute a failure of the arrangement and the supervisor shall petition for the compulsory winding up of the company
- 17 Should the board obtain the 50% rate reduction proposed in para 8.3 of the proposal the Supervisor shall seek an immediate uplift in the value of the monthly voluntary contributions equal to the saving achieved via the rate reduction
- 18 **(Reviews)** The Supervisor is to 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
- 19 **(Directors Loans)** The directors are within six months of the approval date to repay in full any loans made to them by the company. The company is within 7 days of receipt to pass all monies recovered to the supervisor for the benefit of the arrangement. If repayment is not made as required the supervisor is to report to creditors his proposed actions for recovery and his reasons
- 20 **(Claims)** The claims of third parties who have contributed to the assets available under the arrangement shall be treated as deferred and only rank for dividend once all unsecured claims have been satisfied
- 21 **(Time Limits)** Any time limit for lodging claims shall not apply to HMRC
- 22 **(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
- 23 **(Duration)** The duration of the arrangement shall not exceed 66 months without the prior approval of a 75% majority of creditors claims voting for the resolution
- 24 **(Winding Up Order)** If during the currency of the arrangement any creditor obtains a winding up order against the company the CVA will default and be incapable of being remedied. The supervisor shall immediately issue a certificate of such default
- 25 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
- 26 The Supervisor's fees will not exceed £12,000 plus VAT and reasonable disbursements (as quoted in the proposal). Should the term on the arrangement be reduced, these fees must be lowered proportionately. Additional fees may be taken only with the consent of 75% of the voting creditors

- 27 Creditors will receive a minimum dividend of 35p in the £, failure to pay the minimum dividend will constitute a default of the arrangement and the supervisor will petition for the winding-up of the company and the arrangement shall fail and terminate

Universal Bedding And Upholstery (1998) Limited

In Company Voluntary Arrangement ("CVA")

Summary of Votes Cast at Meeting of Creditors

Creditor	Proxy Holder	Voting For		Total	Invalid Proxy
		Acceptance	Rejection		
By Proxy					
Blyth Valley Borough Council	Chairman	72,234 67		72,234 67	
J Bradbury & Co Ltd	Chairman	7,333.71		7,333 71	
Eastman Staples Ltd	Chairman	203 04		203 04	
HM Revenue and Customs **	Chairman	143,154 56		143,154 56	
Edward Clay & Son Ltd	Chairman	1,444 30		1,444 30	
Gateshead MBC	Chairman	10,308 50		10,308 50	
JT Griffiths & Co Ltd	Chairman	7,210 79		7,210 79	
Panaz Ltd	Chairman	727 03		727 03	
Prisma Products	Chairman	371 30		371 30	
Rawson Fillings Ltd	Chairman	17,899 33		17,899 33	
Red Rose Velvet Weaving Ltd	Chairman	12,061 84		12,061 84	
Mr L Robinson	Chairman	6,960 00		6,960 00	
Taylor Maxwell Timber Ltd	Chairman	8,511 37		8,511 37	
Wade Spring Ltd	Chairman	2,363 28		2,363 28	
Votes Cast At Meeting					
TKT Cosy Foam Ltd	N/A	23,615 95		23,615 95	
Invalid Proxy					
Shore to Shore Europe Ltd	Linda Tomlinson				115 09
TOTAL VOTES CAST		314,399 67	0 00	314,399 67	115 09
PERCENTAGE OF TOTAL VOTES CAST		100 00%	0 00%		

NOTES

The amounts stated above are for voting purposes only. Creditors' claims will need to be agreed with the supervisor of the CVA in due course.

** This proxy voted for acceptance of the proposed CVA with the modification detailed in the chairman's report of the meeting.

**Universal Bedding And Upholstery (1998) Limited
– Under Company Voluntary Arrangement (“CVA”)
Chairman's Report
Meeting of creditors held at The Holiday Inn, Great North Road,
Seaton Burn, Newcastle upon Tyne, NE13 6BP
On 16 July 2007 at 12.00 pm**

		Number of Ordinary Shares
Present	Gerald Richardson	3,333
	Steven Angus	1,666
	Stephen Graham	4,500
	Leslie Harrison Robinson – By Proxy	1,000

In Attendance E Walls (Chairman)

E Walls the Nominee of the proposed company voluntary arrangement acted as chairman of the meeting. The chairman confirmed that he was a licensed Insolvency Practitioner authorised by the Insolvency Practitioners Association to act as both nominee and supervisor of the proposed company voluntary arrangement.

The members of the company accepted the proposed company voluntary arrangement as modified with all of the members listed above voting for acceptance.

There being no further business the meeting was drawn to a close.



E Walls
Supervisor