

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Universal Bedding and Upholstery (1998) Limited	Company number 03593482
In the Newcastle upon Tyne District Registry (full name of court)	Court case number 40/2008

(a) Insert full name(s) and address(es) of administrator(s)

We (a)
Steven Philip Ross
Tenon Recovery
Tenon House, Ferryboat Lane,
Sunderland,
Tyne and Wear,
SR5 3JN

Ian William Kings
Tenon Recovery
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 29 April 2008

Signed


Joint Administrators

Dated

29 April 2008

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to researchers of the public record

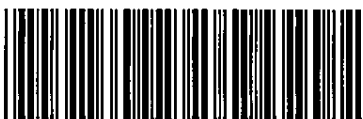
Kelly Allison
Tenon House, Ferryboat Lane,
Sunderland,
Tyne and Wear,
SR5 3JN

DX Number

+44 (0) 191 511 5000
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

WEDNESDAY



AMVPFZB5

A35

30/04/2008

59

COMPANIES HOUSE

Tenon recovery

To All creditors

Our ref 3030033/106
Your ref 40/2008
Date 29 April 2008
Email kelly.allison@tenongroup.com
Tel +44 (0) 191 511 5000

Dear Sirs

Universal Bedding and Upholstery (1998) Limited ("the Company") – In Administration

This report to creditors and the proposals enclosed, together set out the information required by and to discharge the Joint Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2.33(1) and (2) of the Insolvency Rules 1986 ("the Rules")

1. Statutory Details

Attached as Appendix I are the statutory details of the Company and information regarding the appointment of Administrators

2. Circumstances leading to the appointment of Joint Administrators

The Company had previously been subject to a Company Voluntary Arrangement ("CVA") following financial difficulties caused when the Company moved its trading and manufacturing operation to larger premises. Unfortunately the Company was unable to maintain the contributions due under the CVA and advice was sought from Tenon Recovery. Various options were discussed and considered including refinancing the business and reducing space utilised within the manufacturing premises in order to rescue the business. However the working capital was not available within the business and external sources of finance could not be generated in order to maintain trading.

It was concluded by the Directors following these initial discussions that the only way to protect the interests of creditors was to place the Company into Administration.

On 18 January 2008, Steven Philip Ross and Ian William Kings of Tenon Recovery were appointed

Tenon House, Ferryboat Lane, Sunderland, Tyne and Wear, SR5 3JN
Tel +44 (0) 191 511 5000 Fax +44 (0) 191 511 5001
Email Sunderland@tenongroup.com
www.tenongroup.com

Tenon Recovery is a trading name of Tenon Limited
Registered Office 66 Chiltern Street, London, W1U 4GB Registered no. 04066924 England
A member of Tenon Group PLC
Directors and staff acting as Administrators act as agents of the Company over which they are appointed and contract without personal liability

as Joint Administrators pursuant to Paragraph 12(1)(b) of Schedule B1 of the Act The appointment provided that any act required or authorised under any enactment to be done by an Administrators may be done by either or both of the Administrators acting jointly or alone

2.1. Summary of recent performance

A summary of the recent trading position is shown below

	Draft - Unaudited Accounts for the year ended 31 December 2006 £	Unaudited Accounts for the year ended 31 December 2005 £	Unaudited Accounts for the year ended 31 December 2004 £
Turnover	1,303,047	1,253,150	1,251,408
Cost of Sales	(954,358)	(951,231)	(916,268)
Gross Profit	348,689	301,919	335,140
Gross Profit %	26.8%	24.1%	26.8%
Overheads	(863,062)	(586,227)	(650,181)
Net interest receivable	11,334	19,616	129,409
Profit on disposal of fixed assets	-	715,945	731,138
Profit / (Loss) before tax	(503,039)	451,253	545,506
Tax	(90,000)	(22,100)	(138,624)
Net Profit / (Loss) after tax	(413,039)	429,153	406,882

3. Objectives of administration and strategy for achievement by the Joint Administrators

The objective of the Administration process is to -

- (a) rescue the company as a going concern, or
- (b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

The first objective for the Administration could not be met Without an immediate injection of replacement funding the Company could not be rescued as a going concern No such funding was available

The strategy for the Administration was therefore to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), to realise property in order to make a distribution to one or more secured or preferential creditors

4. Management of Business by the Joint Administrators following appointment

As mentioned above the company had two main streams of sales revenue Retail and Contact customers

The Joint Administrators considered the merits of continuing to trade It was concluded that there was a benefit to a limited trading period to complete existing contract orders (as it was anticipated that this would take two weeks with minimal costs and assist with the collection of debts from previous orders with the same customers) It was decided that no more furniture would be manufactured for retail however there was a benefit in allowing two of the company's stores to continue to trade from Cramlington and Chirton whilst the completion of orders was ongoing Steps were immediately taken to close the Company's site at Blydon and stock transferred for sale at the company main site at Chirton During this period it also allowed the potential of a sale of the business as a going concern to be explored

A number of redundancies were made at the date of appointment due to the level of available funding and a reduction in the company's trade

It quickly became apparent that it was not possible to sell the company as a going concern and a wind down strategy was implemented following the first week of trading The directors had indicated that they would be interested in purchasing some of the company's assets to assist with their new venture

The initial two week trading period was extended to four as inadequate stock controls revealed that a number of materials were required to complete orders The company ceased to trade on 18 February 2008

An independent valuation was obtained from James Sutherland (Auctioneers) Limited and following assets were sold to Steven Graham following the cessation of trade

	£	
Stock	25,000)
Plant & Machinery	10,000)
Work-in-progress	<u>3,000</u>) plus vat
	<u>38,000</u>)

£13,000 plus vat was due on 22 February 2008 and the reaming balance on or before 19 February 2008 To date £3,723 40 plus vat remains outstanding and is currently overdue

The remaining plant and machinery was to be sold via a tender sale on 18 March 2008 The tender sale was not successful and the situation to maximise the realisation of the reaming assets is currently being assessed

5. Proposed Exit Route of Administration

Based on information currently available, after the costs of realising the assets and the costs associated with the Administration there is likely to be insufficient property of the Company to enable a distribution to unsecured creditors, it is not appropriate for the matter to proceed to liquidation. It is proposed that once all assets have been realised and expenses of the Administration discharged, the Company shall be dissolved.

6. Statement of Affairs

A summary of the draft Statement of Affairs is attached to this report as **Appendix II** and has been issued to the directors for comments and approval.

6.1 Book debts

The majority of the Company's book debts are assigned to Bibby Financial Services Limited "BFS". At the date appointment the indebtedness to BFS was £552. BFS have now been repaid in full and are continuing to collect the remaining books on our behalf. Based on current information there is an estimated surplus of £8,874 (subject to the costs of collection) available to the preferential creditors.

In addition to the normal trade debtors, Freechan Consulting Limited currently owe the Company £18,333 plus interest in respect of an outstanding loan. The repayment agreement has been in default for some time and this has been forwarded to our solicitors to assist with collection.

6.2 Plant and Machinery

All plant & machinery has been valued by James Sutherland (Auctioneers) Limited of Newcastle.

Two items of machinery are subject to finance agreements with Lombard North Central Plc.

A number of items have been sold to Steven Graham of UBU Limited for £10,000 plus vat. The remaining equipment will be sold at auction and is anticipated to realise £10,000.

7. Joint Administrators' Receipts and Payments Account

We attach at **Appendix III** a summary of the Joint Administrators' Receipts and Payments account to the date of this report which we trust you will find self explanatory.

8. Joint Administrators' Proposals

Pursuant to Paragraph 49 of Schedule B1 of the Act, enclosed with this report are the Joint Administrators' proposals for achieving the purpose of the Administration as set out in Section 3 of this report.

9. The Prescribed Part

A debenture was granted in favour of BFS on 22 September 2006, supported by a factoring agreement. BFS indebtedness has been fully repaid under the terms of their fixed charge over the book debts. As such they will not be relying upon their floating charge.

Under the provisions of section 176A of the Act, the Joint Administrators are therefore not required to set aside a "Prescribed Part" fund specifically for unsecured creditors because there are no amounts due to the debenture holder.

10. Outcome to creditors

Any dividend to preferential creditors is subject to assets realisations. We do not anticipate a dividend to unsecured creditors in this case.

11. Joint Administrators' Remuneration

The Administrators are proposing to be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company. The Joint Administrators will be seeking agreement for such remuneration from each of the secured creditors and 50% of the preferential creditors pursuant to Rule 2.106(5A) of the Rules. In addition, consent will also be obtained from the Cramlington Land Partnership, the company's Landlord at Cramlington, who are a significant creditor and whom are owed rent for the trading administration period.

12. Meeting of Creditors

The Joint Administrators propose that there will be no meeting of creditors under Paragraph 51(1) of Schedule B1 of the Act because the Company has insufficient property to enable a distribution to be made to unsecured creditors.

Creditors may cause the Joint Administrators to summon an initial creditors meeting as follows -

- I At the least 10% of the creditors, measured against the Company's total debts, must request this meeting, and
- II The request must be made on Form 2.21B (available upon request) and made within 12 days of the date of this document. It must also include a list of the creditors concurring with the request, showing the amounts of their respective debts, and confirmation of concurrence.

Please note that the expenses of summoning and holding the meeting shall be paid by that person, in advance of the meeting.

13. Joint Administrators' Investigation

Under the insolvency legislation, I have a duty to consider the conduct of those who have been directors of the Company at any time within three years preceding the Administration. I am also required to consider whether any civil proceedings should be taken. Please let me know, using the attached form, if there is any matter of which you believe I should be aware when considering the directors' conduct. I would stress that this request for information forms part of my usual investigation proceedings.

14. EC Regulation on Insolvency Proceedings 2000

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom.

15 Further information

Should you require any further information, please do not hesitate to contact Kelly Allison of this office.

Yours faithfully
For and on behalf of
Universal Bedding and Upholstery (1998) Limited

Ian W Kings and Steven P Ross

Joint Administrators

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

Company Information

Company Name	Universal Bedding and Upholstery (1998) Limited
Previous Name	None
Company Number	03593482
Date of Incorporation	6 July, 1998
Trading Address	Unit 3 D Admiral Bussiness Park, Nelson Way, Cramlington, NE23 1WG
Registered Office	Tenon House, Ferryboat Lane, Sunderland, SR5 3JN
Principal Activity	Manufacture & Upholstery

Appointment details

Date of Appointment	18 January, 2008
Appointment made by	Directors
Court Address	Newcastle upon Tyne District Registry
Court Reference	40/2008

Administrators Appointed	Steven Philip Ross	IP Number	9503
	Ian William Kings	IP Number	7232

Directors and Shareholders

		Appointed
Company Directors	Steven Joseph Angus	8 April 2005
	Gerald Richardson	8 April 2005
	Graham Stephen Edward	6 July 1998
Company Secretary	Gerald Richardson	
Shareholders	Steven Angus	1,666Ordinary
	Stephen Graham	4,500Ordinary
	Judith Greenley	500Ordinary
	Anthony Lowery	4,500Ordinary
	Gerald Richardson	3,333Ordinary
	Les Robinson	1,000Ordinary
		<u>15,499Ordinary</u>

Share Capital

Authorised	Allotted, called up and fully paid
100,000 ordinary shares £1 each	15,499 ordinary shares of £1 each

Charges

Debenture dated 22 September 2006 in favour of Bibby Financial Services Limited

Universal Bedding and Upholstery (1998) Limited
Statement Of Affairs as at 18 January 2008

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Book Debts	12,569 00	9,426 00
Bibby Factors (N E) Limited		(552 00)
		8,874 00
		8,874 00
Plant & Equipment	164,674 00	60,000 00
Lombard North Central Plc		(116,819 00)
Deficiency c/d		(56,819 00)
Assets subject to floating charge:		
Uncharged assets:		
Property Improvements	26,450 00	
Plant & Machinery, Fixturs & fittings	161,280 00	20,000 00
Stock/WIP		28,000 00
Book Debts	5,294 00	4,235 00
Book Debts - Freechan Consultants Ltd	18,333 00	5,000 00
Estimated total assets available for preferential creditors		66,109 00

Signature _____ Date _____

Universal Bedding and Upholstery (1998) Limited
Statement Of Affairs as at 18 January 2008

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		66,109 00
Liabilities		
Preferential Creditors -		
RPO - Arrears & Holiday Pay	15,918 00	
Employee Arrears/Hol Pay	1,232 00	
		17,150 00
Estimated deficiency/surplus as regards preferential creditors		48,959 00
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		48,959 00
Debts secured by floating charges		NIL
Estimated deficiency/surplus of assets after floating charges		48,959 00
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		48,959 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Deficiency b/d	56,819 00	
Shortfall to preferential creditors (brought down)	NIL	
Trade & Expense Creditors	642,632 00	
Employees	5,733 00	
RPO - Wages in Lieu & Redundancy	95,007 00	
HM Revenue & Customs - PAYE	111,945 00	
Government Grants	60,000 00	
HM Revenue & Customs - VAT	78,088 00	
Pension Scheme Loans	32,666 00	
		1,082,890 00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(1,033,931 00)
Estimated deficiency/surplus as regards creditors		(1,033,931 00)
Issued and called up capital		
Ordinary Shareholders	15,499 00	
		15,499 00
Estimated total deficiency/surplus as regards members		(1,049,430 00)

Signature _____ Date _____

Universal Bedding and Upholstery (1998) Limited
A5 - Unsecured Creditors Statement of Affairs Figures

		S of A
		£
CA01	A1 INDUSTRIAL TRUCKS LTD	1,031 68
CA0B	AERO ZIP LTD	186 94
CA0I	ALLIANCE LEICESTER COMM BANK	60 78
CA0J	ALLMEDIA LIMITED (Abuzz NE Ltd)	13,589 40
CA0N	AMERICAN & EFIRD (GB) LTD	540 92
CA12	ATK EQUIPMENT	NIL
CA18	ALAN COOPER DUST EXTRACTION LTD	182 13
CA19	A S CUMMINGS & Co	145 81
CA1B	ANIXTER INDUSTRIAL	157 93
CA1D	ARNOLD LAVER & CO	NIL
CA1E	Armadillo Creative Limited	NIL
CB06	BARTON PRODUCTS	1,492 25
CB07	BeA FASTENING LTD	2,324 62
CB09	BELL TRUCK SALES LTD	247 10
CB0D	BHK (UK) LIMITED	812 72
CB0G	Blyth Valley Borough Council	108,813 97
CB0H	BMW FINANCIAL SERVICES	NIL
CB0P	BRITISH TELECOMMUNICATIONS	NIL
CB0Q	BT MOBILE	NIL
CB0R	BT RETAIL	NIL
CB0U	BUNZL CLEANING & HYGIENE	203 04
CB0X	BUSINESS LINK TYNESIDE	NIL
CB0Y	BUSINESS LINK Tyne & Wear	NIL
CB0Z	BUSINESS to BUSINESS EXHIB LTD	NIL
CB10	BUZZ NETWORKS LIMITED	NIL
CC08	CF ASSET FINANCE LIMITED	NIL
CC0A	CHADWELL LIMITED	NIL
CC0E	CHARTERBRAE LIMITED	1,025 19
CC0F	CHATSWORTH INVESTMENT LIMITED	NIL
CC0H	CHEM-DRY LTD	559 95
CC0J	CITICAPITAL LTD	NIL
CC0K	CITRUS LIMITED	NIL
CC0L	CITROEN CONTRACT MOTORING	NIL
CC0M	CIT VENDOR FINANCE (UK) LTD	NIL
CC0N	CITY & SUBURBAN WINDOW CLEANING CO	267 90
CC0S	CLOCKWORK COMPONENTS LTD	1,368 34
CC0V	CNC SUPPORT LTD	1,284 14
CC0X	COATS BARBOUR	NIL
CC0Y	COLAS LIMITED	NIL
CC0Z	COLSON CASTORS LIMITED	1,037 53

Universal Bedding and Upholstery (1998) Limited
A5 - Unsecured Creditors Statement of Affairs Figures

		S of A
		£
CC13	COMPASS FOREST PRODUCTS LTD	5,422 29
CC15	CONISBOROUGH FURNITURE COMPS	NIL
CC18	COVER-TEX LIMITED	489 67
CC1D	CRAMLINGTON LAND PARTNERSHIP	214,580 77
CC1K	Close Premium Finance	NIL
CD01	DAIMLER-CHRYSLER FIN SERV LTD	NIL
CD02	DAIMLER CHRYSLER UK LTD	NIL
CD0B	DEVONSHIRE COMMUNICATIONS	NIL
CD0D	DIMENSIONS	NIL
CD0J	DRIVERS INTERNATIONAL LTD	2,685 00
CD0K	DRURY PSM LIMITED	1,210 49
CD0M	DREAMSLEEPER LIMITED	86 60
CD0O	DAVID J McEWEN	62,918 89
CD0S	DTZ Debenham Tie Leung	NIL
CD0U	Demon	659 06
CE00	EDMUND BELL & COMPANY LTD	1,444 30
CE02	EDWARD CLAY & SON LTD	203 04
CE03	EASTMAN STAPLES LIMITED	NIL
CE0E	EUROCALL LTD	5,733 00
CE0I	Employee claims	NIL
CF05	F P T (UK) LIMITED	NIL
CF0B	FIRLANDS TRAINING	NIL
CF0F	FLECK & HILL OFFICE SUPPLIES LTD	158 64
CF0J	FURNITURE REPAIR NETWORK LTD	414 69
CF0K	FYR FYTER UK LIMITED	474 75
CF0L	FRANK PRESTON TEXTILES	18,123 61
CG03	GATESHEAD MBC	NIL
CG08	GENESIS COMMUNICATIONS	NIL
CG0G	GREASLEY ELECTRONICS LTD	NIL
CG0M	GUS REPAIRS	NIL
CG0N	GE CAPITAL EQUIP FIN - NEWCOURT	NIL
CH02	HANARAN CONTRACTORS	1,212 18
CH03	HANDY LIMITED	75 49
CH06	HARDEX FITTINGS LIMITED	1,203 20
CH09	HEXHAM TYRE & BATTERY Co Ltd	NIL
CH0A	HFGL LTD	NIL
CH0E	HOLMES SOUTHERN LTD	NIL
CH0J	HANES INTERNATIONAL UK Ltd	95 84
CH0K	HOMESERVE WARRANTIES LTD	78,088 65
CH0M	HM Customs & Excise	

Universal Bedding and Upholstery (1998) Limited
A5 - Unsecured Creditors Statement of Affairs Figures

		S of A
		£
H0N	HM Revenue & Customs	111,945 14
J00	J BRADBURY & Co Ltd	7,355 21
J06	JOE GREENER LIMITED	589 73
J07	J T GRIFFITHS & Co Ltd	7,244 68
J0D	JC FURNITURE	213 00
J0G	JEDE	469 88
J0H	JET PRESS Ltd	NIL
J0K	JUTE EXPORT LIMITED	930 62
J0L	JAMES LATHAM	307 26
J0M	JOHN SINGLETON SELECT	629 39
K03	KONSAN (U K) Ltd	NIL
L02	L & P SPRINGS UK (Lancs)	11,229 96
L08	LECTRA SYSTEMS Ltd	NIL
L09	LEITZ TOOLING UK LTD	2,374 28
L0C	LINWOOD FABRIC Co Ltd	460 41
L0D	LISTER MOULDINGS LIMITED	NIL
L0E	LIVING NORTH	1,744 89
L0J	A Lowery	NIL
M07	MARLOR WALLS	NIL
M0B	MATTRESS PRODUCTION TECH GRP	4,995 60
M0C	MBM FOREST PRODUCTS LTD	826 68
M0D	McKENZIE CAMPBELL	NIL
M0E	MULTIVISION COMPUTERS	NIL
M0G	MELLORS MUNRO & Co NNHS Ltd	67 39
M0O	MOBUS FABRICS Ltd	3,397 16
M0U	MELLORS MUNRO & Co Ltd	3,400 08
M0W	MURRAY HOGG LTD	2,560 25
N08	NETnet	NIL
N09	NORTH EAST TIME RECORDERS LTD	NIL
N0A	NETTLEFOLDS (E I S Ltd)	NIL
N0F	NILDRAM LIMITED	174 73
N0H	NORTHUMBRIAN WATER LTD	6,102 61
N0S	Nildram	NIL
N0T	Norwich Union	NIL
O00	O2 (UK) LIMITED	NIL
O04	ORAPI LTD	117 13
O05	ORIGINAL FABRICS LIMITED	6,467 39
O06	OXLEY THREADS Ltd	291 76
O08	One North East Limited	60,000 00
P04	PANAZ LIMITED	727 03

Universal Bedding and Upholstery (1998) Limited
A5 - Unsecured Creditors Statement of Affairs Figures

		S of A
		£
CP0A	PETER COOK INT'L MANUFACTURING	NIL
CP0F	PORTWAYS	NIL
CP0I	PREMIER WASTE MANAGEMENT LTD	1,238 99
CP0J	PRESTON BOARD & PACKAGING LTD	1,135 39
CP0L	PRISMA PRODUCTS	371 30
CP0N	PROMIS SOFTWARE LIMITED	NIL
CP0Q	The Performing Right Society	NIL
CP0R	PACE Financial Services Limited	32,666 74
CQ00	QAS LTD	427 70
CR01	RECTICEL CAROBEL	14,699 43
CR03	ROBERT DUNCAN (TIMBER) LTD	NIL
CR05	R W GREEFF	NIL
CR06	R A IRWIN & Co Ltd	44 65
CR0B	RAWSON FILLINGS LTD	17,901 49
CR0C	RDM ASSOCIATES	2,000 00
CR0E	RECTELLA	NIL
CR0F	RED ROSE VELVET WEAVING Co	19,261 70
CR0L	RIVER I T SOLUTIONS LTD	787 26
CR0O	ROMO FABRICS LTD	747 34
CR0V	Redundancy Payments Office	95,007 00
CS00	SHORE TO SHORE (EUROPE) LTD	115 09
CS02	STEEPLE ASSOCIATES LIMITED	622 33
CS03	S ROSS & CO LTD	4,226 67
CS04	SAGE (UK) LIMITED	354 00
CS09	SECONIQUE	2,204 88
CS0F	SEWING UNIT DEVELOPMENTS	NIL
CS0G	SEWING MACHINE PARTS LTD	NIL
CS0M	SILFELT UK LTD	2,398 70
CS0S	SOMAC THREADS	419 14
CS0T	SOUTHERN ELECTRIC	NIL
CS11	SUPPLIES TEAM	54 27
CT00	THE BRIDGE CLUB LTD	17 63
CT02	T K T COSYFOAM LTD	24,306 48
CT05	TAYLOR MAXWELL TIMBER LTD	8,511 37
CT0M	TODD & CUE LTD	8,634 71
CT0N	TOTALFINAELF (UK) LTD	980 81
CT0O	TOTAL BUSINESS COMPUTERS	2,320 63
CT0S	TRI-GLO LTD	NIL
CT0Y	TYNE TEES TELECOM	41 13
CU07	UNIVERSAL BEDDING & UPHOLSTERY	NIL

Universal Bedding and Upholstery (1998) Limited
A5 - Unsecured Creditors Statement of Affairs Figures

		S of A
		£
U09	UNW LLP	1,057 50
V03	VISUAL IMPACT DISPLAY IMAGINEERING	NIL
W02	WILLIAM EYRES & SONS	NIL
W04	WADE SPRING LIMITED	2,363 28
W09	WHITTLE JONES (GROUP) LIMITED	9,849 23
W0A	WHITWORTH SALES & MARKETING LTD	3,792 20
Y00	YARWOOD LEATHER LIMITED	2,279 49
167 Entries Totaling		1,026,073 29

Appendix III

Joint Administrators' Abstract of Receipts and Payments

Universal Bedding and Upholstery (1998) Limited
(In Administration)
Joint Administratorss' Trading Account
To 29/04/2008

S of A £	£	£
POST APPOINTMENT SALES		
Sales	14,366 98	14,366 98
OTHER DIRECT COSTS		
Direct Labour	15,996 27	(15,996 27)
TRADING EXPENDITURE		
Purchases	6,666 36	
Heat & Light	4,125 70	
Travel	415 95	
Bank Charges	25 00	
		(11,233 01)
TRADING SURPLUS/(DEFICIT)		(12,862 30)

Universal Bedding and Upholstery (1998) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 29/04/2008

S of A £		£	£
	SECURED ASSETS		
9,426 00	Book Debts	NIL	NIL
	SECURED CREDITORS		
(552 00)	Bibby Factors (N E) Limited	NIL	NIL
	HIRE PURCHASE		
60,000 00	Plant & Equipment	NIL	
(116,819 00)	Lombard North Central Plc	NIL	NIL
	ASSET REALISATIONS		
20,000 00	Plant & Machinery, Fixturs & fittings	10,000 00	
28,000 00	Stock/WIP	3,000 00	
4,235 00	Book Debts	9,991 10	
	CVA Surplus	1,485 00	
5,000 00	Book Debts - Freechan Consultants Ltd	NIL	
	Cash at Bank	837 09	
	Tenon Loan	(84 57)	
	Trading Surplus/(Deficit)	(12,862 30)	12,366 32
	COST OF REALISATIONS		
	Statutory Advertising	175 14	
	PAYE & NI	2,217 64	(2,392 78)
	PREFERENTIAL CREDITORS		
(15,918 00)	RPO - Arrears & Holiday Pay	NIL	
(1,232 00)	Employee Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(642,632 00)	Trade & Expense Creditors	NIL	
(5,733 00)	Employees	NIL	
(95,007 00)	RPO - Wages in Lieu & Redundancy	NIL	
(111,945 00)	HM Revenue & Customs - PAYE	NIL	
(60,000 00)	Government Grants	NIL	
(78,088 00)	HM Revenue & Customs - VAT	NIL	
(32,666 00)	Pension Scheme Loans	NIL	NIL
	DISTRIBUTIONS		
(15,499 00)	Ordinary Shareholders	NIL	NIL
(1,049,430 00)			9,973 54

REPRESENTED BY

Vat Receivable	1,982 49
Bank Current	12,144 85
Credit Card - a/c	543 60
Vat Payable	(4,697 40)
	<u>9,973 54</u>

Universal Bedding and Upholstery (1998) Limited – In Administration

Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), Steven Philip Ross and Ian William Kings the Joint Administrators ("Administrators") of Universal Bedding and Upholstery (1998) Limited ("the Company"), make the following proposals for achieving the purpose of the Administration

These proposals and the attached report to creditors together set out the information required by and discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules

An initial meeting of creditors has not been summoned pursuant to Paragraph 52(1)(b) since the Administrators consider that the company has insufficient property to enable a distribution to be made to unsecured creditors

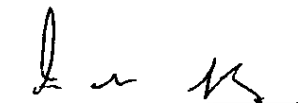
Proposals

The Administrators propose that

- (a) They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that
 - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient,
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company
 - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals, and
- (b) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below. If necessary, the Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act
- (c) If the Administrators consider that there will be no distribution to creditors who are neither secured nor preferential, and if they also consider that an exit from the Administration into compulsory liquidation is not appropriate, then the Administrators be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 to the Act
- (d) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrators be authorised to take steps to place the Company into whichever

liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved.

- (e) Upon the Company either proceeding into Creditors Voluntary Liquidation or dissolution as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.
- (f) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties.
- (g) The Administrators shall be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors the Administrators' remuneration will be agreed with the secured creditors and, if appropriate, the preferential creditors.
- (h) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators.



Ian William Kings and Steven Philip Ross
Joint Administrators

11 April 2008

CREDITORS QUESTIONNAIRE

INVESTIGATION INTO THE AFFAIRS OF

UNIVERSAL BEDDING AND UPHOLSTERY (1998) LIMITED

IN ADMINISTRATION

Creditor's name and address	
1	Estimated Claim
2	If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?
3	Please provide details of any comfort, security or assurance given to you to allow continuance of credit
4	When were you first aware that there were difficulties in getting payment and what was the evidence of this? e g extended credit, lump sum payments, dishonoured cheques

5 Please provide details of any cheques which were dishonoured, including dates and amounts

6 Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt

7 Are there any particular matters you feel should be reviewed? If so, please provide brief details

Name

Signature

Position

Date

Should there be insufficient space on this form, please use a separate piece of paper clearly indicating which question the continuation sheet refers to

Rule 2.72**PROOF OF DEBT - GENERAL FORM**

**In the matter of Universal Bedding and Upholstery (1998) Limited
In Administration
and in the matter of The Insolvency Act 1986**

Appointment Date – 18 January, 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 the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator 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	