

Rule 2.33

Form 2.17B

The Insolvency Act 1986

# Statement of administrator's proposals 2.17B

Name of Company:  
Cedar Quality Industrial Developments  
Limited

Company number:  
05620212

In the:  
In the High Court of Justice, Chancery  
Division, Leeds District Registry  
[full name of court]

Court case number:  
1779 of 2009

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

I/ We, (a) Gerald Krasner of Begbies Traynor, Glendevon House, Hawthorn Park, Coal Road  
Leeds LS14 1PQ and David Wilson of Begbies Traynor, Glendevon House, Hawthorn Park,  
Coal Road Leeds LS14 1PQ

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

\* Delete as applicable

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

(b) 18 August 2009

(b) Insert date

Signed:   
Joint Administrator

Dated: 18 August 2009

## Contact Details:

You do not have to give any contact information on 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 searchers of the public record

Begbies Traynor	
Glendevon House, Hawthorn Park, Coal Road Leeds LS14 1PQ	
	Tel: 0113 2375560
Fax Number: 0113 2375561	DX Number:

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



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19/08/2009

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COMPANIES HOUSE

WEDNESDAY

**USER NOTE:** see Note 59 to ADM checklist reproducing Rule 2.33 for essential items for inclusion in proposals

Gerald Maurice Krasner and David Frederick Wilson appointed joint administrators on 25 June 2009

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents.

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## **Cedar Quality Industrial Developments Limited (formerly known as Hartley Quality Industrial Developments Limited) (In Administration)**

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Report and Proposals of the joint administrators  
under the provisions of Paragraph 49 of Schedule  
B1 to the Insolvency Act 1986

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### **Contents**

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## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Cedar Quality Industrial Developments Limited (formerly known as Hartley Quality Industrial Holdings Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Insolvency Act 1986 on 25 June 2009
"the joint administrators"	Gerald Maurice Krasner of Begbies Traynor, Glendevon House, Hawthorn Park, Coal Road Leeds LS14 1PQ and David Frederick Wilson of Begbies Traynor, Glendevon House, Hawthorn Park, Coal Road Leeds LS14 1PQ
"the Act"	The Insolvency Act 1986, as amended
"the Rules"	The Insolvency Rules 1986, as amended
"the creditors"	All preferential creditors and all unsecured creditors
"preferential creditor"	Any creditor of the Company whose claim is preferential within Section 386 of the Insolvency Act 1986 as at 25 June 2009 being the date the Company entered administration.
"unsecured creditor"	Any person (other than a preferential creditor) who has, or claims to have, any claim against the Company (whether the claim be present, future or contingent or prospective and whether liquidated or for damages and whether arising in contract or tort or otherwise) in connection with or arising from any matter occurring prior to 25 June 2009.

## 2. STATUTORY INFORMATION

Date of Incorporation:	11 November 2005
Company registered number:	05620212
Registered office:	Glendevon House, Hawthorn Park, Coal Road Leeds LS14 1PQ
Trading address:	98 Kirkstall Road Leeds LS3 1YN
Principal business activities:	Construction Development
Trading names:	Formerly known as Hartley Quality Industrial Developments Ltd
Directors:	I M Directors Limited and Linda Chambers
Company Secretary:	Grosvenor Secretaries Limited
Auditors:	Horwath Clark Whitehill LLP
Share capital:	1 Ordinary Share of £1
Shareholders:	Hartley Property Trust Limited

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Name(s) of joint administrator(s):	Gerald Maurice Krasner, Partner and Licensed Insolvency Practitioner of Begbies Traynor, Glendevon House, Hawthorn
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Park, Coal Road Leeds LS14 1PQ and David Frederick Wilson,  
Partner and Licensed Insolvency Practitioner of Begbies Traynor,  
Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ

Date of administrators' appointment:	25 June 2009
Court:	In the High Court of Justice, Chancery Division, Leeds District Registry No 1779 of 2009
Person(s) making appointment / application:	Directors
Acts of the joint administrators:	The joint administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency:	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

## **STATUTORY PURPOSE OF ADMINISTRATION**

Paragraph 3 of Schedule B1 to the Act provides as follows:

- \*3 (1) The administrator of a company must perform his functions with the objective of:
- (a) rescuing the company as a going concern, or
  - (b) achieving 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) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to subparagraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in subparagraph (1)(a) unless he thinks either:
- (a) that it is not reasonably practicable to achieve that objective, or
  - (b) that the objective specified in subparagraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in subparagraph (1)(c) only if:
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in subparagraph (1)(a) and (b), and
  - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

## **4. CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF ADMINISTRATORS**

I was first consulted by the Company on 2<sup>nd</sup> June 2009, with regard to its position and solvency with specific reference to the claim by Hewletts Civil Engineers Limited ("Hewlett"). At that stage the position

regarding the claim was not clear as it was going through an adjudication process. No specific advice was given to the Company at that time, other than a discussion with the Company regarding the various insolvency processes available, namely:

- Creditors Voluntary Liquidation
- Company Voluntary Arrangement
- Administration

It was agreed that these could be looked at if no agreement with Hewlett could be made that was satisfactory to both parties.

Following the adjudication hearing I was informed that the Company had made an offer to Hewlett of £50,000 to try and settle this matter, but that was not acceptable. The Directors of the Company then decided that as a result of the financial position, Joint Administrators should be appointed and on the 25 June 2009 myself and David Frederick Wilson both of Begbies Traynor were duly appointed Joint Administrators in the Leeds High Court.

## 5. THE ADMINISTRATION PERIOD

### ***Receipts and Payments***

Attached at **Appendix 1** is our account of receipts and payments from the commencement of the administration to date.

There are further potential receipts being a VAT refund and also some retentions but it is estimated that the total receipts will not be in excess of £10,000 which will be more than covered by the Joint Administrators' time costs.

The Company ceased trading prior to our appointment and no assets have been disposed of by the Joint Administrators during this period.

The Joint Administrators have instructed Gordons, Solicitors of Leeds to advise them generally on matters arising.

Apart from the inter-company position, the principal creditor is Hewlett and Gordons have supplied a letter of advice dated 11<sup>th</sup> August 2009 regarding the quantum of their claim. They have also supplied at the same time, with details regarding the amount that HPT (1991) Limited are claiming within the Administration.

## 6. JOINT ADMINISTRATORS' PROPOSALS

### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in our report, we presently consider that the most appropriate objective to pursue in this case is that specified in subparagraph 3(1)(b) achieving 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). Attached to this report as **Appendix 4** are our Proposals for a Company Voluntary Arrangement ("CVA") providing £50,000 before costs to enable creditors to receive a dividend. These monies would not be available in the event of liquidation.

We do not consider that objective specified in subparagraph 3(1)(a) is possible, as the Company has ceased trading.

With regard to the secured creditor's position, Hartley Investment Trust Limited ("HIT Ltd") have a Fixed and Floating Charge over the Company's assets. However, as set out within the CVA Proposals, in the event that creditors agree the Proposals without major modification both HIT Ltd, the secured creditor, and HPI (1991) Ltd will waive all claims for preferential payment or any dividend whatsoever. In the event of the CVA not being approved and the Company going into liquidation, they reserve their rights.

Should the CVA be approved by the requisite majority, it would be our intention as Joint Administrators to then bring the Administration to a conclusion and deal with all matters under the CVA. Following the completion of the CVA it would be our intention to liaise with the Directors of the Company to have it dissolved.

In the event that the CVA is not approved, it would be our intention to convert the Administration within thirty days into liquidation either by presenting a winding up petition to the Court or alternatively converting the Administration to a Creditors Voluntary Liquidation

#### **Section 176A Fund for Unsecured Creditors**

Section 176A of the Act provides that, where the company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realisation). The *prescribed part* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part* if:

- ☐ the *net property* is less than £10,000 and he thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ he applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

Rule 2.33 of the Rules requires that our proposals for achieving the purpose of the administration shall include, to the best of our knowledge and belief, an estimate of the value of the *prescribed part* and an estimate of the value of the Company's *net property*. We presently estimate these values to be £6,496.20 and £17,481. As in our opinion the maximum amount that will be available in the *prescribed part* will be approximately £6,496 we do not feel that it is appropriate to distribute this money, bearing in mind the costs involved and unless any creditor objects, we shall not be dealing with the *prescribed part*.

#### **Administrators' Remuneration**

The joint administrators propose to be remunerated on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration and that they may draw their remuneration on account as and when funds permit. The joint administrators also seek approval to re-charge expenses in line with their firm's policy.

Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies.

Total time spent as at 17 August 2009 on this assignment amounts to 50.37 hours at an average composite rate of £223.50 per hour resulting in total time costs to date of £11,257.75. This excludes our pre-appointment time which was minimal. We would inform creditors that HIT Ltd have guaranteed our fees up to a maximum of £15,000 plus VAT including legal costs.

To assist creditors in determining this matter, the following further information as regards time costs and expenses is set out at **Appendix 3**.

- ☐ Begbies Traynor policy for re-charging expenses
- ☐ Begbies Traynor charge-out rates

In addition to the information provided at Appendix 3, a copy of the creditors' guide to Administrators' fees is available on request. Alternatively, the guide can be downloaded from [http://www.begbies-traynor.com/uploads/documents/jul\\_08/bt\\_1215095179\\_ADM\\_9503.doc](http://www.begbies-traynor.com/uploads/documents/jul_08/bt_1215095179_ADM_9503.doc)

## 7. STATEMENT OF AFFAIRS

The Directors' estimated statement of affairs as at 25 June 2009 is attached at **Appendix 2**. It makes no provision for the *prescribed* part or for the costs of the administration or any subsequent liquidation or voluntary arrangement.

It is not our intention to make any comment on the Statement of Affairs.

## 8. CONCLUSION

Pursuant to paragraph 51 of Schedule B1 to the Act, the Joint Administrators' proposals will be considered at an initial meeting of the Company's creditors summoned in accordance with the Notice of meeting (Form 2.20B) accompanying this document.



**Gerald M Krasner**  
Joint Administrator

Date: 17 August 2009

**APPENDIX 1**

**JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS  
AND PAYMENTS**



**Cedar Quality Industrial Developments Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
To 17 August 2009**

<b>RECEIPTS</b>	<b>Total (£)</b>
Cash at Bank	1,757.85
	<hr/>
	1,757.85
	<hr/>
<b>PAYMENTS</b>	
	<hr/>
	0.00
Balances in Hand	1,757.85
	<hr/>
	1,757.85
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**DIRECTOR'S ESTIMATED STATEMENT OF  
AFFAIRS**

As at 25 June 2009

**Statement of affairs**

Cedar Quality Industrial Developments Limited

Company number :  
05620212In the High Court of Justice, Chancery Division, Leeds District  
RegistryCourt case number :  
1779 of 2009(a) Insert name and address of  
registered office of the companyStatement as to the affairs of (a) Cedar Quality Industrial Developments Limited, Glendevon House,  
Hawthorne Park, Coal Road, Leeds \_\_\_\_\_

(b) Insert date

on the (b) 25 June 2009 , the date that the company entered administration.  
\_\_\_\_\_**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 25 June 2009 the date that the company entered administration.

Full name Linda Ruth Chambers \_\_\_\_\_

Signed Linda Chambers

Dated 11 August 2009

## A – Summary of Assets

### Assets

Assets subject to fixed charge:

Assets subject to floating charge:

Bank balance

VAT recoverable – VAT return submitted

VAT recoverable – VAT return not yet submitted

S278 work retentions - see Note 1

Uncharged assets:

Estimated total assets available for preferential creditors

Book Value £	Estimated to Realise £
-	-
1,757	1,757
4,946	4,946
5,778	5,778
42,532	5,000
-	-
55,013	17,481

Signature Linda Chambers Date 11/08/09

# A1 – Summary of Liabilities

	Estimated to realise £
<b>Estimated total assets available for preferential creditors (carried from page A)</b>	<b>£ 17,481</b>
<b>Liabilities</b>	
<b>Preferential creditors:-</b>	
<b>Estimated deficiency/surplus as regards preferential creditors</b>	<b>£ 17,481</b>
<b>Estimated prescribed part of net property where applicable (to carry forward)</b>	<b>£-</b>
<b>Estimated total assets available for floating charge holders</b>	<b>£ 17,481</b>
<b>Debts secured by floating charges</b>	<b>£(53,000)</b>
<b>Estimated deficiency/surplus of assets after floating charges</b>	<b>£ (35,519)</b>
<b>Estimated prescribed part of net property where applicable (brought down)</b>	<b>£-</b>
<b>Total assets available to unsecured creditors</b>	<b>£ (35,519)</b>
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>	<b>£</b>
Hewletts see note 2	(115,096)
Hartley Property ( Trust ) Limited see note 3	(450,845)
Hartley ( Head Office ) Limited see note 4	(39,250)
Contingent retentions – including Hewlett see note 5	(78,989)
Others	(19,702)
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	<b>(739,401)</b>
<b>Shortfall to floating charge holders (brought down)</b>	<b>£ -</b>
<b>Estimated deficiency/surplus as regards creditors</b>	<b>£ (739,401)</b>
<b>Issued and called up capital</b>	<b>£ £ 1 (1)</b>
<b>Estimated total deficiency/surplus as regards members</b>	<b>£ (739,402)</b>

Signature Linda Chambers Date 11/08/09

Cedar Quality Industrial Developments Limited (formerly Hartley Quality Industrial Developments Limited)  
List of Creditors

Name of Creditor (These are all Retentions and are not necessarily due yet and there may be counterclaims for any defects not outstanding)	Address	EXCLUDING VAT			Details of any security held by creditor	Date security given	Value of Security
		Amount Retention	Invoice Ref	Invoice Date			
Hewletts Civil Engineering Ltd External Hewletts Civil Engineering Ltd S278	2175, Century Way, Thorpe Park, Leeds, LS16 6ZB 2175, Century Way, Thorpe Park, Leeds, LS16 6ZB	27,992.39 21,143.04					
APA Concrete Repairs Ltd	Brian Royd Mills, Saddoworth Road, Greetland, Halifax, WY2 8NF	204.60					
Assuel Fabrications Ltd	Lord Street, Hoyle Mill, Barnsley, S71 1HZ	645.36					
City Perings UK Ltd	108, Upper Sheffield Road, Barnsley, South Yorkshire, S70 4PW	4,450.49					
William Ellis & Sons (Bakdon) Ltd	Westgate, Baildon, West Yorkshire, BD17 5EH	858.15					
Fincheck Systems Limited	Victoria Springs, Wakefield Road, Huddersfield, West Yorkshire, WF16 6BU	1,983.85					
GH Construction	8, Sunnyside, Denton, Bradford, BD13 4JX	1,275.44					
Iron Man Fabrication	Unit 1, Marlock Way, Barnsley, S Yorkshire	485.70					
Leefield Projects	Higher Leefield Burn, Sandy Lane, Accrington, BB5 2DH	400.00					
M.J. Heeler Plasterers (Leeds) Ltd	Old Hall, Elmets Hall, Elmets Lane, Roundhay, Leeds, LS9 2LJ	343.35					
Northern Industrial Roofing	Howley Lane Industrial Estate, Howley Lane, Warrington, Cheshire, WA1 2DN	-					
Protect Roofing Ltd	Units 16 & 17 Westland Court, Westland Square, Leeds, West Yorkshire, LS11 6ST	119.71					
Decorative Plaster International	Unit 2-12 Whisgate, Wortley, Leeds LS12 3BL	1,166.65					
Southern & Redfern Building Services Ltd	Forward House, Mount Street, Bradford, BD3 9SR	11,906.78					
Sensidoor Door Systems Ltd	Unit 4, Newmillerdam Industrial Park, Barnsley Road, Wakefield, WF2 6DW	1,202.85					
Thorworth	62 Grove Farm Crescent, Leeds, LS16 6BY	1,287.56					
West Yorkshire Painting Contractors Ltd	Tyresal Hall Farm, Tyresal Lane, Tyresal, Bradford, BD4 0RE	3,522.50					
Payments certified/Invoiced		75,989.35					
Northern Industrial Roofing Assigned to Hartley (Head Office) Limited	98 Kibral Road, Leeds, LS3 1YN	35,250.00	Invoice 1147 Inc VAT				
Payments to be certified/Invoiced			Less CIS £1,000				
Southern & Redfern Building Services Ltd	Forward House, Mount Street, Bradford, BD3 9SR	17,337.74	part 15 19.8.09				
Bradford Council/VEDL	Britannia House, Hall Ings, Bradford, BD1 1HX	1,364.00	etc VAT not Invoiced				
Claims							
Hewletts - External Works	Claim based on adjudicators award - release 50% of retention	209,832.80					
Hewletts - 278 Works	Counterclaim for liquidated damages based on adjudicators award	58,772.00					
	As advised by Sanderson, release 50% retention	64,835.95					
Total Hewletts	Counterclaim for liquidated damages	99,820.00					
		115,086.55					

Signature Lucretia Chamberlain Date 11/08/09

Cedar Quality Industrial Developments Limited (formerly Hardley Quality Industrial Developments Limited)  
List of Creditors

Name of Creditor	Address	EXCLUDING VAT Amount	Details of any security held by creditor	Date security given	Value of Security
Claims Hardley Property Trust (1991) Limited	98 Kintail Road, Leeds, LS3 1YN	578,254.44			
		99,778.88	Claim		
		478,625.58	less retention		
		27,630.00	management fee		
		450,845.58			
HMRC - CIS UTR 83783 17041, Accounts office ref: 567P200186467	Central Yorkshire Area, Castles House, 31 Lisbon Street, Leeds, LS1 4SA (deducted from Northern Industrial Roofing, need to give a certificate)	1,000.00			
Secured creditor Hardley Investment Trust Limited	98 Kintail Road, Leeds, LS3 1YN	53,000.00	Debenture	1.11.2008	Fixed and floating charge
		784,563.23			

Signature Anders Chambers Date 11/08/09

# COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Hartkey Property Trust Limited	98 Kirkstall Road, Leeds LS3 1YN	1	£1	Ordinary
TOTALS		1	£1	

Signature Linda Chambers Date 11 August 2009



## **Cedar Quality Industrial Developments Limited**

### **Statement of Affairs**

#### **Notes**

##### **Note 1**

There is no contract under which this retention is payable. According to Gordon's report the maximum outstanding liability that could be claimed by Cedar Industrial Developments Limited for the S278 work is £8,743. After allowing for costs, the recoverable amount has been included as £5,000.

##### **Note 2**

Hewlett's claim against Cedar Industrial Developments Limited for the external works went to arbitration and the amount due to Hewlett based on the arbitrator's award, plus an unpaid certified amount plus release of half of the retentions is £209,832.60. Cedar Industrial Developments Limited has a counterclaim of £59,772 for liquidated damages for external works. Hewlett have not formally submitted a claim for S278 work but have indicated that such a claim could be as high as £500,000. This claim is disputed and based on professional advice there is considered to be a maximum of £68,655.95 outstanding on S278 work. Cedar Industrial Developments Limited has a counterclaim of £99,620.00 for liquidated damages for s278 work. The net amount payable to Hewlett has therefore been included as £115,095.55 as detailed in Gordon's report. These amounts are net of VAT

##### **Note 3**

A claim has been received from Hartley Property Trust (1991) Limited for £578,254.44 as detailed in Gordon's report. Cedar Industrial Developments Limited has a counterclaim for unpaid retentions of £99,728.86, and a management charge of £27,680.00. The net amount payable to Hartley Property Trust (1991) Limited has been included as £450,845.58. These amounts are net of VAT

##### **Note 4**

Following the company going into administration, Hartley (Head Office) Limited paid £39,250 which had been promised to Northern Industrial Roofing Limited before the administration, and the £39,250 was assigned to Hartley (Head Office) Limited.

*Linda Chambers 11/08/09*

**Cedar Quality Industrial Developments Limited**

**Statement of Affairs**

**Notes ( continued)**

**Note 5**

The £78,989 is the unpaid balance of retentions which are not yet due and which will only be payable if all defects are remedied by the subcontractors concerned. There are counterclaims against these retentions for remedial work carried out by the company itself. These amounts are net of VAT.

*Linda Chambers 11/08/09*

## **JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES**

- a. Begbies Traynor policy for re-charging expenses
- b. Begbies Traynor charge-out rate

	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support And Cashiering	Total Hours	Total Cost	Avg Rate
Pre-appointment activity Planning & Control Admin & Accounting Reporting, S of A, Stat Returns Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Fixed Charge Assets Floating Charge Assets Trading Debt Collection Prefs, Un-secured & Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Employees Meetings Reading papers/Prelim review Correspondence/telephone Meetings/conferences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Investigation Analysis & reports Court prep & attendance Travel Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Appointment Activity Banking Bonding Case Strategy and Planning CDDA Reporting and Follow Ups	8.30	0.00	1.00	0.00	0.00	24.65	1.67	35.62	£6,571.50	£184.49
	0.00	4.50	1.25	0.00	0.00	0.00	0.00	5.75	£1,831.25	£318.48
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	2.00	1.50	3.75	0.00	0.00	0.00	0.00	7.25	£2,293.75	£316.38
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Claims, Proofs and Distributions Closing Creditors' Committee Debt Collection Employees	0.00	1.50	0.00	0.00	0.00	0.00	0.00	1.50	£487.50	£325.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Fixed Charge Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00

## Floating Charge Assets

[illegible]

Employee / Disbursements Costs	£558.34
Disbursement Fees Drawn	£0.00
Time Fees Drawn to Date	£0.00
<b>Outstanding Costs</b>	<b>£11,816.09</b>

## BEGBIES TRAYNOR

### POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

#### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice<sup>1</sup> requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

#### DEFINITIONS

Required professional practice classifies expenses into two broad categories:-

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges;
- *Category 2 expenses (approval required)* – all other items of expenditure:
  - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost; and/or
  - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost.

#### DISBURSEMENT CHARGES (Category 2 Disbursements)

1. Mileage is recovered at 40p per mile. The Category 2 element relates only to company cars.
2. Charges are made as follows:

Postage	Actual
Photocopying	15p per sheet
3. Internal Room Hire is charged at £150 per meeting.
4. Storage is provided by a connected storage company in which D F Wilson and J N R Pitts have an interest. Boxes are supplied at a cost of £4 each and boxes are stored at a cost of £12.00 per box per annum. Destruction charges are £5 per box. Van hire/transportation costs are charged at 75p per mile.
4. Asset Appraisal and Disposal services are provided by BTG Asset Consulting, a division of BTG Consulting LLP, which is part of Begbies Traynor Group plc. Asset Appraisal and Disposal costs are charged at £125 per hour and are reclaimed from asset realisations of the company.
5. The location of assets or individuals, surveillance and other investigative services are provided by BTG Intelligence, which is part of the Begbies Traynor Group plc. Costs are charged at from £250 per hour.

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) effective from 1 April 2007.

### Professional Advisors

In a number of cases, we have the need to employ outside professional advisors, which may include Solicitors, Valuers and Agents or in some cases, Specialist Tax Advisors. We set out below the name and type of the advisors used and the basis on which their fees are paid.

Name of Professional Advisor	Basis of Fee Arrangement

Our choice of the above advisor is based on our knowledge of their experience and their ability to perform the type of work on which they have been instructed.

### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Glendevon House, Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Cashier/Secretarial	100
Junior Administrator	100

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

## JOINT ADMINISTRATORS' PROPOSALS FOR COMPANY VOLUNTARY ARRANGEMENT



**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
LEEDS DISTRICT REGISTRY**

**CVA No:    of 2009**

**CEDAR QUALITY INDUSTRIAL DEVELOPMENTS LIMITED**

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

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**PROPOSAL BY THE ADMINISTRATORS OF THE COMPANY  
TO ITS CREDITORS FOR A VOLUNTARY ARRANGEMENT  
IN SATISFACTION OF ITS DEBTS**

---

**PRIVATE & CONFIDENTIAL**

**Gordons<sup>®</sup>** LLP

Whitehall Road

Riverside West

Leeds

West Yorkshire

LS1 4AW

CAE/AG/BE24/12

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POLICY**

## 1 INTRODUCTION

- 1.1 We, Gerald Maurice Krasner and David Frederick Wilson of Begbies Traynor LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PG were appointed Joint Administrators (the **Administrators**) in respect of Cedar Quality Industrial Developments Limited (CRN: 05620212) (the "**Company**") on 25 June 2009 at the Leeds District Registry.
- 1.2 As Administrators of the Company we now make this proposal to Creditors. We believe that successful implementation of the Arrangement is the best method by which to ensure the future of the business of the Company and that the arrangement has a reasonable prospect of being successfully implemented.
- 1.3 This document sets out our proposals for a Company Voluntary Arrangement. This is a formal procedure introduced by Part I of the Insolvency Act 1986, which enables a company to agree with its creditors how their debts should be paid and in what proportions. A Company Voluntary Arrangement requires the approval of in excess of 75% in value of those creditors voting on the resolution in person or by proxy. Once the arrangement has been approved it will bind all creditors who were entitled to vote at the meeting of creditors, whether or not they were present or represented at that meeting, and all creditors who would have been so entitled if they had had notice of the meeting, whether or not they received such notice and whether or not they chose to vote.

## 2 DEFINITIONS AND INTERPRETATION

In this Company Voluntary Arrangement the following words and expressions shall have the following meaning:

**the Arrangement** the Voluntary Arrangement in its present form  
with any modification thereof or addition thereto

or condition approved or imposed by the Creditors (**CVA**)

<b>the Company</b>	Cedar Quality Industrial Developments Limited (CRN: 05620212);
<b>Creditors</b>	Secured Creditors, Preferential Creditors and Unsecured Creditors;
<b>the Directors</b>	the Directors of the Company;
<b>the Effective Date</b>	the day on which the Voluntary Arrangement becomes effective by its approval at a meeting of Creditors convened for that purpose;
<b>the Nominees</b>	Gerald Maurice Krasner and David Frederick Wilson of Begbies Traynor LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PG;
<b>Preferential Creditor</b>	any Creditor of the Company whose claim was preferential within the meaning of Section 386 of the Insolvency Act 1986 (as amended) whether the claim may be present, future, contingent or prospective;
<b>the Proposal</b>	this proposal for a company voluntary arrangement;
<b>Secured Creditor</b>	any Creditor of the Company whose claim is secured against any assets of the Company;
<b>the Supervisors</b>	Gerald Maurice Krasner and David Frederick Wilson of Begbies Traynor LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PG;

**Unsecured Creditor**

any person other than a Secured Creditor and a Preferential Creditor who has or claims to have any claim against the Company arising out of or having its origin in any matter occurring prior to the Effective Date or arising out of any transaction, act or omission of the Company or any person on or before the Effective Date whether the claim may be present, future or contingent or prospective or whether liquidated or for damages and whether in contract or tort howsoever arising;

References to "the **Act**" and "the **Rules**" are to the Insolvency Act 1986 and the Insolvency Rules 1986 (as amended) respectively. Words and expressions used in this Proposal shall have the same meanings attributed to them as in the Act or the Rules unless otherwise stated in this Proposal.

**3 SUMMARY OF PROPOSAL**

- 3.1 Conditional upon this Company Voluntary Arrangement being approved by the requisite majority of creditors, a third party, Hartley Investment Trust Limited, will make payment of a single lump sum of £50,000 to be distributed in accordance with the terms of this Proposal.
- 3.2 This Proposal is in full and final settlement of all claims by our Creditors against the Company.
- 3.3 The Arrangement will last approximately 6 months or such longer time as the Joint Supervisors shall require to agree creditor claims.
- 3.4 The estimated dividend to Unsecured Creditors will be 26.2 pence in the £ after the costs and expenses of the Arrangement.

#### **4 BENEFITS TO CREDITORS**

- 4.1 Prior to the appointment of Joint Administrators over the Company an offer of £50,000 was made to settle the claims against the Company arising from the litigation with Hewlett. Hartley Investment Trust Limited, the Company's holding company, renews that offer of £50,000 to the general body of creditors in these proposals. As the offer of payment is made by a third party it will not be available to the Company's creditors unless the CVA is approved.
- 4.2 If the CVA is not approved, no monies will be available with which to pay creditors a dividend. If the CVA is approved, creditors will receive a dividend of 26.2 pence in the pound after deduction of the costs and expenses of the Arrangement. Hartley Investment Trust and HTP 1991 Limited, creditors connected with the Company, will waive their entitlement to a dividend should the CVA be approved.
- 4.3 If this Proposal is not accepted by the requisite majority of creditors the Joint Administrators have indicated that they will deem their proposals to have failed and will take steps to place the Company into liquidation.
- 4.4 VAT bad debt relief is available to creditors in the same way as it would be in a liquidation.

## 5 BACKGROUND

- 5.1 The Company was incorporated on 11 November 2005 with registration number 05620212. We refer creditors to the Statutory Information at appendix 1 for details of the Company's changes of name since the date of incorporation.
- 5.2 The Company has an authorised and present issued share capital of £1 comprised of 1 ordinary share of £1. Hartley Investment Trust Limited currently holds the entire issued share capital of the Company.
- 5.3 The Company carried on the trade of property development with a primary focus on the procurement of industrial and commercial development works through construction management.
- 5.4 In 2005 the Company entered into agreement with Hartley Property Trust (1991) Limited to procure the redevelopment of a site off Dick Lane, Bradford (the "**Site**"). The procurement and construction of the Site took place between 2006 and late 2008.
- 5.5 On 24 September 2007, as part of the developments works, the Company entered into a contract with Hewlett Civil Engineering Limited ("**Hewlett**"), a civil engineering company, whereby Hewlett were to provide services to the Company in connection with external works at the Site consisting of, inter alia, the excavation and earthworks, drainage, roads and paths.
- 5.6 We are advised by the Company that Hewlett's work was completed over 7 months late and at considerable additional cost as a result of several factors including delays for which Hewlett was itself responsible, unforeseen ground conditions and delays by statutory services providers. A dispute arose between Hewlett and the Company regarding which party bore responsibility for the various causes of delay and Hewlett's entitlement to an extension of time under its contract and its claims for substantial additional sums.



- 5.7 Despite extensive efforts on the part of the Company during the latter part of 2008 and early 2009 to achieve an acceptable settlement with Hewlett, no agreement could be reached. Accordingly, Hewlett served a Notice of Adjudication on the Company on 9 April 2009, in order that the dispute between the parties would be referred to an adjudicator, Mr R J Davis (the "**Adjudicator**")
- 5.8 Hewlett sought to recover approximately an additional £600,000 but ultimately were only awarded an additional £146,000 by an Adjudicator. Hewlett indicated its intention to pursue a similar sized claim against the Company in respect of a second contract relating to highways works. It was the view of the Company that the claims of Hewlett were exaggerated and, on the basis of the legal findings of the Adjudicator, the liability of the Company should be at a sum lower than was determined by the Adjudicator. The Company had also incurred legal costs of approximately £60,000 in defending what it considered to be an exaggerated claim.
- 5.9 The Company considered that it had good grounds to resist the decision of the Adjudicator but the anticipated cost and expense of such resistance was a cost the Company would have had difficulty in meeting, particularly given the expense already incurred in respect of the dispute with Hewlett and the liability the Company now faced as a consequence of the Adjudicator's decision.

- 5.10 In addition and upon the basis of the Adjudicator's decision, the Company recognised that secondary adjudication proceedings could be commenced by Hewlett, relating to a contract for highway works at the Site entered into between the Company and Hewlett. The value of this claim was estimated at approximately £500,000 notwithstanding the legal and ancillary costs concurrent with such proceedings. The Company faced the prospect of having to incur a similar amount of legal cost in defending that claim too. In neither case was there any prospect of recovering these legal costs from Hewlett even if the claims were successfully defended. An offer of £50,000 was made to Hewlett in full and final settlement. This offer was rejected.
- 5.11 In light of the actual liabilities of the Company, including the decision of the Adjudicator on 27 May 2009, the contingent liabilities of the Company and the anticipated secondary adjudication proceedings to be commenced by Hewlett, it was the view of the Directors of the Company that the financial position of the Company was such that it would be in the best interests of the Company and its creditors to place the Company into administration.
- 5.12 Accordingly, the Company gave notice of intention to appoint administrators and following receipt of floating charge holder's consent, the Company was placed into administration on 25 June 2009.

## **6 ASSETS TO BE MADE AVAILABLE TO CREDITORS**

It will be seen from the statement of affairs accompanying this Proposal that the Company has no assets of its own with which to propose a viable Company Voluntary Arrangement to its creditors. This Proposal is based upon a single lump sum third party contribution. Conditional upon this Company Voluntary Arrangement being approved by the requisite majority of creditors Hartley Investment Trust Limited, the Company's holding company, will as a gesture of goodwill make payment of a single lump sum of £50,000 to be distributed in accordance with the terms of this Proposal. This sum will

not be available to creditors if the Company Voluntary Arrangement is rejected by creditors or accepted with modifications unacceptable to the Administrators, the Company or Hartley Investment Trust Limited. The £50,000 will be released to the Joint Supervisors for distribution 30 days after the CVA is approved at the meeting of creditors.

## **7 DURATION**

The Company's obligation to make payment shall extend no further than the obligation of Hartley Investment Trust Limited to pay a single lump sum of £50,000 and the Arrangement shall continue for such a period of time as shall be necessary to enable the Supervisors to collect and distribute all assets included in this Arrangement. It is anticipated that this will take approximately six months or such longer time as shall be necessary to agree creditor claims.

## **8 NOMINEES AND SUPERVISORS**

8.1.1 The Nominees and intended Supervisors are qualified to act as Insolvency Practitioners in relation to the Company and all powers conferred upon them shall be exercisable jointly and severally.

8.1.2 It is proposed that the Nominees should receive £3,000 excluding VAT by way of remuneration plus any necessary fees and expenses of Solicitors or agents employed by the Nominees and these will rank as a first charge on realisations to be made under the Arrangement. The Nominees shall charge disbursements in relation to their own internal costs and such external costs as are specifically incurred.

## **9 STATEMENT OF AFFAIRS**

- 9.1 All the Company's assets, with estimates of their respective values, and the extent to which they are charged in favour of Creditors, together with full details of the Company's liabilities are disclosed in the Statement of Affairs, appended to this Proposal. This shows an estimated outcome statement comparing the likely dividends payable to Creditors if the Arrangement were implemented or alternatively, were the Company's affairs to be administered by a Liquidator.
- 9.2 No assets are to be excluded from the Arrangement. Once the Joint Administrators' costs are paid, if there are any surplus assets these will form part of the Arrangement.

## **10 SECURED CREDITORS**

The assets of the Company are charged to Hartley Investment Trust Limited who have a full fixed and floating charge over the Company's assets. The charge was given on 1 November 2008 and registered on 13 November 2008 within the requisite time limits. In the event that the Arrangement is approved, Hartley Investment Trust Limited will not claim for dividend in the Arrangement but all of its rights are reserved should the Arrangement not be approved in accordance with the terms of this Proposal.

## **11 WINDFALL**

If, before the Arrangement is completed, the Company receives or becomes entitled to any assets in circumstances which could not reasonably be foreseen at the time of its approval, such assets shall be deemed to be assets to be held on trust for the purposes of this Arrangement and shall be delivered up to the Supervisors within 14 days of receipt of written notice from the Supervisors requiring delivery up and shall be dealt with as assets within the terms of this Proposal. The Company shall give the Supervisors immediate written notice of any assets potentially falling within this provision.

## **12 FULL AND FINAL SETTLEMENT**

- 12.1 This Proposal is in full and final settlement of all claims by creditors against the Company. Once all contributions have been made under the terms of this Proposal this will be accepted by the creditors in full and final settlement of their claim including creditors claims which are liquidated or unliquidated certain or contingent. Any creditor with either a self help remedy or who has issued a legal process including any creditor with retention of title, lien, distraint, walking possession and/or garnishee orders shall, upon acceptance of this Proposal by the requisite majority of creditors, be deemed to have waived such a claim and will rank alongside other unsecured creditors pursuant to the terms of this proposal.
- 12.2 Any Unsecured Creditor who was not notified of the Arrangement shall be bound by the Arrangement in all respects, thereby ranking for dividend purposes. In order to be considered for a dividend, any such Unsecured Creditor shall, within 28 days of becoming aware of the Arrangement and its terms, notify the Supervisors in writing of its claim. If by the date of such notification payment has already taken place of any dividends to any class of Unsecured Creditor the Unsecured Creditor is not entitled to disturb the distribution of the dividend but is entitled to be paid out of any money for the time being available for the payment of any further dividend, any dividend or dividends which it has failed to receive. Upon successful completion of the Arrangement any payment made to such an Unsecured Creditor shall be deemed to be made in full and final settlement of that Unsecured Creditor's claims against the Company.

## **13 CLAIMS BY A LIQUIDATOR**

To the best of our knowledge there are no circumstances giving rise to claims under the following sections of the Act:

- 13.1 Section 238 (transactions at an undervalue)
- 13.2 Section 239 (preferences)

- 16.2 The Supervisors shall give prompt written notice of the issue of an Abort Certificate, a Completion Certificate or a Non-Compliance Certificate to the Company, its members and all known Creditors.
- 16.3 Upon the issue of an Abort Certificate, a Completion Certificate or a Non-Compliance Certificate the Arrangement and any implied trust shall terminate and be of no further force or effect subject to the trust clause in this Proposal dealing with the Supervisors' fees and expenses, provided that if the Supervisors issue an Abort Certificate or a Non-Compliance Certificate they may in their absolute discretion:
- 16.3.1 Realise any assets under their control and distribute any funds in their hands in accordance with the terms of the Proposal and continue to exercise any other powers given to them under the Proposal; and
  - 16.3.2 Notify the Company that failure to remedy the arrears (or other default) within 7 days will amount to a failure of the Arrangement which will provide the Supervisors with sufficient grounds to petition the Court for an Order that the Company be wound up. If due payment of the arrears or the remedy of the default is made by the Company within the 7 days then the Abort Certificate will be treated as null and void and have no effect and the Arrangement will continue as normal;
  - 16.3.3 Invite the Directors to request the appointment of Administrative Receivers;
  - 16.3.4 Consent to the Directors calling a meeting of the shareholders of the Company in order to pass a resolution to wind-up the Company voluntarily;

- 16.3.5 Call a meeting of the Creditors Committee or the Creditors pursuant to this Proposal in order to consider which of the above actions or any other actions without limitation the Supervisors should follow in particular to consider whether the Arrangement should be continued upon suitably revised terms;
- 16.3.6 Realise and distribute all Company assets to include those assets in the hands of the Supervisors for the purposes of the Arrangement at the date of the issue of the Certificate together with and at the Supervisor's sole discretion the collection, realisation and distribution of all or any other Company assets not at that time held by the Supervisors and to take such other steps at their discretion as may be necessary to effect an orderly wind down of the Company.
- 16.4 Any attempt by the directors and/or shareholders to attempt to place the Company into liquidation without the Supervisors' consent will render any winding up resolution invalid.
- 16.5 If, during the currency of the Arrangement any Creditor obtains a Winding-Up Order or the Company goes into Creditors Voluntary Liquidation, with the Supervisors' consent the Voluntary Arrangement will be deemed to have failed and the Supervisors will immediately issue a Certificate of Non-Compliance.
- 16.6 The Supervisors shall petition for a Winding-Up Order immediately the Company fails to comply with its obligations under the Voluntary Arrangement or fails to co-operate with the Supervisors. Alternatively the Supervisors shall immediately canvass the views of Creditors. The Supervisors shall set aside sufficient funds for this purpose and such funds shall rank ahead of the Supervisors' remuneration.

## **17 THIRD PARTIES**

- 17.1 Where the Proposal includes any obligation whatsoever on the part of a third party:

17.1.1 Such obligation shall be enforceable at the direction of the Supervisors and by the Company.

17.1.2 The failure to perform in respect of such obligation shall be deemed to constitute a failure of the Company's obligations and allow but not oblige the Supervisors to issue a Certificate of Non-Compliance.

## **18 CROWN DEBTS**

18.1 While we do not believe that there are debts owed to HMRC, the following should be noted. The Revenue's final claim in the Arrangement will include tax assessed to 5 April following the date of the meeting and any PAYE/NIC liability outstanding as at the date of the creditors meeting.

18.2 Post Voluntary Arrangement Crown liabilities shall be paid in full immediately these become due and the Crown shall have the right to commence proceedings in respect of any post Voluntary Arrangement liabilities which remain unpaid.

18.3 Full details of the Company's income/expenditure is to be made available to the Inland Revenue with the Supervisors' Annual Report.

18.4 Where the Inland Revenue has not notified a final claim under the Arrangement prior to payment of a dividend, the Supervisors are to calculate the dividend by reference to the Inland Revenue claim for voting purposes.

18.5 Capital gains tax due on realisation of assets will be regarded as an expense of the Arrangement, payable by the Supervisors out of realisations.



- 18.6 The Company shall lodge with the Inland Revenue and the Customs & Excise no later than 3 months after the approval of the Arrangement, such accounts, returns and other information as the Inland Revenue and/or Customs & Excise may reasonably require in order to establish the amount or amounts for which it is a creditor for the purpose of the Arrangement. There shall be included in such amounts any tax or additional tax which becomes payable by the Company as the result of any release of debts envisaged by this Proposal. The claim of the Inland Revenue shall include tax on all income or gains arising before the approval of the Arrangement.

## **19 ORDER OF PRIORITY FOR DISTRIBUTION TO CREDITORS**

It is proposed that funds paid to and proceeds of assets realised by the Supervisors shall be distributed in the following order:-

- 19.1 In payment of the Nominees' and the Supervisors' remuneration and expenses in accordance with the terms of this Proposal.
- 19.2 In paying all other expenses incurred during the course of the Arrangement by the Supervisors (including the costs and expenses of agents appointed by the Nominees or Supervisors);
- 19.3 In paying the Supervisors' costs and expenses of issuing winding-up proceedings.
- 19.4 In paying in full any Preferential Creditor of the Company as at the date of the Creditors Meeting approving this Arrangement by Creditors.
- 19.5 In paying a dividend to Unsecured Creditors whose claims shall be calculated as at the date of the Creditors Meeting approving this Arrangement, but without interest.
- 19.6 Interest on preferential claims calculated at the same rate as if the Company had been subject to a Winding-Up Order as at the date of approval of this Arrangement by Creditors.

19.7 Payment of any remaining surplus to the Company.

If there are insufficient monies to pay any class of Creditors as referred to above in full, the available funds shall be distributed pro-rata to the relevant claimants.

## **20 PROOF OF DEBTS**

20.1 In admitting proofs of debt under the Arrangement, the Supervisors shall apply, wherever applicable and subject to the provisions of the Arrangement, those provisions of the Act and the Rules relating to the admission and payment of proofs of debt by a Liquidator in a Creditors' Voluntary Liquidation (save that no advertisements will be made). The Supervisors shall not admit any claim of any Creditor unless such claim is proven to their satisfaction pursuant to the provisions of this Proposal. The estimates of the Directors of the worth of the claims of contingent Creditors (disregarding any additional actual claims of such Creditors) so far as known to the Directors are set out by the name of each of the respective contingent Creditors in the Statement of Affairs and such contingent Creditors will be treated for the purposes of the Arrangement as Creditors of the Company in the amount there shown (or otherwise as agreed by the Supervisors) in full and final settlement of their claims.

20.2 The amount of any indebtedness owed by the Company to any Creditor shall be the total amount owing as at the date of the approval of this Arrangement by the Creditors.

20.3 Rule 4.73 to 4.94 of the Rules inclusive shall apply to this Proposal, except that:-

20.3.1 references to proving or claiming to prove shall be taken as references to the submission of a claim calculated in accordance with the terms of this Proposal.

20.3.2 the reference to Section 98 shall be read as a reference to Section 3.

20.3.3 references to the Liquidators shall be read as references to the Supervisors.

## **21 HIRE PURCHASE**

We are not aware of any assets on hire purchase or lease but for the avoidance of doubt the following should be noted. The majority of assets subject to hire purchase or chattel leasing agreements or other similar agreements as set out in the Statement of Affairs will be required in connection with the Company's continued business. It is intended that upon implementation of the Arrangement, the Company will resume its normal periodic payments falling due under those agreements. Any outstanding arrears will be dealt with as unsecured claims in the Arrangement. In the cases where hire purchase, leased or similar assets are no longer required, disposal will be effected on terms to be agreed with the respective Creditors. Any resulting balances outstanding following such disposals will be dealt with as unsecured claims pursuant to the terms of the Proposal.

## **22 EMPLOYEE CLAIMS**

We do not anticipate any employee claims.

## **23 DIVIDENDS**

### **23.1 Proofs**

Rule 11.1 to 11.13 inclusive and Rule 4.182 (1) & (2) shall apply to the Arrangement except that:

23.1.1 references to the Liquidator shall be read as references to the Supervisors;

23.1.2 no action shall lie against the Supervisors for a dividend including a refusal to pay a dividend.

### **23.2 Unclaimed dividends**

If any dividends remain unclaimed when the Supervisors issue their Completion Certificate, they shall pay such amounts to the Company. The Company shall then be liable to the Creditors concerned for the amounts of such dividends notwithstanding the issue of the certificate and no action shall be against the Supervisors.

### **23.3 Dividend Entitlement**

Creditors shall not be entitled to receive any payment or dividend under the terms of the Proposal unless they are bound by it and their claim has been admitted by the Supervisors.

### **23.4 Dividend Payments**

If the Supervisors have received payment from the Company of a percentage of the estimated unsecured Creditors' claims but have not yet agreed all those claims by the time a dividend is due, the Supervisors may pay dividends to those unsecured Creditors whose claims are agreed, provided they retain funds at least equal to the dividend that would be paid on the unsecured claims which have yet to be agreed, but have been notified in writing to the Supervisors.

### **23.5 Payment of Dividends**

All dividends to be paid under the Arrangement shall be made by crossed cheque sent by first class post addressed to the relevant Creditors at their respective addresses shown in the books of the Company or on the proof of debt submitted. Neither the Supervisors nor the Company shall be responsible for any loss in transmission. The encashment of any such cheque shall be a good discharge to the Company for the monies represented thereby.

### **23.6 Dividend distributions**

At the time or times specified in the Proposal and where funds allow, the Supervisors using their sole discretion shall, subject to the retention of such sums they consider necessary for the expenses of the Arrangement, declare and distribute dividends amongst the Creditors in respect of their claims which have been admitted.

## **24 CREDITORS CHANGING ADDRESS**

It is the duty of every Creditor proving in the Arrangement to advise the Supervisors of any change of address to which any dividend should be forwarded.

## **25 MANAGEMENT OF THE BUSINESS**

As the Company has ceased trading the management of the Company rests with the Joint Administrators.

## **26 SUPERVISORS' REMUNERATION**

- 26.1 The Supervisors shall be entitled to a fixed fee of £7,000 plus VAT and disbursements and shall be entitled to draw on account and from time to time such sums as they consider appropriate in relation to their accruing costs.
- 26.2 The Supervisors shall open a bank account in their names under the style of Cedar Quality Industrial Developments Limited CVA Trust Account. The perpetuity period applicable to the trust in this clause shall be 80 years from the date of the constitution of the trust applicable to the Supervisors' trust account. Any funds which in the opinion of the Supervisors are not required for the immediate purpose of the Arrangement may be invested in such manner as the Supervisors see fit.

## **27 SUPERVISORS' FUNCTIONS**

The proposed functions of the Supervisors are:-

- 27.1 To receive all funds paid into the Arrangement and supervise the banking of monies to be applied in accordance with the terms of the Proposal;
- 27.2 To agree the creditors' claims;
- 27.3 To make distributions to the creditors in due order of priority as prescribed under the terms of the Proposal from time to time as and when the Supervisors consider that circumstances permit;
- 27.4 To employ Solicitors and other professional advisers to act and advise them in connection with any matters on which they consider such assistance is appropriate, at the expense of the estate;
- 27.5 To deal with administrative matters in relation to the Arrangement. Any act required or authorised to be done by the Supervisors in connection with the Voluntary Arrangement or the Proposal may be done by either or both of them;
- 27.6 To report to creditors as to the progress of the Arrangement from time to time;
- 27.7 To authorise the release of funds from the estate to defend disputed claims where appropriate;
- 27.8 To be entitled, but not obliged, to expend any funds in their hands for the purpose of repairing, completing or altering any assets held by them or the Company or on trust for the purposes of the Arrangement, provided that they consider it is likely to be to the benefit of Creditors to do so, or the work is required in the interest of safety, or to comply with any statutory obligation. Such an expense will rank as an expense incurred during the course of the Arrangement by the Supervisors;

- 27.9 To do all such things as they consider necessary to give effect to the Arrangement. Subject to the right of creditors or others under Section 6 of the Act they may take such action, enter such agreements and do such things as they deem fit and which in their opinion are in the best interests of the creditors notwithstanding that such action may differ from the course of action contemplated in this Proposal.
- 27.10 The Supervisors shall have the power, exercisable at their absolute discretion, to take such security as they may deem necessary over any assets of the Company for the purpose of securing realisations of assets under the terms of this Proposal. In any event the Supervisors may register a caution upon all properties owned by the Company.
- 27.11 The Supervisors shall not be personally liable for any debt or obligation incurred by the Company howsoever arising during the period of the Arrangement and shall in any event be entitled to a full indemnity from the assets of the Company in respect of any claim or demand made against the Supervisors and/or their firm for any such liability or any other liability of the Supervisors arising out of their position as Supervisors and in relation to any steps taken or not taken. If the Supervisors make a claim upon this indemnity such claim will rank *pari passu* with the Supervisors' remuneration and expenses under the terms of this Proposal.

## **28 RELEASE OF SUPERVISORS**

On the date of termination of the Arrangement, the Supervisors are released by each creditor from all liabilities and obligations in respect of acts and omissions of theirs or otherwise in relation to their conduct as Supervisors. Each creditor shall and hereby does waive all claims or rights which he may have against the Supervisors in respect of such matters.

## **29 NO WARRANTIES OR REPRESENTATIONS**

The Supervisors give no warranties and make no representations in relation to the information contained in the Proposal and its appendices .

## **30 RECORDS**

The Supervisors shall observe the requirements of Rule 1.26 with regard to the records kept by them, and records to be issued from time to time to the various persons set out in that Rule.

## **31 CREDITORS COMMITTEE**

Where it is so resolved at the Creditors Meeting approving the Proposal, or at the request of the Supervisors, a Creditors Committee will be established. The rules, functions, powers and administration of the Committee will be those contained in Rules 3.16 - 3.35(A) except references therein to the Administrative Receiver shall be read as references to the Supervisors.

## **32 VARIATION OF ARRANGEMENT**

32.1 The Supervisors may at any time convene General Meetings of the Company and the Creditors for the purpose of varying the Arrangement. The notice of the meetings shall set out the proposed variation and be accompanied by the Supervisors' report on the reasons for the variation and its expected effect.

32.2 So far as is possible, the meetings shall be conducted in accordance with Section 4 of the Act and Rules 1.14 to 1.21 except that:

32.2.1 references to the Proposals shall be taken as references to the proposed variation;

32.2.2 references to the Nominee shall be taken as references to the Supervisors;

32.2.3 modifications may not include one intended to replace the Supervisors; and



32.2.4 creditors' claims shall be calculated as at the date on which the original proposals were approved.

32.2.5 references to "14 days notice" shall be read as 7 days or such period as the Supervisors shall in their absolute discretion determine.

32.3 Section 6 shall not apply to such a meeting as it does to a meeting under Section 4.

### **33 END OF ARRANGEMENT**

The Arrangement shall cease once there are no further funds or assets being held by the Company or the Supervisors under the terms of the Proposal and the Supervisors have issued a Certificate of Completion. At the end of the Arrangement the Joint Supervisors will liaise with the officers of the Company to arrange for the Company's dissolution.

### **34 VACANCY IN OFFICE OF SUPERVISORS**

Should a vacancy arise in the office of the Supervisors, by death or otherwise, the following provisions will apply:-

- 34.1 If there are joint Supervisors the remaining Supervisor shall continue in office as sole Supervisor.
- 34.2 If the Supervisor is a sole Supervisor then the office may be assumed by a Partner in the former Supervisor's firm within two months of the date of the vacancy arising.
- 34.3 If no alternative Supervisors can continue in or assume office in accordance with the above provisions, then a Creditors' meeting will be convened in accordance with the clause dealing with variation set out above.


### **35 EC REGULATION**

The Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings (the **Regulation**) applies and these proceedings are main proceedings as defined by Article 3 of the Regulation.

### **36 NO PERSONAL LIABILITY**

Neither we nor our staff or any agents employed by us accept any personal liability in connection with this Proposal. Further, we make no warranties whatsoever and any warranties of any description are expressly excluded.

**Signed**

  
\_\_\_\_\_  
**Gerald Maurice Krasner**  
**Joint Administrator and Joint Nominee**

**CEDAR QUALITY INDUSTRIAL DEVELOPMENTS LIMITED – IN  
ADMINISTRATION**

**Statutory Information**

<b><u>Company Number</u></b>	05620212
<b><u>Previous Names</u></b>	Hartley Quality Industrial Developments Limited (05/06/2009); Hartley Quality Homes No.2 Limited (24/05/2006); Gweco 279 Limited (09/02/2006)
<b><u>Date of Incorporation</u></b>	11 November 2005
<b><u>Principal Activity</u></b>	Special trades construction
<b><u>Registered Office</u></b>	Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ
<b><u>Previous Registered Office</u></b>	98 Kirkstall Road, Leeds, LS3 1YN
<b><u>Directors</u></b>	I.M Directors Limited and Linda Chambers
<b><u>Company Secretary</u></b>	Grosvenor Secretaries Limited
<b><u>Share Capital</u></b>	1 ordinary share of £1 each
<b><u>Issued/Allotted</u></b>	1
<b><u>Shareholder</u></b>	Hartley Property Trust Limited

**APPENDIX 2**

**CEDAR QUALITY INDUSTRIAL DEVELOPMENTS LIMITED  
(FORMERLY KNOWN AS HARTLEY QUALITY INDUSTRIAL  
DEVELOPMENTS LIMITED)  
(IN ADMINISTRATION)**

Statement of Affairs as at 25 June 2009

	<b>£</b>
Bank	1,757
VAT Refund	10,724
Retentions	<u>5,000</u>
	17,481
Debts Secured by Floating Charge	(53,000)
	(35,519)
	<b>£</b>
<u>Less:</u> Hewletts	(115,096)
Hartley Property Trust Ltd	(450,845)
Hartley Head Office Ltd	( 39,250)
Contingent Retentions	( 78,989)
Creditors	<u>( 19,702)</u>
	(703,882)
<b>Estimated Shortfall as regards Creditors</b>	<b><u>(739,401)</u></b>

### APPENDIX 3

**CEDAR QUALITY INDUSTRIAL DEVELOPMENTS LIMITED  
(FORMERLY KNOWN AS HARTLEY QUALITY INDUSTRIAL  
DEVELOPMENTS LIMITED)  
(IN ADMINISTRATION)**

Outcome Statement as at 13 August 2009

			£
Contribution from Third Party			50,000
<u>Less:</u>		£	
	Nominee's Fee	3,000	
	Supervisor's Fee	<u>7,000</u>	<u>(10,000)</u>
			40,000
Non-Associated Creditors			<u>(150,578)</u>
<b>Estimated Shortfall as regards Creditors</b>			<u>(110,578)</u>
<b>Dividend</b>			<b>26.5p in £</b>

**CEDAR QUALITY INDUSTRIAL DEVELOPMENTS LIMITED – IN  
ADMINISTRATION**

**Schedule of Creditors**

APA Concrete Repairs Ltd	£204.60
Asset Fabrications Ltd	£645.36
Bradford Council/YELD	£0.00
City Pavings UK Ltd	£4,450.49
Decorative Plasterer International	£1,165.55
Firecheck Systems Ltd	£1,993.85
GH Construction	£1,275.44
HM Revenue & Customs	£1.00
Hewlett Civil Engineering Ltd	£115,096.55
Haskwell Kilvington	£1.00
Hartley Investment Trust Limited	£53,000.00
HPI 91	£478,525.99
Iron Man Fabrication	£495.70
Leafield Projects	£400.00
M.J Hester Plasterers (Leeds) Ltd	£343.35
Northern Industrial Roofing	£5,625.00
Protech Roofing Ltd	£119.71
Southern & Redfern Building Services Ltd	£11,908.79
Senital Door Systems Ltd	£1,202.88
Thorworth	£1,267.56
William Elliss & Sons (Baildon) Ltd	£858.15
Yorkshire Painting Contractors Ltd	£3,522.50

**Total** **£682,103.47**

8282C4024 Cedar Quality Industrial

	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support And Cashiering	Total Hours	Total Cost	Avg Rate
Pre-appointment activity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Planning & Control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Admin & Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Reporting, S of A, Stat Returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Fixed Charge Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Floating Charge Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Debt Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Prefs, Un-secured & Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Reading papers/Prelim review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Correspondence/telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Meetings/conferences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Analysis & reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Court prep & attendance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Administration	8.30	0.00	1.00	0.00	0.00	24.65	1.67	35.62	£6,571.50	£184.49
Appointment Activity	0.00	4.50	1.25	0.00	0.00	0.00	0.00	5.75	£1,831.25	£316.48
Banking	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Bonding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Case Strategy and Planning	2.00	1.50	3.75	0.00	0.00	0.00	0.00	7.25	£2,293.75	£316.38
CDDA Reporting and Follow Ups	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Claims, Proofs and Distributions	0.00	1.50	0.00	0.00	0.00	0.00	0.00	1.50	£487.50	£325.00
Closing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Creditors' Committee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Debt Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Fixed Charge Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00



8282C4024 Cedar Quality Industrial												
Floating Charge Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Litigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Nominee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Pensions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Pre-Appointment Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Receipts and Payments and Statement of Affairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Retention of Title (ROT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Sale of Business/Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Secured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Statutory Reports/Returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Third Party Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00
VAT and Tax	0.00	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.25	£73.75	£295.00
Total Hours	10.30	7.50	6.25	0.00	0.00	24.65	1.67	50.37				
Total Cost	£3,605.00	£2,437.50	£1,843.75	£0.00	£0.00	£3,204.50	£167.00	£11,257.75				£223.50
Employee / Disbursements Costs												£558.34
Disbursement Fees Drawn												£0.00
Time Fees Drawn to Date												£0.00
Outstanding Costs												£11,816.09

**BEGBIES TRAYNOR****POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES****INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice<sup>1</sup> requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

**DEFINITIONS**

Required professional practice classifies expenses into two broad categories:-

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges;
- *Category 2 expenses (approval required)* – all other items of expenditure:
  - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost; and/or
  - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost.

**DISBURSEMENT CHARGES (Category 2 Disbursements)**

1. Mileage is recovered at 40p per mile. The Category 2 element relates only to company cars.
2. Charges are made as follows:
 

Postage	Actual
Photocopying	15p per sheet
3. Internal Room Hire is charged at £150 per meeting.
4. Storage is provided by a connected storage company in which D F Wilson and J N R Pitts have an interest. Boxes are supplied at a cost of £4 each and boxes are stored at a cost of £12.00 per box per annum. Destruction charges are £5 per box. Van hire/transportation costs are charged at 75p per mile.
4. Asset Appraisal and Disposal services are provided by BTG Asset Consulting, a division of BTG Consulting LLP, which is part of Begbies Traynor Group plc. Asset Appraisal and Disposal costs are charged at £125 per hour and are reclaimed from asset realisations of the company.
5. The location of assets or individuals, surveillance and other investigative services are provided by BTG Intelligence, which is part of the Begbies Traynor Group plc. Costs are charged at from £250 per hour.

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) effective from 1 April 2007.

### Professional Advisors

In a number of cases, we have the need to employ outside professional advisors, which may include Solicitors, Valuers and Agents or in some cases, Specialist Tax Advisors. We set out below the name and type of the advisors used and the basis on which their fees are paid.

Name of Professional Advisor	Basis of Fee Arrangement

Our choice of the above advisor is based on our knowledge of their experience and their ability to perform the type of work on which they have been instructed.

### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Glendevon House, Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Cashier/Secretarial	100
Junior Administrator	100

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

**KEN SMITH(JOINERY MANUFACTURER) LTD (IN LIQUIDATION)**  
**MINUTES OF THE FINAL MEETINGS OF THE COMPANY AND CREDITORS**

convened pursuant to Section 106 of the Insolvency Act 1986  
and held at Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ on 14 August 2009

**MEMBERS' MEETING 10:00am**

**Present:** Gerald M Krasner (Chairman)

**Members in attendance:** See attached Attendance Register

**Formal business:** The final report and account previously circulated to members was laid before the meeting.

No quorum was present at the meeting.

There being no further business the meeting was closed.

**CREDITORS' MEETING 10:15am**

**Present:** Gerald M Krasner (Chairman)

**Creditors in attendance:** See attached Attendance Register

**Formal business:** The report and account previously circulated to creditors was laid before the meeting.

No resolution was proposed against the liquidator having his release. No creditors attended the meeting however five proxies were received.

There being no further business the meeting was closed.

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**Gerald M Krasner**  
Chairman

Dated: 18 August 2009