

Rule 1.24

The Insolvency Act 1986

Report of Meetings Approving Voluntary Arrangement

S.4

Pursuant to section 4 of the Insolvency Act 1986

To the Registrar of Companies

For official use

Company number

00011136

Name of company

Insert full name(s) of
company

Brookmann Home Manchester 1877 Limited

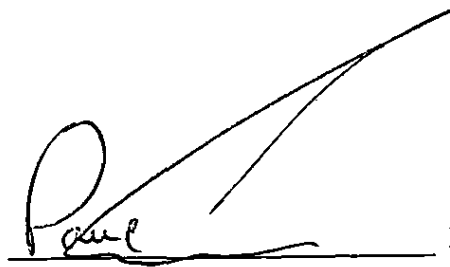
Insert full name and
address

I Paul Flint
of KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Insert date

the chairman of meetings held in pursuance of section 4 of the Insolvency Act 1986 on
28 May 2013 enclose a copy of my report of the said meetings

Signed



Dated 3 June 2013

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

KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

For Official Use

Insolvency Act 1986

WEDNESDAY



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05/06/2013

#48

COMPANIES HOUSE

In the High Court of Justice

Manchester District Registry

Chancery Division

In the matter of the Insolvency Act 1986

and in the matter of Brookmann Home Manchester 1877 Limited

Number of matter CVA 3408 of 2013

Report of the creditors' meeting

In accordance with Section 4(6) of the Insolvency Act 1986 and Rule 1.24 of the Insolvency Rules 1986, I confirm that the creditors' meeting in the above matter duly convened for 10.00am on 28 May 2013 at The Freemasons' Hall, 36 Bridge Street, Manchester, Lancashire, M3 3BT, was held and I report as follows

a) The proposal by the directors of Brookmann Home Manchester 1877 Limited for a Voluntary Arrangement under Part I of the Insolvency Act 1986 dated 8 May 2013 was approved with the modifications attached as Appendix 3

b) The following resolutions were taken at the meeting:

- 1 That the proposal of Brookmann Home Manchester 1877 Limited for a Voluntary Arrangement dated 8 May 2013 and made under Part I of the Insolvency Act 1986 together with the modifications set out in Appendix 3 be agreed and approved TBC

This resolution was approved.

- 2 That the Joint Nominees being Paul Andrew Flint and Brian Green be appointed Joint Supervisors of the Voluntary Arrangement

This resolution was approved.

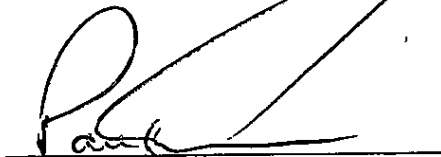
c) A Creditors Committee was not formed

d) The list of creditors (with their respective values) who were present or represented at the meeting and who have voted on the resolutions are attached as Appendix 2

A summary of the voting on each resolution taken is attached as Appendix 1.

It is the Joint Supervisors' opinion that The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and the proceedings will be the main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

Signed

A handwritten signature in black ink, appearing to be 'Paul Flint', written over a horizontal line.

Dated 3 June 2013

Paul Flint

Chairman of the Meeting

Brookmann Home Manchester 1877 Limited

Appendix 1

In the matter of the Insolvency Act 1986

and in the matter of Brookmann Home Manchester 1877 Limited

Details of the voting on the Resolutions contained in Section (b) of the Chairman's Report

Voting in respect of Resolutions 1 and 2

	£	%
For the above resolution Creditors listed in Appendix 2	3,649,700	95.2
Abstaining from voting	0	0
Against the above resolution Creditors listed in Appendix 2	185,674	4.8
	<u>3,835,374</u>	<u>100</u>
<i>Source KPMG LLP</i>		

Brookmann Home Manchester 1877 Limited

Appendix 2

In the matter of the Insolvency Act 1986

and in the matter of Brookmann Home Manchester 1877 Limited

*Details of creditors present or represented and voting for the resolutions numbered 1 and 2
in Section (b) of the Chairman's Report*

	£
ALDERMORE BANK PLC	2,000,000 00
Andrew Marston	13,652 46
Ashlea Carter	1,944 06
BEDWARE LTD	43,322 00
BLINK - PHOTO LTD	5,829 00
C&D SYSTEMS LTD	546 00
CENTIQ LTD	2,808 98
Claire Minshall	18,959 91
DREAMTEX	6,279 37
Gillian Edge	12,594 23
HMRC	314,471 68
IPR LICENSING	11,354 90
Jacqueline Coulson	12,195 38
Laura Evans	17,291 99
LIGHTHOUSE DIGITAL STUDIO	11,850 00
Lorraine Pettecrew	4,107 78
NORTHERN WAY PROPERTIES LTD	826,322 00
Paul Flint	19,976 59
R A SMART (CAD & MACHINERY)	5,698 71
SHANDONG CHARMING HOMETEXTILES CO LT	73,810 50
SLEEP-INN TEXTILES LIMITED	99,772 58
Stephen Alexander	30,699 15
Trusha Clarke	15,945 95
WELDBANK PLASTIC CO LTD	264 23
WENDENG YUNLONG IMP & EXP CO LTD	58,575 00
YANTAI NORTH HOME TEXTILE CO LTD	40,663 29
ZEN OFFICE LTD	763 99
Total	<u>3,649,699 73</u>

Source KPMG LLP

*Details of creditors present or represented and voting against the resolutions numbered 1 and 2 in
Section (b) of the Chairman's Report*

	£
DAVIES TURNER AIR CARGO LTD	166,357 05
Anthony McDermott	19,317 10
Total	<u>185,674 15</u>

Source KPMG LLP

Appendix 3

HMRC Modifications

1. **[Interpretation]** Where a modification to the proposal is approved by creditors and accepted by the company, the entire proposal shall be construed in the light of the modification and read to give effect to that modification such that any contrary or potentially contrary provisions in the proposal shall either be ignored, or interpreted, in order that the intention of the modification is given priority and effect
2. **[HMRC claim]** The HMRC (former IR) claim in the CVA will include PAYE/NIC due to the date of the meeting to approve the arrangement, [or the commencement of the prior administration] and CTSA / assessed tax for the accounting period(s) ended on or before the date of approval of the arrangement [or date of commencement of the prior administration]
3. **[HMRC claim]** The HMRC (former HMC&E) claim in the CVA will include assessed tax, levy or duty to the date of approval or [to the date of commencement of the prior administration]
4. **[Post approval returns and liabilities]** All statutory returns and payments due to HMRC post approval shall be provided on or before the due date
5. **[Outstanding returns]** All statutory accounts and returns overdue at the date of the creditors' meeting shall be provided to HMRC within 3 months of the approval date together with any other information required
6. **[Dividend prohibition]** No non-preferential distribution will be made until (i) a CTSA return has been filed for the accounting period ended on or immediately prior to the date of approval, or of commencement of the prior administration, (ii) a VAT and/or other levy or duty return due to HMRC has been filed up to the date of the approval or [the date of commencement of the prior administration] or, (iii) an HMRC Determination or assessment has been made and the supervisor has admitted their final claims
7. **[Expenses of arrangement]** CTSA/VAT due on realisation of assets included in the arrangement will be regarded as an expense of realising the asset payable out of the net sale proceeds
8. **[Tax-Overpayments]** Set-off of refunds due from the Crown against debts due to the Crown will be in accordance with statute and established legal principles
9. **[Expenses of VA]** HMRC distress/petition costs are to be paid as an expense of the arrangement, in priority to the nominee's fees and supervisor's fees, remuneration and disbursements
10. **[Co debtors]** The release of the Company from its debts by the terms of the CVA shall not operate as a release of any co-debtor for the same debts
11. **[Termination]** The arrangement shall terminate upon
 - a) The making of a winding up order against the company, or the passing of a winding up resolution or the company going into administration,
 - b) (where there is express authority for the supervisor so doing) the supervisor issuing a certificate of termination
12. **[Arrangement trusts]** Upon termination of the arrangement, the arrangement trusts expressed or implied shall cease, save that assets already realised shall (after provision for supervisor's fees and disbursements) be distributed to arrangement creditors
13. **[Liquidation costs provision]** The supervisor shall set aside sufficient funds for winding up proceeds against the company and such funds will rank ahead of any other expenses of the arrangement
14. **[Non-compliance]** Failure to comply with any express term of the arrangement shall constitute a breach of the company's obligation under the arrangement. The supervisor shall work with the company to remedy any breach of obligation. Rule 1.19 shall apply where any variation is proposed. But if any breach of obligation is not remedied within 60 days of its occurrence this

shall constitute default of the CVA that cannot be remedied and the supervisor shall petition for a winding up order

15. **[Windfall]** Should the company receive or become entitled to any assets / funds which had not been foreseen in the proposal, details shall be notified to the Supervisor immediately and such sums shall be paid into the CVA until all costs, creditors' claims and statutory interest have been paid in full. Until costs, claims and statutory interest are paid in full all the company's other obligations under the arrangement shall continue and the payment shall not reduce the amount of contribution due from the company
16. **[Contributions]** If the company should fail to pay 2 monthly contributions (these need not be consecutive) this shall constitute default of the CVA that cannot be remedied and the Supervisor shall immediately petition for the compulsory winding-up of the company.
17. **[Payments]** The company is to make quarterly payments as follows: two quarterly voluntary contributions of not less than £17,500 year 1. Quarter five £17,500, Quarter 6-8 £25,000 year 2. Quarter 9-12 £25,000 year 3. Quarter 13-14 £25,000, Quarter 15-16 £32,500 year 4. Quarter 17-18 £32,500 during the currency of the arrangement
18. **[Reviews]** The Supervisor is to conduct a full review every 12 months of the company's business income and expenditure and obtain an increase in voluntary contributions of not less than 50% of any rise in the net income after provision of tax
19. **[Duration]** The duration of the arrangement shall not exceed 66 months without the prior approval of a 75% majority in value of creditors' claims voting for the resolution
20. The arrangement shall not be capable of successful completion until all unsecured, non-preferential creditors claiming in the arrangement have received a minimum dividend of 14 pence/£.
21. **The directors of the company shall not:**
 - a) declare or pay any dividend to shareholders for the duration of the voluntary arrangement,
 - b) declare or pay themselves additional remuneration or fees save shall be agreed with creditors representing 75% of voting creditors
22. The Supervisors' fee will be capped at £70,000

In the High Court of Justice

Manchester District Registry

Chancery Division

In the matter of the Insolvency Act 1986

and in the matter of Brookmann Home Manchester 1877 Limited

Number of matter CVA 3408 of 2013

Report of the members' meeting

In accordance with Section 4(6) of the Insolvency Act 1986 and Rule 1.24 of the Insolvency Rules 1986, I confirm that the members' meeting in the above matter duly convened for 11 00am on 28 May 2013 at The Freemasons' Hall, 36 Bridge Street, Manchester, Lancashire, M3 3BT, was held and I report as follows

- a) The proposal by the directors of Brookmann Home Manchester 1877 Limited for a Voluntary Arrangement under Part I of the Insolvency Act 1986 dated 8 May 2013 was approved with the modifications attached as Appendix 3
- b) The following resolutions were taken at the meeting
 - 1 That the proposal of Brookmann Home Manchester 1877 Limited for a Voluntary Arrangement dated 8 May 2013 and made under Part I of the Insolvency Act 1986 together with the modifications set out in Appendix 3 be agreed and approved

This resolution was approved.

- 2 That the Joint Nominees being Paul Andrew Flint and Brian Green be appointed Joint Supervisors of the Voluntary Arrangement

This resolution was approved.

- c) The list of members (with their respective shareholdings) who were present or represented at the meeting and who have voted on the resolutions are attached as Appendix 2

A summary of the voting on each resolution taken is attached as Appendix 1

It is the Joint Supervisors' opinion that The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and the proceedings will be the main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

Signed

A handwritten signature in black ink, appearing to be 'Paul Flint', written over a horizontal line.

Dated 3 June 2013

Paul Flint

Chairman of the Meeting

Brookmann Home Manchester 1877 Limited

Appendix 1

In the matter of the Insolvency Act 1986

and in the matter of Brookmann Home Manchester 1877 Limited

Details of the voting on the Resolutions contained in Section (b) of the Chairman's Report

Voting in respect of Resolutions 1 and 2

	Share capital £	%
For the above resolution Brookmann Home Limited	33,765,961	100
Abstaining from voting	0	0
Against the above resolution	0	0
	<u>33,765,961</u>	<u>100</u>
Source KPMG LLP		

Brookmann Home Manchester 1877 Limited

Appendix 2

In the matter of the Insolvency Act 1986

and in the matter of Brookmann Home Manchester 1877 Limited

Details of members present or represented and voting for the resolutions numbered 1 and 2 in Section (b) of the Chairman's Report

	£
Brookmann Home Limited	33,765,961
Total	<u>33,765,961</u>

Source KPMG LLP

Details of members present or represented and voting against the resolutions numbered 1 and 2 in Section (b) of the Chairman's Report

N/a

Source KPMG LLP

Appendix 3

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- 6 **[Dividend prohibition]** No non-preferential distribution will be made until (i) a CTSA return has been filed for the accounting period ended on or immediately prior to the date of approval, or of commencement of the prior administration, (ii) a VAT and/or other levy or duty return due to HMRC has been filed up to the date of the approval or [the date of commencement of the prior administration] or, (iii) an HMRC Determination or assessment has been made and the supervisor has admitted their final claims.
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20. The arrangement shall not be capable of successful completion until all unsecured, non-preferential creditors claiming in the arrangement have received a minimum dividend of 14 pence/£
- 21 **The directors of the company shall not:**
 - a) declare or pay any dividend to shareholders for the duration of the voluntary arrangement,
 - b) declare or pay themselves additional remuneration or fees save shall be agreed with creditors representing 75% of voting creditors
- 22 The Supervisors' fee will be capped at £70,000