Rule 2 46 | Form 2 23B(CH)

The Insolvency Act 1986

Notice of result of meeting of creditors

Name of Company	Company Number
Cheval Property Finance Plc	03131133

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	537 of 2011

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

~~I~~/ We (a) Robert Hunt and Karen Dukes, of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT

*Delete as applicable

hereby report that *a meeting of the creditors of the above company was held

(b) Insert place of meeting

(b) by correspondence

(c) Insert date of meeting

on (c) 26 January 2012
at which

*Delete as applicable

*1 ~~Proposals /~~ Revised proposals were approved

(d) Give details of the modifications (if any)

The modifications made to the proposals are as follows

(d) That Malcolm Fillmore and Ranjit Bajjon of Atherton Bailey LLP be appointed joint liquidators of the Cheval Property Finance Plc and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them In accordance with Paragraph 83(7)(a) Sch B1 IA86 and Rule 2 117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the revised proposals are approved

Signed ______________________
Joint / Administrator(s)

Dated 26.1.2012

Contact Details:

You do not have to give any contact information in the box opposite but if you do it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

Aidan Donaldson	
7 More London Riverside London SE1 2RT	
	Tel 0207 583 5000
DX Number	DX Exchange

THURSDAY
L11BSYEA
LD5 26/01/2012 #117
COMPANIES HOUSE

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

Rule 2.45

Form 2.22B(CH)

The Insolvency Act 1986

Statement of administrator's revised proposals

Name of Company	Company Number
Cheval Property Finance Plc	03131133

In the	Court case number
High Court of Jusuce, Chancery Division, Companies Court (full name of court)	537 of 2011

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

I/We (a) Robert Jonathon Hunt and Karen Lesley Dukes of PricewaterhouseCoopers LLP, 7 More London Riverside, SE1 2RT

*Delete as applicable

attach as a schedule to this form a copy of *our revised proposals in respect of the administration of the above company.

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

(b) Insert date

(b) 9 January 2012

Signed ______________________

Joint / Administrator(s)

Dated 9|1|2012

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT	
Aidan Donaldson	Tel 0207 583 5000
DX Number	DX Exchange

Companies House receipt date barcode

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

Rule 2.48

Form 2.25B

Notice of conduct of business by correspondence

Name of Company	Company Number
Cheval Property Finance Plc	03131133

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	537 of 2011

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

Notice is hereby given by (a) Robert Jonathon Hunt and Karen Lesley Dukes of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT

(b) Insert full name and address of registered office of the company

to the creditors of (b) Cheval Property Finance Plc

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c) one resolution for your consideration Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d) 7 More London Riverside, London SE1 2RT

(e) Insert closing date

by 12.00 hours on (e) 25 January 2012 in order to be counted. It must be accompanied by details in writing of your claim. Unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the number of resolutions attached

Resolution (1) .... I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor: ________________

Signature of creditor ________________
(If signing on behalf of creditor, state capacity e g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above.

Signed ________________
Joint / Administrator(s)

Dated 9/1/2012

pwc

Cheval Property Finance Plc – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 537 of 2011

Joint Administrators' revised proposals for achieving the purpose of administration

9 January 2012

PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT
T: +44 (0) 20 7583 5000, F: +44 (0) 20 7212 4652, www.pwc.co.uk

Contents

1. Purpose of this document

Following my appointment as Joint Administrator of Cheval Property Finance Plc ("the Company") on 31 January 2011, together with my colleague Karen Dukes, I wrote to all creditors to set out my proposals for achieving the purpose of administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86").

The objective being pursued was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration. This was to be achieved by following the proposals outlined in my report to all creditors dated 22 March 2011. See enclosed copy.

You may recall that one of the approved methods to end the Administration was via a creditors voluntary liquidation, with me and my colleague appointed liquidators.

I have been approached by the joint administrator of an associated company, Cheval Property Developments Limited ("CPD"), to request that he and his colleague be appointed liquidators of the Company instead. Ostensibly this would provide the administrators of CPD with a greater level of understanding of the interconnections across the wider Cheval group of companies and control of the combined books and records in order to more fully investigate the events leading up to the insolvency of both companies.

I believe that this alternative approach is in the best interests of all creditors and I now write to seek a revision to the proposals previously agreed, in order to facilitate the end of the administration, pursuant to Rule 2.45 of the Insolvency Rules 1986.

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Aidan Donaldson, on 020 7804 1402.

Robert Hunt
Joint Administrator of Cheval Property Finance Plc

Robert Jonathan Hunt and Karen Lesley Dukes have been appointed as joint administrators of Cheval Property Finance Plc to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

2. The Administrators' statement of revised proposals

Objective of the Administration

As explained above, it was not reasonably practicable to rescue the Company as a going concern. Accordingly, objective (b), to achieve a better result for creditors as a whole than would be likely if the Company were wound up without first being in Administration, was pursued.

Dividend prospects

<u>Secured Creditors</u>
The Company's secured creditors are Volkomen and Clydesdale. The sum due to Volkomen as at the date of the Administrators' appointment totalled £16.8m. It is currently anticipated that Volkomen will suffer a shortfall in the region of £0.3m. The amount due to Clydesdale in respect of a £25m loan swap of £87k has since been settled by means of funding provided by Volkomen and Clydesdale has released its security in full.

<u>Preferential creditors</u>
There are no preferential creditors as all employees were transferred to Checked Limited upon completion of the sale.

<u>Unsecured creditors</u>
The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs, to be set aside for unsecured creditors. For each company, this equates to:

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

The Prescribed Part applies to the Company as Volkomen's charges were created and registered at Companies House following the Prescribed Part order coming into force on 15 September 2003. The majority of the Company's assets are subject to Volkomen's fixed charge and, as stated above, it is expected that Volkomen will not recover its lending in full.

The amount of the Prescribed Part available to unsecured creditors by virtue of the Prescribed Part provisions has not yet been finalised but will be in the region of £339,000 before costs.

2. The Administrators' statement of revised proposals

Ending the Administration

The Administrators envisaged that once the objective of the Administration had been achieved, and if there were sufficient funds with which to pay a dividend to unsecured creditors, the Company would be placed into creditors' voluntary liquidation.

Alternatively, if it would be more cost effective to do so, the administrators would seek court permission to distribute to unsecured creditors in the Administration. In that case and if permission was granted, notice under Paragraph 84(1) Sch.B1 IA86 would be filed *with the Registrar of Companies on completion of the Administration, following registration of which the Company will be dissolved* three months later.

The Joint Administrators consider that in this instance the costs involved with seeking Court approval to distribute in the Administration are excessive when compared to alternative exit routes and consequently this route is not cost-effective.

The approach from the administrators of CPD to seek appointment as liquidators to the Company would, in the Joint Administrators' opinion, offer the most cost-effective way in which to end the Administration, distribute prescribed part funds to unsecured creditors and provide the necessary powers to investigative the events prior to the companies' respective insolvencies.

It is therefore proposed that Malcolm Fillmore and Ranjit Bajjon of Atherton Bailey LLP be appointed joint liquidators of the Company and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7)(a) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the revised proposals are approved.

2. The Administrators' statement of revised proposals

Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court, 537 of 2011
Full name:	Cheval Property Finance Plc
Trading name:	Cheval Property Finance Plc
Registered number:	03131133
Registered address:	Meridien House, Clarendon Road, Watford, WD17 1DS
Company directors:	Jeffrey Harold Margolis, Allan Howard Kay, George Leo Benninger, Colin Halpern
Company secretary:	None
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	31 January 2011
Administrators' names and addresses:	Robert Jonathan Hunt and Karen Lesley Dukes of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT
Appointor's/applicant's name and address:	The directors of Cheval Property Finance PLC, Meridien House, Clarendon Road, Watford, WD17 1DS
Objective being pursued by the Administrators:	(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)
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch.B1 IA86, any act required or authorised under any enactment to be done by an administrator may be done by either or both (or all) of the administrators acting jointly or alone
Proposed end of the Administration:	Creditors' voluntary liquidation or dissolution
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	£339,000
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are the main proceedings
Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:	None

3. Resolution

	Agreed	Not agreed
That Malcolm Fillmore and Ranjit Bajjon of Atherton Bailey LLP be appointed joint liquidators of the Company and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7)(a) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the revised proposals are approved.		

Signed..	Name..
Duly authorised to sign for and on behalf of..	Date..