Rule 2 33

Form 2 17B

The Insolvency Act 1986

Statement of administrator's proposals

2.17B

Name of Company	Company Number
Cheval Property Finance Plc	03131133

In the	Court case number
High Court of Justice (full name of court)	537 of 2011

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

~~I~~ / We (a) Robert Hunt and Karen Dukes PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT

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) Insert date

(b) 22 March 2011

Signed ____________

Joint / Administrator(s)

Dated 22/3/2011

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	
PricewaterhouseCoopers LLP Plumtree Court, London EC4A 4HT	
	Tel
DX Number	DX Exchange

WEDNESDAY

AVG7XSO5

A30 23/03/2011 177

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

PRICEWATERHOUSECOOPERS

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

Joint Administrators' proposals for achieving the purpose of administration

22 March 2011

Contents

1. Purpose of this document

I wrote to all creditors on 4 February 2011 to explain that Cheval Property Finance Plc ("the Company") had entered into Administration and that Karen Dukes and I had been appointed as Joint Administrators ("the Administrators") on 31 January 2011

We were appointed as Administrators to manage the affairs, business and property of the Company We will act until such time as our proposals for achieving the purpose of administration have been agreed by creditors and implemented, following which the Administration will be ended

The purpose of administration is to achieve one of the following objectives -

(a) Primarily, rescuing the Company as a going concern, or failing that
(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 finally
(c) Realising property in order to make a distribution to one or more secured or preferential creditors

For the reasons detailed in this document, objective (b) is being pursued as it was not reasonably practical to rescue the Company as a going concern

This document and its appendices form the Administrators' statement of proposals for achieving the purpose of administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch B1 IA86")

As detailed in Section 2, we have formed the view that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part as provided for by Section 176A IA86 Accordingly, by virtue of Paragraph 52(1) Sch B1 IA86, a meeting of creditors is not being convened at this time In accordance with Rule 2 33(5) of the Insolvency Rules 1986 ("IR86") our proposals will be deemed to have been approved by creditors unless a meeting of creditors is requisitioned in the prescribed manner by at least 10% in value of creditors within eight business days of the date on which these proposals are circulated We will write to creditors again after the expiry of this period to confirm the deemed approval of the proposals, or alternatively confirm that a meeting is to be held

1. Purpose of this document

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

Signed

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 proposals

a. Brief history and summary of the Administrators' actions to date

Background

Prior to the Administrators' appointment, the Company was the non-trading holding company of six wholly owned subsidiaries (together "the Group") The Group was established in 1995 as a lender to the short term finance market providing bridging finance primarily for residential house buyers The Company provided the head office function for the Group, it owned the IT platform and brand, and employed 10 people

The Company was funded by a £16 8m loan from Volkomen Financiering B V ("Volkomen") which is secured by a debenture conferring fixed and floating charges over the Company's assets The Company was also indebted to Clydesdale Bank Plc ("Clydesdale") in respect of a £25m loan swap which attracted an interest charge of circa £100k per month This debt was also secured and ranked behind Volkomen

The other companies within the Group have their own funding arrangements with Volkomen and Clydesdale amongst others and are subject to separate security

The circumstances giving rise to the Administrators' appointment

Certain companies within the Group are registered with the Financial Services Authority ("FSA") and lending by the Company's operating subsidiaries is typically secured by a charge over the customer's property Over the last two years the Group had experienced financial difficulties due to an increase in the number of its borrowers defaulting on loans, a fall in the value of its collateral, higher borrowing costs and a decrease in the quality and quantity of new business

In light of the Group's financial difficulties, in March 2010, Volkomen engaged PricewaterhouseCoopers LLP ("PwC") to produce an independent business review ("IBR") to assist Volkomen in considering the appropriate strategy with respect to its lending

2. The Administrators' statement of proposals

The IBR was delivered in May 2010 The key conclusions included -

- The Company was insolvent on a balance sheet basis as its liabilities exceeded its assets by circa £9 7m,
- The Company would become insolvent on a cash-flow basis if Volkomen demanded repayment of its indebtedness on expiry of the agreed moratorium in January 2011 Even if repayment was not demanded, from 27 January 2011 interest on the Volkomen debt would become payable at 21%, which equated to approximately £295k per month and which the Company was not in a position to meet,
- A sale of the Company's business and assets to a third party would likely crystallise a shortfall in respect of Volkomen's secured lending of up to £10 8m and as such the shareholders had no economic interest in the business,
- Whilst a consensual restructuring in which the shareholders relinquish their stake would theoretically be preferable, PwC understood that the majority shareholder was unwilling to consider this,
- An Administration appointment conducted with the support of the secured creditors usually provides the best outcome for creditors

As a result of the IBR conclusions, in June 2010 Volkomen engaged PwC to prepare for a possible Administration of the Company on the assumption that the directors would make the appointment or an application to court, and that Volkomen and Clydesdale as qualifying floating charge holders would consent to the appointment

The Administrators understand that from June 2010 onwards, further discussions took place with the Company's other stakeholders and that Volkomen entered into negotiations with the FSA to obtain approval for a potential change of ownership in the Group

On 4 January 2011 Volkomen formally demanded repayment of the loan balance, which meant that it fell due for payment on 4 April 2011 Consequently, on 20 January 2011 the majority of the Company's directors resolved to apply to the High Court for the appointment of administrators At the same board meeting, an offer of £16 5m was tabled for the shares of certain of the Company's subsidiaries by Flexinet Limited and Checked Limited ("the Purchasers"), two companies funded by Volkomen This offer was £6 25m in excess of independent valuations previously obtained by the Company and was passed to Robert Hunt of PwC in his capacity as proposed administrator

Prior to accepting the appointment, the Administrators considered alternative courses of action for the Company, all of which were fully disclosed in the Administrators' letter to creditors of 4 February 2011, a further copy of which is available on request However, in each case the administrators in waiting concluded that a pre-packaged sale of the Company's assets in Administration would result in a better outcome for the Company's creditors

The Administrators also considered whether the Company could be traded in Administration in the short term in order to market the Group's business with a view to finding a buyer who may be willing to pay more than the Purchasers However, whilst the Group may have had sufficient cash to trade during an Administration for a short period, the Group was loss making and therefore cash reserves would have been utilised to cover ongoing trading losses and not for the benefit of the Group's existing creditors

Furthermore, potential adverse publicity due to the Administration would likely to have a detrimental impact on the value of the business and the customer base which would ultimately be borne by the secured creditors Zolfo Cooper LLP, independent accountants and advisers, were engaged by the administrators in waiting to carry out a review of the Group's loan book and concluded that a collection and wind down exercise in an Administration would result in maximum gross realisations of circa £10m before operational and Administration costs

In light of the above, the administrators in waiting formed the view that a sale of the Company's business to the Purchasers immediately following their appointment would be most likely to achieve the purpose of Administration by resulting in a better result for creditors as a whole

Accordingly, the Company's directors applied to the High Court for an Administration Order and on 31 January 2011, Robert Hunt and Karen Dukes were appointed as Administrators of the Company On 2 February 2011, the Company's business and the majority of its assets, including the entire issued share capital of four of its subsidiary companies, were sold to Flexinet Limited and Checked Limited for £16 5m

Pre-Administration costs

Before the Company went into Administration but with a view to its doing so, PwC incurred pre-Administration costs in respect of its own time costs of £172,895 50, legal expenses of £117,477 90 and professional costs in respect of Zolfo Cooper LLP of £29,129 97

It is considered that the role of PwC and its professional advisers in preparing and planning for the business transfer and Administrators' appointment made a significant contribution to achieving the purpose of the Administration as it facilitated the continuation of trade of the Group's operating subsidiaries without disruption and achieved greater realisations than would have been likely under any alternative insolvency procedure Full details of the Administrators' assessment of other insolvency options are provided in the appendix to their initial notification to creditors of 4 February 2011, a further copy of which is available on request

Work undertaken by PwC between 18 June 2010 and 28 January 2011 for which time and expenses were incurred include the following

- Providing general information and advice to Volkomen regarding the Administration process,
- Advising Volkomen on key issues in the period prior to the commencement of the Administration,
- Assessment of the independent valuations obtained by the Company on certain of its assets,
- Instructing and liaising with Zolfo Cooper LLP in regard to the valuation of the Group's loan book,
- Consideration and comparison of other insolvency procedure options and the likely outcomes in each scenario for the various classes of creditors,
- Obtaining and discussing advice in relation to the appointment of Robert Hunt and Karen Dukes of PwC as administrators of the Company,
- Preparation of a report in support of the directors' application to court for an Administration Order,
- Supporting Clyde &Co LLP, solicitors, in drafting the application, director's witness statement and other documentation,
- Reviewing and commenting on the terms of the proposed sale and purchase agreement, and
- Detailed advice on the tax implications of the proposed Administration and the proposed sale of the Company's business and shares in certain subsidiaries

A statement of the pre-Administration costs is shown at Appendix A, setting out separately

- The fees charged by the Administrators,
- The expenses incurred by the Administrators,
- The fees charged, to the Administrators' knowledge, by any other insolvency practitioner, and
- The expenses incurred, to the Administrators' knowledge, by any other insolvency practitioner

Connected party transactions

The Purchasers of the majority of the Company's business and assets are owned and financed by the secured creditor, Volkomen

2. The Administrators' statement of proposals

The Administrators understand that Mr Martin Chesler, a former director the Company, is a director of the Purchasers

The manner in which the Company's affairs and business have been managed and financed

As stated above, the majority of the Company's assets were sold to the Purchasers on 2 February 2011 In accordance with the requirements of Statements of Insolvency Practice Nos 13 and 16, on 4 February 2011 the Administrators circulated to all known creditors full details of the events leading up to the sale A further copy is available on request

The allocation of consideration across the assets sold was as follows -

All issued shares in the following subsidiaries	£
Cheval Bridging Finance Limited	7,739,000
Cheval Finance Limited	7,801,000
Cheval Commercial Finance Limited	1
Cheval Specialist Bridging Limited	1

All shares were acquired without intra group debt owing to the Company, which was settled by the issue of fresh ordinary shares in these companies

All registered brands and trademark bearing the name and logo 'Cheval'	100,000
The IT platform	820,000
Fixtures and fittings	40,000
Assignment of all material contracts	100
Overall total	16,500,102

The sale consideration was paid by way of a set off against the outstanding loan and other monies owed to Volkomen As no cash was received, the Administration is being funded by Volkomen and cash at bank, together totalling £691,022 Assets excluded from the sale, namely the Company's shareholdings in Cheval Property Developments Limited and Cheval Capital Partners Limited, are understood to have net liabilities and the Administrators do not anticipate that any value will be realised from these assets

2. The Administrators' statement of 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), is being pursued

Dividend prospects

Secured Creditors

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

Preferential creditors

There are no preferential debts for wages and holiday pay as the contracts of employment of all staff employees were transferred to Checked Limited on completion of the sale

Unsecured creditors

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 amount of the Prescribed Part will be subject to allowable costs but subject to the level of Administration costs, the Administrators hope that there may be a return for unsecured creditors by virtue of the Prescribed Part provisions The Administrators will provide an update to unsecured creditors on dividend prospects in their next report

In accordance with Paragraph 52(1)(b) IA86, the Administrators think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of the Prescribed Part This is because 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

Ending the Administration

The Administrators currently envisage that once the objective of the Administration has been achieved, and if there are sufficient funds with which to pay a dividend to unsecured creditors, the Administrators will seek court permission to distribute to unsecured creditors in the Administration In that case and if permission is 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 If permission is not granted or it is more cost effective, the Company will be placed into creditors' voluntary liquidation

If it transpires that there are insufficient funds to pay a dividend to unsecured creditors, the Administrators will file notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies to facilitate dissolution of the Company If it is appropriate, the Administrators will instead make an application to court under Paragraph 79 Sch B1 IA86 for the Administration to be ended accompanied by a petition under Section 124 IA86 for the Company to be wound up

2. The Administrators' statement of proposals

b. Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration

i) The Administrators will continue to manage and finance the Company's business and affairs from funding provided by Volkomen and the Company's cash reserves in such manner as they consider expedient with a view to 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)

ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Acts 1985, 2006 or IA86 or otherwise In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals

iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)

iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86

v) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances -

(a) Once the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later or apply to court under Paragraph 79 Sch B1 for the Administration to be ended and for the Company to be placed into compulsory liquidation, or

2. The Administrators' statement of proposals

(b) If it transpires that there are sufficient funds with which to make a distribution to unsecured non-preferential creditors once all work in the Administration has been concluded, the Administrators will apply to the Court to allow the Administrators to distribute such surplus funds to unsecured non-preferential creditors If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the Company will be dissolved three months later If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the Court, or

(c) If it is appropriate, the Administrators will place the Company into creditors' voluntary liquidation In these circumstances, it is proposed that Robert Jonathan Hunt and Karen Lesley Dukes be appointed as Joint Liquidators 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) Sch B1 IA86 and Rule 2 117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved

vi) It is proposed that the Administrators' fees be fixed under Rule 2 106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy As the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of Section 176A IA86, it will be for Volkomen as the remaining secured creditor to determine these instead In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment

2. The Administrators' statement of proposals

c. Statement of affairs

A statement of affairs of the Company was delivered to the Administrators by the directors on 8 March 2011 The statement was signed by Mr Allan Kay and statements of concurrence were requested from the other directors on the same date As at the date of these proposals one statement of concurrence remains outstanding

The Administrators make the following comments on the statement of affairs -

- In accordance with the standard format of the statement of affairs, no provision has been made for the costs of realising the Company's assets (i e the pre-Administration costs) or the costs of the Administration
- The Administrators have not carried out anything in the nature of an audit on the information
- The creditors' section of the statement of affairs shows the names, addresses and amounts due to the Company's trade creditors only A note detailing all of the Company's known creditors, including estimated contingent creditors is included as a note to the summary of liabilities

The statement of affairs is copied at Appendix A and, as is required by statute, includes details of the names, addresses and debts of creditors (including details of any security held)

2. The Administrators' statement of proposals

d. 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:	Dissolution or creditors' voluntary liquidation
Estimated dividend for unsecured creditors.	Uncertain
Estimated values of the prescribed part and the company's net property	Uncertain
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 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. Receipts and payments account

For the period 31 January to 18 March 2011

Receipts	£	Payments	£
Cash at bank (Note 1)	691,022	Statutory advertising	74
Interest	138	Legal fees and expenses	10,178
		Clydesdale Bank Plc	87,208
		Irrecoverable VAT	2,050
Total receipts	691,160	Total payments	99,510
		Balance at bank (Note 2)	591,650

Notes

1) Includes funding provided by Volkomen
2) Held in an interest-bearing bank account

Appendix A Pre-Administration costs

The following are costs incurred prior to the appointment of Administrators but with a view to the Company entering Administration

	Unpaid amount (£)	Paid amount (£)	Payment made by
Fees charged by the Administrators	-	172,895 50	Volkomen Financiering B V
Expenses incurred by the Administrators – Clyde & Co LLP	-	117,477 90	Volkomen Financiering B V
Expenses incurred by the Administrators – Zolfo Cooper LLP	-	29,129 97	Volkomen Financiering B V
Total	-	319,503 37	

Rule 2.29 | Form 2.14B

Statement of affairs

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)	577 of 2011

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Cheval Property Finance Plc Meridien House 69-71 Clarendon Road Watford Hertfordshire WD17 1DS

(b) Insert date

on the (b) 31 - 1 20 11 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) 31 - 1 - 2011 the date that the company entered administration

Full name ALLAN KAY

Signed

Dated 8 - 3 - 11

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Computer Equipment	407 502	820 000
Investment in Subsidiary Companies	504	15 540 002
Trade Debtors (Net of Provisions)	945 400	0
Brand	0	100 000
Assets subject to floating charge		
Office Equipment Fixtures & Fittings	76 896	40 000
Intercompany Subordinated Loan	2 500 000	0
Cash at Bank and On Hand	702 692	702 692
Other Intercompany Balances (Net of Provisions)	3 275 048	0
Uncharged assets		
Estimated total assets available for preferential creditors		742 692

Signature ______ Date 8-3-11

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)		£ 742 692
Liabilities Preferential creditors	£	0
Estimated deficiency/surplus as regards preferential creditors		£ 742 692
Estimated prescribed part of net property where applicable (to carry forward)	£	(600 000)
Estimated total assets available for floating charge holders		£ 142 692
Debts secured by floating charges [(16,814,170) Volkomen; (87,208) Clydesdale interest rate swap; 16 460,002 Assets subject to fixed charge (A)]	£	(441 376)
Estimated deficiency/surplus of assets after floating charges		£ (298 684)
Estimated prescribed part of net property where applicable (brought down)	£	600 000
Total assets available to unsecured creditors		£ 600 000
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	£	(*) (5 323 759)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		£(4 723 759)
Shortfall to floating charge holders (brought down)		(298 684)
Estimated deficiency/surplus as regards creditors		£ (5 022 443)
Issued and called up capital [61,000 Share Capital; 1,070,971 Share Premium]	£	(1 131 971)
Estimated total deficiency/surplus as regards members		£ (6 154 414)

UNSECURED NON-PREF CLAIMS	5,323,759 (*)
PURCHASE LEDGER	53,261
IDB	2,300,000 (2)
PAYE	12,067
INTERCOMPANY	2,374,316
LANDLORD	584,115 (2)

(2) Estimated Contingent Liabilities

Signature [signature] Date 8-3-11

COMPANY CREDITORS

Sun Code	Company	Balance	Address
21000ALD01	ALD AUTOMOTIVE	-20 00	Oakwood Park, Lodge Causeway, Fishponds, Bristol BS16 3JA
21000BRA01	BRAIZIERS DAIRIES	-8 56	Pensworth, Oxhey Lane, Watford, Hertfordshire WD19 5RJ
21000BRI01	BRIGHTSTONE LAW LLP (SHERRINGTONS)	-28,856 46	Brightstone House 511 Centennial Avenue, Elstree Hertfordshire WD6 3FG
21000BRO01	BROKER COMMISSIONS	-470 00	PAID BY BACS ON 01/02/2011 FROM CBF CURRENT ACC
21000CEN03	CENTUAR COMMUNICATIONS LIMITED	-750 00	St Giles House 50 Poland Street, London W1F 7AX
21000CHA01	CHANTREY VELLACOTT - DFK	-8,812 50	First Floor 73-75 High Street Stevenage, Hertfordshire SG1 3HR
21000CLE01	CLERMONT CONSULTANTS (UK) LTD	2,500 00	
21000COM01	COMPANIES HOUSE	-30 00	Crown House, Cardiff CF14 3UZ
21000COR01	CORMORANT PR	-360 00	47 Barton Road, Torquay TQ1 4DT
21000DAV01	ORION ASSET SERVICES (DAVID TROPP)	-5,638 92	69 Beaufort Park, Beaufort Drive London NW11 6BX
21000DEL01	DE LAGE LANDEN LEASING LTD	-936,00	PO Box 430, Watford, Herts WD18 8EZ
21000DIS01	BRIGHTSTONE DISBURSEMENTS INVS	-449 88	
21000END01	ENDSLEIGH INSURANCE BROKERS LTD	-194 60	Hadley House Shurdington Road, Cheltenham GL51 4UE
21000FOU01	FOUR NEW SQUARE	-7,625 28	Lincoln s Inn London WC2A 3RJ
21000JON01	JONES LANG LASALLE	-600 00	PO Box 55791 25 Bank Street Docklands E14 5WQ
21000NAT03	NATPOINT	-372 00	Edgware House 389 Burnt Oak Broadway Edgware Middlesex HA8 5TX
21000O2O01	O2 ONLINE LTD (MOBILE PHONE CALL CHARGE)	-448 72	260 Bath Road, Slough, Berkshire SL1 4DX
21000O2U01	O2 (UK) LTD (HARDWARE & SOFTWARE COSTS)	-440 81	260 Bath Road, Slough, Berkshire SL1 4DX
21000PRO01	PROGRAMMED CLEANING & SUPPORT SERVICES L	-522 07	Unit 1 Chipperfield Business Centre Tower Hill Chipperfield, Hersfordshire WD4 9LH
21000SPI01	SPINNAKA LTD	1,461 46	
21000VOD01	VODAPHONE	-32 78	PO Box 549, Banbury OX17 3ZJ
21000WAT01	WATFORD COUNCIL	-654 32	Hempstead Road, Town Hall Watford, Hertfordshire WD17 3EX
		-53,261 44	

SIGNATURE

DATE 8-3-11

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
Credit Investment Ltd	Meridien House, 69-71 Clarendon Rd Watford WD17 1DS	41,000	£41 000	A Class ordinary shares (1 vote each)
Credit Investment Ltd	Meridien House, 69-71 Clarendon Rd Watford WD17 1DS	20,000	£20,000	B Class ordinary shares (2 votes each)
	TOTALS	61 000	£61,000	

Signature [signature]   Date 8-3-11