

Rule 1.26 The Insolvency Act 1986

R.1.26(2)(b)**Voluntary Arrangement's
Supervisor's Abstract of
Receipts and Payments****Pursuant to Rule 1.26(2)(b) of the
Insolvency Rules 1986**

To the Registrar of Companies

For official use

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Company number

03916371

Name of company

Insert full name of
company

Peguform UK Limited

Insert full names and
addresses

We, John David Thomas Milsom
KPMG LLP
Aquis Court
31 Fishpool Street St Albans AL3 4RF
United Kingdom

Richard James Philpott

supervisors of a voluntary arrangement approved on

19 July 2004

present overleaf our abstract of receipts and payments for the period

from

19 July 2006

to

18 July 2007

Number of continuation sheets (if any) attached

1

Signed



Dated 27 July 2007

Presenter's name
address and reference
(if any)

KPMG LLP
Aquis Court
31 Fishpool Street
St Albans AL3 4RF
United Kingdom

For official use

Liquidation section

Post room



AIQ

AQXDLRPB

31/07/2007

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COMPANIES HOUSE

TUESDAY

* Delete as
appropriate

RECEIPTS		£
Brought forward from previous Abstract (if any)		7,998,110 79
Book debts		31,472 70
Bank interest, gross		37,429 41
European VAT control		5,916 70
Carried forward to * continuation sheet / next abstract		8,072,929 60
PAYMENTS		£
Brought forward from previous Abstract (if any)		7,181,855 30
Supervisors' fees		101,422 53
Supervisors' expenses		1,333 58
Legal fees		825 00
Legal fees (2)		6 00
Tax liabilities		77,274 19
Interest on tax liabilities		2,430 11
PAYE & NIC		400 00
Bank charges		31 00
Floating ch VAT rec'able		18,126 70
Carried forward to * continuation sheet / next abstract		7,383,704 41

* Delete as
appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed

In the High Court of Justice

Chancery Division

In the matter of Peguform UK Limited

and in the matter of the Insolvency Act 1986

Case No CVA 4119 of 2004

**Supervisors' comments pursuant to Rule 1.26(2)
of the Insolvency Rules 1986**

This report should be read in conjunction with the directors' proposal which was circulated to all known creditors and the member in June 2004 and first and second reports of the joint supervisors circulated to all known creditors and the member in August 2005 and September 2006

This is the third annual report of the Joint Supervisors of the Company Voluntary Arrangement ("CVA") of Peguform UK Limited ("the Company")

We attach a copy of the Joint Supervisors' Summary of Receipts and Payments in the CVA for the period from 19 July 2006 to 18 July 2007. We set out below our comments on the progress and efficacy of the CVA.

Summary

The CVA continues to completion.

All known creditors' claims have been agreed apart from a possible claim from the VAT authorities in Germany. All agreed third party creditors' have been paid and the intercompany creditors have received a first dividend of £850,000.

Liabilities

Trade creditors

The Company, with the aid of German VAT experts, reconstructed certain VAT records and entered into an extensive dialogue with the various German VAT authorities of both its customers and suppliers. As a result the Company does not believe that a liability exists and that the Company has a claim against the German VAT authorities. The dialogue with the German VAT authorities continues.

Intercompany creditors

The intercompany creditors have been paid £850,000 to date in respect of their indebtedness of £13,500,000.

Other creditors

The Company's pre-appointment tax position had been agreed with no tax payable as a result of the accumulated losses. The computations in respect of the period since the outset of the voluntary arrangement have been prepared, submitted and agreed for the first period. Subsequent returns are being processed.

The directors continue the process of winding up the Company's pension scheme.

Disbursements

Joint Supervisors' fees

At the meeting of creditors on 19 July 2004, creditors approved, under the terms of the directors' proposal, that the remuneration of the Joint Supervisors should be based upon their time costs at KPMG's standard rate. We attach to this report an analysis of the time spent by the Joint Supervisors and their staff in dealing with the various matters arising in the CVA during the period from 19 July 2006 to 18 July 2007. The analysis includes the costs of KPMG in Germany.

During the year, fees of £101,422.53 were drawn.

Legal and professional fees

The Joint Supervisors' solicitors, DentonWildeSapte, were paid £825 in the year.

Closure of the CVA

We anticipate the CVA will be brought to a conclusion once the following matters have been concluded:

- the post appointment corporation tax liability has been agreed and paid,
- the German VAT position has been agreed and any claim or repayment settled,
- the winding up of the Company's pension scheme has been concluded,
- the remaining available funds are paid to the intercompany creditors as a further final dividend,
- action is taken to place the company into members' voluntary liquidation or to be struck off the register of companies.

If you have any questions concerning the contents of this report, please do not hesitate to call me or my senior manager, Irvin Cohen.

Signed



John Milsom
Joint Supervisor

Dated 27 July 2007

Peguform UK Limited
(Under a Voluntary Arrangement)

Supervisors' Abstract Of Receipts And Payments
To 18 July 2007

RECEIPTS	Total (£)
Plant & machinery	1,727,719 13
Freehold property	3,005,000 00
Book debts	37,602 57
Receipt from Peguform UK Limited	2,248,850 40
Bank interest, gross	194,927 64
Floating ch VAT payable	728,300 88
European VAT control	5,916 70
	<u>7,948,317 32</u>

PAYMENTS	
Insurance	38,966 23
Professional fees	5,000 00
Bank charges & interest	863 00
Sundry expenses	24 00
Leasehold property	250,000 00
Nominees' fees & expenses	94,260 81
Supervisors' fees	509,825 23
Supervisors' expenses	3,640 90
Agents'/Valuers' fees	209,119 68
Legal fees	179,555 49
Legal fees (2)	6 00
Tax liabilities	77,274 19
Interest on tax liabilities	2,430 11
Storage costs	10,883 40
Other property expenses	56,853 49
Wages & salaries	92,260 36
PAYE & NIC	500 00
Bank charges	31 00
Trade & expense	4,115,225 05
Connected companies	850,000 02
Floating ch VAT rec'able	417,544 26
Floating ch VAT control	344,828 91
	<u>7,259,092 13</u>
Balance	<u>689,225 19</u>

MADE UP AS FOLLOWS

Floating charge current	33,179 77
Floating charge deposit	656,045 42
	<u>689,225 19</u>

Peguform UK Limited (subject to a company voluntary arrangement)
Joint Supervisors' analysis of time and disbursements from 19 July 2006 to 18 July 2007

Grade	Partner	Senior Manager	Manager	Senior Administrator	Junior Administrator	Support Staff	Total Hours	Total Cost £	Average Rate £
Time description									
Statutory & compliance		25 00	3 50		4 00	4 50	37 00	10,552 50	285 20
Asset realisation	49 60				0 20		49 80	21,852 00	438 80
Creditors		13 00			3 60		16 60	4,989 00	300 54
Pension reviews		0 20		3 5			3 70	791 00	213 78
Cashiering	0 40		2 60	7 30		0 60	10 90	2,368 50	217 29
Tax (inc VAT)	17 10	18 00	79 35	27 80	109 35		251 60	51,993 50	206 65
Total hours	67 10	56 20	85 45	38 60	117 15	5 10	369 60	92,546 50	250 40

Disbursements

No expenses were incurred in the reporting period

The costs of KPMG in Germany have been included above. Their rates and expenses are in Euros which have been converted at the rate of €1 484 to the £, being the rate of exchange on 19 July 2007.
All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent.
The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.