

Rule 1.26/  
1.54

The Insolvency Act 1986  
 Notice to Registrar of  
 Companies of Supervisor's  
 Abstract of Receipts and  
 Payments  
 Pursuant to Rule 1.26(2)(b) or  
 Rule 1.54 of the  
 Insolvency Rules 1986

# R.1.26(2)(b)/ R.1.54

For Official Use

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Company Number

03916371

To the Registrar of Companies

Name of Company

Peguform UK Limited

I / We  
 John David Thomas Milsom  
 Aquis Court  
 31 Fishpool Street  
 St Albans  
 Hertfordshire  
 AL3 4RF

Richard James Philpott

supervisor(s) of a voluntary arrangement taking effect on

19 July 2004

present overleaf my/our abstract of receipts and payments for the period from

19 July 2004

to

18 July 2005

Number of continuation sheets (if any) attached

☐

Signed



Date

15-8-2005

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

Ref: P125600/IMC/DP/JQ

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Insolvency Section

Post Room



<b>RECEIPTS</b>		£
Brought forward from previous Abstract (if any)		0.00
Plant & machinery		1,727,719.13
Freehold property		3,005,000.00
Receipt from Peguform UK Limited		2,234,620.53
Bank interest, gross		108,336.49
Floating ch. VAT payable		728,300.88
Floating ch. VAT control		124,612.28
Carried forward to		7,928,589.31
* continuation sheet / next abstract		
<b>PAYMENTS</b>		£
Brought forward from previous Abstract (if any)		0.00
Insurance		35,559.60
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		343,771.70
Supervisors' expenses		2,307.32
Agents'/Valuers' fees		209,119.68
Legal fees		174,644.49
Other property expenses		43,163.73
Wages & salaries		62,000.00
Trade & expense		3,975,150.19
Floating ch. VAT rec'able		381,116.55
Carried forward to		5,576,981.07
* continuation sheet / next abstract		

\* Delete as appropriate

\* 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.

This is the first 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<sup>th</sup> July 2004 to 18<sup>th</sup> July 2005. We set out below our comments on the progress and efficacy of the CVA.

**Summary**

All tangible assets of the Company have been realised and all agreed third party creditors have been paid in full. All the claims of the intercompany creditors have been agreed and there remain a handful of third party creditors' claims that are in the process of being agreed.

On 19<sup>th</sup> July 2004, creditors approved the proposal of the directors for a CVA. There was a modification that the Joint Supervisors should use all reasonable endeavours to pay a first distribution of at least 25% by 31<sup>st</sup> December 2004 and pay all remaining distributions by 31<sup>st</sup> December 2005. If these payments were not achieved, this would not have resulted in the failure of the CVA. These deadlines were achieved.

**Realisations**

*Freehold property – Helix House, Kimpton Road, Luton*

Shortly after the meeting of creditors held on 19<sup>th</sup> July 2004, a meeting was held with the representative of a prospective purchaser for the freehold property and an offer subject to various conditions was made in the amount of £3.3m. After consultation with my agents, Bache Trehame, I decided that this was an offer that was acceptable and a draft contract was issued, availability of funding confirmed and site surveys started.

The advice that the prospective purchaser received from his advisers was such that additional site surveys were undertaken. By November 2004, despite contrary indications, it became clear that this prospective purchaser was not going to complete.

Other prospective purchasers of the site had made contact and discussions progressed with these parties, albeit that site surveys once again gave rise to some environmental concerns. On 29<sup>th</sup> April 2005, I concluded a sale of the freehold property to Wrenbridge (Helix House) Limited for a consideration of £3.005m. Bache Treharne had shortly before this recommended that an offer for £3m should be accepted.

Bache Treharne has been paid a fee (including disbursements) of £36,000 in connection with their advice relating to the property.

#### *Plant and machinery*

Bache Treharne was employed to assist in the disposal of the plant and machinery. The most significant items were high capacity paint plants and plastic injection moulding machines. After an extensive campaign to bring details of the available assets to all parties who were likely to be interested, whether based in the UK or abroad, a total of £1.7m was achieved from the sale of plant and machinery. This compares favourably with the directors' estimated statement of affairs as at 31<sup>st</sup> May 2004 that was annexed to their proposal where an estimated to realise figure of £1.3m was included.

Bache Treharne has been paid a fee of 10% of the values realised which equates to £173,000.

#### *Inventories*

Inventories in respect of materials and maintenance were included within the directors' estimated statement of affairs at a total of £0.6m. We have been advised by the directors that these items were for the most part utilised as part of the ongoing manufacturing process in June, July and August 2004.

#### *Debtors*

The directors' estimated statement of affairs disclosed debtors (excluding Peguform Germany) under different categories but in aggregate they estimated these would realise £3.1m. The realisations from debtors were retained by the Company to fund ongoing trading with the surplus available paid across to the Joint Supervisors (see *cash at bank* below). Of particular note is the fact that final settlements were reached with two principal customers of the business, namely Rover and Vauxhall Motors. By August 2004, Rover paid the Company £824,000 which represented the majority of their outstanding balance at that time. By October 2004, £653,000 was received from Vauxhall Motors.

#### *Cash at bank*

The directors' estimated statement of affairs at 31<sup>st</sup> May 2004 included cash at bank at £0.93m. Cash totalling £2.2m has been received from the Company to date. The difference comprises the surplus from trading, debtor realisations less payment to suppliers in respect of ongoing supplies.

Up to a further £10,000 may be received from the Company in due course.

## **Liabilities**

### *Secured creditors*

The only secured creditor of the Company was HSBC Asset Finance (UK) Limited who held a chattel mortgage in respect of a piece of equipment. The balance due of £55,000 was paid in September 2004 by the Company direct and the directors filed at Companies House a notice of satisfaction in respect of the charge shortly afterwards.

### *Employees*

The majority of employees' claims in respect of holiday pay, arrears of wages, notice pay and redundancy were paid by the Company direct to the employees upon their cessation of employment. The redundancy packages that the employees were offered were significantly above their statutory entitlements. Certain of the former employees in conjunction with their union, Amicus, initiated industrial tribunal proceedings against the Company as they believed that there had not been adequate consultation prior to the redundancies. These proceedings were settled in February 2005 after a period of negotiation which involved ACAS. Following these proceedings, £54,000 was paid to certain employees in respect of their protective award, which is a preferential claim, arising from the industrial tribunal proceedings.

In addition to the preferential claims paid above, non-preferential claims of £236,000 were paid to former employees in respect of unpaid notice pay.

### *Inland Revenue and HM Customs and Excise*

All payments due to the Inland Revenue were paid by the Company on their due dates and, consequently, the Inland Revenue did not submit a claim in the CVA. HM Customs & Excise submitted a non-preferential claim of £389,000 in respect of VAT due for the period from 1<sup>st</sup> April to 19<sup>th</sup> July 2004. This was paid in full with the claims of other creditors.

### *Long term leases*

The long term leases related to two leasehold properties and also long term vehicle rentals. After several months of negotiations, the claims of the two leaseholders were agreed at £250,000 and £1.25m. The claimant in respect of the long term vehicle rentals has recently submitted their claim in the amount of £138,000.

### *Trade creditors*

Almost all trade creditors' claims have been agreed and, to date, £1.9m has been paid representing payment in full.

### *Intercompany creditors*

Creditors will recall from the directors' proposal that the position of Peguform Germany was explained in some detail. It had not been determined at the time of the drafting of the proposal whether the position of Peguform Germany was that of a debtor or a creditor. Subsequent to the meeting of creditors the position of Peguform Germany was formally agreed. Their claim was split into two elements. £631,000 was agreed as an intercompany claim. A further £100,000 was agreed as a "third party" claim and has been paid in full with the claims of the other trade creditors.

The other intercompany creditors' claims have been formally agreed at just over £13.5m.

Apart from the amount paid to Peguform Germany in respect of their "third Party" claim, no dividend has yet been paid to the intercompany creditors. It is currently anticipated that there will be a dividend of in excess of 8 pence in the £ to the intercompany creditors.

## **Disbursements**

### *Joint Nominees' fees*

The directors' proposal, as approved by the creditors, provided that the fees of the Nominees would be charged by reference to the time spent by the Nominees and their staff in dealing with matters arising. At the time of writing the directors' proposal, this was estimated at £50,000. We attach an analysis of the time and expenses for your information. As indicated on the attached receipts and payments, the fees and expenses of the Nominees have totalled £94,000. The reason for the increase centres around tax planning that was undertaken in respect of a potential capital gain that was thought possible from the sale of the freehold property, depending upon the value that was achieved. This planning involved more senior time, and mitigated a significant tax charge that could have arisen.

### *Joint Supervisors' fees*

At the meeting of creditors on 19<sup>th</sup> 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. Up to 15<sup>th</sup> July 2005, these time costs totalled £393,000. To date, fees of £344,000 have been drawn.

### *Legal and professional fees*

The Joint Supervisors' solicitors are DentonWildeSapte. To date, they have been paid fees totalling £175,000 for their advice in relation to the sale of the property, surrender of the two leasehold interests, negotiations with customers in respect of final settlements, tribunal proceedings detailed earlier in this report, issues arising during the course of agreeing the claims of creditors (including intercompany liabilities) and other matters arising during the course of the CVA.

In addition, the sum of £5,000 has been paid to Counsel in respect of tax advice.

## **Closure of the CVA**

The principal matters that remain for the Joint Supervisors to deal with prior to bringing the CVA to a conclusion are the agreement of the Company's corporation tax position, the payment of the intercompany dividends and finalisation of insurance issues. It is expected that these matters will be concluded within the next six months at which point the Joint Supervisors will report to creditors again to advise of the conclusion of the CVA.


We understand that, subject to the approval of the shareholder, the directors intend to place the Company into members' (solvent) voluntary liquidation, after which process the Company is expected to be dissolved.

We would like to record our gratitude to the directors, Messrs Steve Dennis and Andrew Harris, for the assistance that they have provided to the Joint Supervisors during the course of the CVA.

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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

  
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John Milsom  
*Joint Supervisor*

Dated 15 August 2005

**Peguform UK Limited**  
**(Subject to a Company Voluntary Arrangement)**

**Joint Supervisor's Abstract of Receipts and Payments**  
**from 19th July 2004 to 18th July 2005**

<b>RECEIPTS</b>	<b>Total (£)</b>
Plant & machinery	1,727,719.13
Freehold property	3,005,000.00
Receipt from Peguform UK Limited	2,234,620.53
Bank interest, gross	108,336.49
VAT payable	728,300.88
VAT control	124,612.28
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	<hr/> 7,928,589.31 <hr/>
 <b>PAYMENTS</b>	
Leasehold properties	1,500,000.00
Trade & expense	2,725,150.19
Insurance	35,559.60
Professional fees	5,000.00
Bank charges & interest	863.00
Sundry expenses	24.00
Nominees' fees & expenses	94,260.81
Supervisors' fees	343,771.70
Supervisors' expenses	2,307.32
Agents'/Valuers' fees	209,119.68
Legal fees	174,644.49
Other property expenses	43,163.73
Wages & salaries	62,000.00
VAT receivable	381,116.55
	<hr/>
	<hr/> 5,576,981.07 <hr/>
 <b>Balance in Hand</b>	 <b>2,351,608.24</b>
	<hr/>
	<hr/> 7,928,589.31 <hr/>



**Peguform UK Limited (subject to a company voluntary arrangement)**  
**Joint Nominees' analysis of time and disbursements**

Grade	Partner	Senior Manager	Manager	Senior Administrators	Junior Administrators	Support Staff	Total Hours	Total cost £	Average Rate £
Time description									
Statutory and compliance	10.20	59.00		56.00	10.80	6.40	142.40	27,439.21	192.69
Creditors	16.00	42.00		41.80	18.60	15.00	133.40	25,011.91	187.50
Tax	34.40	66.20	12.10	43.20	34.00		189.90	41,456.39	218.31
<b>Total hours</b>	<b>60.60</b>	<b>167.20</b>	<b>12.10</b>	<b>141.00</b>	<b>63.40</b>	<b>21.40</b>	<b>465.70</b>	<b>93,907.50</b>	<b>201.65</b>
<b>Total costs (£)</b>	<b>25,637.00</b>	<b>41,970.00</b>	<b>1,936.00</b>	<b>17,663.50</b>	<b>5,479.00</b>	<b>1,222.00</b>			
<b>Average charge out rates (£)</b>	<b>423.05</b>	<b>251.02</b>	<b>160.00</b>	<b>125.27</b>	<b>86.42</b>	<b>57.10</b>			

**Disbursements description**

	£
Car mileage	104.40
Parking & tolls	5.00
Rail travel	209.50
Taxis	116.00
Lunch	76.00
Telecommunications	203.81
<b>Total Expenses</b>	<b>714.71</b>

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.

**Peguform UK Limited (subject to a company voluntary arrangement)  
Joint Supervisors' analysis of time and disbursements from 19th July 2004 up to 15th July 2005**

Grade	Partner	Senior Manager	Manager	Senior Administrator	Junior Administrator	Support Staff	Total Hours	Total Cost £	Average Rate £
<b>Time description</b>									
Statutory & compliance		44.00	45.80	0.70	4.50	0.20	95.20	21,169.90	222.37
Trading		23.00	39.00	36.00	0.50		98.50	18,675.53	189.60
Asset realisation	270.00	52.00	8.00	85.00	2.70	0.70	418.40	138,986.18	332.18
Creditors	25.20	356.00	59.70	67.1	31.80	26.70	566.50	124,351.34	219.51
Employees		56.50	4.00	0.20	10.90	4.00	75.60	16,120.21	213.23
Cashiering	1.00		17.00	108.80		15.30	142.10	19,053.05	134.08
Tax (inc VAT)	16.50	30.70	109.70	92.20	61.10	0.60	310.80	56,037.99	180.30
<b>Total hours</b>	<b>312.70</b>	<b>562.20</b>	<b>283.20</b>	<b>390.00</b>	<b>111.50</b>	<b>47.50</b>	<b>1,707.10</b>	<b>394,394.20</b>	<b>231.03</b>
<b>Total costs (£)</b>	<b>131,181.50</b>	<b>137,987.50</b>	<b>60,665.00</b>	<b>50,108.20</b>	<b>11,307.00</b>	<b>3,145.00</b>			
<b>Average charge out rates (£)</b>	<b>419.51</b>	<b>245.44</b>	<b>214.21</b>	<b>128.48</b>	<b>101.41</b>	<b>66.21</b>			

Disbursements description	£
Car Mileage	425.95
Lunch	16.00
Rail Travel	235.00
Taxis	112.40
Telecommunications	292.55
Bordereau	1,320.00
Sundry	74.35
<b>Total Expenses</b>	<b>2,476.25</b>

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.