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# SOLOMON HARE

BUSINESS RESCUE

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TO ALL KNOWN CREDITORS AND  
 SHAREHOLDERS

PWE/JJ/TO80295/L1

15 July 2002

Direct Line: 0117 933 3089

Dear Sirs

**GIRAFFE ACCESS COMPANY LIMITED (FORMERLY TOWER ACCESS LIMITED)  
 COMPANY VOLUNTARY ARRANGEMENT ("ARRANGEMENT")  
 HIGH COURT OF JUSTICE, BRISTOL DISTRICT REGISTRY NO: 18 OF 2001**

I refer to my letter of 17 May 2001 and am pleased to enclose my annual report in the above matter.

Attached you will find a copy of my receipts and payments account for the period 11 May 2001 to 10 May 2002.

**1 CONTRIBUTIONS**

**Per proposal: £288,000**

**Period to 10 May 2002: £88,000**

- 1.1 Contributions of £8,000 per month have been received on a timely basis. Contributions are paid one month in arrears and my receipts and payments account shows that eleven payments have been received to 10 May 2002.

**2 SUPERVISOR'S FEES**

**Per proposal: £17,200**

**Period to 10 May 2002: £7,400**

- 2.1 The Proposal states that my fees will be paid on the basis of time incurred by me and my staff in attending to matters arising in the Arrangement.
- 2.2 The company receives quarterly invoices from my firm which are paid direct and do not form part of my receipts and payments account.
- 2.3 My fees to date are £7,400, which is in line with the estimate shown in the Proposal.

**3 PREFERENTIAL CREDITORS**

**Per proposal: £185,000**

**Claims to date: £56,781**

- 3.1 I have received a preferential claim in the sum of £56,781 from HM Customs & Excise, which has been agreed.



Solomon Hare offices: Bristol, Cardiff and Chippenham  
 A list of partners and their professional qualifications is available at our principal office – Oakfield House, Oakfield Grove, Clifton, Bristol BS8 2BN  
 Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales  
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3.2 I await a preferential claim from HM Inland Revenue.

**4 DIVIDEND PROSPECTS AS REGARDS PREFERENTIAL CREDITORS**

4.1 I am in a position to issue a first interim dividend to preferential creditors.

4.2 Upon receipt and agreement of the claim from the Inland Revenue, a dividend will be paid.

**5 NON-PREFERENTIAL CREDITORS**

**Per proposal: £103,910**

**Claims to date: £155,555**

5.1 The position with regard to non-preferential debts is set out below:

5.2	Number	Per proposal	Actual
		£	£
Claims agreed	8	63,760	63,982
Claims held	3	4,376	91,573
Claims awaited	11	27,582	n/a
Claims withdrawn	1	959	n/a
Unaccounted for	n/a	7,233	n/a
		<u>£103,910</u>	<u>£155,555</u>

5.3 I currently hold a claim from HM Customs & Excise ("HMCE") which exceeds the amount estimated in the Proposal by some £45,800. I await the director's comments before I am able to consider the claim further.

5.4 I await claims from eleven creditors and have written to them under separate cover to request details of their claims.

5.5 It appears that an error was contained in the figures presented in the Proposal and non-preferential claims should read £96,677.

**6 DIVIDEND PROSPECTS AS REGARDS NON-PREFERENTIAL CREDITORS**

6.1 If the claim of HMCE is admitted in full it appears likely that the dividend to remaining non-preferential creditors will be diluted.

6.2 Modification 12 put forward by Inland Revenue and HM Customs & Excise (Voluntary Arrangement Service) stated "if in order to achieve payment in full the CVA need to be extended beyond 3 years the Supervisor will canvass creditors views."

6.3 It may be that the company wish to increase its monthly contribution to the arrangement or it may wish to propose a further modification asking creditors to consider accepting a reduced dividend.

6.4 When the estimated outcome is clearer, I shall write to the company to establish its intention.

6.5 Should it be necessary to seek an amendment to the Arrangement, a meeting of creditors will be convened.

SOLOMON HARE  
*TO ALL KNOWN CREDITORS AND SHAREHOLDERS*

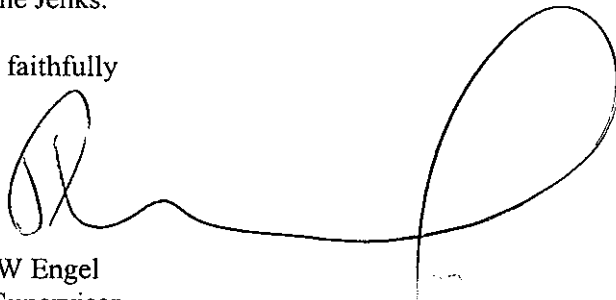
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My next report to creditors will be sent shortly after the second anniversary of the arrangement.

Should you have any queries or wish to discuss any matter further, please contact my colleague Jo-Anne Jenks.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'P' followed by a long horizontal stroke and a large loop at the end.

Peter W Engel  
Joint Supervisor

**GIRAFFE ACCESS COMPANY LIMITED (FORMERLY TOWER ACCESS LIMITED)  
COMPANY VOLUNTARY ARRANGEMENT  
HIGH COURT OF JUSTICE, BRISTOL DISTRICT REGISTRY NO: 18 OF 2001**

**SUPERVISOR'S RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD  
11 MAY 2001 TO 10 MAY 2002**

<b>RECEIPTS</b>	<b>£</b>
Contributions	88,000
Bank interest	<u>822</u>
	88,822

<b>PAYMENTS</b>	
Supervisor's expenses	<u>85</u>
Balance	<u><u>£88,737</u></u>

