



SOLOMON HARE

BUSINESS RESCUE

Solomon Hare LLP, Oakfield House, Oakfield Grove, Clifton, Bristol BS8 2BN
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TO ALL KNOWN CREDITORS AND
SHAREHOLDERS

PWE/JJ/TO80295/L1

10 July 2003

Direct Line: 0117 933 3089

Dear Sirs

2713608

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

I was appointed Supervisor of the above arrangement at a meeting of creditors held on 10 May 2001.

Further to my previous correspondence I enclose my annual report in the above matter together with a copy of my receipts and payments account for the period 11 May 2001 to 10 May 2003.

1 CONTRIBUTIONS

Per proposal: £288,000

Period to 10 May 2003: £184,000

- 1.1 Contributions of £8,000 per month continue to be received on a timely basis. The balance received represents 23 payments made by the company fully in accordance with the proposal.

2 SUPERVISOR'S FEES

Per proposal: £17,200

Period to 10 May 2003: £12,600

- 2.1 The above fees have been invoiced to the company in line with the fees shown in the proposal.
- 2.2 Payments are made direct from the company and do not form part of my receipts and payments account.

3 PREFERENTIAL CREDITORS

Per proposal: £185,000

Claims to date: £143,823

- 3.1 Claims of preferential creditors are set out below:

3.2 Creditor	Per Sofa £	Per Claim £	Comment
HM Customs & Excise	97,000	56,781	Agreed
HM Inland Revenue	88,000	87,042	Agreed
	<u>£185,000</u>	<u>£143,823</u>	

Insolvency Appointments:

Peter W Engel is authorised to act as an Insolvency Practitioner by the Secretary of State for Trade and Industry.

Solomon Hare LLP is a limited liability partnership registered in England and Wales with regist

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3.2 The above claims have been agreed and were paid in full on 21 November 2002.

4 UNSECURED CREDITORS

Per proposal: £103,910

Claims to date: £187,191

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

4.2	Number	Debt per proposal £	Actual £
	Claims agreed	17	93,354
	Claims held	1	0
	Claims awaited	1	510
	Claims withdrawn	5	2,813
	Claims rejected	1	0
	Unaccounted for	n/a	7,233
		<u>£103,910</u>	<u>£187,191</u>

4.3 Unsecured claims have exceeded those anticipated in the Statement of Affairs by some £83,281.

4.4 However, it should be noted that preferential claims (as set out in paragraph 3.2) were agreed at £41,177 less than shown in the proposal.

4.5 The net effect of the above is an increase in the overall creditor claims of some £42,104.

4.6 The difference in unsecured claims is set out below:

	£	Relevant paragraph
Per Proposal	103,910	n/a
Less		
Adjustment to proposal	7,233	4.6.1
Reduced claims	3,560	4.6.2
Unclaimed	510	4.6.3
Withdrawn	2,814	4.6.4
Rounding	<u>2</u>	
	14,119	
	89,791	
Add		
Increased claim of HMCE	86,044	4.6.5
Increased claim of Revenue	8,654	4.6.6
Other increased claims	<u>2,702</u>	4.6.7
	97,400	
Total unsecured claims	<u>£187,191</u>	

4.6.1 As set out in my previous report, an accounted for sum of £7,233 relates to a small discrepancy in the figures presented in the statement of affairs. The unsecured creditors should have been shown as totalling £96,677.

4.6.2 Claims of three creditors were agreed at some £3,560 lower than the amount shown in the proposal.

4.6.3 Despite reminders, I have yet to receive a claim from one creditor. A final reminder will be sent with this report.

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- 4.6.4 Five creditors, totalling £2,814 have either withdrawn previously submitted claims or stated that they do not wish to be included in any distribution.
- 4.6.5 The proposal estimated that the entirety of the debt owed to HM Customs & Excise ("HMCE") was preferential. The preferential claim of HMCE was agreed at £40,219 lower than that shown in the proposal. However, the unsecured claim totalled £86,044 of which £15,023 is refuted by the company and still under review.
- 4.6.6 The remainder of the increased debt is attributable to VAT on sales in the period between the date of the preparation of the proposal and the date of the meeting of creditors.
- 4.6.7 The proposal estimated that the vast majority of the debt owed to HM Inland Revenue ("Revenue") was preferential. However, the unsecured claim from the Revenue exceeded that estimated by some £8,654. This arose as a result of PAYE/NIC due on wages paid in the period between the drafting of the proposal and the meeting of creditors.
- 4.6.8 Excluding the claims of HMCE & the Revenue, claims of five further creditors exceeded the amounts shown in the proposal by some £2,703.
- 4.6.9 I hold one claim in the sum of £15,023 from HM Customs & Excise (as set out above) that is queried by the company. I await the director's confirmation before I can agree the claim.

5 DIVIDEND PROSPECTS AS REGARDS UNSECURED CREDITORS

- 5.1 I am pleased to announce a first interim distribution of 30 pence in the pound.
- 5.2 If your claim has been agreed you will find a cheque attached to this report.

6 INFORMATION REGARDING CURRENT TRADING

- 6.1 The company has stated that its business has been severely affected by significantly increased liability insurance. Its premium for Public & Employers liability has increased by 400% in the last three years and it is expecting a further large increase in 2004. It feels there is potential that being in a very limited insurance market, it may be unable to secure cover in the future. The company has been unable to pass any of these increases to its customers.
- 6.2 The company has further stated that in such an environment, the future of the business is very precarious and it is unable to maintain the contributions of £8,000 per month. Given the uncertainty of the liability insurance market, it feels impossible to forecast future cash flow with any degree of accuracy.

7 PROPOSED VARIATION OF THE ARRANGEMENT

- 7.1 In view of the above, the company feels it has no option but to ask creditors to agree to the following variation of the terms of the arrangement.
- 7.2 That the monthly contribution be reduced to £2,000 with effect from November 2003 and the period of the arrangement be extended to November 2007 to enable a full payment to be made to creditors.
- 7.3 The company has provided me with financial forecasts for the above scenario and has provided evidence of the increased insurance premium.

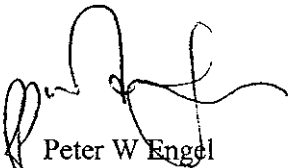
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8 POSTAL BALLOT

- 8.1 Modification 12 of the proposal, put forward by The Voluntary Arrangements Service, and accepted by the general body of creditors, states the following:
- 8.2 "If in order to achieve payment in full the CVA needs to be extended beyond 3 years the Supervisor will canvass creditors views. Minimum monthly contributions of £8000 are to be maintained throughout any extension of the arrangement."
- 8.3 In accordance with Section 18(e) of the Proposal, I enclose a postal ballot form for your consideration and return. Forms should be received in this office before midday on 7 August 2003.
- 8.4 The result of the postal ballot will be sent to creditors shortly after 7 August 2003.
- 8.5 If the variation is approved, I estimate that funds will be sufficient to pay dividends of 20 pence in the pound with my annual reports of 2004 and 2005. A further dividend of 12 pence should be available with my annual reports of 2006 and 2007 with a final dividend of 6 pence being paid at the time of my final report in November 2007.

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

Yours faithfully



Peter W Engel
Supervisor

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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 2003

RECEIPTS

£

Contributions	184,000
Bank interest	<u>2,083</u>
	186,083

PAYMENTS

Supervisor's expenses	85
Payment to preferential creditors	<u>143,823</u>
	<u>143,908</u>
Balance as at 10 May 2003	<u>£42,175</u>

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

POSTAL BALLOT FORM

Creditor name: _____

Amount owed: _____

Variation

From November 2003 the monthly contribution will be reduced to at least £2,000 and the arrangement will be extended until November 2007 to enable creditors to be paid in full.

FOR

☐

AGAINST

☐

Signed: _____

Name: _____

Position: _____

Tel: _____

Please return this form to:

**PW Engel, Solomon Hare Business Rescue, Oakfield House, Oakfield Grove, Clifton, Bristol,
BS8 2BN before midday on 7 August 2003. Please telephone Jo-Anne Jenks on 0117 933 3089
with any queries regarding this form.**



SOLOMON HARE

BUSINESS RECOVERY

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TO ALL KNOWN CREDITORS AND
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PWE/JJ/TO80295/L1

12 August 2003

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 report dated 10 July 2003 and in particular to paragraphs 7 and 8 regarding a proposed variation to the arrangement and a postal ballot being held on 7 August 2003.

The variation balloted was "that the monthly contribution be reduced to £2,000 with effect from November 2003 and the period of the arrangement be extended to November 2007 to enable a full payment to be made to creditors."

The result of the ballot is as follows:

Number of votes	Value in favour £	Value against £
7	<u>£161,154</u>	0

The variation has been adopted and now forms part of the arrangement.

As set out in my report I estimate that funds will be sufficient to enable a further interim distribution of 20 pence in the pound to be paid with my annual reports of 2004 and 2005. I estimate a further dividend of 12 pence will be paid with my annual reports of 2006 and 2007. A final dividend of 6 pence should be payable at the time of my final report in November 2007.

Should you have any queries please telephone my colleague Jo-Anne Jenks.

Yours faithfully

Peter W Engel
Supervisor

Insolvency Appointments:

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Solomon Hare offices: Bristol, Cardiff and Chippenham

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