

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

R.1.26(2)(b)

For official use

To the Registrar of Companies

Company Number

1031681

Name of Company

(a) Insert full name of company

(a) R G MANUFACTURING

Limited

(b) Insert full name(s) and address(es)

We (b) PAUL FINNITY AND DAVID WILTON
 PRICEWATERHOUSE COOPERS
 9 GREYFRIARS ROAD
 READING
 RG1 1JG

(c) Insert date supervisor(s) of a voluntary arrangement approved on (c)

7 MAY 1999

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

7 MAY 2000

to

6 MAY 2001

Number of continuation sheets (if any) attached

1

Signed G. Crossley
 for P Finitiy
 as supervisor

Date 6/7/01

Presenter's name,
 address and reference
 (if any):

PAUL FINNITY
 JOINT SUPERVISOR
 PRICEWATERHOUSE COOPERS
 9 GREYFRIARS ROAD
 READING
 RG1 1JG

For Official Use

Liquidation Section

Post Room



ANU8825E

A45
COMPANIES HOUSE0268
07/07/01

The Solicitors' Law Stationery Society plc, 24 Gray's Inn Road.

R G MANUFACTURING LIMITED

**SUPERVISOR'S ABSTRACT OF RECEIPTS AND PAYMENTS
PURSUANT TO RULE 1.26 OF THE INSOLVENCY RULES 1986
FOR THE PERIOD 7 MAY 2000 TO 6 MAY 2001**

Receipts		
	£	p
Brought forward from previous Abstract (if any)	12000	0
Contributions	20000	00
Interest Received	605	18
Carried forward to (continuation sheet)* (next Abstract)	32605	18
Payments		
Brought forward from previous Abstract (if any)	185	25
Supervisor's remuneration	15000	00
Supervisor's disbursements	374	83
Bank charges	2	10
VAT paid net	2690	60
Carried forward to (continuation sheet)* (next Abstract)	18252	78

TO ALL CREDITORS AND MEMBERS

PricewaterhouseCoopers

9 Greyfriars Road

Reading RG1 1JG

Telephone +44 (0) 118 959 7111

Facsimile +44 (0) 118 960 7700

**When responding please ask for
Geraldine Crossey**

5 July 2001

Our ref: PF/GC/K1G05G01/88489

Dear Sirs

**R G Manufacturing Limited (Company Voluntary Arrangement)
Northampton County Court Case Number 20 of 1999**

SECOND ANNUAL REPORT

Pursuant to Rule 1.26(2) of the Insolvency Rules 1986 I hereby submit my second report on the progress and efficacy of the Arrangement as follows:

May I also take this opportunity to advise you that the day to day administration of this Arrangement is now being dealt with by my Reading office the address of which is at the top of this letter. All future correspondence should therefore be sent direct to Reading. Your point of contact there is Geraldine Crossey.

PROPOSAL

1 You will recall that under the modified Voluntary Arrangement approved by creditors on 7 May 1999 it was expected that the asset realisations would be sufficient to pay preferential creditors and all costs, fees, and expenses incurred by the Supervisor in full. As a result of the modifications it was anticipated that a dividend or dividends totalling in the region of 39p in the £ would be paid on unsecured non preferential claims.

2 The modified duration of the Arrangement was not to exceed 4 years without the agreement of creditors.

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

R G Manufacturing Limited
Our ref: PF/GC/K1G05G01/88489
5 July 2001

PROGRESS

Contributions from earnings

3 During the period of this report ie 7 May 2000 to 6 May 2001, the Company has made payments totalling £20,000 which is not in line with that proposed. As you are aware the Company is required to make contributions at the rate of £20,000 at 6 monthly intervals.

4 Although the Company made the payment for the six months to September 2000, they have failed to make the March 2001 payment of £20,000. At a recent meeting with the Director in this regard it was agreed that this payment could be made in five monthly instalments of £4,000 each in the period May 2001 to September 2001, when the next £20,000 contribution would become due. The first £4,000 payment in this regard has been received in the period from 6 May 2001 to date, and I am currently awaiting the next instalment.

Profits after tax

5 As you are aware, the terms of the Arrangement require the Company to pay 50% of excess post tax profits over and above the anticipated profit figures detailed in the proposal, to the Supervisor for the benefit of the creditors of the Arrangement.

6 I have been in receipt of regular monthly management accounts, from the Company since the approval of the Arrangement, and have also received the financial statements for the years ended 30 September 1999 and 30 September 2000. In both years the Company made a loss on ordinary activities before tax. The loss for the year ended 30 September 2000 is however significantly less than that incurred previously.

7 As a result, the Company is unable to make any additional contribution payments into the Arrangement at this time.

R G Manufacturing Limited

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Net realisations under fixed charge after payment of invoice discounting Company and fixed chargeholder

8 Appendix V to the Company's proposal estimated that the sum of £3,000 would be available to the Arrangement in respect of net realisations under the fixed charge after payment of the invoice discounting company and the fixed charge holder.

9 To date no funds have been received from this source.

Windfall clause

10 I have not been advised that R G Manufacturing Limited has received any assets during the period which could be captured under the windfall clause of the proposal.

Remuneration

11 In accordance with the terms of the proposal £15,000 has been drawn during the period of this report, on account of time spent in attending to the Voluntary Arrangement by the Joint Supervisors and their staff since the commencement of the Arrangement in May 1999, representing 155 hours at a composite rate of approximately £96 per hour. In addition I have drawn £374.83 plus VAT on account of disbursements.

12 In common with all professional firms our scale rates increase from time to time over the period of the administration of each Insolvency case. Full details including any increases relating to this case, are available on application.

13 As you are aware the modifications to the proposal restricted the Joint Supervisors remuneration to £15,000 plus VAT and where proposed fees over the term of the Arrangement exceed this amount approval must be sought from the creditors before this is drawn. As I have now drawn the sum of £15,000 but have incurred time costs in excess of this and have future costs to incur until the Arrangement is finalised, I am seeking creditors approval before drawing any further sums. This is discussed later in the report under the heading "Future of the Arrangement".

R G Manufacturing Limited

Our ref: PF/GC/K1G05G01/88489

5 July 2001

RECEIPTS AND PAYMENTS

14 Attached as Appendix A is a Receipts and Payments account for the period 7 May 2000 to 6 May 2001 in compliance with Rule 1.26(2) of the Insolvency Rules 1986. In addition it also shows the Receipts and Payments account for the period from 7 May 2001 to date.

15 I am currently holding a balance of £18,394.27.

FUTURE OF THE ARRANGEMENT

16 Under the terms of the original proposal, clause 1102, the Joint Supervisors remuneration was to be paid on the basis of the amount of time spent in attending to the Arrangement. This was originally estimated at £8,000 per annum. You will recall however that a modification made to the original proposal stated as follows:

“where the Joint Supervisor proposed fees over the term of the Company Voluntary Arrangement exceed £15,000 plus VAT, approval must be sought from the creditors before any excess is drawn”.

17 As detailed above I have drawn fees of £15,000 on account of time spent in attending to the Voluntary Arrangement by the Joint Supervisors and their staff, since its commencement in May 1999.

18 I currently have outstanding time costs of £5,996 which have been incurred as a result of the day to day administration of the Voluntary Arrangement and in particular chasing the Director of the Company for payment of outstanding contributions and for various meetings with him regarding the future of the Arrangement.

19 In light of the aforementioned modification to the proposal I am seeking creditors approval to be paid the additional time costs that have been incurred by me and for agreement to recover future costs to the value of £5,000.

R G Manufacturing Limited
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Meeting of creditors

In view of the above and in accordance with the terms and conditions of the Company Voluntary Arrangement, I am summoning meetings of creditors and members to ascertain whether they will agree to the Supervisor drawing £10,000 plus VAT in respect of outstanding time costs and costs to completing the Company Voluntary Arrangement.

The meetings will be held on 26 July 2001 at 10:30 am at the offices of PricewaterhouseCoopers, Reading.

The purpose of the meeting will be to consider the following variation to R G Manufacturing Limited's proposal.

- (i) that the Joint Supervisors be allowed to draw £10,000 plus VAT in respect of outstanding time costs and costs to complete the Company Voluntary Arrangement.
- (ii) failing agreement of the creditors to the proposed variation above to consider a vote on any alternative variation creditors may wish to put forward.

Forms of proxy are enclosed which if intended to be used must be duly completed with a Statement of Claim (if not already provided) and lodged at the offices of PricewaterhouseCoopers as above no later than the commencement of the meeting.

Whilst the meeting of creditors has been convened at my Reading office address, where the day to day administration of the Company Voluntary Arrangement is now being undertaken, I am aware that the initial meeting was held in my Northampton office. In my experience creditors rarely attend variation meetings in person as they usually prefer to vote by proxy. However should any creditor wish to attend in person and should object to the meeting being held at my Reading office, then I would ask them to please notify me as soon as possible and I will arrange a mutually convenient location for the meeting to be held.

R G Manufacturing Limited

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CREDITORS CLAIMS

Preferential creditors

20 A preferential claim of £46,719 has been received from H M Customs and Excise. I have not yet however received details of the Inland Revenue's final preferential claim.

Non preferential creditors

21 I have received notification of claims totalling £663,615. The claims received have not yet been agreed and admitted for dividend purposes.

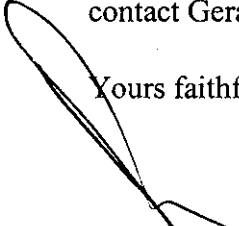
PROSPECT OF DIVIDEND

22 I do not anticipate being able to make payment to preferential or non preferential creditors until I am in receipt of the Inland Revenue's final preferential claim.

23 I will report to creditors further on the outcome of the variation meeting in due course.

If you have any queries or wish to discuss any of the above, please do not hesitate to contact Geraldine Crossey at the Reading office.

Yours faithfully



Paul Ffinity
Joint Supervisor

Enclosures

Both P Ffinity and D R Wilton are licensed to act as Insolvency Practitioners. P Ffinity is licensed to act by the Insolvency Practitioners Association and Joint Supervisor D R Wilton is licensed to act by the Institute of Chartered Accountants in England and Wales.

APPENDIX A

R G MANUFACTURING LIMITED

INDIVIDUAL VOLUNTARY ARRANGEMENT

SUPERVISOR'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 7 MAY 2000 TO 5 JULY 2001

	07/05/00 to 06/05/01	07/05/01 to 05/07/01
RECEIPTS		£
Opening Receipts balance	12,000.00	32,605.18
Contributions	20,000.00	4,000.00
Interest Received	605.18	41.87
	<u>32,605.18</u>	<u>36,647.05</u>
	07/05/00 to 06/05/01	07/05/01 to 05/07/01
PAYMENTS		£
Opening Payments balance	185.25	18,252.78
Bank charges	2.10	0.00
Supervisor's remuneration	15,000.00	0.00
Supervisor's expenses	374.83	0.00
VAT paid net	2,690.60	0.00
Closing balance at Bank	14,352.40	18,394.27
	<u>32,605.18</u>	<u>36,647.05</u>

Company Voluntary Arrangement – Proxy Form

Notes to help completion of the form

Please give full name and address for communication

R G Manufacturing Limited

Name of creditor:

Address:

.....

.....

Please insert name of person (who must be 18 or over) or the "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend, please state the name(s) of the alternatives as well

Name of proxy-holder

.....

.....

.....

Please delete words in brackets if the proxy-holder is only to vote as directed, i.e. has no discretion

I appoint the above person to be my/ the creditor's proxy-holder at the meeting of creditors to be held on 26 July 2001 or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below [and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion].

.....

.....

Voting instructions for resolutions

Please delete as appropriate*

1. For the acceptance/rejection* of the proposed variation to the Voluntary Arrangement

Any other resolutions which the proxy-holder is to propose or vote, in favour of or against, should be set out in numbered paragraphs in the space provided below paragraph 1. If more room is required, please use a separate sheet.

(i) that the Joint Supervisors be allowed to draw £10,000 plus VAT in respect of outstanding time costs and costs to complete the Company Voluntary Arrangement.

This form must be signed

Signature

Name in CAPITAL LETTERS

Date

Only to be completed if the creditor has not signed in person

Position with creditor, relationship to creditor, or other authority for signature

.....

.....

This form must be accompanied by a statement of the creditor's claim. A pro forma statement for completion is overleaf.

Company Voluntary Arrangement – Statement of Claim

R G Manufacturing Limited

1	Name of creditor	
2	Address of further correspondence	
3	Total amount of your claim, including any Value Added Tax and outstanding uncapitalised interest as at the date of the meeting of creditors	£
4	Details of any documents by reference to which the claim can be substantiated	
5	If box 3 includes uncapitalised interest, please state the amount of interest	£
6	Give details of whether the whole or any part of the claim falls with any (and if so which) of the categories or preferential claims under section 386 of, and schedule 6 to, the Insolvency Act 1986.	<p>Category</p> <p>Amount (s) claimed as Preferential £</p>
7	Particulars of how and when the debt was incurred	
8	<p>Particulars of any security held, the value of the security and the date it was given</p> <p>Give details of how you have valued your security</p>	
9	<p>Signature of creditor or person authorised to act on behalf of the creditor</p> <p>Name in block capitals</p> <p>Date</p> <p>Position with or relation to creditor (e.g. director, company secretary, solicitor)</p>	