

Rule 1.24

THE INSOLVENCY ACT 1986

REPORT OF A MEETING
 APPROVING VOLUNTARY ARRANGEMENT
 Pursuant to Section 4 of the
 Insolvency Act 1986

To the Registrar of Companies

5.4

For Official Use:

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Company Number

1983297

Name of Company

ADG CONTRACTING (BOLTON) LIMITED

I P Stanley

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of Buchler Phillips Traynor
 Blackfriars House
 Parsonage
 Manchester M3 2HN

the chairman of a meeting held in pursuance of Section 4 of the Insolvency Act 1986
 on 4 April 1996 enclose a copy of my report of the said meeting.

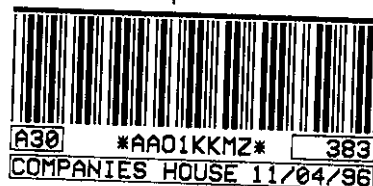
Signed: Date: 9 April 1996
 P Stanley

From:

Buchler Phillips Traynor
 Blackfriars House
 Parsonage
 Manchester M3 2HN

PS/KLS/LJP/A1010

For Official Use
 Liquidation Section | Post Room



IN THE HIGH COURT OF JUSTICE, MANCHESTER DISTRICT REGISTRY

Number: 1180 of 1996

DISTRICT REGISTRY

IN THE MATTER OF THE INSOLVENCY ACT 1986

and

IN THE MATTER OF ADG CONTRACTING (BOLTON) LIMITED

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CHAIRMAN'S REPORT TO COURT

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I, P Stanley, Chartered Accountant and Licensed Insolvency Practitioner of Buchler Phillips Traynor, Blackfriars House, Parsonage, Manchester M3 2HN hereby report to the Court as follows:

1. The meeting of creditors to consider the Proposals was held at the Boardroom of Buchler Phillips Traynor, 3rd Floor, Blackfriars House, Parsonage, Manchester M3 2HN on 4 April 1996 at 10.30am.
2. Following discussions with the Creditors a number of modifications to the proposals were considered. These are attached. The proposals, as modified, were then approved unanimously by creditors:
3. The creditors approved the nomination of Richard William Traynor and myself as Joint Supervisors of the voluntary arrangement.
4. A Creditors Committee was appointed, comprising:

R Harrison of Ellard Doors Limited
J McGorrigan of Garog
P Lomas representing Norwood Machinery Limited
5. A list of creditors (with their respective values) who were present or represented at the meeting is annexed hereto.
6. Following the creditors' meeting, the meeting of Shareholders was held and they approved the Proposals, as modified.

Signed:
P Stanley

Date: 4 April 1996

ENDORSEMENT

This report was filed in Court on ... 10 April 1996 ...

ADG CONTRACTING (BOLTON) LIMITED

MODIFICATIONS TO THE COMPANY VOLUNTARY ARRANGEMENTS PROPOSALS

1. All outstanding accounts, tax returns, and annual P35's - SC35's (to the date of the meeting) and any other information or explanations required by the Inspector of Taxes must be provided within 3 months of the approval date so that any estimated liabilities can be adjusted for the benefit of other creditors and to enable the Revenue to lodge a final claim for the actual liability. If, within 6 months of the approval date the company has not co-operated in this respect the Supervisor will accept all estimated assessments from the Revenue for dividend purposes.
2. The Revenue's final claim in the arrangement will include tax assessed to the 5th of April following the date of the meeting and any PAYE/NIC liability to the relevant date. Post CVA liability shall be paid in full IMMEDIATELY this becomes due and the Crown reserves the right to commence winding up proceedings in respect of any post CVA liability which remains unpaid. Contributions are to be made net of tax and the Company is responsible for payment, on time, of all post CVA Crown debts.
3. If, during the currency of the arrangement any creditor obtains a winding up order against the company the voluntary arrangement will be deemed to have failed and the Supervisor will IMMEDIATELY issue a certificate of non - compliance.
4. The Supervisor shall seek the views of the creditors' committee to consider issuing a petition for a winding up order IMMEDIATELY the Company fails to comply with its obligations under the voluntary arrangement or fails to co-operate with the Supervisor. The Supervisor shall set aside sufficient funds for this purpose and such funds shall rank ahead of the Supervisors remuneration.
5. Should the Company receive any windfall / inheritance, details shall be notified to the Supervisor IMMEDIATELY and such sums paid into the arrangement up to the value of creditors claims in full plus statutory interest.
6. If, to enable dividends to be paid to creditors in amounts equal to or higher than the company's original proposals it becomes necessary to extend the duration of the arrangement, the Supervisor will, at the request of any creditor, summon a meeting of the creditors' committee to determine the terms and conditions of any extension.
7. If any voluntary contribution falls 30 days in arrears or falls below the amount specified in the proposals accepted by creditors, this shall be taken as a failure of the arrangement and the Supervisor will seek the views of the creditors' committee to consider issuing a petition for winding up.
8. The Supervisor is to conduct a full review every 12 months of the company's profit and loss account and obtain an increase in voluntary contributions of 100% of the annual after tax profit if more than £120,000.
9. The Company is to make monthly voluntary contributions of not less than £10,000.00 per month during the currency of the arrangement, plus all equity in the overseas investment property not subject to a secured charge.
10. All claims will rank, in their respective classes, for dividend from the first dividend date after they have been lodged with and admitted by the Supervisor.
11. Where the Inland Revenue has not notified a final claim under the arrangement prior to payment of a dividend, the Supervisor is to calculate the dividend by reference to the Inland Revenue claim for voting purposes.
12. If the overseas investment property is not sold within three years, a Creditors' Committee will be called as an expense of the CVA, to decide the future of the CVA.

- 13 Should it become necessary, during the term of the arrangement to call a creditors meeting then any resolutions passed must have a 75% majority, in value, of creditors voting at the meeting.
- 14 Where creditors claims are met in full, statutory interest at 8% shall be paid from the date the voluntary arrangement is approved, or any earlier winding up order to the date of payment as far as funds will allow.
- 15 Associated creditors claims should be treated as deferred and only rank for dividend once unsecured claims have been satisfied.
- 16 That a caution be registered over the holiday home in Tenerife in favour of the supervisor.
- 17 The minimum contributions payable by the company are to be as follows:

£'000's

Year 1	120
Year 2	120
Year 3	120

	360

- 18 The arrangement is to continue for approximately three years and six months to enable the supervisor sufficient time to assess and collect the additional net profits of the final year if achieved and make a final distribution.
- 19 50% of any recoveries in respect of Corporation Tax refunds or VAT bad debt relief are to be paid over to the supervisor, save where these sums may be set-off against preferential claims.
20. In the event that there are assets which are surplus to requirements or could be replaced with less expensive alternatives, the supervisor has the authority to insist that the company dispose of or replace these assets.
21. It transpired at the meeting of creditors that the company may own an interest in an industrial unit from which a garage business (Pheonix Garage) was being run. The Supervisor is to investigate the status of this garage and if owned by the company, a caution should be placed on the property and the premises sold. Any equipment in the premises should be sold. Any surplus funds which are not charged to the Bank should be remitted to the Supervisor.
22. It transpired that during the move of premises a leak in the factory had taken place which had caused approximately £20,000 worth of damage and delays to production. The Supervisor is to ensure that this matter is investigated and if appropriate an insurance claim will be submitted. All proceeds from the insurance claim are to be remitted to the Supervisor.
23. Mr Isherwood, the company's managing director said that he had dismissed the production director and was to dismiss the financial director on his return to the factory. He said that the production director's job could be covered by himself, however, creditors were concerned that there was no adequate financial control in the company and it was agreed that a new financial controller would be recruited.
24. For the term of the arrangement, the present ongoing directors of the company are forbidden from incorporating any new companies or businesses in similar lines of business. They are also prohibited from resurrecting business of any existing companies which they were directors or shareholders of.

25. A creditors' committee to be formed which would have analogous powers to that of a creditors' committee in a liquidation. Any decisions made by the creditors committee in relation to any matters referred to them by the Supervisor are to be binding on all creditors.
26. The Supervisors' fees are to be on a time basis subject to approval by the creditors' committee.
27. There should be no change in directors or shareholders without the Supervisors' written permission.

ADG CONTRACTING (BOLTON) LIMITED

List of shareholders present at the Statutory Meeting of Shareholders
of the above named Company, held at the Boardroom of
Buchler Phillips Traynor, 3rd Floor, Blackfriars House,
Parsonage, Manchester M3 2HN on
4 April 1996 at 10.30 am

Name of share holder	Represented by	Number of shares £
Arthur Isherwood	Present	86
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		86
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ADG CONTRACTING (BOLTON) LIMITED

List of creditors present at the Statutory Meeting of Creditors
of the above named Company, held at the Boardroom of
Buchler Phillips Traynor, 3rd Floor, Blackfriars House,
Parsonage, Manchester M3 2HN on
4 April 1996 at 10.30 am

ACCEPTANCE

Name of creditor	Represented by	Claim
Advanced Steel Services	N Dargan, Deloitte Touche	£ 11,391.13
British Steel	Mike North, Cork Gully	£ 10,024.99
Bridge Steel Sections Ltd	N Dargan, Deloitte Touche	£ 22,852.77
C Brown Steel Group, The	Mike North, Cork Gully	£ 13,062.04
Clifton Steel Limited	A Mardell	£ 3,212.26
Central Tyres	A Mardell	£ 590.35
Craig Engineering St Helens Limited	Jean Smith	£ 9,949.45
D Mills & Co Springfield	N Dargan, Deloitte Touche	£ 9,003.74
Dennison Tool & Abrasive	N Dargan, Deloitte Touche	£ 786.85
Ductwork Design Installation	G Slack	£ 3,253.59
European Tubes Limited	Mike North, Cork Gully	£ 1,468.08
Ellard Doors Limited	R Harrison	£ 32,279.79
Entrepreneur Maintain	Andrew Aspinall	£ 1,578.25
Felix Abrasives	A F Feux Thomas	£ 1,653.69
Harper & Beardmore	J McGorrigan	£ 18,737.36
Link Controls (UK) Ltd	N Dargan, Deloitte Touche	£ 1,611.73
Norwood Machinery	J P Molloy	£ 29,166.30
Perry Castings	Eric Perry	£ 1,663.45
Rollercoaters	Mr & Mrs Watson	£ 7,538.28
Star Tubes Limited	J White, Dibb Lupton	£ 367.69
Sections & Tubes Limited	N Dargan, Deloitte Touche	£ 11,391.13
Simpsons Metals Limited	M Sayle, Parkin S Booth	£ 2,271.25
Spanners Motor Services	Unknown	£ 1,400.00
Shut a Door	P Isherwood/R Partington	£ 1,757.20
C J Upton	N Dargan, Deloitte Touche	£ 4,743.82
Vega Limited	N Dargan, Deloitte Touche	£ 33,782.64
D J Whittle	D J Whittle	£ 350.00
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		£235,905.79

Represented by Proxy	Chairman	Claim
Bolton MBC		£ 5,112.02
Courtalds Coatings		£ 2,079.18
Clayton Castle & Monks		£ 1,389.39
Cleveland Steel & Tube		£ 1,879.42
Diamond Glass Works		£ 41.95
Eastwood & Dickinson		£ 1,847.75
Expo Security Ltd		£ 459.28
Elektramerica Ltd		£ 901.60
George S Ford		£ 58.75
Glenigan Limited		£ 775.00
Harrison Thompson Ltd		£ 2,640.04
Hillgate Publishing		£ 393.63
HM Customs & Excise		£ 55,678.75
Inland Revenue		£ 50,000.00 @
Jacksons Accountants		£ 3,701.25
James & Tatton		£ 159.26
K C Sheet Metal		£ 717.11
Kippax Beaumont Lewis		£ 2,504.33

Lansing Linde Sterling	£ 930.60
Lex Landrover	£ 3,220.33
L Birkinshaw Limited	£ 49.03
Lloyd Worrall (M/cr) Ltd	£ 3,383.07
Micro Powder Coatings	£ 9,576.83
North Valley Metal Co	£ 437.83
Powell Hardware Limited	£ 2,530.74
Rangeshop Limited	£ 6.88
J N Riley (Bolton)	£ 636.62
Sensir Electronics	£ 266.61
M Thompson Electrical	£ 1,301.90
Trajan Mechanical Ltd	£ 2,110.30
Vanguard Shutters Ltd	£ 7,505.07
Winter Bulk Supplies	£ 3,492.32
WBS Graphics Division	£ 330.50
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	£166,117.30
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	£402,023.09
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Invalid Acceptance - Unspecified Proxy Holder

Claim

ADG Electrical	£ 15,130.81
Ayreshire Metal Products	£ 4,887.35
David Brownlow	£ 1,183.50
Branch Mateer & Nelson	£ 8,992.97
Darcy Lever Cricket & Sport	£ 140.00
Christopher Gaffney	£ 994.00
Gold & Wassall Hinges	£ 2,044.50
Higginson t/a Empire Tool	£ 2,720.04
KBS Tooling	£ 2,020.41
Link Contracting Ltd	£ 53,413.97
Lostock Fire Protection	£ 1,722.55
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	£ 93,250.10
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	£495,273.19
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REJECTION:

Name of creditor	Represented by	Claim
Ascot Industrial Doors	J Eardley/R Winstanley	£ 1,310.47
Deakins Packaging Company	D Mason	£ 2,207.14
M G Gas Product Limited	M Sayle, Parkin S Booth	£ 941.73
Peron Plastics Limited	J Eardley	£ 486.45
		<hr/>
		£ 4,945.79

Represented by Proxy	Chairman	Claim
Equalresponse Ltd		£ 3,921.56
Formseal Limited		£ 441.51
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		£ 4,363.07
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		£ 9,308.86
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Invalid Rejection - Unspecified Proxy Holder

Claim

BAPP Industrial Supply	£ 155.77
B H Fasteners	£ 433.35
Door Services Bristol Ltd	£ 2,960.20
Electro Metal Depositors	£ 3,226.85
Fastener Distributors	£ 272.41
Mercian Shutters	£ 213.95
Wareing Brothers Ltd	£ 2,877.85

£ 10,140.38

£ 19,449.24

Total of valid claims:

£411,331.95

Acceptance

£402,023.09

Rejection

£ 9,308.86

Total percentage of acceptance is in excess of 97.5 %