

Rule 1.26

The Insolvency Act 1986

Voluntary Arrangement's Supervisor's  
Abstract of Receipts and PaymentsPursuant to Rule 1.26(2) (b) of the  
Insolvency Act 1986**R1.26**

For Official Use

To the Registrar of Companies

--	--	--

Company Number

03038727

Name of Company

Eurofilms Extrusion Limited

I / ~~We~~Andrew Philip Peters  
Four Brindleyplace  
Birmingham  
B1 2HZ

supervisor(●) of a voluntary arrangement approved on

28/10/2002

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

31/01/2003

to

30/01/2004

Number of continuation sheets (if any) attached

☐

Signed

*APPA*

Date

*24/02/2004*Deloitte & Touche LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ

Ref: EURO04B/JAM/BLW/GS1

*BW*

For Official Use

Insolvency Sect

Post Room

A24  
COMPANIES HOUSE0394  
01/04/04

RECEIPTS	£
Brought forward from previous Abstract (if Any)	20,000.00
Voluntary Contributions	23,105.00
Bank Interest Gross	51.39
Carried forward to * continuation sheet / next Abstract	43,156.39

\* 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 appointee since he was appointed.

**PAYMENTS**

£

Brought forward from previous Abstract (if Any)

19,327.57

Supervisors Fees

19,321.00

Supervisors Expenses

807.00

VAT on Payments

3,522.40

\* Delete as  
appropriate

Carried forward to

42,977.97

\* continuation sheet / next Abstract

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 appointee since he was appointed.

## TO THE CREDITORS OF EUROFILMS EXTRUSIONS LIMITED

31 March 2004

Our Ref: Peters/55282/JAM/CP

Dear Sirs

### **Eurofilms Extrusion Limited (Subject to a Company Voluntary Arrangement) ("the Company")**

Pursuant to Rule 1.26(2) of the Insolvency Act 1986, I enclose at Appendix 1, an abstract of receipts and payments for the second 12 months of the Voluntary Arrangement, copies of which will be submitted to the Court, the Registrar of Companies, the Company and its auditors.

### **Receipts and Payments**

In accordance with the proposal, contributions have been made out of cash generated from trading. However, as explained below, contributions to date have been restricted due to the poor result in 2002 and the need for increased working capital in 2003.

### **Report on the Progress of the CVA**

I last wrote to creditors on 19 November 2003 and reported on the trading position in the 10 month period ending 31 October 2003 and on the financial forecasts for the remainder of the CVA period. This report is therefore limited to developments since the previous report.

### **Trading Results**

The unaudited management accounts for the year ended 31 December 2003 show a net profit of £157,000, which was in line with the estimate for 2003 given in our November report.

The net loss before interest per the unaudited management accounts for the two months to February 2004 amounted to £11,000 compared to a budgeted profit of £36,000. This was due to lower than budgeted sales volumes due to extremely high polymer prices affecting demand.

Management advise that they will be able to make up this shortfall in later months as the polymer prices in February were at a 13 month high and their discussions with suppliers lead them to believe that the peak has now been reached. They also expect a repeat of the trend experienced in 2003, when profitability recovered after a relatively slow start to the year.

### **Cash Generation**

Cash generation in 2003 before contributions to the CVA amounted to £207,000 compared to the previous estimate of £293,000 in our November 2003 report. This difference is mainly due to increased

Member of  
Deloitte Touche Tohmatsu

raw material (polymer) stock holdings in the final months of the year to provide some protection against supply shortages and price increases.

The cash position at February 2004 continued this trend, with adverse variance of £300,000, being mainly due to the continued high level of stock.

### **Future Contributions**

As noted in our November report, at the time of our review of the budget for 2003 (in November 2002) it was apparent that the business was unlikely to generate the level of net profit envisaged in the CVA proposal. The directors asked the Supervisor to exercise his discretion under clause 5.17 and allow part of the depreciation charge to be added back to profits to increase the sums to be paid into the arrangement.

Taking account of depreciation, the directors forecast, at the time of our previous report in November 2003, was that total cash generation of £393,000 would be available for contributions into the CVA in respect of the periods to 31 December 2003. Of this, £43,105 has been received by 31 January 2004. The Supervisor has agreed further payments of £195,000 in the period to April 2004 of which £65,000 has now been received.

The Supervisor will next discuss the trading and cash requirements of the business with the directors in April 2004 and agree a repayment schedule for both the balance of the £393,000 (ie £155,000) due in respect of 2002 and 2003 and to receive payments on account of the £419,000 forecast contributions in respect of 2004.

As soon as sufficient funds are received a dividend will be paid to preferential creditors.

### **Supervisor's Fees**

The proposals approved by creditors contained the provision that the Supervisor's fees would be fixed by reference to the time properly incurred on this case.

Our time incurred from commencement of the CVA to 31 January 2004 amounted to 162.4 hours and a cost of £41,717.

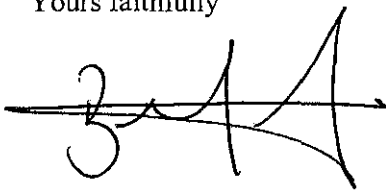
An analysis of the time spent is given at Appendix 2.

However, insufficient contributions had been received by 31 January 2004 to allow payment and it was only possible to draw £29,321.00, plus expenses of £807.00 and VAT.

There are now sufficient funds to pay the balance and the remaining fees have now been taken.

If you require any further information, please contact me.

Yours faithfully

A handwritten signature in black ink, appearing to be 'R A H Maxwell', written over a horizontal line.

R A H MAXWELL  
For A P PETERS

Supervisor of the Company Voluntary Arrangement  
Of Eurofilms Extrusion Limited

## APPENDIX 1

**EUROFILMS EXTRUSION LIMITED**  
**(UNDER A VOLUNTARY ARRANGEMENT)**

**SUPERVISOR'S ABSTRACT OF RECEIPTS AND PAYMENTS**  
**TO 31 JANUARY 2004**

	<b>Year Ended 31 January 2003 £</b>	<b>Year ended 31 January 2004 £</b>	<b>Two years ended 31 January 2004 £</b>
<b>Receipts</b>			
Voluntary Contributions	30,000.00	13,105.00	43,105.00
Bank Interest Gross	-	51.39	51.39
	<hr/>	<hr/>	<hr/>
	30,000.00	13,156.39	43,156.39
	<hr/>	<hr/>	<hr/>
<b>Payments</b>			
Supervisor's Fees	10,000.00	19,321.00	29,321.00
Supervisor's Expenses	-	807.00	807.00
Legal Fees	6,449.00	-	6,449.00
VAT on Payments	2,878.57	3,522.40	6,400.97
	<hr/>	<hr/>	<hr/>
	19,327.57	23,650.40	42,977.97
Balances in Hand	10,672.43	(10,494.01)	178.42
	<hr/>	<hr/>	<hr/>
	30,000.00	13,156.39	43,156.39
	<hr/>	<hr/>	<hr/>

## APPENDIX 2

## EUROFILMS EXTRUSIONS LIMITED

## ANALYSIS OF SUPERVISORS FEES TO 31 JANUARY 2004

Classification of work function	Hours				Time Cost £	Average hourly rate £
	Partner/ Director	Manager	Assistants & Support Staff	Total Hours		
Administration and planning	6.0	23.2	11.5	40.7	7,960.00	195.58
Investigations	2.5	-	-	2.5	750.00	300.00
Realisation of assets	-	-	-	-	-	-
Monitoring of Trading	45.0	-	-	45.0	15,632.50	347.39
Creditors	41.2	16.5	16.5	74.2	17,374.50	233.21
Total hours	95.7	38.7	28.0	162.4		
Total cost	£32,867	£6,474	£2,376		£41,717	256.88

In addition we have drawn disbursements for out of pocket expenses totalling £807 made up as follows:-

	£
Travel and subsistence	624
Recovery of expenses*	183
	<hr/>
	807
	<hr/>

\*Until 31 July 2002, the rates charged by Deloitte & Touche did not include the recovery of certain items such as normal postage, printing, stationery, photocopying, telephone and related software costs etc. A charge calculated at 2% of time costs incurred up to that date was added to cover these costs.