

The Insolvency Act 1986

Notice of move from administration to dissolution

| | |
|---|-----------------------------|
| Name of Company UNITED POLYMERS LIMITED | Company number 03928776 |
| In the BRISTOL DISTRICT REGISTRY, CHANCERY DIVISION. | Court case number 45AA04 |

(a) Insert name(s) and address(es) of administrator(s) We, Adrian Wolstenholme & Alastair Beveridge
Kroll Limited

(b) Insert name and address of registered office of company Aspect Court
4 Temple Row
Birmingham, B2 5HG

(c) Insert date of appointment having been appointed administrator(s) of (b) United Polymers Limited

(d) Insert name of applicant / appointor c/o Kroll Limited
Aspect Court
4 Temple Row
Birmingham, B2 5HG

on (c) 21 October 2004 by (d) the Directors of the Company
hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

We attach a copy of the final progress report.

Signed Adrian Wolstenholme
Joint Administrator

Dated 18/10/05

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

| | |
|------------------------------|-------------------|
| Kroll Limited | |
| Aspect Court 4 Temple Row | |
| Birmingham B2 5HG | Tel 0121 212 4999 |
| DX Number | DX Exchange |

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



Corporate Advisory & Restructuring Group

Kroll

**Joint Administrators'
Final Progress Report**

**For the Period
21 October 2004 to 18 October
2005**

**United Polymers Limited -
In Administration**

18 October 2005

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1 Statutory Information

- 1.1 I was appointed Joint Administrator of United Polymers Limited (the **Company**) together with Alastair Beveridge on 21 October 2004 by The Bristol District Registry, Chancery Division. The application for the appointment of an Administrator was made by the directors of the Company.
- 1.2 This Administration is being handled by Kroll's Birmingham office, situated at Aspect Court, 4 Temple Row, Birmingham, B2 5HG.
- 1.3 The Administration is being handled by The Bristol District Registry, Chancery Division, reference number 45AA 04.
- 1.4 The trading address of the Company is Maerdy, Ferndale, Mid Glamorgan, CF43 4FP.
- 1.5 The registered office of the Company is c/o Kroll, Aspect Court, 4 Temple Row, Birmingham, B2 5HG and its registered number is 03928776.
- 1.6 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the Administrators may be exercised by either or both, acting jointly or alone.

2 Administrators' Proposals

- 2.1 The Joint Administrators' Statement of Proposals was issued on 13 December 2004. A meeting of creditors was not called and the Joint Administrators were not requested to call a meeting by the creditors. Accordingly the proposals were deemed to have been accepted under Rule 2.33(7) of the Insolvency Rules 1986.
- 2.2 The proposals advised that the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- rescuing the Company as a going concern;
 - achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
 - realising property in order to make a distribution to one or more secured or preferential creditors.

- 2.3 It was unlikely that the first objective would be achieved and, accordingly, the strategy implemented was to meet the second objective.
- 2.4 Our strategy was focussed on protecting the value of the Company's assets notably its book debts, while a purchaser was sought.
- 2.5 In order to maximise the value of the business we obtained customer support to ensure settlement of the book debts and to stabilise the business.

3 Progress of the Administration

- 3.1 Attached at Appendix A is my Receipts and Payments Account for the period from 21 October 2004 to 18 October 2005.
- 3.2 As advised in our previous report, the business and assets, comprising goodwill, plant and machinery, intellectual property and stock were sold as a going concern sale. These assets were purchased by Crosslink Limited for a total consideration of £725,000 on 26 January 2005.
- 3.3 The sale excluded various plant assets (15 items in total). These assets have now been realised, and the sales generated net proceeds of £32,844 (after agent's commission and marketing expenditure).
- 3.4 Further progress has been made with regard to the collection of book debts (excluding inter company debts), whereby realisations have increased by £20,655 up to £2,388,545, representing 96% of the balance available for collection. All remaining debts have been written off where they have not been cost effective to pursue.
- 3.5 We have now received £50,000 in relation to the inter company book debt from the Czech subsidiary (United Polymers sro).

4 Administrators' Remuneration

- 4.1 Creditors approved the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration.
- 4.2 The Joint Administrators' time costs at 17 October 2005 are £604,333, comprising 4,530 hours at a composite rate of £133 per hour. Attached as Appendix B is a Time Analysis that provides details of the activity costs incurred by staff grade for the period since my last report, together with a cumulative analysis for the entire Administration.

- 4.3 The total fees drawn are £510,000 against these time costs, plus disbursements of £43,900, and I can confirm no further amounts will be drawn.
- 4.4 In accordance with the current legislation, our fees have been approved by all secured creditors and the required preferential creditors. Our time costs have not been recovered in full and the balance of these costs will be written off.
- 4.5 Attached as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

5 Outcome for Creditors

- 5.1 Preferential claims received and agreed totalled £10,313, which were paid in full.
- 5.2 The total secured debt of the Group as at the date of appointment, plus termination fees, was as follows:

| Secured Creditor | £'000 |
|---|---------------------|
| Barclays Bank Plc (including Barclays Mercantile Business Finance Limited and Barclays Sales Finance) | 5,267 |
| JH Fenner & Co Limited | 4,220 |
| GIL Management Limited | <u>240</u> |
| Total Secured debt of Group | <u>9,727</u> |

- 5.3 To date we have made the following distributions to Barclays Bank plc (the Bank):

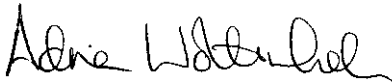
| | £'000 |
|--|---------------------|
| Distributions to date from the Company | 3,134 |
| Other Distributions from Group Companies | <u>1,280</u> |
| Total distributions | <u>4,414</u> |

- 5.4 There have not been sufficient recoveries to pay the Bank in full and subsequently there are no monies available for the other secured creditors.
- 5.5 Legal advice has confirmed that the Bank was able to rely on its debenture that was granted prior to the introduction of the Enterprise Act 2002. Accordingly there is no requirement to set aside an 'Unsecured Creditors Fund' as outlined in section 176A of the Act. As a result, there are no funds to enable a dividend to be paid to the unsecured creditors of the Company.

6 Ending the Administration

- 6.1 In accordance with the Joint Administrators' proposals which were approved by the creditors, we will file Form 2.35B, Notice of move from Administration to Dissolution, pursuant to Para 84 of Schedule B1 of the Insolvency Act 1986, together with this report, at Court and with the Registrar of Companies. The appointment will end following the registration of the Notice by the Registrar of Companies.
- 6.2 The Company will be deemed to be dissolved at the end of the three month period beginning from the date of registration of the Notice by the Registrar of Companies.
- 6.3 The Joint Administrators' will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect, in accordance with the approved proposals.

For and on behalf of
United Polymers Limited



A J Wolstenholme
Joint Administrator

Enc

Receipts and Payments Account for the Period from 21 October 2004
to 18 October 2005

Appendix A

United Polymers Ltd
(In Administration)

Income and Expenditure Account
To 18 October 2005

| INCOME | Total (£) |
|-------------------------------------|---------------------|
| Sales | 3,327,632.38 |
| Sales - Tooling | 121,010.15 |
| Miscellaneous Income | 11,914.25 |
| Fixed Charge Plant and Machinery | 470,860.53 |
| Book Debts | 2,388,544.87 |
| Bank Interest | 4,263.56 |
| Plant & Machinery | 59,325.63 |
| Stock | 224,999.00 |
| Intellectual Property | 1.00 |
| Book Debts | 50,000.00 |
| Bank Interest Gross | 14,011.03 |
| | <u>6,672,562.40</u> |
| | |
| EXPENDITURE | |
| Carriage | 52,119.65 |
| Materials | 145,671.54 |
| Metal | 213,266.60 |
| Chemicals | 520,642.92 |
| Consumables | 42,639.42 |
| Wages & Salaries | 690,091.61 |
| Other direct costs | 750.00 |
| PAYE & NIC | 315,296.58 |
| Rates | 39,639.80 |
| Heat, Light and Water | 188,957.18 |
| Travel & Accommodation | 7,451.94 |
| Telephone | 4,798.59 |
| Insurance | 91,252.19 |
| Bank Charges | 6,616.25 |
| Waste removal | 7,805.00 |
| Lease/HP Payments | 98,367.33 |
| Hire of Equipment | 5,279.52 |
| Repairs & Maintenance | 67,639.42 |
| Sundry Expenses | 1,072.93 |
| Sales Commission | 641.46 |
| Vehicle Running Costs | 787.82 |
| Stationery | 6,114.37 |
| Postages | 485.20 |
| Retention of Title costs | 151,033.35 |
| Consultancy Services | 29,914.67 |
| Ransom/Hostage | 86,835.38 |
| IT Services | 3,611.16 |
| Security | 16,755.00 |
| Cleaning | 10,930.83 |
| Pensions | 46,361.74 |
| Life Assurance | 4,550.53 |
| Attachment of earnings/ded from pay | 9,079.70 |
| Administrators Fees | 105,650.00 |
| Legal Fees | 21,242.52 |
| Agents/Valuers Fees | 9,853.39 |
| Due to Chargeholder | 678,478.70 |
| Barclays Sales Finance | 1,421,221.96 |

**United Polymers Ltd
(In Administration)**

**Income and Expenditure Account
To 18 October 2005**

| | |
|---------------------------------|---------------------|
| Barclays Sales Finance (Direct) | 692,559.57 |
| Bordereau Costs | 1,320.00 |
| Administrators Fees | 404,350.00 |
| Administrators Expenses | 43,899.83 |
| Retention of Title costs | 8,510.64 |
| Agents/Valuers Fees | 1,235.79 |
| Professional Fees | 827.50 |
| Legal Fees | 39,152.02 |
| Corporation Tax | 1,714.71 |
| Statutory Advertising | 3,805.88 |
| Insurance of Assets | 7,860.00 |
| Bank Charges | 35.00 |
| DE Arrears & Holiday Pay | 6,151.86 |
| Employees - Holiday Pay | 3,083.73 |
| Floating Charge Creditor | 341,572.87 |
| | <u>6,658,985.65</u> |
| Balance | <u>13,576.75</u> |

MADE UP AS FOLLOWS

| | |
|-----------------|------------------|
| Vat Control A/c | <u>13,576.75</u> |
| | <u>13,576.75</u> |

Appendix B

Time Analysis for the Period from 22 April 2005 to 17 October 2005

United Polymers Limited - In Administration
Time Utilisation 22 April 2005 to 17 October 2005

UP01AMB SIP 9

| | Employee Grade | | | | Total Hours | (£'s) | |
|--|----------------------|---------------|---------------------|------------------------|--------------|-----------------|---------------------|
| | Partner/ Director | Manager | Other Sen'r Prof | Assistants/ Support | | Total Cost | Average Rate p/h |
| Administration and Planning | | | | | | | |
| Strategy and Control | 3.1 | 22.9 | 38.8 | 6.4 | 71.2 | 10,799.5 | 152 |
| Creditor Reporting | 5.9 | 35.5 | 45.9 | 3.1 | 90.4 | 15,577.5 | 172 |
| Committee Meetings and Reports | - | - | - | - | - | - | - |
| Statutory Duties | - | - | 0.7 | 0.1 | 0.8 | 88.0 | 110 |
| Job Administration | 0.4 | 6.5 | 3.8 | 27.3 | 38.0 | 3,484.5 | 92 |
| Cash Accounting and Time Records | 0.7 | 8.7 | 25.3 | 53.6 | 88.3 | 11,077.0 | 125 |
| Travel and Waiting Time | - | 4.0 | 4.5 | - | 8.5 | 1,295.0 | 152 |
| Case Closure | 1.5 | 2.8 | 23.1 | - | 27.4 | 4,359.5 | 159 |
| Internal Documentation and IT | 0.4 | - | 9.4 | 3.7 | 13.5 | 1,824.5 | 135 |
| Investigations | | | | | | | |
| D Reports | - | - | - | - | - | - | - |
| Other Investigations | - | - | - | - | - | - | - |
| Internal Documentation | - | - | - | 0.6 | 0.6 | 33.0 | 55 |
| Realisation of Assets - Fixed Charge | | | | | | | |
| Valuation and Offers | - | - | - | 0.2 | 0.2 | 11.0 | 55 |
| Sale of Assets | - | - | - | - | - | - | - |
| Insurance | - | - | - | 0.6 | 0.6 | 33.0 | 55 |
| Litigation | - | - | - | - | - | - | - |
| Internal and External Documentation | - | - | 3.0 | - | 3.0 | 435.0 | 145 |
| Realisation of Assets - Debtors | | | | | | | |
| Debt Collection | - | 5.4 | 9.3 | - | 14.7 | 2,428.5 | 165 |
| Debtors Litigation | - | 1.0 | - | - | 1.0 | 200.0 | 200 |
| Crown Debtors | - | - | - | - | - | - | - |
| Internal and External Documentation | - | - | 2.4 | - | 2.4 | 348.0 | 145 |
| Realisation of Assets - Floating Charge | | | | | | | |
| Valuation and Offers | - | - | - | - | - | - | - |
| Sale of Assets | - | 0.5 | - | - | 0.5 | 100.0 | 200 |
| Insurance | - | - | - | - | - | - | - |
| Retention of Title | - | 2.6 | 12.8 | 0.1 | 15.3 | 2,041.0 | 133 |
| Hire Purchase / Leased Assets | - | - | - | 0.3 | 0.3 | 16.5 | 55 |
| Litigation | - | - | - | - | - | - | - |
| Internal and External Communications | - | 0.5 | - | - | 0.5 | 100.0 | 200 |
| Trading | | | | | | | |
| Initial Actions | - | 24.7 | 13.1 | 9.3 | 47.1 | 6,934.5 | 147 |
| Cash Accounting | - | 3.0 | 12.2 | 19.4 | 34.6 | 4,060.0 | 117 |
| Ongoing Trading Activities | - | 3.0 | 5.7 | 39.0 | 47.7 | 5,702.5 | 120 |
| Internal and External Communications | - | 2.8 | 2.1 | 1.6 | 6.5 | 956.5 | 147 |
| Creditors | | | | | | | |
| Initial Actions | - | 0.5 | 4.3 | 5.8 | 10.6 | 1,018.0 | 96 |
| Creditor claims | - | 0.7 | 5.8 | 22.2 | 28.7 | 2,925.5 | 102 |
| Litigation | - | - | - | - | - | - | - |
| Shareholders / Bankrupts | - | - | - | - | - | - | - |
| Internal Documentation | - | - | - | - | - | - | - |
| Employees | - | - | - | 1.6 | 1.6 | 148.5 | 93 |
| Employee Communications | - | - | - | - | - | - | - |
| Totals | 12.0 | 125.1 | 222.0 | 194.9 | 554.0 | 75,997.0 | 137 |
| Average Rate Per Hour | 288.75 | 200.00 | 134.06 | 90.96 | | | |

Time Analysis for the Period from 21 October 2004 to 17 October 2005

| United Polymers Limited - In Administration | | UP01AMB | | SIP 9 | | | |
|---|----------------------|----------------|---------------------|------------------------|----------------|------------------|---------------------|
| Time Utilisation 21 October 2004 to 17 October 2005 | | Employee Grade | | | | | |
| | (Hours) | | | | (£'s) | | |
| | Partner/ Director | Manager | Other Sen'r Prof | Assistants/ Support | Total Hours | Total Cost | Average Rate p/h |
| Administration and Planning | | | | | | | |
| Strategy and Control | 47.7 | 92.0 | 62.2 | 28.2 | 230.1 | 39,354.5 | 171 |
| Creditor Reporting | 29.3 | 92.1 | 53.9 | 18.9 | 194.2 | 34,276.0 | 176 |
| Committee Meetings and Reports | - | - | - | - | - | - | - |
| Statutory Duties | 1.8 | 3.5 | 14.7 | 11.2 | 31.2 | 3,411.5 | 109 |
| Job Administration | 3.6 | 41.9 | 67.6 | 183.6 | 296.7 | 26,691.0 | 90 |
| Cash Accounting and Time Records | 2.7 | 23.9 | 42.7 | 192.0 | 261.3 | 29,437.5 | 113 |
| Travel and Waiting Time | 15.1 | 130.5 | 130.1 | 62.8 | 338.5 | 47,798.0 | 141 |
| Case Closure | 1.5 | 2.8 | 23.1 | - | 27.4 | 4,359.5 | 159 |
| Internal Documentation and IT | 2.2 | 5.7 | 44.6 | 34.5 | 88.0 | 9,940.0 | 113 |
| Investigations | | | | | | | |
| D Reports | - | 1.5 | 7.6 | - | 9.1 | 1,402.0 | 154 |
| Other Investigations | - | - | - | 0.8 | 0.8 | 56.0 | 70 |
| Internal Documentation | - | - | - | 0.6 | 0.6 | 33.0 | 55 |
| Realisation of Assets - Fixed Charge | | | | | | | |
| Valuation and Offers | - | - | 1.2 | 0.8 | 2.0 | 179.0 | 90 |
| Sale of Assets | 39.9 | 13.8 | 83.4 | 1.8 | 138.9 | 25,732.0 | 185 |
| Insurance | - | 11.8 | 5.8 | 4.1 | 21.7 | 3,118.0 | 144 |
| Litigation | - | - | - | - | - | - | - |
| Internal and External Documentation | - | 2.9 | 3.0 | - | 5.9 | 971.5 | 165 |
| Realisation of Assets - Debtors | | | | | | | |
| Debt Collection | 4.9 | 61.3 | 37.7 | 75.8 | 179.7 | 22,317.5 | 124 |
| Debtors Litigation | 1.5 | 1.0 | - | - | 2.5 | 620.0 | 248 |
| Crown Debtors | - | - | 2.2 | - | 2.2 | 231.0 | 105 |
| Internal and External Documentation | - | 7.8 | 2.4 | 0.2 | 10.4 | 1,805.0 | 174 |
| Realisation of Assets - Floating Charge | | | | | | | |
| Valuation and Offers | - | 4.8 | 0.5 | - | 5.3 | 955.5 | 180 |
| Sale of Assets | 3.0 | 89.5 | 12.0 | 0.3 | 104.8 | 19,276.0 | 184 |
| Insurance | 2.0 | 3.5 | 7.7 | 0.8 | 14.0 | 2,234.0 | 160 |
| Retention of Title | - | 34.3 | 101.2 | 214.1 | 349.6 | 32,088.0 | 92 |
| Hire Purchase / Leased Assets | - | - | 34.8 | 1.9 | 36.7 | 4,037.5 | 110 |
| Litigation | - | - | - | - | - | - | - |
| Internal and External Communications | - | 3.7 | 1.0 | - | 4.7 | 847.0 | 180 |
| Trading | | | | | | | |
| Initial Actions | 34.0 | 444.8 | 306.7 | 143.1 | 928.6 | 139,379.0 | 150 |
| Cash Accounting | 4.7 | 33.1 | 282.9 | 174.7 | 495.4 | 58,022.0 | 117 |
| Ongoing Trading Activities | 5.6 | 42.6 | 228.0 | 76.3 | 353.5 | 45,321.0 | 128 |
| Internal and External Communications | - | 36.2 | 60.0 | 10.2 | 96.4 | 13,355.0 | 139 |
| Creditors | | | | | | | |
| Initial Actions | 3.0 | 6.1 | 19.7 | 63.8 | 92.6 | 7,945.0 | 86 |
| Creditor claims | - | 1.1 | 8.8 | 30.4 | 40.3 | 3,897.5 | 97 |
| Litigation | - | 0.4 | - | - | 0.4 | 74.0 | 185 |
| Shareholders / Bankrupts | - | - | - | - | - | - | - |
| Internal Documentation | - | - | - | - | - | - | - |
| Employees | 3.0 | 36.4 | 99.6 | 1.9 | 140.9 | 21,145.0 | 150 |
| Employee Communications | 0.3 | 18.2 | 0.8 | 6.4 | 25.7 | 4,023.0 | 157 |
| Totals | 206.8 | 1,248.2 | 1,735.9 | 1,339.2 | 4,530.1 | 604,332.5 | 133 |
| Average Rate Per Hour | 270.51 | 186.84 | 124.19 | 74.25 | | | |

Appendix C

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9**1 Policy**

Detailed below is Kroll's policy in relation to:

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any subcontractors in this case.

Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

| Name of Professional Advisor | Basis of Fee Arrangement |
|--|---------------------------------|
| Bond Pearce (legal advice) | Hourly rate & disbursements |
| Alexander Forbes (insurance) | Hourly rate & disbursements |
| Henry Butchers (valuation) | Hourly rate & disbursements |
| Henry Butchers (disposal of excluded assets) | Percentage & disbursements |

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

2 Charge-out Rates

A schedule of Kroll charge-out rates effective from 21 October 2004 to 31 December 2004 is as follows:

| Applicable rate | |
|---|------------|
| | (per hour) |
| | £ |
| Partner:- | |
| Partner 1 | 280 |
| Partner 2 | 235 |
| Associate Partner/Director | 215 |
| Manager:- | |
| Senior Manager | 200 |
| Manager | 185 |
| Other Senior Professionals:- | |
| Experience Senior | 155 |
| Senior | 135 |
| Administrator | 105 |
| Assistants & Support Staff:- | |
| Assistant | 70 |
| Experienced Cashier | 105 |
| Cashier | 70 |
| Assistant Cashier | 50 |
| Support | 50 |

- A schedule of Kroll charge-out rates effective from 1 January 2005 is as follows:

| Applicable rate | |
|---|------------|
| | (per hour) |
| | £ |
| Partner:- | |
| Partner 1 | 300 |
| Partner 2 | 250 |
| Associate Partner/Director | 230 |
| Manager:- | |
| Senior Manager | 220 |
| Manager | 200 |
| Other Senior Professionals:- | |
| Experience Senior | 165 |
| Senior | 145 |
| Administrator | 110 |
| Assistants & Support Staff:- | |
| Assistant | 75 |
| Experienced Cashier | 110 |
| Cashier | 75 |
| Assistant Cashier | 55 |
| Support | 55 |