

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Glamalco Limited	Company number 01008072
In the High Court of Justice, Chancery Division, Bristol County Court [full name of court]	Court case number 2146 of 2010

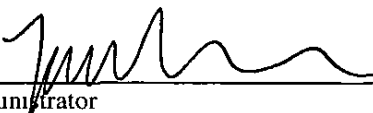
We
Jonathan Scott Pope
KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Richard John Hill
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Administrators of the above company attach a progress report for the period

from 26 November 2011	to 25 May 2012
--------------------------	-------------------

Signed


Joint Administrator

Dated

18 June 2012

Contact Details:

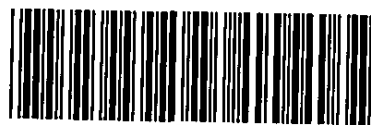
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Magdalena Glanowska KPMG LLP Arlington Business Park Theale Reading RG7 4SD DX Number DX 146800 (Theale) 2	Tel 0118 964 2026 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



A33

A1BFMQV6

19/06/2012

#57

COMPANIES HOUSE

TUESDAY



**Glamalco Limited
(in administration)**

Progress Report
Pursuant to Paragraph 2.47 of the
Insolvency Act 1986 (as amended)

KPMG LLP
18 June 2012

reh/mag/gab26b4950

Notice: About this report

- This Report has been prepared by Jonathan Scott Pope and Richard John Hill, the Joint Administrators of Glamalco Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Glamalco Limited. Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.
- Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.
- Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.
- The Joint Administrators act as agents for Glamalco Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

Contents

1	Introduction	4
2	Progress of the administration	4
3	Costs of realisation	5
4	Estimated outcome to creditors	6
5	Future strategy	7

Appendices (see attached)

1	Statutory information	
2	Receipts and payments account	
3	Analysis of Administrators' time costs and schedule of rates of charging	
4	Schedule of expenses	

Glossary

Act	The Insolvency Act 1986 (as amended)
Administration Order	The Administration Order granted in the High Court of Justice, Chancery Division, Companies Court Court case number 2146 of 2010
Administrators	Jonathan Scott Pope and Richard John Hill of KPMG LLP
Bank / Secured Creditor	Lloyds Banking Group
Company/Glamalco	Glamalco Limited
Court	High Court of Justice, Chancery Division, Bristol District Registry
Craigdam	Craigdam Services Limited
Directors	Kieran Joseph O'Connor and Alan Royston Quartly
Registered office	c/o KPMG LLP, Arlington Business Park, Theale, Reading, Berkshire, RG7 4SD
Rules	The Insolvency Rules 1986 (as amended)

The references in this Report to Sections, Paragraphs or Rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 (all as amended)

1 Introduction

Creditors have previously been advised that Jonathan Scott Pope and Richard John Hill of KPMG LLP were appointed as Administrators of the Company by the Company's directors on 26 November 2010

This report has been prepared in accordance with Rule 2 47 and covers the period from 26 November 2011 to 25 May 2012 Form 2 24B, formal notice to that effect, is enclosed

Statutory information as required by Rule 2 47 is attached as Appendix 1. An abstract receipts and payments account showing the movements to 25 May 2012 is also attached at Appendix 2 The figures on the account are shown net of VAT

As previously advised it was not possible to complete the administration prior to the expiry of the Administration Order and therefore, the period of the administration has been extended by two years until 25 November 2013, by the Court

1.1 Purpose of the administration

In accordance with paragraph 3(1) of Schedule B1 of the Act the Administrators have the following hierarchy of objectives: -

- a) rescuing the Company as a going concern,
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, and
- c) realising property in order to make a distribution to one or more secured or preferential creditors

The Administrators concluded that objective a) was not possible because there was no funding available to continue trading the Company Therefore, objective b) was the most viable, with the planned exit route from the administration, being the dissolution of the Company.

2 Progress of the administration

2.1 Asset realisations

2 1 1 Debtors

The Directors estimated that the value of Glamalco's debtors at the appointment of the Administrators, including un-invoiced work and retentions, totalled £5 5 million

As previously advised, since our appointment, a number of contractors have advised our agents, Craigdam, that they may have counter claims against Glamalco, or that they cannot make any further payment until all completion costs can be fully determined and consequently realisations may not be completed until early 2013. In the period covered by this report, Craigdam, have realised £55,795 which brings total realisations to date to £634,052

3 Costs of realisation

Payments made in this period are set out in the attached receipts and payments account (see Appendix 2). The figures in this account are shown net of VAT.

The schedule of expenses attached as Appendix 4 details the costs incurred, whether paid or unpaid, relating specifically to this reporting period only. The figures in this statement are also shown net of VAT.

Under Rule 2.48A, creditors are advised that, within 21 days of receipt of this report, a creditor may request additional information about the Administrators' remuneration and expenses as set out in this report. A request must be in writing, and may be made either by a Secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the Court.

In addition, under Rule 2.109, any Secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of creditors, or with the permission of the Court, may apply to the Court to challenge the remuneration charged, the basis of remuneration or the expenses incurred by the Administrators. Any such application must be made no later than eight weeks after receipt of the first report which reports the charging of the remuneration or the incurring of expenses in question.

The full text of Rules 2.48A and 2.109 can be provided on request by writing to the Administrators at KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD.

3.1 Administrators' remuneration

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf. However, if you are unable to access this guide and would like a copy please contact Magdalena Glanowska on 0118 964 2026.

The Association of Business Recovery Professionals' Statement of Insolvency Practitioners No. 9 ("SIP") requires the Administrators to provide a full detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out.

Therefore, attached as Appendix 3 is a detailed analysis of time spent and charge out rates for each grade of staff, for work carried out to 25 May 2012.

In the period to 25 May 2012, the Administrators have incurred time costs of £26,713 representing 111 hours at an average hourly rate of £241. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG LLP in-house specialists. This brings total time spent to date to 1,271 hours at a cost of £328,617.

Under Rule 2 106, as the Administrators have made a statement under Paragraph 52(1)(b) that, on the basis that there will be no surplus available to unsecured creditors, it is for the Secured Creditor and preferential creditors to fix the remuneration of the Administrators

With the consent of the Secured creditor and preferential creditors, the Administrators have drawn fees of £193,000 plus VAT to date

3.2 Agents' fees

In the period covered by this report, agents' fees and disbursements of £28,929 have been paid to Craigdam in respect of debt collection

3.3 Other costs

Costs incurred in respect of other realisations costs are listed in the attached receipts and payments account attached as Appendix 2

4 Estimated outcome to creditors

4.1 Secured creditor

As previously advised, at the date of the Administrators' appointment, the Bank was owed £2 1 million The Bank holds fixed and floating charges over all of the Company's assets

The Administrators have distributed £200,000 to the Bank to date, and the Bank will suffer shortfall under its fixed and floating charges

4.2 Preferential creditors

Claims in respect of certain wages and holiday pay rank preferentially Preferential claims in respect of Glamalco totalled £173,137

The Administrators agreed the preferential claims of employees and the first and final dividend to the preferential creditors of 100p in the £ was made on 14 December 2011

4.3 Unsecured creditors and the prescribed part

As previously advised, the Directors estimate that Glamalco's total outstanding balance due to unsecured creditors is £6,328,825 There are insufficient funds to enable a distribution to unsecured creditors other than by virtue of The Prescribed Part

The Prescribed Part provisions of Section 176A of the Act entitle unsecured creditors to a percentage share of realisations from net floating charge assets, after costs of realisation The percentage is calculated on a sliding scale up to a maximum amount of £600,000, subject to costs

A small dividend will be available to unsecured creditors by virtue of the Prescribed Part. Based on current estimates, the dividend is likely to be in the region of 1p in the £.

When appropriate, the Administrators will apply to the Court for authority to make a distribution to unsecured creditors (under the Prescribed Part), this is anticipated to be in early 2013. The Administrators will then take the requisite steps to dissolve the Company.

5 Future strategy

5.1 Ongoing matters

It is proposed that the Administrators will continue to manage the affairs, business and assets of the Company in order to achieve the purpose of the administration. This will include:

- Book debt, uninvoiced work and retentions collection,
- Payment of any outstanding administration expenses, including Administrators' remuneration,
- Making distribution(s) to the Secured Creditor,
- Agreement and distribution to unsecured creditors (under the Prescribed Part), and
- The completion of final corporation tax and VAT returns and settlement of any liability.

It is currently expected that the above matters will be completed by 25 November 2013. However, in the unlikely event that this is not possible the Administrators would seek a further extension to the period of administration.

5.2 Future reporting

In accordance with Rule 2.47, the Administrators will provide a further progress report within one month of 26 November 2012.



Jonathan Scott Pope
Joint Administrator

Appendix 1

Statutory information – Glamalco Limited

Company name and Trading style	Glamalco Limited
Administration Order	The Administration Order granted in the High Court of Justice, Chancery Division, Companies Court No 2146 of 2010
Date of appointment	26 November 2010
Present Administrators' details	<p>Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p> <p>Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales</p>
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company Directors	Kieran Joseph O'Connor Alan Royston Quartly
Company Secretary	Kieran Joseph O'Connor
Date of incorporation	15 April 1971
Company registration number	01008072
Previous registered office	Ipswich Road, Newport Road Industrial Estate, Cardiff CF23 9UR
Present registered office	KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD



Glamalco Limited (in administration)

Progress Report

KPMG LLP

18 June 2012

Trading addresses	Ipswich Road, Cardiff CF23 9UR
	7 North Way, Walworth Industrial Estate, Andover, Hampshire SP10 5AZ
	Unit 45, Manor Side Industrial Estate, Walkers Road, North Moons Moat, Redditch B98 9HD (Glamalco traded from this site from 8 November 2010 to 24 November 2010 only)
Trading names	Glamalco
	Glamorgan Aluminium
	Arcadia
	Framesafe
Authorised share capital	292,900 ordinary B shares of £0.02 each, 10,150 ordinary A shares of £0.01 each
Issued share capital	£10,000
Shareholders	Glamorgan Aluminium Co. Limited



Glamalco Limited (in administration)
Progress Report
KPMG LLP
18 June 2012

Appendix 2

Joint Administrators' receipts and payments account

The Administrators' receipts and payments account for the period from 26 November 2011 to 25 May 2012 is attached

Glamalco Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 26/11/2011 To 25/05/2012	From 26/11/2010 To 25/05/2012
	FIXED CHARGE ASSETS		
700,000 00	Freehold property	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	FIXED CHARGE CREDITORS		
(695,731 00)	Fixed charge creditor	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
50,000 00	Plant & machinery / chattel assets	NIL	182,264 00
	Furniture & equipment	NIL	900 00
50,000 00	Stock	NIL	128,064 96
1,700,000 00	Book debts	55,794 99	634,052 09
	Insurance refund	<u>NIL</u>	<u>83 39</u>
		55,794 99	945,364 44
	OTHER REALISATIONS		
	Sundry refunds	290 47	3,383 60
	Rates refund	<u>NIL</u>	<u>5,950 59</u>
		290 47	9,334 19
	COST OF REALISATIONS		
	Administrators' fees	193,000 00	193,000 00
	Agents'/Valuers' fees (Go Industry)	NIL	37,342 75
	Agents'/Valuers' fees (Craigdam)	24,890 63	102,789 66
	Legal fees (Bond Pearce)	NIL	7,539 80
	Agents' disbursements (Craigdam)	4,038 00	35,051 43
	Corporation tax/CIS	NIL	250 00
	Hire / Rental Costs	NIL	260 00
	Sub Contractor	NIL	193 27
	Telephone/Telex/Fax	NIL	1,205 39
	Water rates	NIL	258 61
	Heat & light	NIL	4,647 88
	Storage costs	210 99	652 06
	Re-direction of mail	NIL	189 31
	Statutory advertising	NIL	75 60
	Rates	NIL	1,466 79
	Insurance of assets	NIL	4,087 33
	Wages & salaries	NIL	27,174 54
	Employee expenses	NIL	357 16
	Bank charges	97 25	484 15
	Lease creditors (Bank of Scotland)	<u>NIL</u>	<u>388 52</u>
		(222,236 87)	(417,414 25)
	PREFERENTIAL CREDITORS		
	PAYE income tax etc	11,768 07	11,768 07
	Subrogated EP(C)A claim	129,659 25	129,659 25
(170,708 00)	Employees' wage arrears	<u>31,710 06</u>	<u>31,710 06</u>
		(173,137 38)	(173,137 38)
	FLOATING CHARGE CREDITORS		
(1,261,042 00)	Floating charge	<u>200,000 00</u>	<u>200,000 00</u>
		(200,000 00)	(200,000 00)

Glamalco Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 26/11/2011 To 25/05/2012	From 26/11/2010 To 25/05/2012
	UNSECURED CREDITORS		
(4,849,693 00)	Trade & expense	NIL	NIL
(834,936 00)	Corp tax etc/nonpref PAYE	NIL	NIL
(642,212 00)	Non-preferential VAT	NIL	NIL
(1,984 00)	Other creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,000 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(5,966,306.00)		(539,288.79)	164,147.00
	REPRESENTED BY		
	Floating ch VAT rec'able		82,216 93
	Floating charge current		122,032 99
	Floating ch VAT payable		(170,717 89)
	Floating ch VAT control		130,614 97
			164,147.00



Glamalco Limited (in administration)

Progress Report

KPMG LLP

18 June 2012

Appendix 3

Analysis of Administrators' time costs and schedule of rates of charging

26 November 2010 to date	
Partner/director	£460 - £535
Management	£345 - £425
Administrators	£175 - £240
Support	£110

Glamalco Limited (in administration)

Time costs analysis from 26 November 2011 to 25 May 2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
Fund management		0 20	0 40		0 60	£139 00	£231 67
General (Cashiering)			8 50	7 90	16 40	£2,363 00	£144 09
Reconciliations (& IPS accounting reviews)				1 50	1 50	£165 00	£110 00
General							
Books and records				3 53	3 53	£388 30	£110 00
Fees and WIP		2 20	1 30	0 90	4 40	£1,085 50	£246 70
Statutory and compliance							
Checklist & reviews	3 00	0 30	1 85		5 15	£1,807 25	£350 92
Reports to debenture holders	0 80	5 30	1 50		7 60	£2,481 50	£326 51
Strategy documents	1 00	1 10	0 30		2 40	£892 00	£371 67
Tax							
Post appointment corporation tax		2 30	6 40		8 70	£2,277 50	£261 78
Post appointment VAT		0 70	4 75		5 45	£1,072 75	£196 83
Creditors							
Creditors and claims							
Agreement of preferential claims			9 50		9 50	£2,280 00	£240 00
General correspondence		2 10	5 30		7 40	£1,652 00	£223 24
Payment of dividends	3 50	0 30			3 80	£1,826 00	£480 53
Secured creditors		4 10	0 40		4 50	£1,484 50	£329 89
Statutory reports	2 00	4 20	9 20	0 20	15 60	£4,105 00	£263 14
Employees							
Correspondence		0 30	5 40	2 79	8 49	£1,673 90	£197 16
Mail redirection				0 45	0 45	£49 50	£110 00
Realisation of assets							
Asset Realisation							
Debtors		0 10	4 95		5 05	£900 75	£178 37
Open cover insurance			0 40		0 40	£70 00	£175 00
Total in period					110 92	£26,713 45	£240 84
Brought forward time (26 November 2011 to 25 November 2011)					1,160 47	£301,903 70	
Time for the period 26 November 2011 to 25 May 2012					110 92	£26,713 45	
Total time costs					1,271 39	£328,617 15	

All staff who have worked on this assignment including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of chargeout rates.

Summary of disbursements

	£
Brought forward	2,444 00
Printing costs	138 70
Total	2,582 70

Appendix 4

Schedule of expenses

Glamalco Limited	Paid	Accrued	Total for period
	£	£	£
Costs of realisation			
Book debt collection costs	-	6,667	6,667
Office holders' fees	-	26,713	26,713
Other expenses	306	139	445
Total	306	33,519	33,825

Note

Creditors are reminded that the basis upon which fees have been reported has been agreed. The quantum is supported by an analysis of time costs available for review at Appendix 3. Any additional information regarding remuneration or expenses charged for the period is available from the office holder upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A. This request must be made within 21 days of receipt of the report. In addition, creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2.109 within eight weeks of receipt of this report. The full text of these rules can be provided upon request. As the Company is VAT registered, all VAT charged on expenses is recoverable, therefore no VAT has been included in the accrual figures.