

The Insolvency Act 1986

Administrator's progress report

| |
|-------------------------------|
| Name of Company |
| United Polythene (UK) Limited |

| |
|----------------|
| Company number |
| 03176545 |

| |
|---|
| In the The High Court of Justice (full name of court) |
|---|

| |
|----------------------------------|
| Court case number 315 of 2010 |
|----------------------------------|

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)
Paul William Ellison
RSM Tenon Recovery
First Floor
Davidson House
Reading
Berks RG1 3EU

Gareth Wyn Roberts
RSM Tenon Recovery
First Floor
Davidson House
Reading
Berkshire

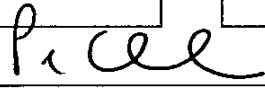
administrator(s) of the above company attach a progress report for the period

(b) Insert date

| |
|------------------|
| From |
| (b) 15 July 2011 |

| |
|--------------------|
| To |
| (b) 9 January 2012 |

Signed


Joint / Administrator(s)

Dated

9 January 2012

TUESDAY



A43

A107XRQP

10/01/2012

#87

COMPANIES HOUSE

**United Polythene (UK) Limited (“the Company”) – In
Administration**

**Joint Administrators’ Final Progress Report
for the period from 15 July 2011 to 9 January 2012**

Issued on: 9 January 2012

Paul William Ellison and Gareth Wyn Roberts of RSM Tenon Recovery are the Joint Administrators of the Company and this is their final progress report on the administration of the Company for the period from 15 July 2011 to 9 January 2012 with a summary of the administration as a whole. This report should be read in conjunction with previous progress report/s and the approved Administrators' Proposals

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2 Joint Administrators' receipts and payment account

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 15 July 2011 to 9 January 2012 and cumulatively for the whole of the Administration is attached at **Appendix II**

3. Action taken by the Joint Administrators

Actions from commencement to the start of this period

Assets

As previously advised, following a period of marketing of the business and assets a sale of the assets was achieved to Donington Plastics Limited on 1 February 2010 for a consideration of £70,000

Book Debts

The Company's pre-appointment book debts were subject to an invoice finance agreement with Eurofactor (UK) Limited. As at the date of this report the debtor ledger balance is £192,193 with funds in use of £85,724. Eurofactor (UK) Limited have advised that they do not anticipate any further realisations and will be relying upon the personal guarantees provided by the Directors.

As a consequence, there is no surplus available to unsecured creditors from the book debt collections.

Investment Property

The Company purchased a long term leasehold premises on Carterton Industrial Estate in Oxfordshire which was excluded from the sale of the business and assets.

King Sturge conducted a marketing process of the investment property but received limited interest and only one offer which was received from the tenant at the time.

Whilst the marketing process continued and the proposed sale was being considered by the secured creditor and terms were negotiated, the tenant agreed to pay the ground rent to the council in order to continue trading from the premises.

On 20 December 2010, I was advised that the ground rent for the premises had not been paid by the tenant. Therefore in order to protect the asset and to avoid the risk of the landlord applying for forfeiture, with the consent of the secured creditor, I paid the arrears of the ground rent to the head landlord.

I then entered protracted negotiations with the tenant and in return for an exclusivity period the tenant reimbursed the ground rent.

In addition to seeking the approval of the secured creditor to the sale, I also sought the consent of the head landlord, Oxford City Council, to the assignment of the lease in accordance with the terms of the lease. Following detailed correspondence with the head landlord and the negotiations with the interested party, I formally

requested consent to the assignment on 11 March 2011. Further detailed information was then requested by the head landlord in order that they could assess the covenant of the proposed assignee. This information was duly provided on 8 April 2011. The head landlord advised that they were considering their position and following further requests for the consent, it was received subject to a number of conditions on 26 May 2011.

These conditions resulted in the proposed assignee reducing their offer and at the start of the period covered by this report the secured creditor was considering the revised offer.

Investigations

The Administrators have a duty to submit confidential reports to the government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the Administration. These have been completed.

Actions in this final period

Investment Property

The secured creditor provided their consent to the sale of the property as detailed above however the proposed assignee withdrew their offer as they were unable to provide the 9 month deposit required by the head landlord.

I then proceeded to seek an alternative purchaser and following a referral from a contact from my database of potential interested parties and agents, I received an offer for the premises on 15 August 2011 from Millwood Enterprises Limited for a consideration of £85,000.

This offer was considered by the secured creditor and consent was duly provided.

Millwood Enterprises Limited were keen to achieve a quick purchase of the premises and met with the head landlord in person to negotiate ongoing terms.

Following a period of contract negotiations, a sale of the longterm leasehold premises was completed on 1 September 2011 for a consideration of £85,000.

Extension to period of Administration

Under the Enterprise Act 2002, all Administrations automatically come to an end twelve months following appointment unless an extension is granted by the Court or following the consent of the creditors.

Due to the difficulties encountered in achieving a sale of the investment property, I was unable to conclude the Administration within 12 months. I therefore obtained an extension to the period of the Administration for 6 months to 14 July 2011 from the creditors in accordance with Paragraph 78(1)(b) of Schedule B1 of the Insolvency Act 1986.

Due to the protracted and ultimately abortive negotiations for the sale of the investment property it was not possible to complete the Administration by 14 July 2011 and I applied to Court for a further extension to the period of Administration to 14 January 2012 pursuant to Paragraph 77(1)(b). The extension was duly granted.

4. Joint Administrators' Proposals

As previously advised at the meeting of creditors held on 25 March 2010 the Joint Administrators' proposals for achieving the purpose of the Administration were approved by creditors without modification/s. A further copy is attached at **Appendix IV**.

There were no major amendments to, or deviations from, these proposals.

5 Liabilities and dividends

Secured Creditor

HSBC Bank PLC held a fixed charge over the investment property dated 13 June 1996 and were owed c£350,000 at the date of appointment. Following the completion of the sale of the property I distributed £30,000 to the Bank.

On 9 January 2012 a second a final distribution was made to the Bank for £690 16.

There were insufficient funds to enable any distributions to any other class of creditors.

6 Joint Administrators' Remuneration, Disbursements and Expenses

Description of work carried out

Since my last report further time has been spent in the ultimately abortive sale of the investment property and the subsequent successful sale.

Additional time has been incurred in completing the necessary formalities and reviews prior to the closure of the Administration.

Administrators' Fees

At the creditors meeting held on 9 March 2010, creditors passed a resolution that my remuneration should be calculated on a time cost basis. In my previous report I advised that it was unlikely there would be a dividend available to unsecured creditors and therefore the Joint Administrators must seek the approval of the preferential creditors. This additional approval was duly granted.

In accordance with the recommendations of Statement of Insolvency Practice 9 (SIP 9) a schedule detailing the Joint Administrators time costs is attached as Appendix 4, together with a guide to my firms charge out rates. My time costs to date amount to £65,395.

As previously advised I agreed with the secured creditor that I would limit my total fees to £35,000. These have now been billed and taken and the balance has been written-off.

Administrators' Disbursements

The Joint Administrators are in accordance with Sip 9 entitled to draw disbursements on two bases, namely Category one and two. Full details of these charges are set out in Appendix 3. To date our disbursements total £497 85 and the category two disbursements totalling £315 75 are detailed in Appendix 3 in accordance with SIP 9.

Other Professional Costs

In the period prior to that covered by this report the Joint Administrators instructed King Sturge in relation to the valuation of the Company's business and assets. In addition King Sturge and GVA Grimleys were engaged to provide valuations of the investment property. King Sturge were paid £2,606 in respect of the valuation of the business and assets. GVA Grimleys were paid £1,545 in respect of the valuation of the investment property.

Kennedys Solicitors were engaged to assist with the sale of the business and associated contracts. Up to the start of the period covered by this report I had paid Kennedys' invoices totalling £6,600.

In the period covered by this report King Sturge have submitted further invoices for £3,500 in respect of the abortive sales process and additional work undertaken in marketing the premises. These have been paid.

Kennedys Solicitors' timecosts for both the abortive and successful sales processes were agreed with the secured creditor at £25,000 and have been paid in the period covered by this report

The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them

Creditors' Guide to Fees and statement of creditors' rights

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses time limits apply Details can be found in the document 'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenon.com/creditorguides> Alternatively a copy is available free of charge upon request from the address above

7 End of Administration

Purpose 3 of Paragraph 3 of Schedule B1 of the Insolvency Act has been achieved, namely to realise property in order to make a distribution to one or more secured or preferential creditors

As outlined previously it is the Joint Administrators intention to exit the Administration into dissolution

All assets have now been realised

The Company will be automatically dissolved three months after the Notice of Moving from Administration to Dissolution has been filed by the Registrar of Companies The relevant documentation was sent to Companies House on the 9 January 2012



Paul W Ellison

Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the Company are being managed by the Administrators*

Appendix I**Company Information**

| | |
|----------------------------|---|
| Company Name | United Polythene (UK) Limited |
| Previous Name | |
| Company Number | 03176545 |
| Date of Incorporation | 22 March 1996 |
| Trading Address | The Old Tannery, Hensington Road, Woodstock, Oxon, OX20 1JL |
| Current Registered Office | Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU |
| Former Registered Office | The Aquarium, 1-7 King Street, Reading, RG1 2AN |
| Principal Trading Activity | Polythene Packaging |

Appointment details

| | |
|------------------------------------|---|
| Joint Administrators | Paul William Ellison and Gareth Wyn Roberts both of First Floor, Davidson House, Reading, Berkshire, RG1 3EU |
| Date of appointment | 15 January 2010 |
| Court Name and Reference | The High Court of Justice, 315 / 2010 |
| Appointment made by | Eurofactor (UK) Limited Bellerive House, 3 Muirfield, Crescent, London, E14 9SZ |
| Actions of Joint Administrators | Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone |
| Extension to period of appointment | Creditor approved extension up to 14 July 2011 Subsequent Court approved extension to 14 January 2012 |

Appendix II – Receipts and Payments account

United Polythene (UK) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

| Statement of Affairs | From 15/07/2011 To 06/01/2012 | From 15/01/2010 To 06/01/2012 |
|-----------------------------|----------------------------------|----------------------------------|
| SECURED ASSETS | | |
| Freehold Land & Property | 85,000 00 | 85,000 00 |
| Goodwill | NIL | 20,000 00 |
| | <u>85,000 00</u> | <u>105,000 00</u> |
| COSTS OF REALISATION | | |
| Legal Fees | 25,000 00 | 25,000 00 |
| Agents/Valuers Fees | 2,000 00 | 6,151 40 |
| Legal Disbursements | 962 52 | 962 52 |
| Locksmith/Security | 951 00 | 951 00 |
| VAT - Unrecoverable | 300 00 | 480 00 |
| | <u>(29,213 52)</u> | <u>(33,544 92)</u> |
| SECURED CREDITORS | | |
| Chargeholder (1) | NIL | 21,832 16 |
| Chargeholder (2) | NIL | 5,000 00 |
| HSBC Bank PLC | 30,690 16 | 30,690 16 |
| | <u>(30,690 16)</u> | <u>(57,522 32)</u> |
| ASSET REALISATIONS | | |
| Plant & Machinery | NIL | 50,000 00 |
| Sundry Refund | NIL | 4 00 |
| Exclusivity Agreement | 9,132 00 | 34,428 00 |
| Bank Interest Net of Tax | 12 59 | 63 58 |
| Trading Surplus/(Deficit) | (15,848 72) | (60,401 49) |
| Exclusivity Consideration | NIL | 9,204 00 |
| | <u>(6,704 13)</u> | <u>33,298 09</u> |
| COST OF REALISATIONS | | |
| Specific Bond | NIL | 528 00 |
| Office Holders Fees | 15,000 00 | 35,000 00 |
| Cripps Transport | NIL | 275 00 |
| Legal Fees (1) | NIL | 6,600 00 |
| Legal disbursements | NIL | 30 00 |
| Legal Fees - OCC | 1,080 00 | 1,980 00 |
| Estate Agents Fees | 1,500 00 | 1,500 00 |
| Statutory Advertising | NIL | 151 20 |
| Insurance of Assets | 279 84 | 279 84 |
| Bank Charges | 88 00 | 886 81 |
| | <u>(17,947 84)</u> | <u>(47,230 85)</u> |
| | <u>444 35</u> | <u>0 00</u> |
| REPRESENTED BY | | |
| | | <u><u>NIL</u></u> |

Note

United Polythene (UK) Limited
(In Administration)
Joint Administrators' Trading Account

| Statement of Affairs | From 15/07/2011 To 06/01/2012 | From 15/01/2010 To 06/01/2012 |
|---------------------------|----------------------------------|----------------------------------|
| OTHER DIRECT COSTS | | |
| Direct Expenses | NIL | 200 00 |
| | NIL | (200 00) |
| TRADING EXPENDITURE | | |
| Rents | 15,848 72 | 59,292 42 |
| Utilities | NIL | 120 77 |
| Insurance | NIL | 788 30 |
| | (15,848 72) | (60,201 49) |
| TRADING SURPLUS/(DEFICIT) | (15,848 72) | (60,401 49) |

Appendix III – Information relating to the Joint Administrators’ Fees and Expenses

The following table is a summary of time costs incurred by staff grade and work activity to 9 January 2012

| UNITED POLYTHENE (UK) LIMITED - IN ADMINISTRATION ADMINISTRATORS' TIME COSTS FOR THE PERIOD 15 JANUARY 2010 TO 9 JANUARY 2012 SIP 9 TIME SUMMARY | | | | | | | |
|---|-----------|-----------|---------------------------|------------------------------|-------------|-----------------|-----------------------------|
| Classification of Work Function | Hours | | | | | Total Cost £ | Average Hourly Rate £ |
| | Director | Manager | Other Senior Professional | Assistants and Support Staff | Total Hours | | |
| Administration and Planning | | | | | | | |
| Administration and Planning | 7.5 | 17.3 | 5.1 | 3.3 | 33.2 | 8,548.00 | 257.47 |
| Investigations | | | | | | | |
| CDDA Investigations | 0.0 | 5.5 | 0.0 | 0.0 | 5.5 | 1,457.50 | 265.00 |
| Other Investigations | 0.0 | 2.0 | 0.0 | 0.0 | 2.0 | 530.00 | 265.00 |
| Creditors | | | | | | | |
| Creditors | 0.0 | 19.3 | 0.0 | 0.0 | 19.3 | 5,114.00 | 264.97 |
| Employees | 1.2 | 5.8 | 2.9 | 0.0 | 9.9 | 2,568.00 | 259.39 |
| Retention of Title | 0.0 | 1.2 | 0.0 | 0.0 | 1.2 | 318.00 | 265.00 |
| Realisation of Assets | | | | | | | |
| Realisation of assets | 4.6 | 37.8 | 5.2 | 0.0 | 47.6 | 12,116.00 | 254.54 |
| Book debt collection | 0.8 | 4.4 | 0.0 | 0.0 | 5.2 | 1,470.00 | 282.69 |
| Freehold/Leasehold property | 17.3 | 79.2 | 5.6 | 0.0 | 102.1 | 20,630.50 | 202.06 |
| Other | | | | | | | |
| Cashiering | 0.0 | 0.0 | 0.0 | 19.2 | 19.2 | 2,772.00 | 144.38 |
| Total Hours | 31.4 | 172.5 | 18.8 | 22.5 | 245.2 | | 266.70 |
| Total Cost | 11,932.00 | 45,751.50 | 3,359.00 | 4,352.00 | | 65,394.50 | |

Joint Administrators time cost analysis -

The various tasks relating to the administration have been undertaken by appropriately experienced staff to ensure matters were properly dealt with and at least cost to the administration of the estate. The analysis below seeks to give some indication of the various tasks undertaken by the administrators and their staff but is not intended to be, nor should be viewed as, an exhaustive list.

Administration and planning

Time costs in this section relate to the maintenance of professional standards, the handling of receipts and payments during the administration, general case compliance, and the day to day running of the administration.

Investigations

Investigation in relation to all matters relating to the Administration including but not limited to the following,

- 1) Preferences (S239 of the Insolvency Act 1986)
- 2) Transactions at undervalue (S238 of the Insolvency Act 1986)
- 3) Other antecedent transaction
- 4) Terrorism Act 2000
- 5) Money laundering regulations 2003
- 6) Proceeds of Crime Act 2002

Directors' Investigations

Work carried out in relation to the review of the directors' conduct on any matters raised by creditors generally.

CDDA Reporting

These time costs relate to investigations required under the provisions of the Company Directors Disqualification Act 1986, namely the investigation into the affairs of the Company and the conduct of its current and former directors which culminates in the preparation and submission of a report to the Department of Trade & Industry.

Creditors

Time costs incurred in relation to dealing with the queries of the company's creditors in relation to all aspects of the Administration.

Employees

Time expended in dealing with employees' claims and queries, assistance in completing the forms necessary for the employees to submit a claim to the Redundancy Payments Office.

Retention of Title/ Third party assets

Time spent in dealing with retention of title claims including site visits and adjudication of the validity of claim having regard to the supporting documentation submitted by the claimant.

Realisation of assets

These time costs have been incurred both protecting and realising the company's assets. This includes the realisation of the chattel assets, negotiations with potential purchasers and discussion of the realisation strategy with the duly appointed agents.

Book debt Collection

Actions taken in respect of the debt collection include a thorough review of the company's records in order to retrieve a considerable number of files which have been passed to our debt collection department for further work.

Other

Time expended on other administrative matters necessary to discharge the Joint Administrators' functions not categorised above, such as maintenance of files, non-specific correspondence, photocopying and the maintenance of computerised systems.

Category 2 disbursements

| | |
|---|---------------|
| Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest | |
| Type and purpose | £ |
| Mileage | 286 95 |
| Printing & Copying | 28 80 |
| Total | 315 75 |

RSM TENON RECOVERY

CHARGING AND DISBURSEMENT POLICIES AND RATES

1 Hourly rates with effect from

| | 1 January 2010 | 1 January 2011 |
|---------------------------|-----------------------|-----------------------|
| | £ | £ |
| Director | 380 | 380 |
| Manager/Senior Manager | 245/265 | 260/280 |
| Other senior professional | 200 | 210 |
| Support | 70 | 80 |

2 Charging Policies

Time is charged and recorded to the case in units of not less than 6 minutes

Time spent by all levels of staff are charged to the case

Chargeout rates are revised on an annual basis

3 Category One Disbursements

Category one disbursements are those disbursements which can be specifically identified as relating to the administration of the case. They include but are not limited to the following -

Statutory advertising
Postage
Legal and professional fees
Specific penalty bond
Insurance
External room hire

4 Category Two Disbursements

Category two disbursements are expenses of an incidental nature which are directly incurred on the case and paid to RSM Tenon Recovery. The rates of calculation are reviewed annually and are currently as follows -

| | |
|-------------------|-----------------|
| Mileage | 40p per mile |
| Photocopying | 5p per sheet |
| Storage | £50 per box |
| Meeting room hire | £50 per meeting |

6. Administrators' Proposals

In accordance with Paragraph 49 of Schedule B1 of the Act, Paul W Ellison, the Joint Administrator of the company, makes the following proposals to the creditors of the company for achieving the purpose of the Administration, which came into effect on 15 January, 2010. These proposals will be considered at the meeting of the creditors of the Company to be held on 25 March 2010 at 10 00am

The Joint Administrator proposes that

- (a) he continues to manage the affairs and property of the Company in order to achieve the purpose of the Administration, with the intention of achieving a better result for creditors as a whole than would be likely if the Company was wound up,
- (b) he instructs professional agents of his choice to proceed with the disposal of all the remaining assets,
- (c) the creditors should consider establishing, and if thought fit, establish a Creditors' Committee to exercise the functions conferred on it by or under the Act,
- (d) he consults with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where he considers it expedient, obtains the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators,
- (e) in addition, he does all such things and generally exercises all his powers as Administrator as he in his discretion considers desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise realisations of those assets, or for any other purpose incidental to these proposals,
- (f) the remuneration of the Administrators' is to be fixed by reference to the time properly given by the Insolvency Practitioners (acting as Joint Administrators) and their staff in attending to matters arising in the Administration. A summary of the Joint Administrators' time costs to date, together with the charge out rates and disbursement rates are attached as Appendix 3. The Administrator fees incurred to date as shown at Appendix 3 be approved for payment by the creditors or a committee if one is appointed. The Administrators will also be able to recover category 2 disbursements, the charges for which are also attached at Appendix 3
- (g) The Administrators' future fees and expenses be approved in relation to the Company by the creditors committee should one be appointed but failing that the Administrators be authorised by the creditors to draw remuneration and expenses based on their time costs on a monthly basis
- (h) on completion of the realisation of assets and distribution of funds to creditors, and as quickly and as efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration. This may include dissolution of the Company or placing the Company into Creditors Voluntary Liquidation ("CVL"). If the Company were to be placed into CVL the Administrators propose to be appointed Joint Liquidators. Please note that creditors may nominate a different person as the proposed Liquidator
- (i) the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution
- (j) the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and in relation to distributions to unsecured creditors when the Court gives permission
- (k) The Administrators are discharged from all liabilities in respect of any actions of theirs as Administrator following vacation of office