

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A15 *A8BHM4ZK* 09/08/2019 #273
COMPANIES HOUSE

1 Company details

Company number 0 0 8 2 6 1 0 2

Company name in full Arjobex Limited T/A Polyart

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Glyn

Surname Mummery

3 Administrator's address

Building name/number Jupiter HouseWarley Hill Business Park

Street The Drive

Post town Brentwood

County/Region Essex

Postcode C M 1 3 3 B E

Country

4 Administrator's name ①

Full forename(s) Geoffrey Paul

Surname Rowley

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode E C 4 N 6 E U

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 4	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 3	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Ethan M. ...

X

Signature date

^d 0	^d 7	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9
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**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
POST APPOINTMENT SALES		
Sales	2,355,685.56	2,355,685.56
Rental Income: 11B & C Stephenson R	33,697.98	33,697.98
Suppliers Overpayments	1,868.56	1,868.56
VAT Refund for Euro Account	199,837.52	199,837.52
Apportionments - Raw Mat/Consumabl	NIL	NIL
Apportionments - Wages, Pension, PA	NIL	NIL
Apportionments - Utilities & Leases	NIL	NIL
Apportionments - Subscriptions	NIL	NIL
Stock - Raw Mat, Consumables etc	NIL	NIL
Stock - WIP/Finished Goods	NIL	NIL
	2,591,089.62	2,591,089.62
TRADING EXPENDITURE		
PAYE/NI	335,423.74	335,423.74
Pensions & Life Insurance	111,363.70	111,363.70
Unite Union	1,998.81	1,998.81
Cleaning/Site Maintenance	14,929.44	14,929.44
Utilities (Electricity/Water/Gas)	198,102.96	198,102.96
Photocopier Rental	1,099.08	1,099.08
Suppliers - Raw Materials	667,679.59	667,679.59
Suppliers - Sundry	14,374.08	14,374.08
Suppliers - Engineering/Consumables	84,144.73	84,144.73
Bank Charges - Trading	254.84	254.84
Patent Renewal/Index Subscription Fe	33,836.47	33,836.47
Car Leasing Costs	9,615.80	9,615.80
Wages	755,350.27	755,350.27
IT Expenses	568.50	568.50
Telephone	8,159.27	8,159.27
ROT Settlements	38,115.93	38,115.93
	(2,275,017.21)	(2,275,017.21)
TRADING SURPLUS/(DEFICIT)	316,072.41	316,072.41

Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
	ASSET REALISATIONS		
Uncertain	Goodwill	NIL	NIL
Uncertain	Land and Buildings	NIL	NIL
Uncertain	Investment Property	NIL	NIL
Uncertain	Plant, Machinery, Vehicles, Equip etc	NIL	NIL
Uncertain	Stock/Raw Materials	NIL	NIL
Uncertain	Inventory Spare Parts	NIL	NIL
907,924.00	Book Debts	819,310.46	819,310.46
Uncertain	Prepayments	NIL	NIL
257,292.00	VAT Refund	265,170.59	265,170.59
11,268.00	Cash at Bank	11,270.51	11,270.51
20,000.00	HMRC Duty Deferment Deposit Refun	20,000.00	20,000.00
	Business Rates Refund	9,341.34	9,341.34
	Bank Interest Gross	577.69	577.69
	Rental Income - 11 Stephenson Road	NIL	NIL
	Trading Surplus/(Deficit)	316,072.41	316,072.41
Uncertain	Current/Treasury Account	NIL	NIL
		<u>1,441,743.00</u>	<u>1,441,743.00</u>
	COST OF REALISATIONS		
	Administrators Pre Appt Fees	7,456.00	7,456.00
	Administrators Remuneration - Time C	300,000.00	300,000.00
	Administrators Disbursements - Cat 1	1,135.42	1,135.42
	Administrators Disbursements - Cat 2	2,791.08	2,791.08
	Pre Appt Legal Fees & Disbursements	25,802.28	25,802.28
	Post Appt Legal Fees & Disbs	NIL	NIL
	Post Appt Agents Fees & Disbs - Hilco	6,000.00	6,000.00
Uncertain	Post Appt Agents Fees - Ernst & Youn	NIL	NIL
	Post Appt Agents Fees - Fenn Wright	1,250.00	1,250.00
	Bonding	1,100.00	1,100.00
Uncertain	Corporation Tax	NIL	NIL
	Statutory Advertising	69.93	69.93
	VAT Irrecoverable	719.10	719.10
	Computer Consumables	NIL	NIL
	Petty Cash	500.00	500.00
	Pension Advisory Fees	NIL	NIL
	Climate Change agreement scheme	19,124.00	19,124.00
Uncertain	Storage Costs	NIL	NIL
	Rates refund received in error	9,341.34	9,341.34
	Insurance - No 11 Stephenson Road	NIL	NIL
	Bank Charges - Floating	127.20	127.20
Uncertain	Business Rates - 11 Stephenson Road	NIL	NIL
Uncertain	Accountancy Fees	NIL	NIL
		<u>(375,416.35)</u>	<u>(375,416.35)</u>
	PREFERENTIAL CREDITORS		
(1,840.00)	Employees - Pension	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(1,426,749.73)	Trade & Expense Creditors	NIL	NIL
(63,482.79)	HMRC - PAYE	NIL	NIL
(55,000,000.00)	Pension Protection Fund	NIL	NIL
(16,841.00)	Employees- Pension	NIL	NIL
(5,682.50)	Associated Companies	NIL	NIL

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
		NIL	NIL
	DISTRIBUTIONS		
(2,000,100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(57,318,212.02)		1,066,326.65	1,066,326.65
	REPRESENTED BY		
	VAT Recoverable - Trading		46,652.70
	Vat Recoverable - Floating		35,180.61
	IB Current Floating		974,936.22
	IB Current Floating - Wages Holding A		11,803.66
	Vat Payable - Floating		(2,246.54)
			1,066,326.65

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
POST APPOINTMENT SALES		
Sales: Arjobex SAS	2,248,825.83	2,248,825.83
Supplier Overpayments	NIL	NIL
	2,248,825.83	2,248,825.83
TRADING EXPENDITURE		
Suppliers - Raw Materials	1,564,643.84	1,564,643.84
Suppliers - Sundry	2,294.50	2,294.50
Suppliers - Engineering/Consumables	2,779.60	2,779.60
Bank Charges	681.42	681.42
Patent Renewal Fee - Trade Marks	3,420.00	3,420.00
ROT Settlement	98,992.78	98,992.78
IT Expenses	305.55	305.55
Insurance	6.99	6.99
VAT reclaim converted to sterling	229,907.07	229,907.07
	(1,903,031.75)	(1,903,031.75)
TRADING SURPLUS/(DEFICIT)	345,794.08	345,794.08

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
ASSET REALISATIONS		
Trading Surplus/(Deficit)	345,794.08	345,794.08
	345,794.08	345,794.08
	345,794.08	345,794.08
REPRESENTED BY		
Vat Receivable		86,518.20
IB Euro Account		259,275.88
		345,794.08

Note:

Glyn Mummery
Joint Administrator

ARJOBEX LIMITED T/A POLYART (IN ADMINISTRATION) ("THE COMPANY")

THE HIGH COURT OF JUSTICE NO. 000319 OF 2019

The Administrators' Progress Report for the period 14/01/2019 to 13/07/2019 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

07 August 2019

Contents and abbreviations



Section	Content	The following abbreviations may be used in this report:
1.	Progress of the Administration in the Period	AL Arjobex Limited
2.	Estimated Outcome for the creditors	AAI Arjobex America Inc.
3.	Administrators' remuneration, disbursements, expenses and pre-appointment costs	AHSAS Arjobex Holdings SAS (Immediate parent of AL)
		APL Arjobex Polyart Limited
		ASAS Arjobex SAS
A.	Statutory information regarding the Company and the appointment of the Administrators	CVA Company Voluntary Arrangement
B.	A Schedule of Work	CVL Creditors' Voluntary Liquidation
C.	Receipts and Payments Accounts for the Period, for the Sterling/Euro Accounts, including Trading Accounts	EOS Estimated Outcome Statement
D.	Details of the Administrators' time costs and disbursements for the Period	FW Fenn Wright (Property Agents & Valuers)
E.	Documents for considering revised fee estimate -	FRP FRP Advisory LLP
	• Revised fee estimate	Hilco Hilco Valuation Services (Chattel Agents)
	• Up-dated Estimated Outcome Statement	HMRC HM Revenue & Customs
	• Details of Administrators time costs and disbursements up to 31 July 2019	JLT JLT Speciality Ltd (Insurance Brokers) – Now known as Marsh Ltd
	• Details of Administrators time costs and disbursements up to 06 August 2019	PC Prudentia Capital
F.	Statement of Expenses incurred in the Period	PEA Pre-Emption Agreement (entered into with APL relating to No. 11 Stephenson Road, Clacton on Sea, Essex
G.	Form AM10, Formal Notice of the Progress Report	PPF Pension Protection Fund

Contents and abbreviations



Proposals	The Joint Administrators formal proposals to creditors dated 01.03.19
QFCH	Qualifying Floating Charge Holder
ROT	Retention of Title
SSA	Sequana SA (Ultimate Parent Company)
SIP	Statement of Insolvency Practice
The Administrators	Glyn Mummary and Geoffrey Paul Rowley of FRP Advisory LLP
The Company	Arjobex Limited T/A Polyart (In Administration)
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
WG&M	Weil, Gotshal & Manges (London) LLP (Solicitors)
Working Capital Assets	Stock, parts, raw materials, WIP, finished/partially finished goods -pursuant to the sale of the business and certain assets to APL.

1. Progress of the Administration

Background/the Proposals

This report should be read in conjunction with our report to creditors dated 1 March 2019 which set out full background information behind the Company, the reasons which led to it being placed into Administration, and the Administrators' formal proposals for conducting and achieving the purpose of the Administration.

The Administrators' Proposals were agreed by creditors on 22 March 2019, subject to a modification regarding the basis of the Administrators' remuneration (see later comments). The decision for the Administrators' discharge from liability was rejected and will be sought at a later stage.

Statutory information regarding the Company and the administration appointment is attached at Appendix A.

The objective of the administration

The Administrators previously advised that they did not think that objective (a) of the Administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, was capable of being achieved. This was because of the £75 liability due to the PPf, now provisionally estimated by the PPf at £55m; accordingly, there was no realistic prospect of the Company proposing a CVA due to the extent of its outstanding liabilities.

As such, the Administrators advised they would pursue objective (b) in the first instance, namely to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in administration).

It is considered that this objective has been achieved for the following reasons: -

1. On 25 July 2019, and outside the reporting period, the Administrators completed a sale of the business and certain assets of the Company to an unconnected entity (APL) for a total consideration either at open market value of in excess of "ex-situ" values. The offer was received from PC, a French

Ajjobex Limited T/A Polyart (In Administration)
The Administrators' Progress Report

based private equity firm, and the sale was completed simultaneously with the sale of the shares in the immediate holding company, AHSAS, by the French Liquidators, to PC, which now has ultimate control of the four entities comprising the Argobex Division (see later comments). Significant agents/disposal costs, which would have otherwise arisen if the assets were sold on a break-up basis, have therefore been avoided.

2. The trading on of the business in Administration, albeit over an extended period, has been substantially cash positive and, therefore, should augment the return for creditors. In Liquidation, trading would have ceased before, or immediately upon, appointment.

3. At the date of Administration, the Company had outstanding book debts of £735k and £88k due by ASAS and AAI respectively, which were subsequently settled in full. Liquidation and/or an immediate cessation in trading would have put the recovery of these book debts at risk, due to the break in supply.

4. The contracts of employment for all the Company's 49 employees were transferred to APL on 25 July 2019, pursuant to TUPE. Substantial employee liabilities of approx. £2.2m, in respect of redundancy and notice pay, have therefore been eliminated. In Liquidation, all employees would have been made redundant upon appointment, thereby increasing the overall level of unsecured claims and diluting the pot of funds available for distribution to creditors.

Work undertaken during the period

Attached, at Appendix B, is a Schedule of Work undertaken during the Period together with a summary of work still to be completed.

We are also providing details regarding the sale of the Company's business and certain assets which completed after the reporting period on 25 July 2019, to provide better context as to what has been achieved and the potential outcome for creditors.

1. Progress of the Administration

An overview of key actions/information is set out below: -

Trading

- At the outset, we concluded that the optimum outcome for maximising realisations and preserving continuity of employment for staff would best be achieved by continuing to trade the Company in Administration, while trying to secure a sale of the business and assets.
- Cash flows were prepared, and arrangements agreed with ASAS whereby shortened invoice/payment terms were implemented to ensure that the Company had the necessary working capital to continue trading on a viable basis. This was necessary as many suppliers had insisted upon payment on a pro-forma basis. Cash flows and other financial forecasts were regularly prepared and reviewed to control/monitor performance throughout the entire period of trading.
- Extensive time was spent opening new accounts and meeting with key/critical suppliers. Some products/supplies were unique and could not be sourced from alternative suppliers. It was vital to re-establish relationships as quickly as possible to ensure that the Company had the necessary raw materials to continue production and maintain supply to ASAS. Weekly meetings with key staff were held on site to discuss orders and purchase requirements.
- Many creditors lodged ROT claims at the beginning of the Administration. Arrangements were made for stock to be identified/listed and for any claims to be adjudicated. Where claims were upheld, arrangements were made for stock to be purchased or, when the stock was not required or critical to ongoing trading, for that stock to be collected and credit notes issued. All known ROT claims have now been settled.
- For the most part, during the extended period of trading, the Administrators and/or a member of their staff have been on site daily to monitor progress and deal with any issues arising.
- Trading throughout the Period has been substantially cash positive, resulting in an overall trading surplus of over £1million.

Sale of Business & Certain Assets

- Chattel Agents, Hilco, were instructed to compile an inventory and valuation of the Company's physical assets/intellectual property and Property Agents, FW, were instructed to undertake valuations of the Company's two freehold properties situate at 10 & 11, Stephenson's Road, Clacton on Sea, Essex. In respect of the physical assets/intellectual property, it was evident there was a substantial difference between the "in-situ" and "ex-situ" values extended by Hilco, thereby re-enforcing our view that asset realisations would be substantially augmented through a successful sale of the Company's business and assets, as part of a sale of the wider Arjobex Division.
- Indeed, much of the machinery was old, requiring regular maintenance and expenditure. It became apparent, on a break up basis, that it may have been difficult to achieve even "ex-situ" values, aside from the disposal costs that would also have arisen in a shutdown situation.
- Given the inter-dependency between the four companies that made up the Arjobex Division, it was clear that the best, and realistically only viable option, for selling the business and assets, and maximising value, was via a sale of the Arjobex Division as a package.
- The Administrators initially worked closely with Ernst & Young in France ("E&Y"), who had been appointed by SSA/Arjowiggins SAS under the jurisdiction of the French Courts, to dispose of the shareholding in AHSAS. This entity acted as immediate parent company to ASAS, AAI and AL. As part

1. Progress of the Administration



of this process, E&YF were instructed by the Administrators to seek offers for the business and assets of AL, so that the sale of the Arjobox Division could be co-ordinated and completed to a single purchaser. It was envisaged, therefore, that the transactions would comprise a sale of the shares in AHSAS and, simultaneously, a separate sale of the business and assets of AL by the Administrators.

- Detailed information was assembled and up-loaded to a shared data room, for access by interested parties.
- While the above process ultimately resulted in two bids being received for the Arjobox Division as a whole, on 17 April 2019, before the bids could be fully assessed, AHSAS itself was placed in Liquidation. This followed a recommendation from the French Court that AHSAS should be placed into "sauvegarde" to allow for greater supervision of the share sale process, given that the beneficiary of the proceeds of that share sale would be its parent company, Arjowiggins SAS, which had also been placed into Liquidation.
- Accordingly, E&YF were dis-instructed by the French Liquidators, who then took control and re-run the whole sale process. The consequence of this was that the marketing/sale process was further extended by approx. two/three months, thereby necessitating the Administrators to continue trading the business well beyond original projections.
- Two offers were eventually received, and meetings were subsequently arranged with the respective bidders, with the French Liquidators in attendance.
- A co-ordinated approach between the French Liquidators and the Administrators was agreed and both offers were presented to the French Court at a hearing held in early July. At that hearing, the Judge decided to conduct a "best & final bid" exercise, with the bid from PC subsequently receiving the blessing of the Court and being afforded "preferred bidder" status.

- It was agreed by all parties that the sale of the shares in AHSAS by the French Liquidators and the sale of the business and certain assets of AL should be conducted simultaneously and on an accelerated basis, with a target date for completion of both transactions of 12 July 2019.
- In the event, due to the complexity of the transactions being condensed with a short timeframe, the target date was extended, with completion of the business and certain assets of AL taking place outside of the Period at 2.27am on 25 July 2019.
- A breakdown of the sale price achieved, compared to the professional valuations extended, is set out below:-

Asset	Note	Offer/Paid	Market Value – In - Situ (or OMV)	Market Value – Ex-Situ (or OMV)
F/H – No. 10 Stephenson Rd, Clacton, Essex	1)	£1,250,000	£1,250,000	£1,250,000
Plant, Machinery, Equipment (Chattel(s) etc.	2)	£424,994	£958,500	£377,500
Intellectual Property/Goodwill/ Patents/ Trademarks	3)	£50,000	£70,000/£50,000	Nil
Holding Debt	4)	£1	N/A	N/A
Customer Data		£1	N/A	N/A
Data		£1	N/A	N/A
Sales Information		£1	N/A	N/A
Rights of Action		£1	N/A	N/A

1. Progress of the Administration

Software Licences		£1	N/A	N/A
Working Capital Assets	5)	£298,087 (Est.)	Uncertain	Uncertain
Total		£2,203,087	£2,278,500 / £2,228,500	£1,627,500

- 1) No. 10 Stephenson Road was valued in February 19 at £1.25m by professional Agents, FW. The property was intrinsic to the business and therefore there was no prospect of selling it in isolation. The offer received for the property was referred to FW who subsequently confirmed that the offer was within their expected realisation range and, therefore, was acceptable.
- 2) The chattel/physical assets etc. were valued by chattel agents, Hilco in January 19. It subsequently became apparent that on a break-up basis, given the age of the assets and potential high maintenance/repair costs going forward, that the ex-situ value of the assets could be substantially less. Hilco also advised that the costs of disposal in a break-up could be considerable. The offer for the assets was referred to Hilco who confirmed that the offer was above their ex-situ value and, in the absence of any other offers, should be accepted. It should be noted that the under-bidder was unwilling to place any value on these assets.
- 3) The IP was valued by Hilco in March 19. In a break up, Hilco advised that there would be no likely realisable value for IP. The consideration paid was within their in-situ valuation range and was, therefore, accepted.
- 4) At the date of Administration, a debt of £1.039m was owed by AHSAS to AL. The full circumstances behind the creation of this debt was set out in our Proposals Report dated 1 March 2019. Other than its shareholdings in subsidiary companies, AHSAS had no realisable assets. With it subsequently being placed into *Savegard*, there was little prospect of

achieving any recovery in respect of this debt. In the interest of the wider deal, it was agreed that the debt would be assigned to APL for £1.

- 5) As part of the transaction, APL also agreed to purchase the Working Capital Assets. The aggregate value of these items has been estimated at £298,087, plus VAT (on a £ for £ basis). Subject to final verification, this amount is to be settled no later than 30 days after completion and is secured by way of legal mortgage over the freehold property situate at 10 Stephenson Road, Clacton on Sea, Essex. In the absence of a sale, given the unique nature of much of the stock, the realisable value would have been substantially diminished.

- Excluding Working Capital Assets (see note 5), the consideration of £1,725,000 was settled in full upon completion.

Other Aspects of the Sale

- Re-inbursement is expected in respect of apportionments and raw materials and consumables (either on site and/or ordered which had not been delivered) subject to preparation and agreement of a final account with APL in due course. This amount has provisionally been estimated at £270k, plus VAT.
- The Administrators entered a six-month PEA with APL, in respect of the Company's freehold investment property situate at 11 Stephenson Road, Clacton on Sea, Essex, which is located next door to the main trading premises. This is to allow time for APL to consider whether the property is strategic to the future of the business and, if so, to make an offer to purchase it. Mechanisms have been built into the PEA which provide for the pre-emption to be ended earlier, if an acceptable offer for the freehold, capable of legal completion, is received in the meantime.

1. Progress of the Administration



- We confirm that an offer for the freehold has been received from an un-connected party at a level which has been recommended for acceptance by our agents, FW. It is our intention, therefore, to serve notice of the offer on APL in accordance with the terms of the PEA. This will then afford APL a period of 60 days in which to determine if it wishes to purchase the property at a price equivalent to the offer received from the un-connected party.
- Book Debts of £89k, due to the Company by ASAS and relating to the balance outstanding on the final invoice, were outstanding at the date of Administration and excluded from the sale agreement. It is expected that these will be settled in full within 30 days.

Employees/Consultation

- Following our appointment, we immediately attended site, to address staff and Union representatives to advise them of the Administration and our proposed strategy going forward. Weekly meetings have been maintained with the Union representatives throughout the Administration and, latterly, with the elected Employee Representatives, in order to conduct consultation ahead of the proposed sale. No redundancies were necessary.

Receipts and Payments Account

Copies of the Administrators Receipts & Payments Accounts for the Period, for both the sterling and Euro accounts, are attached, at Appendix B, together with Trading Accounts for each currency.

The Receipts and Payments Accounts do not reflect any of the component realisations that have been achieved in respect of the sale of the business and certain assets, as completion of the sale occurred outside of the Period.

Further narrative around key assets/payments is set out in the Schedule of Work, attached at Appendix B.

The Trading Accounts are simply a snapshot of the current position and take no account of accruals, work in progress or sales invoices raised etc, where payment is still awaited. They reflect, however, a substantial proportion of payments which have been made to suppliers.

We anticipate that the final trading account will show a substantial cash positive position of approx. £1million.

Assets still to Realise

Assets still to realise are as follows: -

1. Freehold (investment) property situate at No. 11 Stephenson Road, Clacton on Sea, Essex. The is subject to the PEA agreement referred to earlier in this report. Based upon an offer received to date, we would expect this to eventually realise at, or around, £1m. In the meantime, rental income of approx. £5.5k pm plus VAT will continue to be received into the Administration estate.
2. Payment/reimbursement for the Working Capital Assets due under the Sale Agreement, estimated at approx. £298k, plus VAT. In addition, further payment is expected in respect of apportionments and other raw materials/consumables paid for/committed to by the Administrators but not yet delivered (see earlier comments).
3. Settlement of final invoices (book debts) by ASAS totalling £89k relating to the Administration trading period. It is expected that these will be settled within the next 30 days.
4. Any tax reclaims and/or re-imbursements due to the Company, including a potential Research & Development Tax Credit.

1. Progress of the Administration

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the Schedule of Work attached. I confirm that no further investigations or actions were required.

Extension to the initial period of appointment

The PEA made with APL in respect of No. 11 Stephenson Road, Clacton on Sea, Essex, which is binding on the Administrators, runs for a period of six months from 25 July 2019. While there are mechanisms in place that could curtail the duration of the PEA, it is equally conceivable that it could remain in place until 24 January 2020, which is beyond the 12m expiry date of the Administration.

In the circumstances, we consider it prudent to seek creditors' approval for the Administration period to be extended for a period of 12 months from the date of the 12m anniversary.

This is purely a contingency measure and will also allow further time for the investment freehold to be sold and any outstanding matters in the Administration to be completed.

We are therefore requesting the consent of the unsecured creditors to the extension of the Administration period for a further period of six months, ending on 13 January 2021, in accordance with the Insolvency Act 1986.

This will be determined by way of a "decision procedure" and a Voting Form for completion and return is enclosed in this respect.

Ayjobex Limited T/A Polyard (In Administration)
The Administrators' Progress Report

Anticipated exit strategy

The Company will exit Administration into Creditors Voluntary Liquidation, which is in accordance with one of the exit routes proposed in the Administrators Proposals and approved by creditors.

The timing for exit will be dependent upon the factors relating to the PEA, as referred to earlier in this report.

2. Estimated Outcome for the creditors

The estimated outcome for creditors was set out in the Administrators Proposals.

In the EOS which accompanied the Proposals, and to avoid compromising any offers/negotiations for the Company's physical assets, the valuation range extended by Hilco on an "in-situ" and "ex-situ" basis, for plant & machinery, fixtures and fitting, intellectual property and stock etc was excluded. While we believed that these categories of assets would carry substantial value, for the purpose of the initial EOS, we extended uncertain values.

Similarly, we did not disclose the open market valuations extended by FW in respect of the Company's trading premises at 10 Stephenson Road, Clacton on Sea, or its investment property situate at 11 Stephenson Road, Clacton on Sea. Instead, for the initial EOS, we used the book values of £633k and £752k respectively, as stated in the Company's Financial Statements as at 31.12.17. We advised creditors, however, that we believed realisations in respect of both properties would be substantially more than the above values.

An up-dated Estimated Outcome Statement is attached at Appendix E, upon which we comment below: -

1. Valuations or realisations achieved in respect of key assets are now disclosed. An estimated to realise figure of £1m has been extended in respect of the 11 Stephenson Road property.
2. The costs and expenses of the Administration, including the Administrators estimated fees (see later comments) are considerably higher than initially projected, due to protracted sale of the Company's business/certain assets and the extended duration of the trading period.
3. At this stage, no provision has been extended for any tax liabilities arising on the sale.

4. The estimated provisional claim of the principal creditor, the PPF, has reduced from £75m to £55m.
5. The up-dated EOS shows a substantially improved potential outcome for unsecured creditors.

Outcome for the secured creditors

There are no secured creditors.

Outcome for the preferential creditors

The only known preferential claim is for £1,840, relating to unpaid pension contributions for December 2018, the month before the date of Administration.

A claim has been submitted to the National Insurance Fund ("NIF") for reimbursement.

Potential preferential claims in respect of arrears of wages for the period 1 January 2019 to 13 January 2019 were settled in full as an expense of the Administration at the end of that month.

Based upon current information, it is anticipated that any outstanding preferential creditors will be settled in full during the Administration.

Outcome for the unsecured creditors

There will be enough funds available to make a distribution to unsecured creditors in due course.

Based upon current information/latest assumptions, the projected dividend for unsecured creditors is provisionally estimated at 5p in the £. This compares to an estimate dividend of 2p in the £ indicated at the time of the Administrators Proposals.

2. Estimated Outcome for the creditors

Any material changes to final asset realisations, the costs and expenses of the Administration and the level of unsecured creditor claims could have an impact on the outcome. The costs and expenses of any subsequent Liquidation have not been included at this stage.

This distribution will be paid by a subsequently appointed Liquidator.

Prescribed Part

As there are no holders of a Qualifying Floating Charge, the Prescribed Part does not apply in this instance.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Administrators' remuneration

Following circulation of the Administrators' proposals the creditors passed a resolution that the Administrators' remuneration should be calculated on a time cost basis, subject to the following modification: -

"The Joint Administrators Fees plus VAT should be approved on a time cost basis changed at the charge out rates prevailing at the time the work is undertaken, capped at the sum set out in the fees estimate (£600,000) without further approval. The fee estimate is subject to a 20% discount applying to the remuneration drawn by the Administrators applicable to all costs incurred after cessation of trading, including any managed wind down and dealing with the final effects of trading".

The Administrators will therefore provide for full recovery of our time costs up to and including 31 July 2019, given that the Company ceased to trade on 24 July 2019 and the Administrators were dealing with the final effects of trading up until 31 July 2019. This included agreeing an account of the 'apportionments' and raw materials and consumables (either on site and/or ordered which had not been delivered) notifying and settling outstanding purchase commitments and writing to suppliers to close accounts opened specifically for Administration trading. Whilst it is anticipated that there is still work to be undertaken in relation to trading, all subsequent time costs from 1 August 2019 will be subject to a 20% discount being applied to our prevailing charge out rates.

Details of remuneration charged during the Period are set out in the Statement of Expenses attached. In the period, fees of £300,000 plus VAT have been drawn from the funds available and since the end of the reporting period, a further £150,000 has been drawn, totalling £450,000.

A breakdown of our time costs incurred during the Period of this report is attached, at Appendix D. The remuneration anticipated to be recovered by the Administrators

based on time costs, is likely to exceed the sum provided in the fees estimate circulated to creditors with the proposals.

Several assumptions were made at the time the Administrators fee proposal was circulated including, inter alia, that the business and assets of the Company would be sold by 30 April 2019 and that the trading of the business within Administration did not go on beyond that point.

- The period relating to the sale of the business and certain assets has substantially exceeded the timescale originally envisaged. As there was no conceivable prospect of selling the business and assets in isolation, due to the inter-dependency with the other overseas entities which formed the Arjobox Division, the pace of the transaction has been dictated by French Court procedures. With AHSAS being placed into *Sauvegarde* proceedings in April, the entire sale/bidding process was required to be re-run in France, to comply with the directions of the Court. This was unforeseen and has added considerably to timescales and overall costs.
- It will be noted from the breakdown of time costs, attached at Appendix D, that time costs incurred in respect of trading total £391,425, against an original estimate of £215,520. Our original fee estimate assumed that all trading would cease by the end of April. In the light of the extended period of trading up to and including 24 July 2019, being the date of the sale of the business, it was necessary to continue trading the business for a further 12 weeks, which has been intensive, with a consequent substantial increase in costs.
- While the original fee proposal assumed that the Administration would be finalised by the twelve-month anniversary of the appointment, with the Company then being placed into liquidation, for the reasons set out earlier in this report, we now envisage that the Administration may extend beyond that point. As indicated previously, as a contingency, we are seeking a twelve-month extension to the Administration and our revised fee proposal reflects this potential period of additional activity.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

The Administrators are unable to draw fees based on time costs exceeding the total amount set out in the fees estimate, as modified, without further approval of the creditors.

Attached, at Appendix E, is a revised fee estimate, projecting an increase in the current cap from £600,000 to £1,091,827, together with an up-dated Estimated Outcome Statement, SIP 9 analysis of our time costs up to and including 31 July 2019 and to 06 August 2019.

Our revised fee estimate provides for full recovery of our time costs up to and including 31 July 2019, being £847,758 (in accordance with the formula/modification approved by creditors save for the cap), with all subsequent time costs subject to a 20% discount being applied to our prevailing charge out rates.

Accordingly, we are seeking an up-lift in our fee cap from £600,000 to £1,091,827. After taking account the proposed discount of 20%, this will result in overall fees of £1,043,013.

Although this represents a significant up-lift in fees overall, this should be viewed in the context of the sale of the business and certain assets, where asset realisations have been significantly enhanced over ex-situ values.

In addition, it should be noted that whilst there has been a considerable increase in costs due to the extended period of trading, this in turn, has resulted in a substantial trading surplus of over £1m being generated for the benefit of the Administration estate.

The proposed increase in the Administrators remuneration will be determined by way of a "decision procedure" and a Voting Form for completion and return is enclosed in this respect.

Subsequent Liquidation

When the Company is placed into Liquidation, with the Administrators' appointed as Liquidators', the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the Liquidators' remuneration, in accordance with the Insolvency Rules.

For the avoidance of doubt, while the basis of the Administrators' fees will be that utilised by the Liquidators', the Liquidators' will revert to creditors for approval regarding the quantum of any fees to be drawn in the Liquidation under that basis, as required.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out at Appendix D.

Administrators' expenses

An estimate of the Administrators' expenses was set out in the Administrators' proposals. I attach, at Appendix F, a Statement of Expenses that have been incurred during the Period. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details previously provided, with the exception of the following: -

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Trading Expenditure

Generally, expenditure has increased against original projections due to the extended period of trading. Our original projections forecast that cessation of trading would occur by 30 April 2019. Accordingly, it is not our intention to specifically comment on individual movements across trading expenditure.

Similarly, staff costs, including wages, pensions, other benefits etc., together with associated tax liabilities, have increased for the same reason.

The amount paid in settlement of ROT stock was in line with the level originally expected.

During the period of trading, the Administrators settled annual fees totalling £45,889 in respect of patent/trademark renewals etc, against an original estimate of £15,000. Reimbursement is being sought from PC on a pro-rata basis, under the terms of the Sale Agreement.

Non-Trading Expenditure

Legal Fees

Legal fees due to WG&M during the Period amount to £144,665, against an original projection of £125,000. Throughout the period, WG&M have provided advice to the Administrators on numerous matters including, inter alia, the Company's two freehold properties, the preparation of statutory declarations in respect of missing un-registered deeds relating to No. 10 Stephenson Road, legal advice in relation to the various tenancy arrangements in place regarding No. 11 Stephenson, liabilities arising under a Climate Change Agreement and legal advice and preparation of documents associated with the sale of the Company's business and assets. As this was a co-ordinated sale in conjunction with the French Liquidators of AHSAS, WG&M were involved in extensive dialogue with both their Paris Office and the French Liquidators' UK appointed solicitors in respect of the sale of the business and assets to PC.

In addition and since the end of the reporting period, further time costs of £231,422 have been incurred by WG&M. This is a result of the considerable amount of time spent by them in relation to the completion of the sale of the business and assets to APL and the overall complexity of the sale. Furthermore, a number of departments within WG&M were engaged to provide advice on the sale, including real estate, tax and employee specialists in relation to TUPE. The Schedule of Work at Appendix B, details further details of the work undertaken by WG&M.

For the purpose of the EOS, it is anticipated that total costs estimated to be incurred by WG&M throughout the duration of the Administration are approx. £450k.

Property Valuation Costs

At the time of my last report, property agents, FW, were instructed to provide a valuation of the Company's 2 x freehold properties for an agreed fee of £1,500 plus VAT.

In addition to this, FW were instructed to provide a recommendation in respect of the offer from PC of £1.25m for No. 10 Stephenson Road, and also in respect of an offer of £1.025m received from a third party in respect of No. 11 Stephenson Road. An additional fee of £1,250 plus VAT was agreed in this regard.

A further fee of £1,250 plus VAT was agreed with property agents, Kemsleys to review and provide a recommendation (2nd opinion) in respect of the offer received for No. 11 Stephenson Road.

Total costs in this connection for FW and Kemsleys amounted to £4,000 plus VAT respectively, against an original combined projection of £1,500.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Chattel Agent Costs

Hilco were instructed to provide valuation advice in respect of the Company's plant, machinery, equipment etc, together with a valuation for its intellectual property for £6k plus VAT. Hilco were also instructed to provide a recommendation in respect of the offer received for the assets/intellectual property from PC. They also attended site on the day of completion of the sale to PC, to complete a detailed stock take and agree the values for stock, parts, raw materials, spare parts etc and since the date of this reporting period, an invoice of £19,770 has been received and paid.

Their total costs amounted to £25,770, against an original projection of £22,550.

Climate Change Agreement Levy

An un-expected liability of £19,124 was settled as an expense of the Administration, which related to a period prior to the date of Administration.

Notwithstanding this, it was the view of WG&M that this liability was likely to rank as a "super priority" expense and was accordingly settled on that basis.

This expense had not previously been anticipated.

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in Appendix F only).

Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <https://creditors.frpadvisory.com/info.aspx> and select the one for administrators. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a

time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Administrators' pre-appointment costs

The Administrators' pre-appointment costs amounting to £35,208, plus disbursements of £50 (both plus VAT), broken down as to £7,456 (FRP) and £27,802 (WG&M) were approved by creditors on 22 March 2019.

The costs due to FRP have been settled in full from available funds, with £25,802 paid to WG&M during the Period. This was slightly less than originally advised.

Appendix A

Statutory Information



ARJOBEX LIMITED T/A POLYART (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names:	Polyart
Company number:	00826102
Registered office:	FRP Advisory LLP Jupiter House, Warley Hill Business Park, The Drive, Brentwood, Essex, CM13 3BE
Previous registered office:	10 Stephenson Road, Gorse Lane Industrial Estate, Clacton On Sea, Essex, CO15 1UW
Business address:	10 Stephenson Road, Gorse Lane Industrial Estate, Clacton On Sea, Essex, CO15 1UW

ADMINISTRATION DETAILS:

Administrator(s):	Glyn Mummery & Geoffrey Paul Rowley
Address of Administrator(s):	FRP Advisory LLP Jupiter House, Warley Hill Business Park, The Drive, Brentwood, Essex, CM13 3BE
Date of appointment of Administrator(s):	14/01/2019
Court in which administration proceedings were brought:	The High Court of Justice Business & Property Courts England & Wales, Insolvency & Companies List (Chd)
Court reference number:	CR – 2019 - 000319
Appointor details:	Director - David Owen Ronald Lawton
Previous office holders, if any:	None
Extensions to the initial period of appointment:	Twelve month extension to 13 January 2021 proposed

Appendix A

Statutory Information

Date of approval 22 March 2019
of
Administrators' proposals:

Appendix B

A schedule of work

Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims if the business has continued to trade and/or is sold following appointment; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK

- The records received are complete and up to date.
- The initial Schedule of Work assumed that the business/assets etc. were sold by 30 April 2019 and trading the business within Administration does not go beyond that period. This assumption has been revised to reflect the sale of the business and certain assets on 25 July 2019 and the fact that trading within the Administration ceased on that date.
- There are no matters to investigate or pursue and no financial irregularities are identified.
- The initial fee proposal and the new fee proposal, represent work to be undertaken in the Administration only, notwithstanding that there may be cross over (incomplete) issues that carry through to any subsequent Liquidation. A separate fee proposal for work to be undertaken in Liquidation will be circulated after the Company is placed into Liquidation.
- A committee of creditors is not appointed.
- There are no exceptional queries from stakeholders.
- Full co-operation of the directors and other relevant parties is received as required by legislation.
- There are no health and safety or environmental issues to be dealt with.

Appendix B

A schedule of work

- The Administration is concluded within twenty four months (original estimation twelve months) from the date of Administration, either by exit into CVL, CVA, Compulsory Liquidation or dissolution.

Note	Category			Original Estimate	Costs to 13 July 2019	Revised Cost Estimate
1.	ADMINISTRATION AND PLANNING		ADMINISTRATION AND PLANNING			
	Work undertaken to date		Future work to be undertaken	Fee Basis - Time Costs		
	<i>Work which falls within the Administration and Planning category generally would not add financial benefit to the Administration but, is either required by statute or is necessary to ensure general compliance and case progression.</i>					
			General matters			
	<ul style="list-style-type: none"> Necessary Administrative and strategy work. 		<ul style="list-style-type: none"> Regular reviews of the case and the ongoing strategy as required under legislation and by the Joint Administrators' Regulatory Professional Bodies ("RPBs") to ensure that all compliance and statutory matters are attended to and that the case is progressed in a timely manner. 			
	<ul style="list-style-type: none"> Undertaking periodic file reviews at 30 days and 3 months to ensure compliance and to monitor progression of the Administration and outstanding matters to Administration and outstanding matters to 		<ul style="list-style-type: none"> Undertaking periodic file reviews to ensure compliance and to monitor progression of the Administration and outstanding matters to be dealt with and dealing with various other sundry matters. 			

Appendix B

A schedule of work

	<p>be dealt with and dealing with various other sundry matters.</p> <ul style="list-style-type: none"> • Assisting with the preparation of post appointment documentation and completing internal procedures. • Setting up case file and inputting information onto bespoke Insolvency Practitioners Systems ("IPS"). • General case administration such as filing and the maintenance of case files. • Corresponding with the Company's accountants and directors and requesting information to assist in general enquiries. • Gathering information and completion of documents as required and attending to any other matters as and when they arise. • Completing check lists and diary management systems. 	<ul style="list-style-type: none"> • Completed. • Ongoing. IPS up-dated, as appropriate. • Ongoing. • Ongoing. • Ongoing. • Closure of case – closing internal systems/bank accounts etc. 				
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A schedule of work



	<i>Regulatory Requirements</i>				
	<ul style="list-style-type: none">• Completion of money laundering risk assessment procedures and Know your client checks in accordance with the Money Laundering Regulations.• Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act.• An audit of the Company's GDPR procedures has been undertaken and a report submitted to the Company's management.• In addition to the above, to consider if there are any other case specific matters to be aware of prior to or on appointment, for example health and safety, environmental concerns, licences or registrations, tax position, social media and profile of the client or its stakeholders.• Ascertaining the online presence of the insolvent and taking appropriate measures to control or close it as required.	<ul style="list-style-type: none">• Ongoing adherence to Money Laundering Regulations.• Completed.• Completed.• Completed.• Completed.			

Appendix B

A schedule of work

<i>Case Management Requirements</i>					
<ul style="list-style-type: none"> Determine and document case strategy. Holding regular FRP team meetings in respect thereof. Setting up and administering insolvent estate bank accounts throughout the duration of the case. Ensuring all accounts are regularly reconciled to produce accurate and timely reports to all creditors when required. Processing and recording of all receipts and payments throughout the appointment on IPS and providing internal and external reports as required. Maintaining a trading account for the period of trading. Setting up case specific paper and electronic files to be updated and maintained for the duration of the appointment. Filing all papers and correspondence received and maintaining a diary system to ensure all matters are discharged in accordance with legislation. 	<ul style="list-style-type: none"> Continue to monitor strategy and document any proposed changes and implementation thereof. Holding regular team meetings in respect thereof. Case accounting work to process all receipts and payments including associated adjustments to ensure accurate bank reconciliations and production of reports can be achieved always. Continued updating and maintenance of records on the IPS system. Ongoing. Finalising the period of trading and setting outstanding purchase commitments. see later comments) Ongoing. 				

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A schedule of work

<ul style="list-style-type: none"> • Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to inform creditors of the overall position. • Regularly reviewing the case as required by the regulatory bodies to ensure all statutory matters are adhered to and the case is progressing. Up-dating and completing check lists on a timely basis. • Completing an initial case review after thirty days, three months and six months to ensure compliance/case progression. • Notifying HMRC of the Administration and more specifically correspondence with the VAT and other departmental offices to ascertain the Company's final tax position. • Reviewing and arranging open cover insurance via specialist insolvency brokers, JLT (now Marsh). Providing all necessary information in relation thereto. Meeting with JLT representatives on site to assess risks/appropriate level(s) of cover. 	<ul style="list-style-type: none"> • Ongoing. Continuing to maintain a record and forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case and circulating creditors/PPF, as appropriate. • Ongoing. • Conducting case reviews after 10 months and periodically thereafter. • HMRC notified. Ongoing liaison regarding final tax position and clearance for the period of the Administration. • Monitoring ongoing insurance requirements/continued liaison with Marsh. Cancellation of insurance, following completion of sale of business and certain assets. Maintaining and monitoring insurance for remaining assets and cancellation upon sale/realisation. 				
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Appendix B

A schedule of work

	<ul style="list-style-type: none">For the first two weeks, maintaining a team of FRP staff on site to deal with day to day issues arising. Subsequently, ensuring that at least one FRP member of staff is on site each working day to maintain a presence, wherever possible. Attend internal meetings, address issues arising. Travelling to/from site daily.Requesting the directors to complete an Estimated Statement of Affairs. Reviewing the completed document and filing at Companies House.Correspondence with the former advisors to the Company/debtor requesting third party information to assist in general enquiries.	<ul style="list-style-type: none">No further presence required on site following completion of the sale and assets of the business on 25 July 2019.Completed.Ongoing.				
2.	TRADING	TRADING				
	Work undertaken to date	Future work to be undertaken			£215,520	£372,138
	<i>The benefit to creditors for trading the business in administration is to transfer to a purchaser the business and assets effectively as a going concern. By preserving the trading business, a higher return will generally be achieved for the business/assets than would be possible if the business ceased trading and its assets were sold piecemeal. There is, therefore, a financial benefit in continued trading.</i>					

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	<ul style="list-style-type: none"> It was concluded that the optimum outcome for maximising realisations and preserving continuity of employment for staff would best be achieved by continuing to trade the Company in Administration, while trying to secure a sale of the business and assets. Trading on also enabled book debts of £735k to be realised early, which may have been at risk in the event of an immediate cessation of trade due to disruption of supply to ASAS. Cash flows were prepared, and arrangements entered into with ASAS whereby shortened invoice/payment terms were agreed to ensure that the Company had the necessary working capital to continue trading on a viable basis for the duration of trading. The revision to the payment arrangements with ASAS was particularly important due to several key suppliers insisting upon payment on a pro-forma basis. Preparation and close review of cash flows/P&L accounts on weekly basis to control/monitor trading performance. Trading was substantially cash positive during the period of trading. 		<ul style="list-style-type: none"> Trading of the business ceased on 25 July 2019, upon completion of the sale of the business and certain assets to APL. Completed. Completed. 					
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<ul style="list-style-type: none"> • Extensive time was spent meeting with and opening new accounts with key/critical suppliers. Some products/supplies were unique and could not be sourced from alternative suppliers. It was vital to re-establish relationships as quickly as possible to ensure that the Company had the necessary raw materials to continue production and maintain supply to ASAS. • Putting revised internal systems/controls in place to ensure that all purchasing commitments were pre-approved by members of the Administration team, prior to orders being placed. • Wherever possible, maintaining a daily presence on site to observe and to attend to any issues arising. • Holding weekly meetings with the Company's Purchase Ledger Team to discuss and review purchase commitments going forward. • Trading the business for an extended period of six months, against an original estimate of three months. • Meetings were held with employees and/or via their representatives to inform them of the Administration and the 	<ul style="list-style-type: none"> • Completed. 				
	<ul style="list-style-type: none"> • Completed. • Completed. • Completed. • Completed. Trading ceased on 25 July 2019. • Completed. 				

Appendix B

A schedule of work

	<ul style="list-style-type: none"> Administrators proposed strategy to continue to trade while a purchaser for the business was sought. Weekly meetings/consultation with Union representatives to up-date them on progress for cascading to employees. Adhere to FRP's internal protocols to obtain approval to continue to trade, by way of report to independent partner. Reporting regularly to the Office Holders on trading performance thereafter and obtaining appropriate sign offs. Many creditors lodged Retention of Title Claims at the beginning of the Administration. Arrangements were made for stock to be identified/listed and for any Retention of Title Claims to be adjudicated. Where Retention of Title Claims were upheld, arrangements were made for stock to be purchased or, when the stock was not required or critical to ongoing trading, for that stock to be collected and credit notes issued. 	<ul style="list-style-type: none"> Completed. Completed. Completed. No outstanding ROT claims. Producing a final account/valuation of stock, raw materials, parts, together with finished goods, WIP etc. as at 24 July 2019, with the assistance of Hilco. Providing this to APPL within 7 days of 25 July 2019. The final account has provisionally been assessed at approx. £298k, plus VAT. 				
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		<ul style="list-style-type: none">• Subject to agreement by APL, payment is due within 30 days thereafter.• Agreeing an account of "apportionments" and raw materials and consumables (either on site and/or ordered which had not been delivered) and forwarding this to APL within 7 days of 25 July 2019. The apportionment calculation indicates an amount due to the Company of £270k. Subject to agreement by APL, payment is due within 7 days thereafter.• Following cessation of Administration trading, notify and settle outstanding purchase commitments and write to suppliers to close accounts opened specifically for Administration trading.				

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A schedule of work



3.	ASSET REALISATION	ASSET REALISATION														
	Work undertake to date	Future work to be undertaken			£100,022	£85,563										
	<i>Work undertaken which falls within this category will generally add financial benefit to the Administration.</i>															
	<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p><u>Sale of Business</u></p> <ul style="list-style-type: none">The Company's business and assets were marketed for sale as part of a wider sale of the Arjobex Division, which comprises 2 x French companies, ASAS, AHSAS and 1 American based company, AAL.In view of the inter-dependency between all four entities, it was envisaged that the best way for maximising realisations for the Company's business and assets, was by combining a sale with the solvent sales of the 3 x overseas entities.In the absence of a combined sale of the Arjobex Division, it was unlikely that a sale of the AL business and assets could be achieved in isolation, as it acted as a	<ul style="list-style-type: none">Following a best & final bid exercise conducted between two overseas competing parties, an offer for the business and certain assets of AL was received from APL and accepted, as part of a wider offer for the sale of the shares in AHSAS, conducted by its French liquidator. The offer was broken down as follows: -<table><tr><td>F/H – No. 10 Stephenson Road</td><td>£1,250,000</td></tr><tr><td>Plant, Machinery, Eqp. Etc.</td><td>£424,994</td></tr><tr><td>Intellectual Property</td><td>£50,000</td></tr><tr><td>Holding Debt</td><td>£1</td></tr><tr><td>Data, Sales Info, Rights of Action, Software licences</td><td>£5</td></tr></table>	F/H – No. 10 Stephenson Road	£1,250,000	Plant, Machinery, Eqp. Etc.	£424,994	Intellectual Property	£50,000	Holding Debt	£1	Data, Sales Info, Rights of Action, Software licences	£5				
F/H – No. 10 Stephenson Road	£1,250,000															
Plant, Machinery, Eqp. Etc.	£424,994															
Intellectual Property	£50,000															
Holding Debt	£1															
Data, Sales Info, Rights of Action, Software licences	£5															

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<p>contract manufacturer for ASAS, which was its sole customer.</p> <ul style="list-style-type: none">• E&YF were initially instructed by the ultimate parent Company, SSA, under the direction of the French Courts, to dispose of SSA's shareholdings in ASAS, AHSAS & AAI and the Administrators agreed that AL should be included within this process.• In April 19, AHSAS was placed into liquidation by the French Court. This curtailed the marketing/sale process previously undertaken by E&YF, leading to a delay of approx. two months, while the French Liquidators re-run the process.• The Administrators worked closely with both E&YF and the French Liquidators in collating and up-loading key information to the Data Room set up to facilitate the sale process.• Attending a meeting in Paris with key representatives. Attending meetings and conference calls with both E&YF and, latterly, the French Liquidators. Holding numerous conference calls with the above parties to discuss progress and assess offers for the Arjobex Division as a whole.• The Administrators held direct discussions with several UK parties who had	<table><tr><td>Working Capital Assets</td><td>£298,087 (Est.)</td></tr><tr><td>Total</td><td>£2,203,087</td></tr></table> <ul style="list-style-type: none">• On 25 July 2019, and outside of the reporting period, the Administrators completed a sale of the business and certain assets of the Company to an un-connected entity (APL) for a total consideration either at open market value of in excess of "ex-situ" values.• Simultaneously, the French Liquidators completed a sale of the shareholding in APL to PC.• Prior to acceptance, the offers were referred to both Hilco (in respect of the physical assets) and FW (in respect of the F/H at No. 10 Stephenson Road) who both advised that the offers should be accepted.• The base consideration of £1.725m was received in full upon completion and payment for Working Capital Assets will follow within 7 days of agreeing the final account.• Reimbursement for "Apportionments" and raw materials and consumables (either on site and/or ordered which had not been delivered) is also subject to agreement of	Working Capital Assets	£298,087 (Est.)	Total	£2,203,087
Working Capital Assets	£298,087 (Est.)				
Total	£2,203,087				

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<p>expressed interest in acquiring the Arjobex Division as a whole.</p> <ul style="list-style-type: none"> Assessing/reviewing offers for the business and assets and discussing with the French Liquidator. Monitoring progress of the French Court procedures in relation to AHSAS. Reviewing draft Asset Sale Agreement, pre-emption agreement and other associated documentation. Liaise closely with WG&M and negotiate terms with solicitors acting for purchaser. 	<p>a final account but has been provisionally estimated at £270k.</p> <ul style="list-style-type: none"> It was agreed to compromise the Holding Debt of £1.039m due from AHSAS for £1. AHSAS acted as a holding company and had no other realisable assets. The compromise was agreed in the interest of the wider deal. As part of the deal, a right of pre-emption in respect of the Company's investment freehold at No. 11 Stephenson Road, was also agreed with PC. This runs for a period of six months The Administrators have entered into a six-month PEA with APL, in respect of the Company's freehold investment property situate at 11 Stephenson Road, Clacton on Sea, Essex, which is located next door to the main trading premises. This is to allow time for APL to consider whether the property is strategic to their forward planning for the business. Mechanisms have been built into the PEA which provide for the pre-emption to be ended earlier, if an acceptable offer for the freehold, capable of legal completion, is received in the meantime. We confirm that an offer for the freehold has been received from an un-connected 			
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	<p><u>Freeholds</u></p> <ul style="list-style-type: none"> Instructing property agents, FW, to provide valuations of the Company's 2 x freehold properties situate at Stephenson Road, Clacton. Seeking a recommendation from FW in respect of an offer received for No. 11 Stephenson Road. Instructing property agents, Kemsleys, to provide a professional second opinion in respect of an offer received for the above property. 	<ul style="list-style-type: none"> party at a level which has been recommended for acceptance by our agents, FW. It is our intention, therefore, to serve notice of the offer on APL in accordance with the terms of the PEA. This will then afford APL a period of 60 days in which to determine if it wishes to purchase the property at a price equivalent to the offer received from the un-connected party. In the absence of PC and/or the current bidder for No. 11 Stephenson Road acquiring the property within the term of the PEA, agents, FW, will be instructed to commence marketing of the property. Upon acceptance of a satisfactory offer, progress the sale to a satisfactory conclusion, settling all associated costs. Completed. 				
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	<ul style="list-style-type: none"> Instructing WG&M to provide advice in respect of missing un-registered deeds relating to No. 10 Stephenson Road. Co-ordinating Statutory Declarations by key individuals for subsequent lodging at HM Land Registry. We have reviewed the terms of the occupation of certain areas of No. 11 by a third-party entity and have sought advice from WG&M in relation thereto. Rental currently amounts to £5,317 pm, which the Administrators will continue to collect, pending sale of the properties in due course. <p><u>Plant, Machinery, Equipment Etc.</u></p> <ul style="list-style-type: none"> Instructing Chattel Agents, Hilco, to prepare an inventory and valuation of the Company's physical assets, together with a valuation of the Company's intellectual property, comprising patents, trademarks etc. Please see main body of the report for their valuation range. 	<ul style="list-style-type: none"> Completed. The property has now been sold to APL, outside of the reporting period. Ongoing collection of rent, pending sale. See earlier comments regarding the PEA in place in respect of this property and subsequent proposed steps to realise the property, in the absence of receipt of an offer from PC and/or the offer from an un-connected third party not proceeding. Completed. Assets now sold outside of the reporting period. 				
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	<p><u>Stock/Raw Materials/Spares/Consumables</u></p> <ul style="list-style-type: none"> At the date of Administration, a significant quantity of raw materials was held on site for use in ongoing manufacturing. The Administrators contacted all key suppliers and arrangements were made for stock to be identified/listed and for any Retention of Title Claims to be adjudicated. Where Retention of Title Claims were upheld, arrangements were made for stock to be purchased or, when the stock was not required or critical to ongoing trading, for that stock to be collected and credit notes issued. The Company held a quantity of spares and sundry consumables, specific to the production plant & machinery and consumables for use in day to day trading. <p><u>Office Furniture and Equipment</u></p> <ul style="list-style-type: none"> The Company owned sundry office furniture & equipment (including computer equipment) commensurate with its size and trading activities. The assets were valued by Hilco. 	<ul style="list-style-type: none"> Completed – see earlier comments. Assets now sold outside of the reporting period. Completed – see earlier comments. Assets now sold outside of the reporting period. Completed – see earlier comments. Assets now sold outside of the reporting period. 				
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<p><u>Intellectual Property</u></p> <ul style="list-style-type: none"> The Company owned many patents and trademarks. Please see comments in main body of report regarding Hilco's estimated realisation range. Hilco advised on a break up basis, IP would have negligible value. 					
<p><u>Leased Assets</u></p> <ul style="list-style-type: none"> The Company has in place several lease agreements in respect of Company vehicles for use by staff. While no equity accrues in respect of these agreements, the Administrators continued to make the monthly payments, while the Company continues to trade. 	<ul style="list-style-type: none"> Ongoing, as above. 				
<p><u>Book Debts</u></p> <ul style="list-style-type: none"> At the date of Administration, the Company had book debts totalling £735k owed by its sole customer, ASAS, relating to December 18 invoicing and a debt of £88k due from AAI. As part of the negotiations with ASAS, the invoicing dates/payment terms were shortened, and both debts were subsequently settled in full. 	<ul style="list-style-type: none"> Completed. 				

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<ul style="list-style-type: none"> At the date of cessation of trading/sale of the business, book debts totalling £89k were outstanding from ASAS, relating to invoicing raised in July 2019. There is also an outstanding amount owed to the Company in respect of R&D Tax Credit of £84,000, which remains outstanding. <p><u>Cash at Bank</u></p> <ul style="list-style-type: none"> The Company held sterling balances of £10,713 and Euro Balances of €746 at the date of Administration. These balances were transferred to new insolvency accounts opened by the Administrators with Barclays. <p><u>VAT Refund</u></p> <ul style="list-style-type: none"> During the Administration, a VAT refund of £257k, relating to the period, 1 October 2018 to 31 December 2018, was received from HMRC. <p><u>Business Rates</u></p> <ul style="list-style-type: none"> The Administrators have instructed specialist agents, CAPA, to undertake a review of the rating assessment applied against the Company's 2 x freehold properties to assess whether any refunds are due. 	<ul style="list-style-type: none"> Obtain repayment from ASAS in accordance with agreed credit terms. We will continue to investigate the recoverability of this amount, which may be subject to an element of set-off. Completed. Completed. This review is ongoing. Continued liaison with CAPA, who are instructed on a conditional fee basis. In the event of a refund, CAPA will levy a fee based upon 30% of any net realisations. 				
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	<p><u>Insurance</u></p> <ul style="list-style-type: none"> Insurance was arranged via specialist insolvency brokers, JLT Speciality (now March). This ensures that all available assets are protected until such time as they are realised. 		<ul style="list-style-type: none"> Ongoing monitoring of insurance requirements. Cancel/reduce levels of insurance in line with asset disposals. 				
4.	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken		£55,074	£60,471	£106,127	
	<p><i>Some of the work undertaken which falls within this category may add some financial benefit to the Administration, such as the submission of VAT returns/reclaims etc. However the majority of work within this category will not add financial benefit to the Administration but, is either required by statute or is necessary to ensure general compliance and case progression.</i></p>						

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<ul style="list-style-type: none"> • Dealing with all appointment formalities including notification to relevant parties, filings with the Court, the Registrar of Companies, and statutory advertising of the Administrators' appointment. • Arranging for an insolvency bond to be put in place in respect of both Administrators to protect the assets available for creditors. • Formulating the Administrators formal proposals for the conduct of the Administration and achieving the statutory purpose, pursuant to P49 of Schedule B1 of the IA86. Circulating those proposals to creditors / members to consider. Voting by correspondence ("decision procedure") being followed in this respect. Completing all statutory filings. 	<ul style="list-style-type: none"> • Completed. • Completed • Completed and approved subject to modification in respect of the basis of the Administrators remuneration – see narrative in main body of report for further information. 				
<ul style="list-style-type: none"> • Seeking approval to the basis of the Insolvency Practitioners fees from the Company's creditors. • Monitor closely receipt of any written requests for a physical meeting to be convened and, if the appropriate thresholds have been met, dispatch the necessary notice for a meeting, in accordance with insolvency rules. 	<ul style="list-style-type: none"> • Completed – see comments above. • Completed. No requests for a physical meeting received. 				

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<ul style="list-style-type: none"> • Compiling a forecast of the work that has been or is anticipated to be undertaken throughout the duration of the Administration, circulating this to all known creditors together with such other documentation as is required to enable the relevant approving creditors to assess and vote on the fee basis proposed. 	<ul style="list-style-type: none"> • Continuing to maintain a record and forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case, circulating this to all known creditors together with such other documentation as is required to enable the relevant approving creditors to continue to assess the costs and expenses incurred versus projections and to challenge, if appropriate, in accordance with the relevant insolvency rules. Provision of appropriate documentation /cost forecasts to support any future fee requests. • Ongoing processing of fees/disbursements, in accordance with the prescribed legislation and the resolutions approved by creditors. • No request for a Creditors Committee received. Reminding creditors of the right to form a Committee at the necessary time. Setting up a Committee if the required thresholds have been met. • Completed and filed at Companies House. 				
<ul style="list-style-type: none"> • Process fees and disbursements from time to time as funds allow, having given due consideration to all other costs of the process as prescribed under the IA86, in accordance with the fee/Cat 2 resolutions approved by creditors. • Notifying creditors of their right to set up a creditors' committee. • The directors of the Company were asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the IA86. 					

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	<ul style="list-style-type: none"> • Dealing with all tax and VAT matters arising following appointment and submitting returns at prescribed times throughout the process as required. • The IP is required to establish the existence of any pension schemes and staging dates for auto-enrolment and take appropriate action to notify all relevant parties and appoint independent trustees if required. • The Administrators have had extensive dialogue and communication with the Pension Protection Fund in relation to the Wiggins Teape Pension Scheme and the Company's potential liability thereunder. • We have continued to settle members monthly pension contributions and life insurance contributions since the date of our appointment up to the date of the sale of the business, when the contracts of employment for all staff were transferred to APPL pursuant to TUPE. 	<ul style="list-style-type: none"> • Ongoing completion and submission of the requisite returns during the Administration. • Ongoing. • Ongoing liaison with the PPF. The PPF have submitted a revised provisional claim of £55m in the Administration, to reflect the Company's perceived joint and several liability thereunder. Its actual liability, taking account of the other insolvent participating employers, will be determined in due course. Adjudication of the claim will be undertaken by a subsequently appointed Liquidator and could involve the instruction of an Actuary. • Completed. All future payments now fall on APPL. 				
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<ul style="list-style-type: none"> The Company's December 18 pension contributions, on behalf of members, was paid over to PPL, but not remitted to Aviva, due to the subsequent Administration of Performance Papers Ltd. A claim totalling approx. £18k for the December contributions has been lodged with the National Insurance Fund. 	<ul style="list-style-type: none"> Monitor receipt of claim from the National Insurance Fund. Hold discussions with APL to agree steps/responsibilities for segregating out/creating a separate scheme for Arjobex staff. Reporting to members / creditors on a six-monthly basis, as required by legislation, providing an update on the progress of the Administration during each reporting period and filing statutory reports as required. Seeking an extension to the Administration period, with the approval of creditors. Place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims. Dealing with the statutory requirements to bring the case to a close and for the office holders(s) to obtain their release from office; this includes preparing final reports for stakeholders, convening final meetings, statutory advertising and filing the relevant documentation with the High Court/ Registrar of Companies, as applicable. 				
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5	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken	£40,080	£5,565	£40,080
	<i>Some of the work undertaken which falls within this category may add some financial benefit to the Administration, should any assets or potential claims come to light during the investigation; however, the majority of work within this category will not add financial benefit to the Administration but is required by statute.</i>				
	<p>An IP has a duty to review the books and records of the Company and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <ul style="list-style-type: none"> Requested all directors of the Company both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in preparing the statutory return to Department for Business, Energy & Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act. Reviewing the information provided. 	<ul style="list-style-type: none"> Completed. All questionnaires returned. NFA. 			

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	<ul style="list-style-type: none"> • Undertaking investigations to consider if potential action could be taken to swell the assets available in the estate. To weigh up the merits of any such proceedings; to consider the most appropriate course of action and possible further consultation with creditors, as applicable. • Reviewing the Company's books and records/ directors' questionnaires/ financial accounts/bank statements, conducting a statutory investigation within three months of appointment, and submitting a report to the Department of Business Energy and Industrial Strategy ("DBEIS"), in accordance with the Company Directors Disqualification Act. No further investigations were considered necessary. • Reviewing/considering any further information provided by stakeholders/creditors or other parties that might identify further assets or lines of enquiry against the officers of the Company and progressing those to a conclusion. 	<ul style="list-style-type: none"> • Completed. • Completed. Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director. • Completed. 				
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	<ul style="list-style-type: none">Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.The Company's books and records are securely stored at the Company's trading premises. A full back-up of the Company's electronic records has been obtained.		<ul style="list-style-type: none">Completed.Arrangements are currently being made for the books and records to be collected and placed into storage in accordance with relevant legislation					
6	CREDITORS	CREDITORS				£77,336	£44,393	£90,564
	Work undertaken to date	Future work to be undertaken						
<i>This category of work is necessary to ensure that the claims of the creditors can be recorded, where necessary, for future distribution purposes. It also involves communication with creditors, by way of various modes, on a regular basis in relation to any matters arising and also in respect of the progress of the Administration. A large aspect of work may not add financial benefit to the Administration but is required to enable the Administrators to fulfil their day to day responsibilities and duties.</i>								
	Secured Creditors							
	<ul style="list-style-type: none">There are no holder of security or qualifying Floating charges.		<ul style="list-style-type: none">N/A					

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Preferential Creditors						
<ul style="list-style-type: none"> At the date of Administration, as no redundancies were made and the Company continued to trade during the Administration, the Administrators settled wages for the entirety of January as an expense of the Administration and have continued to settle wages up to and including 25 July 2019, being the date when the business was sold to APL and the contracts of employment of all staff were transferred to APL, pursuant to TUPE. The Administrators are seeking to recover employee pension contributions totalling approx. £1,840 from the National Insurance Fund in respect of pension contributions which were deducted from employees salaries for December, but not paid over to Aviva (see earlier comments). Any recovery will rank as a preferential claim within the Administration. Pension contributions which should have been paid by the Company of approx. £16k will also be claimed from the National Insurance Fund and will rank as an unsecured claim. Apart from the above, no other preferential claims are expected to arise. 	<ul style="list-style-type: none"> Completed. Progressing claim. Ongoing liaison with the National Insurance Fund. If any preferential claims do arise of if the National Insurance Fund does not settle the preferential claim of £1,840, the Administrators will look to settle such claims as an expense of the Administration. 					

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	<p><u>Unsecured claims</u></p> <ul style="list-style-type: none"> • Contacting all known creditors and suppliers to advise of the appointment and to provide proof of debt forms to enable claims to be lodged. • Dealing with all queries and correspondence received from creditors on an ongoing basis and recording the same. • Inviting all creditors with the relevant clauses within their terms and conditions to progress ROT claims by attending site to identify and schedule any goods in hand. • Liaising with HMRC to establish its claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate. • Ongoing liaison with the principal creditor, the PPF, in relation to its estimated claim of £55m. <p><u>Lease/Finance Creditors</u></p> <ul style="list-style-type: none"> • Establishing the position regarding assets on finance. Liaising with the respective lease companies and making new arrangements to settle monthly 	<ul style="list-style-type: none"> • Ongoing communication. • Ongoing. • Completed. Where claims were proven to be valid, arrangements were made for stock to be purchased, and or returned, if not required for on-going trading. • Ongoing. • Ongoing. <ul style="list-style-type: none"> • Assisting APL with the novation of any agreements, following its acquisition of the business on 25 July 2019. 				
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	<p>instalments. Maintaining payments during the period of Administration trading.</p> <p><u>Employees</u></p> <ul style="list-style-type: none"> • Direct meetings were held with staff and/or via Union representatives at the outset, to inform them of the Administration and the Administrators proposed strategy going forward. Weekly meetings have been held with Management/Union representatives to keep them abreast of developments throughout the duration of the Administration. • Following acceptance of the offer from APL, a consultation process was commenced with the elected employee representatives. Liaising with APL in respect of "proposed measures" pursuant to TUPE Regulations and sharing such measures with the Employee Representatives for cascading down to the employees they represent. Keeping the Employees Representatives fully apprised of the sales process. 	<ul style="list-style-type: none"> • Completed. • Completed. • The adjudication of unsecured creditor claims, including the claim of the PPF, and the paying of a dividend to unsecured creditors will be the responsibility of a subsequently appointed Liquidator in due course. 				
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	<ul style="list-style-type: none"> Ascertaining if a prescribed part distribution is applicable. The PP will not apply, however, given that there are no holders of qualifying floating charges. 	<ul style="list-style-type: none"> NFA. 				
7	LEGAL AND LITIGATION	LEGAL AND LITIGATION				
	Work undertaken to date	Future work to be undertaken		Included in other categories of work	NIL	£30,975
	<i>Certain aspects of legal work such as work associated with the Administration appointment will not add financial benefit to the Administration but is necessary to ensure that the Administrators have been validly appointed and can fulfil their statutory duties. Other aspects of legal work will add financial benefit such as work associated with asset realisations/sale of the business, including the drafting of a Sale & Purchase Agreement and sundry advice relative thereto.</i>					
	Aspects of time costs to be incurred relating to legal work to be undertaken are covered elsewhere within the Schedule of Work.					

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In summary, during the Administration, our instructed solicitors, WG&M, have provided legal advice and assistance in respect of the following areas: -	<p>a) Assisting in the Administration appointment, co-ordinating the necessary board meetings, filing of the requisite documentation in the High Court and serving notices on the relevant parties.</p> <p>b) Advising on the inter-company pooling and Treasury arrangements in place pre-Administration and providing advice on the appropriateness of continuation of these arrangements during the Administration period.</p> <p>c) Reviewing and advising on the recoverability of the inter-company debt due to the Company by AHSAS.</p> <p>d) Reviewing land registry title matters in respect of the Company's 2 x freehold properties situate at Stephenson Road, Clacton on Sea. Providing legal advice in respect of missing un-registered deeds relating to No. 10 Stephenson Road and co-ordinating</p>	<ul style="list-style-type: none"> • Completed. • Completed. • Completed. • Completed. 				
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the completion of statutory declarations in respect thereof.	<p>e) Reviewing and advising on the lease entered into by the Company and a third-party occupier re No. 11 Stephenson Road.</p> <p>f) Providing detailed legal advice in respect of the Wiggins Teape Pension Scheme, of which the Company is a participating employer and for which it is currently jointly and severally liable for a shortfall estimated at £55m.</p> <p>g) Reviewing and advising on key purchase contracts entered into by the Administrators during the period of trading, including a 12m contract with Scottish Power.</p> <p>h) Advising on a pre-appointment climate change levy of approx. £19k, including a review of all underlying documentation, and assessment as to whether the liability should be settled as a "super priority" expense of the Administration.</p> <p>i) Extensive involvement in the sale process, including providing advice on the parallel sale process being</p>	<ul style="list-style-type: none"> • Ongoing. Further advice may be required in due course. • Ongoing. • Completed. • Completed. On the advice of WG&M, the liability was settled as an expense of the Administration. • Completed. 				
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	<p>conducted in France re AHSAS, given the need to co-ordinate the respective sales. Drafting of sale documentation for up-loading to the Data Room.</p> <p>j) Preparation of an Asset Sale Agreement and associated documents. Providing advice to the Administrators on key terms to be included and negotiating the same with APL's solicitors, in conjunction with the Administrators.</p> <p>k) Providing advice and drafting a Pre-Emption Agreement ("PEA") in respect of No. 11 Stephenson Road. Agreeing terms with APL's/PC's solicitors.</p> <p>l) Advising the Administrators on all TUPE related issues and the consultation process undertaken with the Company's employees.</p> <p>m) Generally assisting the Administrators throughout the Administration in respect of any legal matters arising.</p>	<ul style="list-style-type: none"> Completed. Completed. Ongoing. Further assistance will be required with regard to the serving of "notice of an offer" on PC, in accordance with the terms of the PEA. Dealing with any subsequent conveyancing formalities either in respect of a sale to PC or to a third party. Completed. Ongoing. Dealing with any other legal issues as and when they arise.. 				
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	TOTAL ESTIMATED FEES						£600,000	£749,568	1,091,827

**Argobex Limited T/A Polart
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs	£
POST APPOINTMENT SALES	
Sales	2,355,685.56
Rental Income: 11B & C Stephenson Road	33,697.98
Suppliers Overpayments	1,868.56
VAT Refund for Euro Account	199,837.52
Apportions - Raw Mat/Consumables	NIL
Apportions - Wages, Pension, PAYE	NIL
Apportions - Utilities & Leases	NIL
Apportions - Subscriptions	NIL
Stock - Raw Mat, Consumables etc	NIL
Stock - WIP/Finished Goods	NIL
TRADING EXPENDITURE	2,591,089.62
PAYE/NI	335,423.74
Pensions & Life Insurance	111,363.70
Unite Union	1,998.81
Cleaning/Site Maintenance	14,929.44
Utilities (Electricity/Water/Gas)	198,102.96
Photocopier Rental	1,099.08
Suppliers - Raw Materials	667,679.59
Suppliers - Sundry	14,374.08
Suppliers - Engineering/Consumables	84,144.73
Bank Charges - Trading	254.84
Patent Renewal/Index Subscription Fee	33,836.47
Car Leasing Costs	9,615.80
Wages	755,350.27
IT Expenses	568.50
Telephone	8,159.27
ROT Settlements	38,115.93
TRADING SURPLUS/(DEFICIT)	(2,275,017.21)
From 14/01/2019	£
To 13/07/2019	£
Statement of Affairs	£

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
ASSET REALISATIONS		
Uncertain Goodwill	NIL	NIL
Uncertain Land and Buildings	NIL	NIL
Uncertain Investment Property	NIL	NIL
Uncertain Plant, Machinery, Vehicles, Equip etc	NIL	NIL
Uncertain Stock/Raw Materials	NIL	NIL
Uncertain Inventory Spare Parts	NIL	NIL
907,924.00 Book Debts	819,310.46	819,310.46
Uncertain Prepayments	NIL	NIL
257,292.00 VAT Refund	265,170.59	265,170.59
11,268.00 Cash at Bank	11,270.51	11,270.51
20,000.00 HMRC Duty Deferment Deposit Refund	20,000.00	20,000.00
Business Rates Refund	9,341.34	9,341.34
Bank Interest Gross	577.69	577.69
Rental Income - 11 Stephenson Road	NIL	NIL
Trading Surplus/(Deficit)	316,072.41	316,072.41
Uncertain Current/Treasury Account	NIL	NIL
	<u>1,441,743.00</u>	<u>1,441,743.00</u>
COST OF REALISATIONS		
Administrators Pre Appt Fees	7,456.00	7,456.00
Administrators Remuneration - Time Costs	300,000.00	300,000.00
Administrators Disbursements - Cat 1	1,135.42	1,135.42
Administrators Disbursements - Cat 2	2,791.08	2,791.08
Pre Appt Legal Fees & Disbursements	25,802.28	25,802.28
Post Appt Legal Fees & Disbs	NIL	NIL
Post Appt Agents Fees & Disbs - Hilco	6,000.00	6,000.00
Uncertain Post Appt Agents Fees - Ernst & Young	NIL	NIL
Post Appt Agents Fees - Fenn Wright	1,250.00	1,250.00
Bonding	1,100.00	1,100.00
Uncertain Corporation Tax	NIL	NIL
Statutory Advertising	69.93	69.93
VAT Irrecoverable	719.10	719.10
Computer Consumables	NIL	NIL
Petty Cash	500.00	500.00
Pension Advisory Fees	NIL	NIL
Climate Change agreement scheme	19,124.00	19,124.00
Uncertain Storage Costs	NIL	NIL
Rates refund received in error	9,341.34	9,341.34
Insurance - No 11 Stephenson Road	NIL	NIL
Bank Charges - Floating	127.20	127.20
Uncertain Business Rates - 11 Stephenson Road	NIL	NIL
Uncertain Accountancy Fees	NIL	NIL
	<u>(375,416.35)</u>	<u>(375,416.35)</u>
PREFERENTIAL CREDITORS		
(1,840.00) Employees - Pension	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(1,426,749.73) Trade & Expense Creditors	NIL	NIL
(63,482.79) HMRC - PAYE	NIL	NIL
(55,000,000.00) Pension Protection Fund	NIL	NIL
(16,841.00) Employees- Pension	NIL	NIL
(5,682.50) Associated Companies	NIL	NIL

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
		NIL	NIL
	DISTRIBUTIONS		
(2,000,100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(57,318,212.02)		1,066,326.65	1,066,326.65
	REPRESENTED BY		
	VAT Recoverable - Trading		46,652.70
	Vat Recoverable - Floating		35,180.61
	IB Current Floating		974,936.22
	IB Current Floating - Wages Holding Ac		11,803.66
	Vat Payable - Floating		(2,246.54)
			1,066,326.65

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
POST APPOINTMENT SALES		
Sales: Arjobex SAS	2,248,825.83	2,248,825.83
Supplier Overpayments	NIL	NIL
	2,248,825.83	2,248,825.83
TRADING EXPENDITURE		
Suppliers - Raw Materials	1,564,643.84	1,564,643.84
Suppliers - Sundry	2,294.50	2,294.50
Suppliers - Engineering/Consumables	2,779.60	2,779.60
Bank Charges	681.42	681.42
Patent Renewal Fee - Trade Marks	3,420.00	3,420.00
ROT Settlement	98,992.78	98,992.78
IT Expenses	305.55	305.55
Insurance	6.99	6.99
VAT reclaim converted to sterling	229,907.07	229,907.07
	(1,903,031.75)	(1,903,031.75)
TRADING SURPLUS/(DEFICIT)	345,794.08	345,794.08

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
ASSET REALISATIONS		
Trading Surplus/(Deficit)	345,794.08	345,794.08
	345,794.08	345,794.08
	345,794.08	345,794.08
REPRESENTED BY		
Vat Receivable		86,518.20
IB Euro Account		259,275.88
		345,794.08

Note:

Appendix D

Details of the Administrators' time costs and disbursements for the period

Adjibex Limited T/A Polart (In Administration)									
Time charged for the period 14 January 2019 to 13 July 2019									
	Appointments Minutes / Partners	Managers / Directors	Other Professionals	Junior Professionals & Support	Total Hours	Total Cost	Average	Hourly Rate	
- Administration and Planning	103.35	103.35	170.80	321.80	699.05	38,250.00	54.73	780.13	
Admin & Planning		0.20	1.00	240.30	241.50	150.38			
Case Accounting		0.30	14.80	17.30	32.40	6,871.50	212.08		
Trial		88.00	108.40	63.50	259.90	18,827.50	272.15		
Case Control and Review	1.40	4.00	15.75		21.15	5,080.50	287.64		
Case Accounting - General	0.75	8.00	2.50		12.25	4,298.75	350.92		
General Administration	100.60	1.40	16.00		118.70	53,081.00	452.24		
Insurance	0.20	1.30	4.65		6.75	1,741.50	258.00		
Strategy and Planning		6.50	8.50		13.00	4,225.00	325.00		
Media	0.40				0.40	218.00	545.00		
Asset Realisation	88.80	86.70	6.90	1.30	183.60	63,693.60	347.04		
Asset Realisation	10.50	2.40	2.80	0.20	15.90	7,657.50	481.67		
Incident/landfill Property	2.86	15.50	0.20	1.10	19.66	7,623.50	388.85		
Debt Collection	1.10	0.70	1.50		3.30	412.50	375.00		
Legal asset Realisation	10.00				10.00	1,117.00	388.33		
Sale of Business	13.80	88.26	0.50		103.56	5,450.00	545.00		
- Creditors					142.00	64,002.00	450.72		
Unsecured Creditors					132.65	23,933.75	180.57		
Employees	9.10	51.20	18.10		78.40	27,694.50	352.10		
HR / IT / Training		0.30	0.50		0.80	212.50	265.63		
ROI	0.30	2.70	40.50		43.50	12,401.50	285.09		
Landlord			0.50		0.50	100.00	200.00		
IA/VAT - Two appointments		1.00	0.50		1.50	385.00	385.00		
Personnel Creditors	3.10	1.00	0.50		4.60	2,113.00	459.35		
- Investigation	1.60	8.00	6.30		15.90	6,589.50	414.43		
Investigatory Work		1.00	1.70		2.70	602.00	223.33		
IT - Investigations			0.50		0.50	1,271.50	254.30		
IT - Investigations			0.50		0.50	147.50	295.00		
IT - Work	1.50	7.00	89.16		97.66	3,792.50	387.35		
- Statutory Compliance	17.30	76.00	5.70	2.80	101.80	60,420.00	593.73		
Statutory Compliance - General	1.40	5.90	43.30	0.30	50.90	4,390.50	862.88		
Statutory Reporting Meetings	11.90	24.10	43.30	1.30	80.60	20,194.00	250.65		
Appointments / Meetings	2.00	1.00	2.80		5.80	2,270.50	391.63		
Statement of Affairs		0.30			0.30	122.50	408.33		
Bonding / Statutory Advertising		0.30		0.70	1.00	72.50	241.67		
IA/VAT - Two appointments		28.30	35.15		63.45	19,127.50	301.67		
Personnel - Other	2.00	15.30	2.00	0.70	20.00	7,123.00	356.15		
- Trading	249.00	183.20	653.64	6.96	1,092.80	372,332.60	337.68		
Trading (Accounting / Monitoring)	5.70	14.00	18.45		38.15	27,343.00	716.88		
Case Accounting - Trading	0.30				0.30	148.50	495.00		
Trade Sales / Purchase	33.30	75.30	487.09		595.69	108,581.00	182.30		
Trading - General	210.20	102.30	103.10	6.96	422.56	175,015.00	414.38		
IT - Trading / Sales support		2.00			2.00	270.00	375.00		
Total Hours	483.78	622.46	984.89	352.88	2,444.01	745,987.50	305.24		

Disbursements for the period		
14 January 2019 to 13 May 2019		
Category	Value £	
Category 1		
Advertising	60.53	
Debt Cash	500.00	
Printing	19.70	
Stationery/General	61.74	
Travel	1,223.08	
Banking	1,100.00	
Subsistence	40.06	
Category 2		
Car/Mileage Recharge	5,690.31	
Grand Total	8,704.32	

FRP Charge out rates	Term
Grade	1st May 2017
Appointed Administrator	450-545
Managers / Directors	340-465
Other Professionals	200-285
Junior Professionals & Support	125-175

Adjibex Limited T/A Polart (In Administration)
The Administrators' Progress Report

Appendix E

Revised Fee Estimate



Activity	Initial fee estimate		Increase requested		Revised fee estimate		Average hourly rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
ADMINISTRATION	367.0	111,968	256.3	87,916	623.3	199,884	321
ASSET REALISATION	234.1	100,022	205.7	94,275	441.8	194,296	440
STATUTORY COMPLIANCE AND REPORTING	148.5	55,074	113.5	51,054	261.9	106,127	405
TRADING	628.7	215,520	479.7	214,362	1,108.4	429,902	388
INVESTIGATION	122.0	40,080	-	-	122.0	40,080	329
CREDITORS	206.8	77,336	34.1	13,228	240.9	90,564	376
LEGAL AND LITIGATION	-	-	75.0	30,975	75.0	30,975	413
TOTAL	1,708.0	600,000	1,164.3	491,828	2,872.3	1,091,827	

Hourly Charge out rates:		£
Appt taker/partner		450-545
Managers/directors		340-465
Other professional		200-295
Junior Professional/support		125-175

The above fees estimate is based on the assumptions contained in the accompanying schedule of work

Time costs are maintained on computerised records of all time spend on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisory.com/fees-guide.html>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

The office holder anticipates that it will not be necessary to seek further approval.

Arjobex Limited T/A Polyart (In Administration)
The Administrators' Progress Report

Appendix E

Estimated Outcome Statement



APPENDIX E

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Trading Account
To 13 January 2021**

Estimated Outcome Statement £		Realised / Paid	Projected	Total £
POST APPOINTMENT SALES				
2,702,946.39	Sales	4,755,740.91	89,832.00	4,845,572.91
16,848.33	Rental Income: 11B & C Stephenson R	33,697.98	0.00	33,697.98
	Suppliers Overpayments	1,969.33	1,724.97	3,694.30
	VAT Refund for Euro Account	199,837.52	0.00	199,837.52
	Apportionments - Raw Materials/Consumables etc	0.00	171,075.00	171,075.00
	Apportionment - Wages, Pension, PAYE etc	0.00	42,116.62	42,116.62
	Apportionment - Utilities & Leases	0.00	15,980.00	15,980.00
	Apportionment - Subscriptions	0.00	30,461.94	30,461.94
	Stock - Raw Materials, Consumables etc	0.00	247,245.48	247,245.48
	Stock - WIP/Finished Goods	0.00	50,842.34	50,842.34
2,719,794.72		4,991,245.74	649,278.35	5,640,524.09
TRADING EXPENDITURE				
210,000.57	PAYE/NI	392,156.65	0.00	392,156.65
70,000.75	Pensions & Life Insurance	128,129.63	10,237.00	138,366.63
2,533.06	Unite Union	2,285.48	0.00	2,285.48
8,955.46	Cleaning/Site Maintenance	19,358.59	1,000.00	20,358.59
280,150.50	Utilities (Electricity/Water/Gas)	283,761.83	70,000.00	353,761.83
-	Photocopier Rental	2,065.15	0.00	2,065.15
1,230,535.34	Suppliers - Raw Materials	2,195,467.98	0.00	2,195,467.98
6,154.73	Suppliers - Sundry	20,454.25	4,541.00	24,995.25
67,387.75	Suppliers - Engineering/Consumables	101,213.54	10,000.00	111,213.54
695.68	Bank Charges - Trading	906.98	29.60	936.58
15,000.00	Patent Renewal/Index Subscription Fees	45,175.15	0.00	45,175.15
3,552.00	Business Rates	22,381.12	0.00	22,381.12
8,000.00	Car Leasing Costs	11,057.11	1,453.00	12,510.11
551,621.52	Wages	871,279.34	0.00	871,279.34
698.00	IT Expenses	6,401.88	500.00	6,901.88
26,256.03	Insurance	56,675.48	0.00	56,675.48
4,146.85	Telephone	9,598.99	500.00	10,098.99
129,738.84	ROT Settlements	127,298.61	0.00	127,298.61
-	VAT Converted to Sterling	207,123.49	0.00	207,123.49
2,615,427.08		4,502,791.24	98,260.60	4,601,051.84
104,367.64	TRADING SURPLUS/(DEFICIT)	488,454.50	551,017.75	1,039,472.25

APPENDIX E

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Estimated Outcome Statement
To 13 January 2021**

Estimated Outcome Statement £		Realised / Paid	Projected	Total £
ASSET REALISATIONS				
Uncertain	Goodwill	50,000.00	0.00	50,000.00
633,000.00	Land and Buildings	1,250,000.00	0.00	1,250,000.00
752,000.00	Investment Property	0.00	1,000,000.00	1,000,000.00
Uncertain	Plant, Machinery, Vehicles, Equip etc	424,994.00	0.00	424,994.00
Uncertain	Stock/Raw Materials	0.00	0.00	0.00
Uncertain	Inventory Spare Parts	0.00	0.00	0.00
877,280.07	Book Debts	819,310.46	0.00	819,310.46
Uncertain	Prepayments	0.00	0.00	0.00
257,292.12	VAT Refund	265,170.59	0.00	265,170.59
11,267.77	Cash at Bank	11,270.51	0.00	11,270.51
20,000.00	HMRC Duty Deferment Deposit Refund	20,000.00	0.00	20,000.00
-	Business Rates Refund	9,341.34	0.00	9,341.34
84.61	Bank Interest Gross	2,869.07	0.00	2,869.07
-	Rental Income - 11 Stephenson Road	0.00	33,696.00	33,696.00
-	FIT Income Compensation	7,618.00	0.00	7,618.00
104,367.64	TRADING SURPLUS/(DEFICIT)	488,454.50	551,017.75	1,039,472.25
Uncertain	Current/Treasury Account	1.00	0.00	1.00
-	Customer Contracts	1.00	0.00	1.00
-	Data	1.00	0.00	1.00
-	Sales Information	1.00	0.00	1.00
-	Rights of Action	1.00	0.00	1.00
-	Software Licenses	1.00	0.00	1.00
2,655,292.21		3,349,034.47	1,584,713.75	4,933,748.22
COST OF REALISATIONS				
7,455.00	Administrators Pre Appt Fees	7,456.00	0.00	7,456.00
600,000.00	Administrators Remuneration - Time Costs	450,000.00	593,013.00	1,043,013.00
5,000.00	Administrators Disbursements - Cat 1	1,321.08	2,000.00	3,321.08
4,000.00	Administrators Disbursements - Cat 2	5,942.41	500.00	6,442.41
27,802.00	Pre Appt Legal Fees & Disbursements	25,802.28	0.00	25,802.28
125,000.00	Post Appt Legal Fees & Disbs	0.00	450,000.00	450,000.00
22,550.00	Post Appt Agents Fees & Disbs - Hilco	25,769.90	0.00	25,769.90
Uncertain	Post Appt Agents Fees - Ernst & Young	0.00	0.00	0.00
1,500.00	Post Appt Agents Fees - Fenn Wright	2,750.00	0.00	2,750.00
1,100.00	Bonding	1,100.00	0.00	1,100.00
Uncertain	Corporation Tax	0.00	Uncertain	0.00
70.00	Statutory Advertising	69.93	0.00	69.93
-	VAT Irrecoverable	719.10	Uncertain	719.10
2,000.00	Computer Consumables	0.00	2,000.00	2,000.00
500.00	Petty Cash	500.00	0.00	500.00
10,000.00	Pension Advisory Fees	0.00	10,000.00	10,000.00
-	Climate Change agreement scheme	19,124.00	0.00	19,124.00
5,000.00	Storage Costs	0.00	5,000.00	5,000.00
-	Rates refund received in error	9,341.34	0.00	9,341.34
-	Insurance - No 11 Stephenson Road	0.00	5,956.00	5,956.00
-	Property Valuation Costs	1,250.00	0.00	1,250.00
300.00	Bank Charges - Floating	149.20	185.00	334.20
-	Business Rates - No 11 Stephenson Road	0.00	Uncertain	0.00
-	Accountancy Fees	0.00	Uncertain	Uncertain
812,277.00		551,295.24	1,068,654.00	1,619,949.24

APPENDIX E

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Estimated Outcome Statement
To 13 January 2021**

Estimated Outcome Statement £		Realised / Paid	Projected	Total £
PREFERENTIAL CREDITORS				
1,840.00	Employees - Pension	NIL	1,840.00	1,840.00
		NIL	1,840.00	1,840.00
UNSECURED CREDITORS				
1,426,749.73	Trade & Expense Creditors	NIL	1,426,749.73	1,426,749.73
63,482.79	HMRC - PAYE	NIL	63,482.79	63,482.79
75,000,000.00	Pension Protection Fund	NIL	55,000,000.00	55,000,000.00
16,841.00	Employees- Pension	NIL	16,841.00	16,841.00
5,682.50	Associated Companies	NIL	5,682.50	5,682.50
		NIL	56,512,756.02	56,512,756.02
DISTRIBUTIONS				
2,000,100.00	Ordinary Shareholders	NIL	2,000,100.00	2,000,100.00
		NIL	2,000,100.00	2,000,100.00
<u>-76,671,680.81</u>		<u>2,797,739.23</u>	<u>-57,998,636.27</u>	<u>-55,200,897.04</u>
REPRESENTED BY				
	VAT Recoverable - Trading	185,061.67	-62,706.64	122,355.03
		NIL	11,523.10	11,523.10
	Vat Recoverable - Floating	70,351.99	0	70,351.99
	Sterling Current Account	2,162,378.32	0	2,162,378.32
	Euro Current Account	370,504.37	-	370,504.37
	Sterling - Wages Holding Acc	11,689.42	0	11,689.42
	Trade Creditors	0	-187,027.38	-187,027.38
	VAT Payable	-2,246.54	NIL	-2,246.54
		<u>2,797,739.23</u>	<u>-238,210.92</u>	<u>2,559,528.31</u>

Appendix E

Details of Administrators time costs and disbursements up to 31 July 2019

Arjobex Limited T/A Polyart (In Administration)

Time charged for the period 14 January 2019 to 31 July 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost Average Hry Rate £
Administration and Planning	104.65	106.70	172.30	343.60	750.05	191,681.76
Admin & Planning	1.20	0.20	1.00	278.30	280.70	42,874.00
Case Accounting		0.40	15.50	19.80	35.70	7,523.00
Travel		85.00	109.40	63.50	257.90	70,702.50
Case Control and Review	1.40	4.30	15.75		21.45	269.14
Case Accounting - General	0.75	9.10	2.50		12.35	4,338.25
General Administration	100.80	1.90	17.00	0.70	120.20	54,068.50
Insurance	0.20	2.30	4.65		7.15	1,891.50
Fee and WIP				1.20	1.20	180.00
Strategy and Planning			8.50		13.00	4,225.00
Media	0.40				0.40	545.00
Asset Realisation	160.30	167.20	6.60	1.30	314.40	138,843.00
Freshhold/Leasehold Property	10.50	2.40	2.80	0.70	15.90	7,057.50
Chattel Assets	7.80	15.50	0.70	1.10	19.60	7,523.50
Debt Collection	1.10	0.70	1.50		2.80	385.00
Legal-asset Realisation	16.00				16.00	9,047.00
Sale of Business	119.30	62.66	62.10	3.10	248.40	113,775.50
Unsecured Creditors	1.30	7.75	0.50		4.05	1,652.75
Employees	13.70	55.40	19.60	3.10	91.80	32,516.50
IP/Leasing	0.30	0.30	0.10		0.80	212.50
ROT	0.30	2.70	40.50		43.50	12,401.50
Landlord			0.50		0.50	100.00
TAX/VAT - Pre-appointment		1.00			1.00	385.00
Pensions - Creditors	3.10	1.00	0.50		4.60	2,113.00
Investigation	1.90	8.60	6.30		16.70	5,643.00
Investigatory Work			1.70		1.70	492.00
GDPA Enquiries		1.00	3.10		4.10	1,277.50
IT - Enquiries			0.50		0.50	147.50
GPR Work	1.90	7.50	9.40		30.40	3,694.00
Statutory Compliance - General	17.30	104.65	88.15	2.60	213.80	71,130.75
Statutory Reporting/Meetings	1.40	9.35	5.70	0.30	16.75	5,054.75
Appointment Formalities	11.90	49.90	43.30	1.30	106.40	36,824.50
Statement of Affairs	2.00	0.30	2.90		5.90	2,270.50
Tax/VAT - Post appointment		0.10			0.30	122.50
Pensions - Other		28.30	35.15	0.20	63.65	19,927.50
Bonding/Statutory Advertising		15.70	2.80		21.00	7,259.00
Trading forecasting/ Monitoring	2.00	210.40	684.34	0.70	1,184.39	391,267.00
Case Accounting - Trading	6.00	14.00	68.45	6.95	88.45	27,773.00
Trade-sales/ Purchase	0.30				0.30	148.50
Trading - General	44.90	91.70	482.09		618.59	180,799.50
IT - Trading/ Sale support	210.20	103.10	134.80	6.95	455.05	181,730.00
Total Hours	663.75	663.80	1,618.70	377.35	2,884.30	847,768.25
Grand Total						9,339.01

FRP Charge out rates

Grade	From	1st May 2017
Appointment taker / Partner		450-545
Managers / Directors		340-465
Other Professional		200-295
Junior Professional & Support		125-175

Disbursements for the period	
14 January 2019 to 31 July 2019	
Category 1	
Advertising	69.93
Parking	19.70
Sundries/General	61.24
Travel	1,223.18
Bonding	1,100.00
Petty Cash	500.00
Subsistence	47.71
Category 2	
Car/Mileage Recharge	6,317.25
Grand Total	9,339.01

Arjobex Limited T/A Polyart (In Administration)
The Administrators' Progress Report

Appendix E

Details of Administrators time costs and disbursements up to 6 August 2019

Arjobex Limited T/A Polyart (In Administration)
Time charged for the period 14 January 2019 to 06 August 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost Average Hourly Rate £
- Admin Information and Planning	104.86	100.80	172.30	343.80	788.86	191,719.36
Admin & Planning	1.20	0.20	1.00	278.30	280.70	788.86
Case Accounting		0.40	15.50	36.00	51.90	42,674.00
Time		85.00	109.40	20.10	214.50	7,575.50
Case Control and Review	1.40	4.30	15.75	63.50	84.95	210.43
Case Accounting - General	0.75	8.30	2.50		11.55	274.15
General Administration	100.00	1.80	17.00	0.70	120.50	5,773.00
Insurance	0.20	2.30	4.05		6.55	269.14
Fire and W&P				1.70	1.70	351.49
Strategy and Planning						449.82
Media	0.40	0.50	0.50		1.40	54,088.50
Asset Realisation	160.80	167.20	8.40	1.30	337.70	1,891.50
Asset Realisation	10.50	2.40	2.80	0.70	16.40	1,891.50
Freehold residential Property	2.80	15.50	0.70	1.10	20.10	7,575.50
Chattel Assets		1.10			1.10	374.00
Debt Collection	1.10	0.20	1.50		2.80	1,117.00
Legal insolvency Realisation	16.80				16.80	9,158.00
Sale of Business	119.30	138.00	1.10		258.40	113,725.50
Creditors	16.90	62.68	82.10	3.10	164.78	48,643.28
Unsecured Creditors	1.30	2.25	0.50		4.05	1,652.25
Employees	13.70	55.40	19.80	3.10	92.00	32,518.50
HR / Training	0.50	0.30	0.50		1.30	485.00
ROI	0.30	7.70	40.50		48.50	17,401.50
Leasehold			0.50		0.50	200.00
TAX/VAT Pre appointment		1.00			1.00	385.00
Pensions Creditors	3.10	1.00	0.50		4.60	2,113.00
Investigation	1.90	8.60	8.30		18.70	439.35
Insolvency Work			1.70		1.70	497.00
CMA Enquiries			3.10		3.10	1,277.60
IT - Investigations	1.00		0.50		1.50	705.00
GDPR Work	1.90	7.50			9.40	147.50
Statutory Compliance	20.00	111.48	89.15	2.80	223.43	3,698.00
Statutory Compliance - General	1.40	9.35	5.70		16.45	393.40
Statutory Reporting Meetings	14.60	56.40	43.30	1.30	115.60	78,141.76
Appointment Formalities	2.00	1.00	2.90		5.90	638.00
Statement of Affairs		0.30			0.30	122.50
Bonding / Statutory Adversing		0.10			0.10	408.33
Tax/VAT Post appointment		28.30	35.15	0.70	64.15	241.67
Pensions - Other	2.00	18.00	2.80		23.80	314.07
- Trading	261.70	210.80	644.34	0.70	1,117.54	19,927.50
Trading forecasting/ Monitoring	8.40	14.00	88.45		110.85	314.07
Case Accounting - Trading	0.30				0.30	345.89
Trade sales/ Purchase	44.80		482.00		526.80	381,426.00
Trading - General	210.20	103.10	134.80	0.95	448.05	315.10
IT - Trading / Sale support		2.00			2.00	495.00
Total Hours	687.88	688.80	1,018.79	377.80	2,773.27	842,494.38

Arjobex Limited T/A Polyart (In Administration)
The Administrators' Progress Report

FRP Charge out rates	From
Grade	1st May 2017
Appointment taker / Partner	450-545
Managers / Directors	340-465
Other Professional	200-295
Junior Professional & Support	125-175

Disbursements for the period	
14 January 2019 to 6 August 2019	
Category 1	
Advertising	69.93
Banking	19.70
Sundries/General	61.24
Travel	1,229.58
Bonding	1,100.00
Party Cash	500.00
Subsistence	47.71
Category 2	
Car/Mileage Recharge	6,317.25
Grand Total	9,345.41

Appendix F

Statement of expenses incurred in the Period

Arjobex Limited t/a Polyart - In Administration Statement of expenses for the period ended 13 July 2019	
Expenses	Period to 13 July 2019 £
Office Holders' remuneration (Time costs)	749,568
Trading Expenditure	-
PAYE/NIC	382,156
Pensions and Life Insurance	138,366
Unite Union	2,286
Cleaning/Site Maintenance	19,358
Utilities (Electricity/Water/Gas)	285,827
Suppliers - Raw Materials	2,166,705
Suppliers - Sundry	20,455
Suppliers - Engineering/Consumables	101,215
Patent Renewal Fees	45,174
Business Rates	22,381
Car Leasing Costs	11,057
Wages	870,958
IT Expenses	6,402
Insurance	56,669
Telephone	9,599
ROT Settlements	127,299
Bank Charges	906
VAT Reclaim converted to Sterling	-
Costs of Realisations	-
Administrators Disbs - Cat 1	1,321
Administrators Disbs - Cat 2	5,942
Post Appt Legal Fees & Disbursements	144,665
Post Appt Agents Fees & Disbs - Hilco	6,000
Post Appt Agents Fees & Disbs - EBY	-
Post Appt Agents Fees & Disbs - Fern & Wright	2,750
Bonding	1,100
Corporation Tax	-
Statutory Advertising	70
VAT Irrecoverable	719
Petty Cash	500
Pension Advisory Fees	-
Climate Change Agreement Scheme	19,124
Storage Costs	-
Insurance of Assets	-
Property Valuation Costs - Kemalsleys	1,250
Bank Charges	149
Business Rates	-
Accountancy Fees	-
Computer Consumables	-
Total	5,209,971

Arjobex Limited T/A Polyart (In Administration)
The Administrators' Progress Report

Appendix G

CH Form AM10 Formal Notice of the Progress Report



AM10

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1	Company details	
Company number	0 0 8 2 6 1 0 2	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Arjobex Limited T/A Polyart	
2	Administrator's name	
Full forename(s)	Glyn	
Surname	Mummery	
3	Administrator's address	
Building name/number	Jupiter HouseWarley Hill Business Park	
Street	The Drive	
Post town	Brentwood	
County/Region	Essex	
Postcode	C M 1 3 3 B E	
Country		
4	Administrator's name ①	
Full forename(s)	Geoffrey Paul	① Other administrator Use this section to tell us about another administrator.
Surname	Rowley	
5	Administrator's address ②	
Building name/number	2nd Floor	② Other administrator Use this section to tell us about another administrator.
Street	110 Cannon Street	
Post town	London	
County/Region		
Postcode	E C 4 N 6 E U	
Country		

AM10

Notice of administrator's progress report

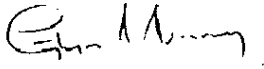
6 Period of progress report

From date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>4</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>1</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>1</div></div>	<div><div>y</div><div>9</div></div>	
To date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>3</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>7</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>1</div></div>	<div><div>y</div><div>9</div></div>	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	<div>Signature</div> <div><div>X</div><div></div><div><div>X</div></div></div>								
Signature date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>8</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>1</div></div>	<div><div>y</div><div>9</div></div>	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name Holly Ennis

Company name FRP Advisory LLP

Address Jupiter House

Warley Hill Business Park

Post town The Drive

County/Region Brentwood

Postcode E s s e x

Country

DX

Telephone 01277 50 33 33



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
POST APPOINTMENT SALES		
Sales	2,355,685.56	2,355,685.56
Rental Income: 11B & C Stephenson R	33,697.98	33,697.98
Suppliers Overpayments	1,868.56	1,868.56
VAT Refund for Euro Account	199,837.52	199,837.52
Apportionments - Raw Mat/Consumabl	NIL	NIL
Apportionments - Wages, Pension, PA	NIL	NIL
Apportionments - Utilities & Leases	NIL	NIL
Apportionments - Subscriptions	NIL	NIL
Stock - Raw Mat, Consumables etc	NIL	NIL
Stock - WIP/Finished Goods	NIL	NIL
	<u>2,591,089.62</u>	<u>2,591,089.62</u>
TRADING EXPENDITURE		
PAYE/NI	335,423.74	335,423.74
Pensions & Life Insurance	111,363.70	111,363.70
Unite Union	1,998.81	1,998.81
Cleaning/Site Maintenance	14,929.44	14,929.44
Utilities (Electricity/Water/Gas)	198,102.96	198,102.96
Photocopier Rental	1,099.08	1,099.08
Suppliers - Raw Materials	667,679.59	667,679.59
Suppliers - Sundry	14,374.08	14,374.08
Suppliers - Engineering/Consumables	84,144.73	84,144.73
Bank Charges - Trading	254.84	254.84
Patent Renewal/Index Subscription Fe	33,836.47	33,836.47
Car Leasing Costs	9,615.80	9,615.80
Wages	755,350.27	755,350.27
IT Expenses	568.50	568.50
Telephone	8,159.27	8,159.27
ROT Settlements	38,115.93	38,115.93
	<u>(2,275,017.21)</u>	<u>(2,275,017.21)</u>
TRADING SURPLUS/(DEFICIT)	<u>316,072.41</u>	<u>316,072.41</u>

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
	ASSET REALISATIONS		
Uncertain	Goodwill	NIL	NIL
Uncertain	Land and Buildings	NIL	NIL
Uncertain	Investment Property	NIL	NIL
Uncertain	Plant, Machinery, Vehicles, Equip etc	NIL	NIL
Uncertain	Stock/Raw Materials	NIL	NIL
Uncertain	Inventory Spare Parts	NIL	NIL
907,924.00	Book Debts	819,310.46	819,310.46
Uncertain	Prepayments	NIL	NIL
257,292.00	VAT Refund	265,170.59	265,170.59
11,268.00	Cash at Bank	11,270.51	11,270.51
20,000.00	HMRC Duty Deferment Deposit Refun	20,000.00	20,000.00
	Business Rates Refund	9,341.34	9,341.34
	Bank Interest Gross	577.69	577.69
	Rental Income - 11 Stephenson Road	NIL	NIL
	Trading Surplus/(Deficit)	316,072.41	316,072.41
Uncertain	Current/Treasury Account	NIL	NIL
		<u>1,441,743.00</u>	<u>1,441,743.00</u>
	COST OF REALISATIONS		
	Administrators Pre Appt Fees	7,456.00	7,456.00
	Administrators Remuneration - Time C	300,000.00	300,000.00
	Administrators Disbursements - Cat 1	1,135.42	1,135.42
	Administrators Disbursements - Cat 2	2,791.08	2,791.08
	Pre Appt Legal Fees & Disbursements	25,802.28	25,802.28
	Post Appt Legal Fees & Disbs	NIL	NIL
	Post Appt Agents Fees & Disbs - Hilco	6,000.00	6,000.00
Uncertain	Post Appt Agents Fees - Ernst & Youn	NIL	NIL
	Post Appt Agents Fees - Fenn Wright	1,250.00	1,250.00
	Bonding	1,100.00	1,100.00
Uncertain	Corporation Tax	NIL	NIL
	Statutory Advertising	69.93	69.93
	VAT Irrecoverable	719.10	719.10
	Computer Consumables	NIL	NIL
	Petty Cash	500.00	500.00
	Pension Advisory Fees	NIL	NIL
	Climate Change agreement scheme	19,124.00	19,124.00
Uncertain	Storage Costs	NIL	NIL
	Rates refund received in error	9,341.34	9,341.34
	Insurance - No 11 Stephenson Road	NIL	NIL
	Bank Charges - Floating	127.20	127.20
Uncertain	Business Rates - 11 Stephenson Road	NIL	NIL
Uncertain	Accountancy Fees	NIL	NIL
		<u>(375,416.35)</u>	<u>(375,416.35)</u>
	PREFERENTIAL CREDITORS		
(1,840.00)	Employees - Pension	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(1,426,749.73)	Trade & Expense Creditors	NIL	NIL
(63,482.79)	HMRC - PAYE	NIL	NIL
(55,000,000.00)	Pension Protection Fund	NIL	NIL
(16,841.00)	Employees- Pension	NIL	NIL
(5,682.50)	Associated Companies	NIL	NIL

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
		NIL	NIL
(2,000,100.00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(57,318,212.02)		1,066,326.65	1,066,326.65
	REPRESENTED BY		
	VAT Recoverable - Trading		46,652.70
	Vat Recoverable - Floating		35,180.61
	IB Current Floating		974,936.22
	IB Current Floating - Wages Holding A		11,803.66
	Vat Payable - Floating		(2,246.54)
			1,066,326.65

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
POST APPOINTMENT SALES		
Sales: Arjobex SAS	2,248,825.83	2,248,825.83
Supplier Overpayments	NIL	NIL
	2,248,825.83	2,248,825.83
TRADING EXPENDITURE		
Suppliers - Raw Materials	1,564,643.84	1,564,643.84
Suppliers - Sundry	2,294.50	2,294.50
Suppliers - Engineering/Consumables	2,779.60	2,779.60
Bank Charges	681.42	681.42
Patent Renewal Fee - Trade Marks	3,420.00	3,420.00
ROT Settlement	98,992.78	98,992.78
IT Expenses	305.55	305.55
Insurance	6.99	6.99
VAT reclaim converted to sterling	229,907.07	229,907.07
	(1,903,031.75)	(1,903,031.75)
TRADING SURPLUS/(DEFICIT)	345,794.08	345,794.08

**Arjobex Limited T/A Polyart
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 14/01/2019 To 13/07/2019 £	From 14/01/2019 To 13/07/2019 £
ASSET REALISATIONS		
Trading Surplus/(Deficit)	345,794.08	345,794.08
	345,794.08	345,794.08
	345,794.08	345,794.08
REPRESENTED BY		
Vat Receivable		86,518.20
IB Euro Account		259,275.88
		345,794.08

Note:

Glyn Mummery
Joint Administrator

**Presenter information**

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

Contact name	Holly Ennis
Company name	FRP Advisory LLP
Address	Jupiter House Warley Hill Business Park
Post town	The Drive
County/Region	Brentwood
Postcode	E s s e x
Country	
DX	
Telephone	01277 50 33 33

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