

TO ALL KNOWN CREDITORS

26 July 2024

Ref: SJW/JF/CL
Email: RLLAdministration@uk.ey.com

Dear Sir or Madam

Recycling Lives Limited ('RLL') and RLMW Realisations Limited (formerly Recycling Lives Metal & Waste Limited ('RLMW')) (both in Administration) ('the Companies')

**High Court of Justice, Business and Property Courts, Insolvency and Companies List
Case numbers CR-2024-000181 (RLL) and CR-2024-000182 (RLMW)**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administrations of the Companies. This report covers the period from 18 January 2024 to 17 July 2024 ('the Period') and should be read in conjunction with the Joint Administrators' statement of Proposals ('the Proposals') dated 23 February 2024. Statutory information about the Companies, the Administration and the office holders is given at Appendix 1.

Summary of progress

Approval of the Proposals

The Proposals were issued to all known creditors of the Companies on 23 February 2024. As the Proposals included a statement pursuant to Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 ('IA86') that the Companies had insufficient property to enable a distribution to unsecured creditors other than by virtue of the prescribed part, a decision from the creditors to approve the Proposals was not sought. Eight business days passed without the creditors requisitioning a decision to approve the proposals pursuant to Paragraph 52(2) of Schedule B1 to the IA86, and accordingly the Proposals were deemed approved on 7 March 2024.

Sale of the Metals Division and certain assets

As was reported in the Proposals, the Companies and a number of other RLL subsidiaries (together 'the Group'), traded as one of the UK's largest recycling and waste management businesses, headquartered in Preston.

As at 18 January 2024, the date of the Joint Administrators' appointment, the Group had five main trading entities:

- ▶ RLL, RLMW and RAW2K Limited ('RAW2K'), comprising the Metals Division; and
- ▶ Recycling Lives (Environmental Services) Limited ('RLES') and Recycling Lives (Compliance) Services ('RLCS'), two wholly owned subsidiaries of RLL, comprising the Services Division.

Immediately following our appointment on 18 January 2024, the businesses and certain assets of the Companies comprising the Metals Division were sold to Global Ardour Recycling Limited ('GARL'). The total consideration paid was £14.97m, including the stock, debtors, plant and machinery, freehold properties and RAW2K shares. This transaction included all satellite sites and the transfer of all of the Companies' 325 employees to the purchaser under the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').

The sale consideration was received as cash, in full on completion, and allocated as follows:

	RLL	RLMW
Fixed charge		
Freehold Property	9,975,000.00	-
Plant and Machinery	1,643,646.75	791,798.51
Book Debts	1,180,000.00	-
Goodwill and Intellectual Property	2.00	0.50
Investment in Subsidiary	1.00	1.50
Floating charge		
Leasehold Property	350,000.00	-
Plant and Machinery	474,255.57	221,260.93
Stock	254,800.00	75,200.00
Books & Records and Supplier Deposits	1.00	1.00
Total	13,877,706.32	1,088,261.44

These amounts are detailed in our Receipts & Payments account at Appendix 2.

Full details of the sale, including the basis for the allocation of proceeds, can be found in our letter dated 25 January 2024 which was issued to creditors pursuant to Statement of Insolvency Practice ('SIP') 16 "Pre-packaged sales in Administrations": [RLL RLMW Letter to creditors notifying appointment and prepack \(SIP16\) - 25.01.2024 \(ey.com\)](#)

Sale of the Services Division and certain assets

As previously advised, following the Administrators' appointment on 18 January 2024, the Services Division continued to trade as usual whilst the sales process for this Division, which had started prior to the date of appointment, concluded. A comprehensive summary of the sales process can be found in the Joint Administrators' statement of proposals dated 23 February 2024: [RLL RLMW Administrators' statement of proposals – 23.02.2024](#)

The sale of the Services Division was completed on 19 February 2024, and the purchasers of this division was a number of entities owned by THF Frag II S.a.r.l. ('THF'), the Companies' intermediate parent and second ranking secured lender. The total consideration of £23.04m was allocated as follows:

	RLL	RLMW
Fixed charge		
Shares in RLES	10,000,000.00	-
Shares in RLCS	1,777,050.00	-
Property	1,000,000.00	-
Trademark	100,000.00	-
Floating charge		
Plant and Machinery	80,470.00	42,480.00
Tax losses	40,000.00	-
Total	22,997,520.00	42,480.00

The sale consideration for the fixed charge assets was wholly via debt forgiveness against THF's second ranking secured debt of £34.5m.

Sale consideration for the floating charge assets was to be paid in cash, of which £25,000 in respect of the tax losses was paid on completion, as detailed in the Receipts & Payments accounts at Appendix 2. The deferred consideration of £15,000 in respect of tax losses and £122,950 in respect of plant and machinery is due within six months of the date of completion (i.e. no later than 18 August 2024). Until the full quantum of deferred consideration is paid, title to the respective assets is retained by the Companies.

Creditors were advised in the Proposals that there were a small number of assets which were not included in the sale of either the Metals Division or the Services Division and were to be realised during the Administration, these are detailed below.

Licence to Occupy income

As part of the sales of the Metals Division and the Services Division, individual Licence to Occupy ('LTO') agreements were entered into with the purchasers in relation to 12 leasehold properties. Under these agreements, the purchasers pay a licence fee to the Companies. These licence fees are paid over to landlords or other third parties in respect of the costs of these properties and are refundable to the purchasers where the licence fee received exceeds the cost incurred.

During the Period, income totalling £149,987 and £298,438 has been received in RLL and RLMW respectively where an equivalent expense has been paid. Further amounts of £166,457 and £181,339, shown in the licence fee control accounts in the Receipts & Payments account, have also been received from the purchasers where a corresponding expense has not yet been paid. A reconciliation will be carried out at the end of the licence periods, and any excess amounts shall be refunded to the purchasers thereafter.

Cash at bank on appointment

Cash held in the pre-appointment bank accounts of £1,034 was received by RLL and £6,000 by RLMW.

No further pre-appoint cash balances are expected to be realised.

Insurance claim settlement

As previously notified in the Proposals, the sum of £1,362 has been received in RLL in relation to the settlement of a pre-appointment motor insurance claim with respect to one of RLL's leased vehicles.

It is not expected that there will be any more realisations from this source.

Business rates refunds

During the Period £9,413 and £7,427 has been received by RLL and RLMW respectively in relation to refunds for business rates credit balances. The Administrators are in direct ongoing correspondence with a number of local authorities regarding potential further business rates refunds.

Additionally, business rates specialist Goodman Nash have been instructed to complete a property audit and identify any historical overpayments which may be due to the Companies. No realisations have been achieved to date; however Goodman Nash are working on a commission-only basis and the work is ongoing.

A further update will be provided in our next progress report.

Prepayment refunds and other receipts

Refunds and other receipts totalling £576 and £1,171 have been received by RLL and RLMW respectively during the Period.

Contribution to environmental risk review audit costs

£6,000 has been received by RLL from GARL to cover the full cost of an environmental risk review carried out by Aon UK Limited ('Aon'). This amount has been remitted to Aon after the end of the end of the Period.

This audit was required as the Companies retained certain Environment Agency licences following the two sales of businesses. Applications to transfer these licences to the purchasers were made following completion of the sale and I am pleased to report that all licences have now been transferred.

Bank interest

Bank interest totalling £36,060 has been received in the Period, with £29,160 received by RLL and £6,900 by RLMW.

Extension of Administration

As you may be aware, insolvency legislation currently provides for an Administration to automatically come to an end after an initial period of 12 months. It is anticipated that all asset realisations will be concluded by this time, and accordingly it is unlikely that we will need to seek an extension to the initial period of the Administration. Should this position change, we will seek approval from the secured creditors and consent from the preferential creditors at the relevant time.

Receipts and payments account

A summary of our receipts and payments for the period from 18 January 2024 to 17 July 2024 for both RLL and RLMW is attached at Appendix 2. These accounts do not reflect estimated future realisations or costs.

Investigations

We have concluded our investigations into the Companies' affairs, in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986, with the necessary return submitted to the Insolvency Service on 8 April 2024. Whilst our investigations have concluded, we will assist the Insolvency Service with any further information that may be required.

Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me. Please note that the references in the Guide to fee estimates do not apply to administrations, such as this one, which started before 1 October 2015.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis by resolutions of the secured and preferential creditors on 15 February 2024 and 19 April 2024 respectively.

During the period covered by this report, we have charged time costs of £1,123,220 in RLL and £369,503 in RLMW in relation to dealing with the realisation of the Company's assets and all other statutory duties. Of this sum, £228,388 has been paid by RLL and £61,612 has been paid by RLMW to date.

At Appendix 3 to this report there is an analysis and narrative explanation of the time spent.

Joint Administrators' expenses

During the period covered by this report, we have incurred expenses totalling £801,764 in RLL and £434,172 in RLMW plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 4 of this report.

Pre-Administration costs

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016, and not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986.

We can advise that our pre-Administration time costs were approved by the secured and preferential creditors by resolution dated 15 February 2024 and 19 April 2024.

The amounts drawn to date are as follows:

	RLL	RLMW	Total
Administrators' time costs	313,275.99	128,905.30	442,181.29
Legal fees	59,150.00	Nil	59,150.00
Total	372,425.99	128,905.30	501,331.29

Distributions to creditors

Secured creditors

The Companies' first ranking secured lender is RBS Invoice Finance Limited ('RBSIF') which has both fixed and floating charges. As at 18 January 2024, the Companies' total indebtedness to RBSIF was £19.6m. comprising £17.9m in RLL and £1.7m in RLMW.

To date, distributions to RBSIF totalling £11.78m and £0.57m have been made by RLL and RLMW respectively.

It is expected that RBSIF will receive further distributions in the Administrations, however the Joint Administrators estimate that RBSIF will suffer a shortfall against its debts in the Companies.

As previously advised, THF is an entity controlled by Three Hills Capital Partners which forms part of its ownership structure in the Group. At the date of appointment, THF had second ranking secured indebtedness of c.£35m in the Companies, which comprised £23m of principle lending and interest of c.£12m. THF held very similar security to RBS but subordinated behind it.

The Joint Administrators estimate that THF will suffer a shortfall of c.£12m against its debts in the Companies.

Preferential creditors

Primary preferential creditors

Claims from employees in respect of accrued but unpaid arrears of pay up to £800, accrued but unpaid holiday pay and certain pension benefits, rank preferentially and in priority to other preferential creditors (see below). These claims are therefore referred to as 'primary preferential creditors'. At the date of appointment, one former employee of RLL had arrears of wages of £174 and this has been paid as a preferential claim during the Period.

All other employees transferred to GARL under the provisions of TUPE and there are no further employee preferential creditor claims are anticipated to be received against either of the Companies.

Secondary preferential creditors

Claims from HMRC, in relation to VAT, PAYE and employees' National Insurance Contributions rank preferentially, but secondary to the employee primary preferential creditors above. These claims are therefore referred to as 'secondary preferential creditors'.

We have received a claim from HMRC, as a secondary preferential creditor, totaling £2.3m and £0.1m in RLL and RLMW respectively in respect of claims relating to PAYE, NI and VAT.

It is currently uncertain whether sufficient funds will be available to enable a distribution to HMRC in respect of its secondary preferential claim in RLL. This will be subject to the level of final asset realisations achieved and costs paid. We do not anticipate there to be sufficient funds available for a distribution to be made by RLMW.

Unsecured non-preferential creditors

The Director's statements of affairs show total non-preferential claims of £10.7m and £3.2m in RLL and RLMW respectively (excluding intercompany creditors).

It is anticipated that the Company will have insufficient realisations to enable a distribution to non-preferential creditors of the Company.

The prescribed part

The prescribed part is a portion of floating charge assets set aside for non-preferential, unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003. It should, however, be noted that on 6 April 2020, the Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020 came into force. It increased the maximum amount of the prescribed part from £600,000 to £800,000, however the increase will only apply where the floating charge affected was created on or after 6 April 2020. The Companies had two outstanding floating charges registered at Companies House at the Date of Appointment:

- ▶ Floating charge in favour of RBS dated 9 January and registered at Companies House on 13 January 2023; and
- ▶ Floating charge in favour of THF dated 7 September 2023 and registered at Companies House on 22 September 2023.

- ▶ Floating charge in favour of THF dated 7 September 2023 and registered at Companies House on 22 September 2023.

The Joint Administrators currently estimate that there will be insufficient funds available to allow a distribution to the Company's non-preferential, unsecured creditors by virtue of a dividend under the prescribed part. Should this position change we will update you in the next Progress Report.

Remaining work

We will continue to deal with the Administration in line with the stated objectives outlined in the proposals. Future tasks will include, but may not be limited to, the following:

- ▶ Collection of deferred consideration due in respect of the Services Division sale;
- ▶ Recovery of further business rates refunds and insurance refunds which may be realisable;
- ▶ Ongoing management of the LTO arrangements, including detailed reconciliation once the LTOs are concluded;
- ▶ Dealing with corporation tax and VAT matters, which includes filing statutory returns;
- ▶ Dealing with creditor enquiries;
- ▶ Dealing with any ad hoc legal matters which may arise, including matters relating to property;
- ▶ Distributing realisations to the secured creditor of the Companies;
- ▶ Paying a dividend to the preferential creditors;
- ▶ Ensuring all statutory reporting and compliance obligations are met, including accounting and treasury functions;
- ▶ Finalising the Administration, including payment of all Administration liabilities; and
- ▶ Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administration.

Please see Appendix 5 for a more detailed explanation of the work which is in progress or to be completed.

Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully
for the Companies



S J Woodward
Joint Administrator

Samuel James Woodward and Daniel Christopher Hurd are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. As Insolvency Practitioners they are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the appointment.

The affairs, business and property of the Companies are being managed by the Joint Administrators, Samuel James Woodward and Daniel Christopher Hurd, who act as agents of the Companies only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts of England and Wales, Companies and Insolvency
Court reference:	CR-2024-000181
Registered name of the Company:	Recycling Lives Limited
Registered office address of the Company:	c/o Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY
Registered number:	03783452
Country of incorporation (for a Company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	18 January 2024
Details of any changes of Administrator:	None
Full names of the Administrators:	Samuel James Woodward and Daniel Christopher Hurd
Office holder number(s):	12030 and 20030
Administrators' address(es):	Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY and No. 1. Colmore Square, Birmingham, B4 6HQ
Telephone number:	0161 333 3000
Name of alternative person to contact with enquiries about the case:	Catriona Lynch

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts of England and Wales, Companies and Insolvency
Court reference:	CR-2024-000182
Registered name of the Company:	RLMW Realisations Limited (formerly Recycling Lives Metal & Waste Limited)
Registered office address of the Company:	c/o Ernst & Young LLP, 2 St Peter's Square Manchester, M2 3EY
Registered number:	01031503
Country of incorporation (for a Company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	18 January 2024
Details of any changes of Administrator:	None
Full names of the Administrators:	Samuel James Woodward and Daniel Christopher Hurd
Office holder number(s):	12030 and 20030
Administrators' address(es):	Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY and No. 1. Colmore Square, Birmingham, B4 6HQ
Telephone number:	0161 333 3000
Name of alternative person to contact with enquiries about the case:	Catriona Lynch

Recycling Lives Limited

(In Administration)

Joint Administrators' Summary of Receipts & Payments - Cumulative

From 18 January 2024 To 17 July 2024

Statement of Affairs £	£	£
FIXED CHARGE REALISATIONS		
1,180,000.00 Book Debts	1,180,000.00	
1,643,647.00 Plant and Machinery	1,643,646.75	
100,002.00 Goodwill and Intellectual Property	2.00	
10,975,000.00 Property	9,975,000.00	
21,777,051.00 Investment in Subsidiary	1.00	
Bank Interest	17,175.47	
	<hr/>	12,815,825.22
FIXED CHARGE EXPENSES		
Bank Charges & Interest	(18.50)	
Administrators' Fees	(228,388.00)	
Irrecoverable VAT	(60,933.40)	
Agents' Fees	(2,248.00)	
Legal Fees and Disbursements	(214,642.28)	
Legal Fees (Pre-appointment)	(54,812.28)	
Administrators' Fees (Pre-appointment)	(250,000.00)	
	<hr/>	(811,042.46)
FIXED CHARGE CREDITORS		
Secured Creditor Distributions	(11,780,000.00)	
	<hr/>	(11,780,000.00)
FLOATING RECEIPTS		
597,206.00 Plant and Machinery	474,255.57	
254,800.00 Stock	254,800.00	
Miscellaneous Receipts	576.30	
Insurance claim settlement	1,361.70	
Tax Losses	25,000.00	
350,000.00 Leasehold Property	350,000.00	
Monies received on behalf of Global	39,763.83	
Books & Records and Supplier Deposits	1.00	
Licence to Occupy Income	149,987.18	
Cash at bank on appointment	1,034.14	
Bank Interest	11,984.42	
Business Rates Refunds	9,413.03	
	<hr/>	1,318,177.17
FLOATING CHARGE EXPENSES		
Agents' Fees	(164.45)	
Legal Fees (Pre-appointment)	(4,337.72)	

**Statement
of Affairs**
£

£

£

Legal Fees and Disbursements	(3,447.06)	
Administrators' Fees (Pre-appointment)	(63,275.99)	
Public Notices	(104.30)	
Licence to Occupy Payments	(149,987.18)	
Monies paid on behalf of Global	(39,763.83)	
Rent	(1,965.67)	
Irrecoverable VAT	(20.99)	
Bank charges	(81.30)	
		(263,148.49)
PREFERENTIAL CREDITORS		
Wage arrears - Employees	(173.60)	
		(173.60)
36,877,706.00		1,279,637.84

REPRESENTED BY

Control A/c - Due from 212 to 221	(1.00)	
Control A/c - Due from 221 to 212	1.00	
Control A/c - Interco debtor (RLMW01)	16,139.11	
Control A/c - Interco creditors (RLMW01)	(92,558.37)	
Control A/c- GAR Licence Fees Receivable/(Payable)	(141,711.22)	
Control A/c- RLS Licence Fees Receivable/(Payable)	(8,050.01)	
Control A/c - Other Licence Fees Rec'ble/(Payable)	(16,696.00)	
Flt VAT Receivable	6,344.59	
RBS-GBP-32894944-Fixed Charge-IB	12,261.79	
RBS-GBP-32894952-Floating Charge-IB	1,422,125.35	
Flt VAT Payable	12,296.72	
Flt VAT Control Account	(19,659.56)	
Fixed VAT Control Account	89,145.44	
		1,279,637.84

Samuel James Woodward
Joint Administrator

Notes

1. Receipts and payments are stated net of VAT.
2. All funds are held in interest bearing bank accounts

RLMW Realisations Limited (In Administration, formerly Recycling Lives Metal & Waste Limited)

(In Administration)

Joint Administrators' Summary of Receipts & Payments - Cumulative

From 18 January 2024 To 17 July 2024

Statement of Affairs	£	£
£		
FIXED CHARGE ASSETS		
791,799.00 Plant and Machinery	791,798.51	
Goodwill and Intellectual Property	0.50	
Patents	1.50	
Bank Interest	3,944.61	
		795,745.12
FIXED CHARGE EXPENSES		
Bank Charges & Interest	(12.30)	
Administrators' Fees	(61,612.00)	
Legal Fees and Disbursements	(2,604.50)	
Legal Fees (Pre-appointment)	(3,990.57)	
Administrators' Fees (Pre-appointment)	(100,000.00)	
		(168,219.37)
FIXED CHARGE CREDITORS		
Secured Creditor Distribution	(570,000.00)	
		(570,000.00)
FLOATING CHARGE RECEIPTS		
221,261.00 Plant and Machinery	221,260.93	
75,200.00 Stock	75,200.00	
Business Rates Refunds	5,572.91	
Prepayment Refunds	305.48	
Environmental Permit Refund	866.19	
Monies received on behalf of Global	8,206.47	
Books & Records and Supplier Deposits	1.00	
Licence to Occupy Income	298,438.35	
Cash at Bank on Appointment	6,000.00	
Bank Interest	2,955.00	
		618,806.33
Agents' Fees	(87.55)	
Legal Fees (Pre-appointment)	(1,859.43)	
Legal Fees and Disbursements	(1,155.32)	
		(3,102.30)
FLOATING CHARGE EXPENSES		
Public Notices	(104.30)	
Administrators' Fees (Pre-appointment)	(28,905.30)	
Monies paid on behalf of Global	(8,206.47)	
Licence to Occupy Payments	(298,438.35)	

Statement
of Affairs
£

£

£

Bank charges	(17.10)
	(335,671.52)
1,088,260.00	337,558.26

REPRESENTED BY

Control A/c - Due from 212 to 221	(1.00)
Control A/c - Due from 221 to 212	1.00
Control A/c - Interco debtor (RLL01)	92,558.37
Control A/c - Interco creditor (RLL01)	(16,139.11)
Control A/c- GAR Licence Fees Receivable/(Payable)	(181,338.60)
Control A/c-GAR monies on a/c from NatWest	(1,854.82)
Flt VAT Receivable	66,092.55
RBS-GBP-32894928-Fixed Charge-IB	27,377.39
RBS-GBP-32894936-Floating Charge-IB	330,385.12
Flt VAT Payable	(13,083.33)
Fixed VAT Receivable	33,560.69
	337,558.26

Samuel James Woodward
Joint Administrator

Notes

1. Receipts and payments are stated net of VAT.
2. All funds are held in interest bearing bank accounts

Appendix 3

Recycling Lives Limited (in Administration)

Joint Administrators' Time-Costs from 18 January 2024 to 17 July 2024 and a comparison with the fee estimate dated 5 February 2024

	Per Fee Estimate			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	252.0	162,398.00	644.60	408.2	236,210.70	578.70
Creditors	91.5	55,053.60	601.90	244.1	142,892.00	585.40
Employees	28.4	29,064.20	1,024.0	44.3	28,199.10	636.50
Enquiries & Investigations	70.9	45,354.00	639.90	60.8	36,661.00	603.00
Environmental Issues	69.8	67,938.20	973.50	36.6	32,458.00	886.80
Immediate Tasks	24.8	19,828.80	799.40	23.8	17,757.00	746.10
Job Acceptance & Strategy	-	-	-	3.0	2,530.00	843.30
Legal Issues	28.2	25,832.20	915.20	1.3	985.00	757.70
Other Assets	27.2	19,506.30	716.20	76.0	73,948.00	973.00
Other Matters	53.1	37,820.70	712.70	10.2	5,095.80	499.60
Property	207.8	144,788.70	696.90	285.2	175,249.00	614.50
Public Relations Issues	-	-	-	0.9	926.00	1,028.90
Reporting	186.1	129,178.60	694.20	147.0	87,166.00	593.00
Retention of Title	-	-	-	6.0	4,380.00	730.00
Sale of Business	97.0	111,110.00	1,145.50	126.5	129,017.00	1,019.90
Statutory Duties	65.2	47,828.20	733.70	144.1	90,280.30	626.50
VAT & Taxation	215.1	118,190.80	549.60	73.2	59,465.00	812.40
Total	1,416.9	1,013,892.2	715.60	1,691.2	1,123,219.90	664.20

The fee estimate dated 5 February 2024 has been exceeded by £109,328. The principal reasons for the negative variances between time costs incurred to date versus the Fee Estimate are:

- ▶ **Administration & Planning** – Management of the LTOs has required additional time to be spent in processing payments to landlords and reconciling receipts from the purchasers. Additionally, further time was required in ongoing management of the case, dealing with a large volume of redirected post and managing the central email inbox.
- ▶ **Creditors** – A significant number of creditor queries has been received, requiring a higher than anticipated amount of time to be spent in responding to creditor queries and recording creditor claims.

- ▶ **Other Assets** – Additional time has been spent on matters including dealing with contract novations to the purchaser reconciling the pre-appointment bank account and remitting debtor receipts to GARL, corresponding with Goodman Nash and local authorities in respect of business rates refunds, and dealing with the Companies' merchant services provider.
- ▶ **Property** – The time spent managing the LTOs in place with the purchasers and in dealing with the respective landlords has required an increased amount of time to be spent in comparison to that estimated.
- ▶ **Sale of Business** – Completion of the sale of the Services Division was delayed by approximately two weeks which has resulted in additional time costs being incurred.
- ▶ **Statutory Duties** – Further time has been spent dealing with statutory duties than estimated as the separate sales of the Services Division and the Metals Division required additional reporting in accordance with SIP16.

Joint Administrators' Time-Costs from 18 January 2024 to 17 July 2024

	Staff Grade							Total Hours	Total Cost £	Average Rate £
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Administration & Planning	9.5	48.2	1.3	35.6	116.8	123.0	73.8	408.2	236,210.70	578.70
Creditors	2.1	24.5	-	40.5	108.5	17.5	51.0	244.1	142,892.00	585.40
Employees	-	6.9	-	9.7	19.4	-	8.3	44.3	28,199.10	636.50
Enquiries & Investigations	-	3.9	-	21.6	16.1	14.2	5.0	60.8	36,661.00	603.00
Environmental Issues	0.5	15.0	-	21.1	-	-	-	36.6	32,458.00	886.80
Immediate Tasks	2.0	8.5	-	1.0	0.8	6.0	5.5	23.8	17,757.00	746.10
Job Acceptance & Strategy	0.5	-	-	2.5	-	-	-	3.0	2,530.00	843.30
Legal Issues	-	0.1	-	1.2	-	-	-	1.3	985.00	757.70
Other Assets	5.5	45.9	-	16.2	7.4	-	1.0	76.0	73,948.00	973.00
Other Matters	-	-	-	3.7	0.8	-	5.7	10.2	5,095.80	499.60
Property	-	17.4	-	121.5	30.3	116.0	-	285.2	175,249.00	614.50
Public Relations Issues	-	0.8	-	-	0.1	-	-	0.9	926.00	1,028.90
Reporting	3.7	6.6	-	39.3	61.0	7.5	28.9	147.0	87,166.00	593.00
Retention of Title	-	-	-	6.0	-	-	-	6.0	4,380.00	730.00
Sale of Business	6.4	47.0	70.0	3.1	-	-	-	126.5	129,017.00	1,019.90
Statutory Duties	4.9	14.8	9.0	26.2	10.9	68.6	9.7	144.1	90,280.30	626.50
VAT & Taxation	-	2.4	38.9	17.6	8.3	5.0	1.0	73.2	59,465.00	812.40
Total Hours	35.10	242.00	119.20	366.80	380.40	357.80	189.90	1,691.20		
Time Costs (£)	49,491.00	263,873.50	113,264.00	268,306.50	206,007.30	157,686.00	64,591.60		1,123,219.90	
Average Hourly Rate (£)	1,410.00	1,090.40	950.20	731.50	541.60	440.70	340.10		664.20	

Appendix 3

RLMW Realisations Limited (in Administration)

Joint Administrators' Time-Costs from 18 January 2024 to 17 July 2024 and a comparison with the fee estimate dated 5 February 2024

	Per Fee Estimate			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	51.6	33,262.30	644.60	164.2	100,438.80	611.70
Creditors	31.5	18,937.40	601.90	76.4	43,491.00	569.30
Employees	4.9	5,054.60	1,024.00	16.2	11,908.20	735.10
Enquiries & Investigations	70.9	45,354.00	639.90	33.2	21,829.00	657.50
Environmental Issues	7.0	6,793.80	973.50	9.7	8,341.00	859.90
Immediate Tasks	24.8	19,828.80	799.40	8.1	7,709.00	951.70
Job Acceptance & Strategy	-	-	-	1.5	1,095.00	730.00
Other Assets	27.2	19,506.30	716.20	7.4	6,710.00	906.80
Other Matters	53.1	37,820.70	712.70	3.1	2,263.00	730.00
Property	51.9	36,197.20	696.90	92.7	62,530.00	674.50
Reporting	124.1	86,119.00	694.20	62.1	43,982.00	708.20
Statutory Duties	65.2	47,828.20	733.70	52.3	39,686.50	758.80
VAT & Taxation	143.4	78,793.90	549.60	25.7	19,519.00	759.50
Legal Issues	28.2	25,832.20	915.20	-	-	-
Total	683.7	461,328.30	674.70	552.6	369,502.50	668.70

Joint Administrators' Time-Costs from 18 January 2024 to 17 July 2024

	Staff Grade							Total Hours	Total Cost £	Average Rate £
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Administration & Planning	6.5	16.3	0.9	19.2	60.3	50.0	11.0	164.2	100,438.80	611.70
Creditors	-	4.3	-	14.0	38.4	11.5	8.2	76.4	43,491.00	569.30
Employees	-	3.3	-	6.3	6.3	-	0.3	16.2	11,908.20	735.10
Enquiries & Investigations	-	1.0	-	21.9	2.7	7.1	0.5	33.2	21,829.00	657.50
Environmental Issues	-	3.5	-	6.2	-	-	-	9.7	8,341.00	859.90
Immediate Tasks	1.0	4.5	-	1.0	0.6	-	1.0	8.1	7,709.00	951.70
Job Acceptance & Strategy	-	-	-	1.5	-	-	-	1.5	1,095.00	730.00
Other Assets	1.5	0.8	-	5.1	-	-	-	7.4	6,710.00	906.80
Other Matters	-	-	-	3.1	-	-	-	3.1	2,263.00	730.00
Property	-	9.5	-	49.7	10.3	23.2	-	92.7	62,530.00	674.50
Reporting	2.5	5.4	-	28.7	24.0	1.5	-	62.1	43,982.00	708.20
Statutory Duties	4.0	3.6	-	32.4	10.9	-	1.4	52.3	39,686.50	758.80
VAT & Taxation	-	-	12.0	5.9	3.8	4.0	-	25.7	19,519.00	759.50
Total Hours	15.5	52.2	12.9	195.0	157.3	97.3	22.4	552.6		
Time Costs (£)	21,855.00	56,903.50	12,255.00	142,774.70	85,154.20	42,939.00	7,621.10		369,502.50	
Average Hourly Rate (£)	1,410.00	1,090.10	950.00	732.20	541.30	441.30	340.20		668.70	

Appendix 4

Recycling Lives Limited (in Administration)

Summary of Joint Administrators' expenses incurred

Payments made from the estate which are not disbursements – all Category 1
(Please refer to notes 1, 2 and 3 at the end of this table for definitions)

Type of Expense	Per Fee estimate dated 5 February 2024 £	Paid in Period £	Outstanding amount or revised estimate £	Total £
Insurance	30,000	Nil	10,000	10,000
Statutory costs	250	104	146	250
Agents' costs	2,500	2,412	88	2,500
Legal costs	219,250	218,089	1,161	219,250
Irrecoverable VAT	135,922	60,954	74,968	135,922
Licence to Occupy payments	108,391	149,987	140,000	289,987
Other rent	1,966	1,966	Nil	1,966
Environmental Consultancy costs	100,000	Nil	6,000	6,000
Legal costs – pre-appointment	59,150	54,812	4,338	59,150
Joint Administrators' pre-Administration costs	457,346	313,276	313,276	313,276
Bank charges	750	100	650	750
Category 1 disbursements (notes 2 and 3)				
Specific penalty bond	1,280	Nil	1,280	1,280

Type of Expense	Per Fee estimate dated 5 February 2024 £	Paid in Period £	Outstanding amount or revised estimate £	Total £
Internal bulk copying, printing and postage	3,000	64	250	250
Category 2 disbursements (notes 2 and 3)				
Mileage	250	Nil	Nil	Nil
Totals	1,210,055	801,764	552,157	1,040,581

The level of expenses incurred has exceeded the fee estimate dated 5 February 2024 in respect of Licence to Occupy payments only. The reason for this is that the estimate of the rent payable to landlords was based on historical payments, however actual invoices received have been higher, in total. It should be noted that all Licence to Occupy payments are being paid for in advance by the purchasers of the Metals Division and the Services Division and therefore the increased expense is not borne by the Administration estate.

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.

Appendix 4

RLMW Realisations Limited (in Administration)

Summary of Joint Administrators' expenses incurred

Payments made from the estate which are not disbursements – all Category 1
(Please refer to notes 1, 2 and 3 at the end of this table for definitions)

Type of Expense	Per Fee estimate dated 5 February 2024 £	Paid in Period £	Outstanding amount or revised estimate £	Total £
Insurance	15,000	Nil	10,000	10,000
Statutory costs	250	104	146	250
Agents' costs	Nil	88	88	88
Legal costs	54,250	2,604	51,646	54,250
Licence to Occupy payments	196,250	298,438	210,000	508,438
Legal costs – pre-appointment	5,850	3,991	1,859	5,850
Joint Administrators' pre-Administration costs	208,096	128,905	128,905	128,905
Bank charges	500	29	471	500
Category 1 disbursements (notes 2 and 3)				
Specific penalty bond	1,280	Nil	1,280	1,280
Internal bulk copying, printing and postage	3,000	13	87	100

Type of Expense	Per Fee estimate dated 5 February 2024 £	Paid in Period £	Outstanding amount or revised estimate £	Total £
Category 2 disbursements (notes 2 and 3)				
Mileage	250	Nil	Nil	Nil
Totals	484,726	434,172	404,482	709,661

The level of expenses incurred has exceeded the fee estimate dated 5 February 2024 in respect of Licence to Occupy payments only. The reason for this is that the estimate of the rent payable to landlords was based on historical payments, however actual invoices received have been higher, in total. It should be noted that all Licence to Occupy payments are being paid for in advance by the purchasers of the Metals Division and the Services Division and therefore the increased expense is not borne by the Administration estate.

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.

Appendix 5

Recycling Lives Limited and RLMW Realisations Limited (both in Administration) ('the Companies')

Joint Administrators' time costs – explanation of the work done in the period 18 January 2024 to 17 July 2024

The work undertaken can be categorised as either related to Statutory work or Asset Realisations. Statutory work is required by the Joint Administrators to fulfil their statutory duties pursuant to the Insolvency Act 1986 and Insolvency (England and Wales) Rules 2016. Asset realisation work is in respect of the Joint Administrators' actions to realise assets for the benefit of the creditors.

Basis of work	Category of work	Description of work to be completed	Work done / in progress / to be performed
Statutory	Administration & Planning	<ul style="list-style-type: none">▶ Overall management of the case, statutory compliance diaries and time cost reporting.▶ Cashiering, treasury and accounting functions.▶ Dealing with redirected mail and other general correspondence received.	<ul style="list-style-type: none">▶ In progress▶ In progress▶ In progress
Statutory	Creditors	<ul style="list-style-type: none">▶ Receipt of and recording creditor claims.▶ Correspondence with creditors via post, email and telephone.	<ul style="list-style-type: none">▶ In progress▶ In progress
Statutory	Employees	<ul style="list-style-type: none">▶ Although all employees of the Companies were transferred pursuant to TUPE as part of the sale to GARL, certain administrative tasks were required to be undertaken including dealing with ad hoc enquires from former employees and other stakeholders such as former pensions providers.	<ul style="list-style-type: none">▶ Work done
Statutory	Enquiries & Investigations	<ul style="list-style-type: none">▶ Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders".▶ The Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986.	<ul style="list-style-type: none">▶ Work done▶ Work done

Statutory	Environmental Issues	<ul style="list-style-type: none"> ▶ Monitoring of compliance with environmental permits held by the Companies but used by, and in the process of being transferred to, the Purchaser, RLES or RLCS. ▶ Meetings and correspondence with the Environmental Agency regarding the transfer of said permits. ▶ Instructing Aon to carry out Environmental Risk Review and review of outcome. 	<ul style="list-style-type: none"> ▶ Work done ▶ Work done ▶ Work done
Statutory	Immediate Tasks	<ul style="list-style-type: none"> ▶ Carrying out on appointment tasks and duties such as speaking with the Companies' directors, issuing correspondence notifying third parties of the appointment, collating information from management. ▶ Securing digital books & records and other data held by the Companies. 	<ul style="list-style-type: none"> ▶ Work done ▶ Work done
Asset realisation	Job Acceptance & Strategy	<ul style="list-style-type: none"> ▶ Matters relating to the appointment and initial planning of the Administration strategy, including formulating and executing the strategy adopted. ▶ Implementing the most appropriate exit route from Administration. 	<ul style="list-style-type: none"> ▶ Work done ▶ In progress
Statutory	Legal Issues	<ul style="list-style-type: none"> ▶ Dealing with any ad hoc legal issues and liaising with CMS Cameron McKenna Nabarro Olswang LLP and Addleshaw Goddard LLP on these matters. 	<ul style="list-style-type: none"> ▶ In progress
Asset realisation	Other Assets	<ul style="list-style-type: none"> ▶ Review of the Companies' books and records to ascertain any realisable residual assets, including certain debtors and prepayments excluded from the business and assets sale. ▶ Pursuing and realising business rates refunds from a number of local authorities. 	<ul style="list-style-type: none"> ▶ Work done ▶ In progress
Statutory	Other Matters	<ul style="list-style-type: none"> ▶ Dealing with certain administrative tasks at the commencement of the Administrations 	<ul style="list-style-type: none"> ▶ Work done
Asset realisation	Property	<ul style="list-style-type: none"> ▶ Administering of licence to occupy arrangements with the Companies' leasehold and freehold properties, including: correspondence with 	<ul style="list-style-type: none"> ▶ In progress

		landlords and the Purchaser in relation to monthly rental invoices, monthly reconciliations of funds held on account versus outgoings to landlords, supporting Purchasers with novation of leases.	
Statutory	Public Relations Issues	▶ Dealing with press enquiries following the Administrators' appointment.	▶ Work done
Statutory	Reporting	<ul style="list-style-type: none"> ▶ Preparing the Joint Administrators' Statement of Proposals and SIP 16 notifications to creditors. ▶ Reporting to the secured creditors (RBS and THF) as necessary. ▶ Preparing and sending the Joint Administrators' progress reports to creditors ▶ Submission of the SIP16 notification to creditor to the ICAEW as the Administrators' regulatory body 	<ul style="list-style-type: none"> ▶ Work done ▶ In progress ▶ In progress ▶ Work done
Statutory	Retention of Title	▶ Dealing with Retention of Title claims received from creditors of the Companies.	▶ Work done
Asset realisation	Sale of business	<ul style="list-style-type: none"> ▶ Negotiating and completing the sale of the Services Division ▶ Tax advice on the sale including potential areas where there may be cash leakage to tax. 	<ul style="list-style-type: none"> ▶ Work done ▶ Work done
Statutory	Statutory Duties	▶ Completion of statutory requirements of the Administrations, including notifications to creditors and members, advertising the appointment, two letters to creditors explaining the rationale for the two pre-packaged sales of the Companies' assets pursuant to Statement of Insolvency Practice 16.	▶ Work done
Statutory	VAT & Taxation	<ul style="list-style-type: none"> ▶ Notification to HM Revenue & Customs of the Administration for VAT and Corporation Tax purposes. ▶ Removal of RLMW from its VAT group and re-registration for VAT purposes as a sole entity. ▶ Advice from EY Tax specialists in relation to the Services sale process. ▶ Preparation of post appointment corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists. 	<ul style="list-style-type: none"> ▶ Work done ▶ Work done ▶ Work done ▶ In progress

Appendix 6

Recycling Lives Limited and RLMW Realisations Limited (both in Administration)

Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Joint Administrators' charging policy for remuneration

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

Administrators' charging policy for expenses

Statement of Insolvency Practice No. 9 divides expenses into two categories:

► Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.

► Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.

It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.