

TO ALL KNOWN CREDITORS

15 June 2018

Ref: DH/SB/SM/JL  
Direct line: 0121 535 2456  
Direct Fax: 0121 535 2448  
Jack Lavery  
Jack.Lavery@uk.ey.com

Dear Sirs

**Greenray Energy Solutions Limited ('GES')**  
**GCL Realisations Limited (formerly Greenray Capital Limited) ('GCL')**  
**GLL Realisations Limited (formerly Greenray Turbines (Lincoln) Limited) ('GLL')**  
**GTL Realisations Limited (formerly Greenray Turbines Limited) ('GTL')**  
**GCS Realisations Limited (formerly Greenray Control Solutions Limited) ('GCS')**  
**ITS Realisations Limited (formerly Integrated Turbine Systems Limited) ('ITS')**  
**ACL Realisations Limited (formerly ACL Automation Limited) ('ACL')**  
**(all in Administration) (together 'the Companies' or 'the Group')**

**Trading name(s): Greenray; Greenray Turbines**

**Principal trading address(es): New Horizons, Teal Park Road, Lincoln, LN6 3AD;  
Whetstone House, Endeavour Drive, Arnhall Business Park, Westhill, Aberdeen, AB32 6UF;  
Units 8-9, Harcourt Way, Meridian Business Park, Leicester, LE19 1WP**

On 8 June 2018 the Companies entered administration and Colin Peter Dempster and I were appointed as Joint Administrators. The appointment was made by the Companies' Directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. I attach formal notice of our appointment for your information.

As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the administrations.

#### **Sale of the business**

Immediately following the appointment of the Joint Administrators, the business and assets of the Companies were sold to a company now called Greenray Turbine Solutions Limited ('the Purchaser') for a total consideration of £3.2m.

In accordance with Statement of Insolvency Practice 16, a detailed explanation of the transaction is set out at Appendix E to our Statement of Proposals enclosed with this letter.

## **Joint Administrators' Statement of Proposals**

A copy of my Statement of Proposals ('the Proposals'), in accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986, is enclosed.

The Joint Administrators are of the opinion that the Companies have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part and consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, they do not intend to seek a decision of the creditors on the approval of the Proposals.

The Joint Administrators will be obliged to seek a decision of the creditors, if requested to do so, by creditors of the Companies whose debts amount to at least 10% of the total debts of the Companies individually. The request must be delivered within 8 business days of the date on which the Proposals are delivered to creditors (or such longer period as the court may allow) and must include the information required by Rule 15.18 of the Insolvency (England and Wales) Rules 2016 ('the Rules').

In accordance with Rule 15.19 of the Rules, the Joint Administrators may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until they have received the required sum.

In the event that a decision is not requested by creditors under paragraph 52(2)(c) of the Insolvency Act 1986, the Proposals will be deemed to be accepted. The Joint Administrators' remuneration, Category 2 disbursements and unpaid pre-administration costs incurred with a view to the Companies entering administration will be agreed with the secured creditor in accordance with the provisions of Rule 18.18 and Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the website of the Institute of Chartered Accountants in England and Wales at <http://www.icaew.com/en/technical/insolvency/creditors-guides>, or is available in hard copy upon written request to the Joint Administrators.

As the Joint Administrators propose to seek for their remuneration to be fixed on a time-cost basis, they are required to provide creditors with an estimate of the remuneration to be charged and details of expenses incurred and likely to be incurred. This information can be found at Appendix A of this letter.

### **Creditors' claims**

Please note that debts incurred by the Companies before our appointment will rank as unsecured claims against the Companies. Any sums due to the Companies arising after our appointment must be paid in full and without set-off against any debts incurred by the Companies prior to our appointment.

The directors are required to submit a statement of affairs to us and you will appreciate that the full financial position is not yet known. Please send me a detailed statement of any sums due to you from the Companies.

Certain debts due from the Companies may be preferential in accordance with section 386 of the Insolvency Act 1986. If you consider that you have a claim in this category, please advise me immediately. If you hold any security for your claim or you consider that you have title to any assets in the Companies' possession, please forward details to me as soon as possible.

You may be entitled to VAT bad debt relief on debts arising from supplies more than six months old. This procedure does not involve the Joint Administrators and claims should be made directly to HM Revenue and Customs.

### **Opting out**

Under the provisions of Rule 1.39, creditors have the right to elect to opt out of receiving further documents relating to the administrations.

If you do elect to opt out you will still receive the following documents:

- Any which the Insolvency Act requires to be delivered without expressly excluding opted-out creditors;
- Notice relating to a change in the Joint Administrators, or their contact details;
- Notice of dividend or proposed dividend; or
- A notice which the court orders to be sent to all creditors, or all creditors in the particular category to which you belong.

Any election to opt-out will not affect your entitlement to receive dividends, if any are paid.

Unless the Rules provide to the contrary, opting-out will not affect your rights to vote in a decision procedure or participate in a deemed consent procedure, although you would not receive notice of such procedures.

Any opted-out creditors will be treated as opted out in respect of any consecutive insolvency procedure which might follow the administrations.

You may opt-out by delivering an authenticated (e.g. signed) and dated notice to me stating that you are electing to be an opted-out creditor in relation to these administrations. You may at any time revoke this election by delivering to me an authenticated and dated notice stating that you no longer wish to be an opted-out creditor.



## Other matters

If there are any matters concerning the Companies' affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

Should you have any queries relating to this letter or any other aspect of the administrations, please do not hesitate to contact Jack Lavery of this office on telephone number 0121 535 2456.

Yours faithfully  
for the Companies

A handwritten signature in black ink that reads 'D. C. Hurd.' The signature is written in a cursive style.

D C Hurd  
Joint Administrator

Enc    Appendix A: Fee Estimate and Statement of Expenses  
         Administrators' Statement of Proposals  
         Notice of Administrator's Appointment

D C Hurd is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales. C P Dempster is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Companies are being managed by the Joint Administrators, D C Hurd and C P Dempster, 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 General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies 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 Administrators' appointment. Further details are included on the Data Privacy Notice which can be found at: [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

## Appendix A Fee Estimate and Statement of Expenses

### Estimate of remuneration to be charged

The Joint Administrators will seek approval for their remuneration to be fixed on a time cost basis from the Companies' secured creditor, in accordance with Rule 18.18(4) of the Rules. In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016, the Joint Administrators set out below their estimate of remuneration to be charged.

The total estimate of remuneration in respect of all the administrations is £399,702 plus VAT. An explanation of how this sum has been arrived at is set out below and a breakdown of the expected costs is attached on the following page(s).

Whilst this represents an estimate of time costs to be incurred; should their remuneration be approved on the basis outlined in this document (and in their Statement of Proposals), the Joint Administrators do not currently expect that they would bill and draw payment of these time costs in full.

### Explanation of the work proposed to be undertaken

Category of work	Description of work to be completed
Accounting & Administration	<ul style="list-style-type: none"> <li>▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.</li> </ul>
Bank and Statutory Reporting	<ul style="list-style-type: none"> <li>▶ Regular reporting to the Companies' secured creditor.</li> <li>▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>▶ Receipt and recording of creditor claims.</li> <li>▶ Correspondence with creditors.</li> <li>▶ Processing distributions to the secured, preferential and unsecured creditors (as applicable).</li> </ul>
Debtors	<ul style="list-style-type: none"> <li>▶ Remitting book debt collections to the Purchaser.</li> </ul>
Employee Matters	<ul style="list-style-type: none"> <li>▶ Writing to employees regarding TUPE related matters.</li> <li>▶ Dealing with any employee enquiries.</li> <li>▶ Processing employee claims (if applicable).</li> </ul>
Immediate Tasks	<ul style="list-style-type: none"> <li>▶ Completion of work streams requiring immediate attention following the appointments, in order to execute the strategy outlined in the Proposals.</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>▶ Investigations into the Companies affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders".</li> <li>▶ The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986.</li> </ul>
Job Acceptance & Strategy	<ul style="list-style-type: none"> <li>▶ Matters relating to the appointments and initial planning of the administration strategy, including meetings with the Companies' directors and</li> </ul>

	<p>management and formulating and executing the strategy adopted.</p> <ul style="list-style-type: none"> <li>▶ Considering exit routes from administration and implementing the most appropriate route.</li> </ul>
Legal Issues	<ul style="list-style-type: none"> <li>▶ Dealing with any ad hoc legal issues.</li> </ul>
Other Assets	<ul style="list-style-type: none"> <li>▶ Realising value from the Companies' residual assets.</li> <li>▶ Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Companies at the date of appointment.</li> </ul>
Other Matters	<ul style="list-style-type: none"> <li>▶ Sale of the business and/or assets of the Companies to interested parties in pursuance of the Administrators' objectives.</li> <li>▶ Dealing with any assets owned by third parties.</li> <li>▶ Recovery of the Companies' physical books and records, and electronic records (including a back-up of Companies' servers and systems).</li> <li>▶ Liaising with the Purchaser and relevant suppliers in relation to transitional arrangements.</li> </ul>
Prescribed Part	<ul style="list-style-type: none"> <li>▶ Calculating the Companies' net property and Prescribed Part to be set aside, as appropriate.</li> <li>▶ Distributing the Prescribed Part to the creditors.</li> </ul>
Property	<ul style="list-style-type: none"> <li>▶ Strategy to realise value from the Companies' leasehold interests (if any).</li> <li>▶ Dealing with landlord enquiries regarding the property interests.</li> </ul>
Public Relations	<ul style="list-style-type: none"> <li>▶ Agreeing and issuing statements to the press as required in pursuit of the administration strategies.</li> </ul>
Retention of Title	<ul style="list-style-type: none"> <li>▶ Assessment and settlement of claims for retention of title from the Companies' suppliers (if applicable).</li> </ul>
Statutory Duties	<ul style="list-style-type: none"> <li>▶ Completion of statutory requirements of the administrations, including notifications to creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, and sending to creditors and filing at Companies House.</li> </ul>
VAT & Taxation	<ul style="list-style-type: none"> <li>▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.</li> <li>▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the administrations.</li> <li>▶ Preparing claims for VAT bad debt relief.</li> </ul>

## Estimate of the Joint Administrators' remuneration

### Greenray Energy Solutions Limited ('GES')

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	0.4	1.0	1.0	3.0	7.0	12.4	3,626	292
Bank & Statutory Reporting	0.5	0.5	1.0	5.0	5.0	12.0	3,644	304
Creditors	0.5	1.0	-	5.0	5.0	11.5	3,489	303
Employee Matters	-	0.2	-	-	-	0.2	110	550
Immediate Tasks	1.0	1.0	1.0	1.0	-	4.0	2,051	513
Investigations	1.0	-	-	2.0	3.0	6.0	1,986	331
Job Acceptance & Strategy	0.5	-	0.5	-	-	1.0	595	595
Legal Issues	-	0.5	-	0.5	-	1.0	430	430
Other Assets	-	0.5	-	0.5	3.0	4.0	1,035	259
Other Matters	-	0.5	-	0.5	3.0	4.0	1,035	259
Property	1.0	-	-	2.0	-	3.0	1,381	460
Public Relations	0.1	-	-	-	-	0.1	76	761
Retention of Title	-	0.5	-	3.0	-	3.5	1,205	344
Statutory Duties	-	2.0	-	3.0	4.0	9.0	2,837	315
VAT & Taxation	0.5	1.0	-	3.0	4.0	8.5	2,667	314
<b>Total Hours</b>	<b>5.5</b>	<b>8.7</b>	<b>3.5</b>	<b>28.5</b>	<b>34.0</b>	<b>80.2</b>		
<b>Time Costs</b>	<b>4,183</b>	<b>4,785</b>	<b>1,505</b>	<b>8,835</b>	<b>6,857</b>		<b>26,165</b>	
<b>Average hourly rate</b>	761	550	430	310	202			326

### GCL Realisations Limited (formerly Greenray Capital Limited) ('GCL')

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	0.4	0.5	4.0	5.0	8.0	17.9	5,463	305
Bank & Statutory Reporting	2.0	2.0	4.0	7.0	8.0	23.0	8,124	353
Creditors	1.0	1.0	-	6.0	8.0	16.0	4,784	299
Employee Matters	-	0.2	-	-	-	0.2	110	550
Immediate Tasks	1.0	1.0	1.0	1.0	3.0	7.0	2,656	379
Investigations	1.0	-	-	2.0	4.0	7.0	2,187	312
Job Acceptance & Strategy	0.5	-	0.5	-	-	1.0	595	595
Legal Issues	-	2.0	-	2.0	-	4.0	1,720	430
Other Assets	1.0	1.0	-	2.0	3.0	7.0	2,536	362
Other Matters	1.0	2.0	-	2.0	3.0	8.0	3,086	386
Prescribed Part Matters	2.0	-	5.0	8.0	20.0	35.0	10,184	291
Property	1.0	-	-	1.0	-	2.0	1,071	535
Public Relations	0.5	-	-	-	-	0.5	380	761
Retention of Title	-	3.0	-	6.0	-	9.0	3,510	390
Statutory Duties	1.0	3.0	-	3.0	4.0	11.0	4,147	377
VAT & Taxation	2.0	2.0	-	3.5	4.0	11.5	4,513	392
<b>Total Hours</b>	<b>14.4</b>	<b>17.7</b>	<b>14.5</b>	<b>48.5</b>	<b>65.0</b>	<b>160.1</b>		
<b>Time Costs</b>	<b>10,952</b>	<b>9,735</b>	<b>6,235</b>	<b>15,035</b>	<b>13,108</b>		<b>55,065</b>	
<b>Average hourly rate</b>	761	550	430	310	202			344

### GLL Realisations Limited (formerly Greenray Turbines (Lincoln) Limited) ('GLL')

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	3.0	6.0	8.0	20.0	27.0	64.0	20,667	323
Bank & Statutory Reporting	6.0	7.0	9.0	20.0	20.0	62.0	22,517	363
Creditors	5.0	12.0	-	27.0	27.0	71.0	24,218	341
Employee Matters	1.0	2.0	-	-	-	3.0	1,861	620
Immediate Tasks	2.0	4.0	2.0	2.0	-	10.0	5,201	520
Investigations	2.0	2.0	-	3.0	5.0	12.0	4,559	380
Job Acceptance & Strategy	10.0	16.0	4.0	4.0	-	34.0	19,366	570
Legal Issues	2.0	3.0	-	4.0	4.0	13.0	5,218	401
Other Assets	2.0	4.0	-	8.0	12.0	26.0	8,621	332
Other Matters	2.5	4.0	-	8.0	12.0	26.5	9,001	340
Prescribed Part Matters	4.0	4.0	15.0	24.0	55.0	102.0	30,224	296
Property	1.0	-	-	1.0	-	2.0	1,071	535
Public Relations	1.0	-	-	2.0	-	3.0	1,381	460
Retention of Title	1.0	4.0	-	16.0	8.0	29.0	9,534	329
Statutory Duties	2.0	5.0	-	-	8.0	15.0	5,884	392
VAT & Taxation	2.0	6.0	-	8.0	8.0	24.0	8,914	371
<b>Total Hours</b>	<b>46.5</b>	<b>79.0</b>	<b>38.0</b>	<b>147.0</b>	<b>186.0</b>	<b>496.5</b>		
<b>Time Costs</b>	<b>35,366</b>	<b>43,450</b>	<b>16,340</b>	<b>45,570</b>	<b>37,510</b>		<b>178,236</b>	
<b>Average hourly rate</b>	761	550	430	310	202			359

### GTL Realisations Limited (formerly Greenray Turbines Limited) ('GTL')

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	0.4	1.0	1.0	3.0	7.0	12.4	3,626	292
Bank & Statutory Reporting	0.5	0.5	1.0	5.0	5.0	12.0	3,644	304
Creditors	0.5	1.0	-	5.0	5.0	11.5	3,489	303
Employee Matters	-	0.2	-	-	-	0.2	110	550
Immediate Tasks	1.0	1.0	1.0	1.0	-	4.0	2,051	513
Investigations	1.0	-	-	2.0	3.0	6.0	1,986	331
Job Acceptance & Strategy	0.5	-	0.5	-	-	1.0	595	595
Legal Issues	-	0.5	-	0.5	-	1.0	430	430
Other Assets	-	0.5	-	0.5	3.0	4.0	1,035	259
Other Matters	-	0.5	-	0.5	3.0	4.0	1,035	259
Property	1.0	-	-	2.0	-	3.0	1,381	460
Public Relations	0.1	-	-	-	-	0.1	76	761
Retention of Title	-	0.5	-	3.0	-	3.5	1,205	344
Statutory Duties	-	2.0	-	3.0	4.0	9.0	2,837	315
VAT & Taxation	0.5	1.0	-	3.0	4.0	8.5	2,667	314
<b>Total Hours</b>	<b>5.5</b>	<b>8.7</b>	<b>3.5</b>	<b>28.5</b>	<b>34.0</b>	<b>80.2</b>		
<b>Time Costs</b>	<b>4,183</b>	<b>4,785</b>	<b>1,505</b>	<b>8,835</b>	<b>6,857</b>		<b>26,165</b>	
<b>Average hourly rate</b>	761	550	430	310	202			326



### GCS Realisations Limited (formerly Greenray Control Solutions Limited) ('GCS')

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	0.4	1.0	1.0	3.0	7.0	12.4	3,626	292
Bank & Statutory Reporting	0.5	0.5	1.0	5.0	5.0	12.0	3,644	304
Creditors	0.5	1.0	-	5.0	5.0	11.5	3,489	303
Employee Matters	-	0.2	-	-	-	0.2	110	550
Immediate Tasks	1.0	1.0	1.0	1.0	-	4.0	2,051	513
Investigations	1.0	-	-	2.0	3.0	6.0	1,986	331
Job Acceptance & Strategy	0.5	-	0.5	-	-	1.0	595	595
Legal Issues	-	0.5	-	0.5	-	1.0	430	430
Other Assets	-	0.5	-	0.5	3.0	4.0	1,035	259
Other Matters	-	0.5	-	0.5	3.0	4.0	1,035	259
Property	1.0	-	-	2.0	-	3.0	1,381	460
Public Relations	0.1	-	-	-	-	0.1	76	761
Retention of Title	-	0.5	-	3.0	-	3.5	1,205	344
Statutory Duties	-	2.0	-	3.0	4.0	9.0	2,837	315
VAT & Taxation	0.5	1.0	-	3.0	4.0	8.5	2,667	314
<b>Total Hours</b>	<b>5.5</b>	<b>8.7</b>	<b>3.5</b>	<b>28.5</b>	<b>34.0</b>	<b>80.2</b>		
<b>Time Costs</b>	<b>4,183</b>	<b>4,785</b>	<b>1,505</b>	<b>8,835</b>	<b>6,857</b>		<b>26,165</b>	
<b>Average hourly rate</b>	761	550	430	310	202			326

### ITS Realisations Limited (formerly Integrated Turbine Systems Limited) ('ITS')

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	1.0	0.5	5.0	6.0	10.0	22.5	7,062	314
Bank & Statutory Reporting	2.0	2.0	4.0	8.0	8.0	24.0	8,434	351
Creditors	1.0	2.0	-	8.0	10.0	21.0	6,357	303
Employee Matters	-	0.2	-	-	-	0.2	110	550
Immediate Tasks	1.0	1.0	1.0	1.0	3.0	7.0	2,656	379
Investigations	1.0	-	-	2.0	4.0	7.0	2,187	312
Job Acceptance & Strategy	0.5	-	0.5	-	-	1.0	595	595
Legal Issues	-	2.0	-	2.0	-	4.0	1,720	430
Other Assets	1.0	2.0	-	2.0	3.0	8.0	3,086	386
Other Matters	1.0	3.0	-	3.0	5.0	12.0	4,349	362
Prescribed Part Matters	2.0	-	5.0	8.0	20.0	35.0	10,184	291
Property	1.0	-	-	1.0	-	2.0	1,071	535
Public Relations	0.5	-	-	-	-	0.5	380	761
Retention of Title	-	3.0	-	6.0	-	9.0	3,510	390
Statutory Duties	1.0	3.0	-	5.0	5.0	14.0	4,969	355
VAT & Taxation	2.0	2.0	-	4.0	6.0	14.0	5,071	362
<b>Total Hours</b>	<b>15.0</b>	<b>20.7</b>	<b>15.5</b>	<b>56.0</b>	<b>74.0</b>	<b>181.2</b>		
<b>Time Costs</b>	<b>11,408</b>	<b>11,385</b>	<b>6,665</b>	<b>17,360</b>	<b>14,923</b>		<b>61,742</b>	
<b>Average hourly rate</b>	761	550	430	310	202			341

**ACL Realisations Limited (formerly ACL Automation Limited) ('ACL')**

	Staff Grade					Total Hours	Time Costs (£)	Average
	Partner / Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	0.4	1.0	1.0	3.0	7.0	12.4	3,626	292
Bank & Statutory Reporting	0.5	0.5	1.0	5.0	5.0	12.0	3,644	304
Creditors	0.5	1.0	-	5.0	5.0	11.5	3,489	303
Employee Matters	-	0.2	-	-	-	0.2	110	550
Immediate Tasks	1.0	1.0	1.0	1.0	-	4.0	2,051	513
Investigations	1.0	-	-	2.0	3.0	6.0	1,986	331
Job Acceptance & Strategy	0.5	-	0.5	-	-	1.0	595	595
Legal Issues	-	0.5	-	0.5	-	1.0	430	430
Other Assets	-	0.5	-	0.5	3.0	4.0	1,035	259
Other Matters	-	0.5	-	0.5	3.0	4.0	1,035	259
Property	1.0	-	-	2.0	-	3.0	1,381	460
Public Relations	0.1	-	-	-	-	0.1	76	761
Retention of Title	-	0.5	-	3.0	-	3.5	1,205	344
Statutory Duties	-	2.0	-	3.0	4.0	9.0	2,837	315
VAT & Taxation	0.5	1.0	-	3.0	4.0	8.5	2,667	314
<b>Total Hours</b>	<b>5.5</b>	<b>8.7</b>	<b>3.5</b>	<b>28.5</b>	<b>34.0</b>	<b>80.2</b>		
<b>Time Costs</b>	<b>4,183</b>	<b>4,785</b>	<b>1,505</b>	<b>8,835</b>	<b>6,857</b>		<b>26,165</b>	
<b>Average hourly rate</b>	761	550	430	310	202			326

## Details of expenses incurred and anticipated to be incurred

Expenses comprise sums paid or to be paid to third parties and sums paid or payable to the Joint Administrators' firm in respect of out of pocket expenses and costs which include an element of shared or allocated costs. Total expenses in the administrations expected to be incurred are £245,050.00 plus VAT albeit a significant portion of these expenses are anticipated to be recovered from the Purchaser pursuant to the terms of the licences to occupy entered into as part of the overall sale of the business and assets transaction.

The expenses incurred and anticipated to be incurred from the Companies' estate can be summarised into the following categories:

<b>Category of expense</b>	<b>Description of expense incurred or to be incurred</b>
Rent – transferring premises	Rent for the premises taken on by the Purchaser under licence to occupy agreements which will be reimbursed by the Purchaser.
Agents' fees	Use of specialists to maximise recovery from the Companies' tangible assets.
Legal fees	Legal advice regarding such matters required to maximise realisations from the Companies' estate. These fees are in addition to the pre-appointment expenses detailed at Appendix D to our Statement of Proposals enclosed with this letter.
Storage	Costs to arrange collection and storage of the Companies' books and records, for minimum periods required under legislation.
Insurance	Costs to insure the Companies' assets and operations during the administration periods.
Statutory costs	Costs of completing statutory requirements of the administrations, including advertising and filing costs.
Bank charges	Charges associated with operation of the Companies' bank accounts during the administrations.
Corporation tax	Corporation tax which may become payable following the preparation and submission of Corporation tax returns. It is currently too soon to provide an estimate in respect of these costs.

## ***Disbursements***

Disbursements comprise of sums paid or to be paid to third parties, or payable to the Joint Administrators' firm in respect of out of pocket expenses and costs which include an element of shared or allocated costs.

### Category 1 disbursements

Category 1 disbursements are defined as specific expenditure met by and reimbursed to the office holder's firm, relating to the administration of the insolvent's affairs and referable to payment to an independent third party.

<b>Disbursement</b>	<b>Description of disbursement incurred</b>
Accommodation and subsistence costs	Those costs incurred by the Joint Administrators and their staff in respect of their work on the administrations, whilst operating from or attending various sites operated by the Companies or third parties.
Travel costs (excluding mileage)	Those costs incurred by the Joint Administrators, and their staff in respect of their work on the administrations, to travel to various sites operated by the Companies, or third parties (excluding mileage cost).
Specific Bond	A form of insurance required by insolvency law.
Postage and printing	Those costs incurred by the Joint Administrators in printing and posting the Joint Administrators' Statement of Proposals and subsequent progress reports and other written communication to all relevant creditors and shareholders.

### Category 2 disbursements

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs.

<b>Disbursement</b>	<b>Description of disbursement incurred</b>
Mileage	Those costs relating to mileage incurred by the Joint administrators and their staff in respect of their work on the administrations, whilst operating from or attending sites operated by the Companies prior to administration and third party locations to attend meetings with key stakeholders.  Current mileage rates are 45p/mile.

## **Exceeding estimates of remuneration and expenses**

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The Joint Administrators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 the Insolvency (England and Wales) Rules 2016.

**Estimated Joint Administrators' expenses and disbursements  
Greenray Energy Solutions Limited ('GES')**

Payments which are not disbursements	£
Rent - transferring premises	155,000
Legal fees	5,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	300
Bank charges	50
	<b>162,350</b>
 Category 1 disbursements	
Accommodation and subsistence	1,000
Specific penalty bond	30
Travel costs (excl. mileage)	200
Postage and printing	200
	<b>1,430</b>
 Category 2 disbursements	
Mileage	300
	<b>300</b>
 Total	 <b>164,080</b>

**GCL Realisations Limited (formerly Greenray Capital Limited) ('GCL')**

Payments which are not disbursements	£
Legal fees	3,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	300
Bank charges	50
	5,350
Category 1 disbursements	
Accommodation and subsistence	1,000
Specific penalty bond	30
Travel costs (excl. mileage)	200
Postage and printing	200
	1,430
Category 2 disbursements	
Mileage	300
	300
Total	7,080

**GLL Realisations Limited (formerly Greenray Turbines (Lincoln) Limited) ('GLL')**

Payments which are not disbursements	£
Rent - transferring premises	35,000
Legal fees	5,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	600
Bank charges	250
	42,850
Category 1 disbursements	
Accommodation and subsistence	1,000
Specific penalty bond	320
Travel costs (excl. mileage)	200
Postage and printing	500
	2,020
Category 2 disbursements	
Mileage	300
	300
Total	45,170

**GTL Realisations Limited (formerly Greenray Turbines Limited) ('GTL')**

Payments which are not disbursements	£
Legal fees	3,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	300
Bank charges	50
	5,350
<b>Category 1 disbursements</b>	
Accommodation and subsistence	1,000
Specific penalty bond	30
Travel costs (excl. mileage)	200
Postage and printing	200
	1,430
<b>Category 2 disbursements</b>	
Mileage	300
	300
<b>Total</b>	<b>7,080</b>



**GCS Realisations Limited (formerly Greenray Control Solutions Limited) ('GCS')**

Payments which are not disbursements	£
Legal fees	3,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	300
Bank charges	50
	5,350
Category 1 disbursements	
Accommodation and subsistence	1,000
Specific penalty bond	30
Travel costs (excl. mileage)	200
Postage and printing	200
	1,430
Category 2 disbursements	
Mileage	300
	300
Total	7,080

**ITS Realisations Limited (formerly Integrated Turbine Systems Limited) ('ITS')**

Payments which are not disbursements	£
Legal fees	3,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	300
Bank charges	100
	5,400
Category 1 disbursements	
Accommodation and subsistence	1,000
Specific penalty bond	80
Travel costs (excl. mileage)	200
Postage and printing	500
	1,780
Category 2 disbursements	
Mileage	300
	300
Total	7,480

## ACL Realisations Limited (formerly ACL Automation Limited) ('ACL')

Payments which are not disbursements	£
Legal fees	3,000
Agents' fees	1,000
Statutory costs	500
Insurance	500
Storage	300
Bank charges	50
	5,350
Category 1 disbursements	
Accommodation and subsistence	1,000
Specific penalty bond	30
Travel costs (excl. mileage)	200
Postage and printing	200
	1,430
Category 2 disbursements	
Mileage	300
	300
Total	7,080

### Notes

- Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
  - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment.
  - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.

## Estimate of return for creditors

We currently estimate the following returns for creditors:

### **Secured creditors**

As at 8 June 2018 HSBC, the Group's only known secured creditor, was owed of £8.4m (excluding contingent bonding liabilities) secured by fixed and floating charges across the Group. It is anticipated that HSBC will suffer a shortfall against its pre-appointment debt.

### **Preferential creditors**

All of the Group's 76 employees were transferred to the Purchaser in accordance with TUPE. The Joint Administrators therefore do not anticipate any preferential claims being received.

### **Non-preferential creditors**

According to Group management information, it is estimated that total non-preferential claims will be approximately as follows:

<b>Company</b>	<b>Estimated total non-preferential claims (£)</b>
GES	4,822,120
GCL	5,681,727
GLL	9,688,747
GTL	3,522,167
GCS	2,206,997
ITS	940,016
ACL	868
<b>Total</b>	<b>26,862,642</b>

The level of dividend which will eventually be available to non-preferential creditors in each of the Companies is uncertain, but given the shortfall expected to be suffered by the secured creditor we anticipate distributions to non-preferential creditors will be limited to funds set aside pursuant to the prescribed part.