

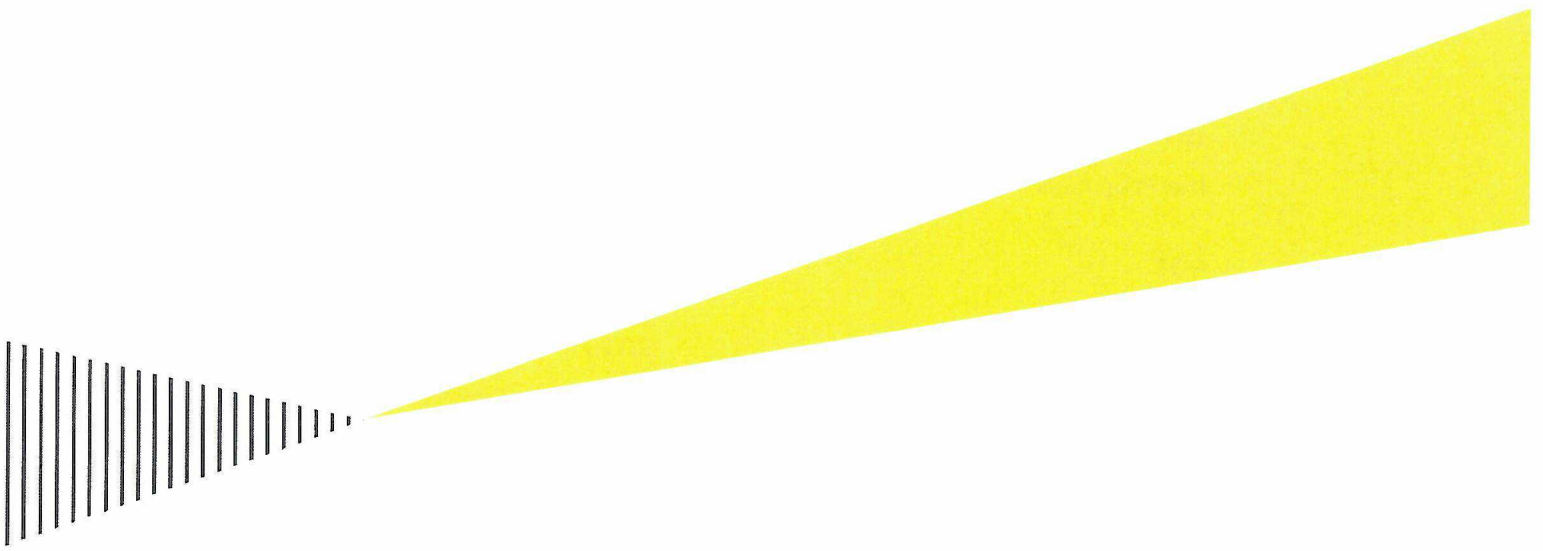
Plasrecycle Limited
In Administration (the "Company")

Six Monthly Progress Report

In accordance with Rule 18.3 of The Insolvency Rules 2016

28 July 2017

Ernst & Young LLP



Abbreviations

The following abbreviations are used in this report:

Act	the Insolvency Act 1986
AGF / WRAP	Accelerating Growth Fund Limited, a subsidiary of Waste and Resources Action Programme (a registered charity)
CDDA	Company Directors Disqualification Act 1986
date of appointment	15 July 2016
Directors	The registered Directors of the Company at 15 July 2016
EY	Ernst & Young LLP
Foresight	Foresight Environmental Fund LP
FYXX	Financial year ending 31 December 20XX
Hilco	Hilco Valuation Services Europe
HMRC	HM Revenue and Customs
Joint Administrators	R H Kelly and C G J King
LWARB	London Waste and Recycling Board
site	Nathan Way, London, SE28 0BQ
the Proposals	Joint Administrators' Statement of Proposals, dated 2 September 2016
ROT	Retention of Title
Rules	the Insolvency Rules (England and Wales) 2016
the Company	Plasrecycle Limited - in Administration
Wet Line	Specific plant and machinery for washing plastic waste that is subject to first ranking security in favour of Foresight

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1. Introduction

I write, in accordance with Rule 18.3 of the Insolvency Rules 2016, to provide creditors with a report on the progress of the Administration. This report covers the period from 15 January 2017 to 14 July 2017 and should be read in conjunction with the Proposals dated 2 September 2016 and the previous Progress Report dated 2 February 2017.

Plasrecycle Limited entered Administration on 15 July 2016 and Charles Graham John King and Robert Hunter Kelly of Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR were appointed to act as Joint Administrators.

The appointment was made by the Company's Directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by either of them.

1.1 Extensions to the Initial Period of Appointment

Pursuant to paragraph 78(1) of Schedule B1 to the Insolvency Act 1986, the Administration of the Company has now been extended to 14 July 2018, being a period not exceeding twelve months from 15 July 2017, by the consent of the secured and preferential creditors. The purpose of the extension is to:

- ▶ Complete the remediation works to the leasehold property that remain follow damage caused by a traveller break in. The lease has been surrendered for a premium but there is a retention of £270,000 to be collected once all works have been completed. Further detail is given later in this report;
- ▶ Recover proceeds from the insurance claim as a result of the traveller break in;
- ▶ Make further distributions to the secured creditors of the Company;
- ▶ Make a first and final distribution to the preferential creditors of the Company;
- ▶ Make a first and final distribution to the unsecured, non-preferential creditors of the Company who have proved their debts, under the provisions of the Prescribed Part;
- ▶ Finalise the Company's corporation tax and VAT position for the period of the Administration and obtain required clearances from HM Revenue and Customs; and
- ▶ Finalise our costs in the Administration and settle all outstanding liabilities relating to the Administration.

I enclose the Notice of Extension of Period of Administration for your information.

2. Progress since the Progress Report dated 2 February 2017

2.1 Trading

Trading was concluded prior to the period of this report for a loss of £4,825, although this was after payment of wages totalling £30,000 which would have been payable as a preferential claim meaning there was a net benefit to creditors of £25,175.

Further detail on trading is provided in the receipts and payments account at Appendix B.

2.2 Asset realisations

2.2.1 Leasehold property

The Joint Administrators agreed a surrender premium of £1.3m with the landlord of the property. The quantum exceeded offers received for a purchase of the lease when marketing the business and/or assets.

A condition of the surrender was that the Environment Agency permit for the site was surrendered prior to completion; the surrender of the permit was granted on 13 January 2017. It was anticipated that the transaction would complete on 28 February 2017 following an exchange of contracts on 10 February 2017 and a final site clearance.

On 26 February 2017, the Joint Administrators were informed by the Metropolitan Police that a large group of travellers had forcibly entered and occupied the site. Consequently, the landlord delayed the completion of the surrender.

The Joint Administrators worked with the police and the local council to effect the removal of the travellers, which occurred on 4 March 2017. However, during the course of the occupation, the travellers caused significant damage to the site - including fly tipping, the removal of metal wiring, and substantial damage to the buildings and mains electric transformers.

The Joint Administrators negotiated with the landlord and loss adjustors from the Company's insurers regarding the remediation works required to complete the transaction. A schedule of works was subsequently agreed and implemented.

Following clearance of fly-tipped waste from the site and repairs to the building sufficient to satisfy the landlord's requirements, the Joint Administrators were able to negotiate completion of the surrender prior to all works being finalised. This avoided ongoing holding costs and allowed the landlord to commence their development plans. The surrender completed on 9 June 2017 with £1,030,000 remitted to the Joint Administrators. A retention of £270,000 has been withheld pending completion of the repairs to the high voltage electric transformer. It is anticipated that this work will be completed within three months due to lead times in obtaining the specific machinery.

The leases are subject to fixed charge security in favour of Foresight. The amount realised for the lease is less than Foresight's debt and therefore no realisations will be available from this source for the general body of creditors.

2.2.2 Rent deposit

£77,161 has been realised in relation to a rent deposit paid by the Company.

2.2.3 Insurance claim

The Joint Administrators have submitted an insurance claim of c. £170,000 for the malicious damage caused by the travellers in relation to the following:

- ▶ Costs of clearing fly-tipped waste - £50,000;
- ▶ Legal fees for eviction - £9,000;
- ▶ Agent fees for eviction and managing clear up - £8,000;
- ▶ Building repairs and clearance - £16,000; and
- ▶ Mains electric transformer repairs - £87,000.

Loss adjusters attended site on 9 March 2017 to assess the damage and policy coverage was subsequently confirmed on 3 May 2017. The insurers are currently processing the various components of the claim. It is expected that due to policy limits and conditions around £115,000 will be paid.

An interim payment of £50,000 was processed by insurers on 5 July 2017 and has been received after the period covered by this report. The Joint Administrators anticipate that the balance of the insurance claim will be remitted on conclusion of the remaining works.

2.2.4 Plant and machinery

Total realisations from an online auction of the Company's plant and machinery conducted by Hilco amounted to £1,176,957, of which the balance outstanding of £203,975 was remitted to the Joint Administrators during the period covered by this report. There will be no further realisations.

The plant and machinery is subject to floating charges in favour of LWARB and Foresight. As the amount realised is less than the total value of LWARB and Foresight's combined debt, only the Prescribed Part will be available for the general body of creditors. This is explained in more detail later in this report.

2.2.5 Debtors

As previously reported, a full and final settlement of the debt due from Multipanel UK Limited was agreed at £104,710 and has been paid in full.

The remaining £22,860 of book debts at the date of appointment related to seven aged and disputed accounts. The largest of these was for £16,080 and is owed by a customer who has subsequently entered liquidation. From the remainder of £6,780 the joint administrators have recovered £3,326 with the balance being written off as uncollectable.

2.2.6 Other assets

2.2.6.1 Cash on appointment

After deductions for accrued charges to the Company's credit card, the amount realised totalled £148,683.

2.2.6.2 Rates refund

A refund of £13,234 was received in relation to prepaid business rates.

2.2.6.3 VAT receivable

A refund of £51,622 from HMRC was received in relation to pre-appointment VAT.

2.2.6.4 Office equipment

£1,170 has been realised from a sale of the office equipment.

2.3 Costs of realisation

2.3.1 Traveller eviction and remediation costs

As mentioned above, a schedule of works to clear and repair the site was agreed with the landlord in order to finalise the surrender of the lease.

Contractors were engaged to clear the fly tipped waste, damage to buildings, to repair the office interiors and replace doors and windows. Costs incurred during the period covered by this report total £80,729.

There are remaining works to complete, the majority of which relate to repairs required to reinstate the high voltage electrical supply to the property. A specialist contractor has been engaged and the work is expected to be completed within the next three months. The remaining costs are estimated at c. £90,000.

The retention of £270,000, currently held by the landlord's lawyers, will be released to the administration in stages as this work is completed.

2.3.2 Electricity and Gas

It has been necessary to cover the utility costs since the date of appointment, including a standing charge of c. £6,500 per month to maintain the site's high voltage capacity as this added value to the site. The Company remains liable for this standing charge until the remediation works to the electricity supply are concluded.

The costs incurred since trading ceased on 29 July 2016 are £85,549.

2.3.3 Security

Since trading has ceased it has been necessary to employ a security firm to protect the site from theft, vandalism or squatters.

Despite the security arrangements in place, which were approved by the insurers of the site, a break in and subsequent occupation by travellers still occurred. Following their eviction the level of security was increased with more 24 hour guards and concrete barriers put in place. This has therefore incurred a significant cost, the majority of which will be allocated as a cost of realising the leasehold property. The amount paid during the period covered by this report is £92,322. As the Joint Administrators have now completed the surrender of the lease, no further costs in respect of securing the site will be incurred.

2.3.4 Waste management

There was a large quantity of plastic waste and scrap material on site at the date of administration that it has not been possible to sell or process. It has been necessary to fully dispose of all of this waste by environmentally safe means to allow a surrender of the Environment Agency permit and realisation of the leasehold property. The costs incurred during the period covered by this report are £10,828. No further costs will be incurred.

2.3.5 Employees

As mentioned above, the majority of employees were made redundant when trading ceased on 29 July 2016. There were two employees retained to assist with processing the remaining dispatches from sales, the disposal of waste and the decommissioning and removal of plant and equipment following auction sales. The employee costs incurred since trading ceased are £40,246 (inc. employer's NIC). No further costs will be incurred.

2.3.6 Insurance and rent

Under the terms of the lease for the site the Company is liable to pay for rent and insurance. The costs incurred during the period covered by this report are £54,622. No further costs will be incurred as the surrender of the lease is complete.

2.3.7 Legal and agents fees

Fees of £20,687 were payable to Hilco for marketing and auctioning the Company's plant and machinery. In addition, a property valuation firm were engaged to value the site to confirm that the surrender premium negotiated with the landlord represented fair value. The costs of this was £1,500.

Legal fees of £30,258 were incurred during the period covered by this report in relation to the surrender of lease.

2.3.8 Permit surrender costs

In order to obtain the surrender of the Environment Agency permit it was necessary to pay an Environment Agency fee of £2,540 and engage a specialist to provide an independent report on site condition and make the surrender application. The total costs incurred were £5,080.

2.3.9 Other costs

The remaining costs incurred are detailed on the receipts and payments account at appendix B and are self-explanatory.

3. Outcome for creditors

We provide below, for information, an indication of the current position with regard to creditors' claims.

3.1 Secured Creditors

As detailed in the Proposals, the Company's secured lenders are Foresight, LWARB and AGF/WRAP.

The security held by each secured creditor is as follows:

- ▶ Foresight - a first ranking fixed charge security over the leasehold property and first ranking floating charge security over the 'Wet Line'. Second ranking floating charge security over all other assets;
- ▶ LWARB - a second ranking fixed charge security over the leasehold property and first ranking floating charge security over all other assets, excluding the 'Wet Line'; and
- ▶ AGF/WRAP - third ranking floating charge security over all assets.

3.1.1 Foresight

Foresight had indebtedness at the date of appointment totalling £9,627,818.

An interim distribution of £0.5m was made to Foresight in June 2017 relating to the realisations from the leasehold property and Wet Line.

A second and final distribution will be made once the proceeds of the insurance claim and the property surrender retention has been released to the Company.

3.1.2 LWARB

LWARB had indebtedness at the date of appointment totalling £5,689,829.

An interim distribution of £0.6m was made to LWARB in June 2017 relating to the realisations from the floating charge assets.

A second and final distribution will be made once the costs of realising the floating charge assets have been finalised.

3.1.3 AGF/WRAP

AGF had indebtedness at the date of appointment totalling £1,364,880.

As both Foresight and LWARB will suffer a shortfall, no funds will be available to AGF/WRAP under the terms of their security. AGF/WRAP have therefore opted to release their security and instead submit a claim against the Company as an unsecured, non-preferential creditor. This will enable them to participate in the distribution of the Prescribed Part.

To date, no distribution has been made to AGF/WRAP.

3.2 Preferential Creditors

We currently estimate that preferential creditor claims will total £31,500 in respect of claims for employees' salaries and holiday pay.

The preferential claims will be paid in full once agreed.

3.3 Non-preferential Creditors

As detailed in the Proposals, the Company's records indicate that non-preferential creditor claims will amount to c. £1.7m. These are broken down as follows:

- ▶ Trade creditors - £980,118;
- ▶ HMRC - £67,901;
- ▶ Unsecured loans - £431,230; and
- ▶ Employees' unsecured claims - £173,843.

As previously mentioned, AGF/WRAP have opted to submit a claim amounting to £1.36m against the Company as a non-preferential, unsecured creditor.

To date, claims totalling c. £2.5m (including AGF/WRAP) have been received from unsecured, non-preferential creditors. However, creditor claims continue to be submitted and final claims in the Administration may be higher due to contingent claims and other non-preferential creditor amounts not included in the Company's records.

There will not be sufficient realisations to enable a distribution to the non-preferential creditors other than by virtue of the Prescribed Part.

3.4 The Prescribed Part

Due to the anticipated shortfall to the secured creditors the only distribution that will be available to non-preferential creditors is via the Prescribed Part. The Prescribed Part is a proportion of floating charge assets set aside for 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.

Based on current information, the Joint Administrators estimate that:

- ▶ The value of the Company's net property will be in the region of c. £1.1m; and
- ▶ The corresponding value of the Company's Prescribed Part will be c. £0.17m (before the costs of dealing with the Prescribed Part).

Given the uncertainty over the final quantum of unsecured claims that will be agreed, the Joint Administrators are unable to estimate the quantum of any distribution to non-preferential, unsecured creditors under the Prescribed Part at the present time.

It is anticipated that a first and final distribution to non-preferential, unsecured creditors under the Prescribed Part will be made towards the end of 2017.

The Joint Administrators do not currently intend to make an application to the Court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the Prescribed Part.

As there will be a distribution to unsecured creditors from the Prescribed Part the Joint Administrators request that any creditor who has not yet done so completes and returns the enclosed proof of debt form to allow their claim to be assessed and agreed. If creditors do not submit a claim they may be excluded from the distribution.

4. Joint Administrators' receipts and payments

A summary of the Joint Administrators' receipts and payments for the period from 15 January 2017 to 14 July 2017 is attached at Appendix B.

5. Joint Administrator's remuneration and disbursements

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/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en> or is available in hard copy upon written request to the Joint Administrators.

On 14 October 2016, the secured and preferential creditors of the Company approved, in accordance with Rule 2.106(5A) of the Rules, the Joint Administrators' basis of remuneration as outlined in Section 6 of the Proposals. Two amendments to the basis of remuneration were proposed by the Joint Administrators' and subsequently approved by the secured and preferential creditors on 12 December 2016. The agreed remuneration after amendments are detailed below.

The Joint Administrators' remuneration is fixed on a composite basis made up of a percentage of realisations and a fixed fee for addressing statutory duties and the Prescribed Part, as follows:

- ▶ A fixed fee of £30,000 (net of VAT) for statutory duties, including matters relating to the appointment, reporting to creditors and investigations into the conduct of the Company's directors (increase of £10,000 from the basis outlined in the Proposals);
- ▶ 2% of net fixed charge realisations; being the realisation of the leasehold property after costs of realisation, which are typically agents fees, legal costs and holding costs (including security);
- ▶ 8% of net floating charge realisations; being the realisation of the plant and machinery, book debts, stock and other Company assets after costs of realisation (principally anticipated to be auction fees, employee costs and legal fees) but before any dividends to preferential creditors or deductions for the prescribed part (increase of 2% from the basis outlined in the Proposals); and
- ▶ A fixed fee of £30,000 (net of VAT) for agreeing creditors' claims and dealing with the distribution of the Prescribed Part.

5.1 Amendments to the basis of remuneration

The Joint Administrators will only draw remuneration in accordance with the above terms. If the Joint Administrators propose any amendments to the terms these will require the agreement of the approving body, in accordance with Rule 2.109AB of the Insolvency Rules 1986.

5.2 Disbursements

To date the Joint Administrators have incurred Category 1 and 2 disbursements totalling £8,040.30 plus VAT (where applicable), summarised as follows:

Type of expense	Incurred (£)	Paid (£)	Outstanding (£)
Statutory bonding	210.00	-	210.00
Travel	2,864.84	-	2,864.84
Accommodation	3,138.31	-	3,138.31
Subsistence	663.60	-	663.60
Category 2 disbursements	1,163.55	-	1,163.55
Total	8,040.30	-	8,040.30

In accordance with Rule 2.106(5A) of the Rules, the secured and preferential creditors have permitted the Joint Administrators to draw any future Category 2 expenses.

There is an analysis of Category 2 disbursements (i.e. those disbursements payable to the Joint Administrators' firm) at Appendix C.

5.3 Payments to other professionals

5.3.1 Professionals instructed

The Joint Administrators have engaged the following other professionals to assist them. They were chosen on the basis of their experience in similar assignments.

Name of firm	Nature of service	How contracted to be paid
Gerald Eve	Property valuation / marketing	Fixed fee/percentage realisation achieved
Hilco	Asset advice, including valuation of plant and machinery	Percentage of realisation achieved / time costs basis
Gateley plc	Legal advice on ROT	Time cost basis
Squire Patton Boggs (UK) LLP	Legal advice on appointment, book debts and property matters	Time cost basis
RBT Solutions Ltd	Environmental advice	Time costs basis

Details of the fees paid to date are included in the receipts and payments account attached at Appendix B.

6. Other matters

6.1 Future conduct of the Administration

The Joint Administrators will continue to act in accordance with the Proposals. This work will include, inter alia:

- ▶ Complete the remediation works to the leasehold property to allow the retention of £270,000 from the surrender premium to be collected;
- ▶ Recover proceeds from the insurance claim as a result of the traveller break in;
- ▶ Make a second and final distribution to the secured creditors of the Company;
- ▶ Make a first and final distribution to the preferential creditors of the Company;
- ▶ Make a first and final distribution to the unsecured, non-preferential creditors of the Company who have proved their debts, under the provisions of the Prescribed Part;
- ▶ Finalise the Company's corporation tax and VAT position for the period of the Administration and obtain required clearances from HM Revenue and Customs; and
- ▶ Finalise our costs in the Administration and settle all outstanding liabilities relating to the Administration.

6.2 Future reports

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

Should you wish to discuss any aspect of this report, please contact John Loudon on 0113 298 2315.

Yours faithfully
for the Company



C G J King
Joint Administrator

Enc: Form 2.24B - Administrators' progress report
Form 2.31B Notice of Extension of period of Administration

Robert Hunter Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and Charles Graham John King is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, R H Kelly and C G J King, who act as agents of the Company only and without personal liability.

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Appendix A Statutory information

Company Information

Company Name: Plasrecycle Limited - in Administration

Registered Office c/o Ernst & Young LLP1 Bridgewater Place Water Lane Leeds LS11
Address: LS11 5QR

Registered Number: 07456989

Trading name: Plasrecycle Limited

Trading Address: Nathan Way, London, SE28 0BQ

Details of the Administrators and of their appointment

Administrators: C G J King and R H Kelly

Details of any changes None
of administrator:

Date of Appointment: 15 July 2016

By Whom Appointed: The appointment was made by the Company Directors

Court Reference: High Court of Justice, Chancery Division, Leeds District Registry
632 of 2016

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or both of them acting jointly.

Appendix B Joint Administrators' receipts and payments account for the period from 15 July 2016 to 14 July 2017

Statement of Affairs		From 15/07/16 to 14/01/17	From 15/01/17 to 14/07/17	Total
£	RECEIPTS	£	£	£
1,300,000	Lease	-	1,030,000	1,030,000
1,510,000	Plant and machinery	972,982	203,975	1,176,957
148,683	Cash at date of appointment	148,683	-	148,683
117,141	Book debts	108,037	-	108,037
2,000	Office fixtures and fittings	-	1,170	1,170
-	Rent deposit	-	77,161	77,161
-	Pre-appointment VAT refund	51,622	-	51,622
-	Rates refund	13,234	-	13,234
-	Stock	2,281	-	2,281
-	Bank interest	3	97	100
n/a	Balance on Administrators' trading account (see separate account for breakdown)	(4,825)	-	(4,825)
		1,292,018	1,312,402	2,604,420
	PAYMENTS			
	Security	68,609	92,322	160,930
	Retention of title claims	118,009	-	118,009
	Electricity and Gas	-	85,549	85,549
	Traveller eviction and remediation costs	-	80,729	80,729
	Rent	17,678	37,794	55,471
	Waste management	34,254	10,828	45,082
	Insurance	30,294	16,828	47,122
	Employee salaries	32,960	3,559	36,519
	Legal fees	6,050	30,258	36,308
	Administrators' fee	-	30,000	30,000
	Agents' fees	-	22,187	22,187
	Other holding costs	782	5,227	6,009
	Permit surrender costs	4,655	425	5,080
	Employer's NIC	3,329	398	3,727
	Storage charges	166	38	204
	Bank charges	45	60	105
	Public Notices	85	-	85
	Secured creditor - Foresight	-	500,000	500,000
	Secured creditor - LWARB	0	600,000	600,000
		316,916	1,516,200	1,833,117
	Balances in hand	975,101	(203,798)	771,304

Notes

1. Receipts and payments are stated net of VAT.
2. The stock and work in progress that existed at the date of our appointment has been consumed in the process of trading or returned to suppliers under claims for retention of title.

Plasrecycle Limited - in Administration

Summary of Joint Administrators' trading account from 15 July 2016 to 14 July 2017

	From 15/07/16 to 14/01/17	From 15/01/17 to 14/07/17	Total
	£	£	£
RECEIPTS			
Trading sales	71,890	-	71,890
	<u>71,890</u>	<u>-</u>	<u>71,890</u>
PAYMENTS			
Employee salaries	53,956	-	53,956
Electricity	10,512	-	10,512
Employer's NIC	5,970	-	5,970
Carriage	3,420	-	3,420
Employee expenses	1,318	-	1,318
Maintenance and repairs	945	-	945
Other trading costs	593	-	593
	<u>76,715</u>	<u>-</u>	<u>76,715</u>
Balance on Administrators' trading account	<u>(4,825)</u>	<u>-</u>	<u>(4,825)</u>

Notes

1. Trading ceased on 29 July 2016.
2. Approximately £30,000 of the employee salary payments are to be allocated to preferential claims as they relate to the period prior to administration.

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

The 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 Administrators.

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

A summary of the Joint Administrators' time costs from 15 July 2016 to 14 July 2017 has been provided below. We would comment that, as our remuneration is fixed on composite basis made up of a percentage of realisations and a fixed fee for addressing statutory duties and the Prescribed Part, this information has been provided for reference only.

The time spent by the Joint Administrators and their staff to date primarily relates to the following matters:

- ▶ Ongoing trading of the business to 29 July 2016;
- ▶ Marketing the business and assets for sale and liaising with interested parties;
- ▶ Property issues such as arranging insurance, waste removal, and ROT matters;
- ▶ Employee matters;
- ▶ Statutory duties and mailings;
- ▶ Pursuing the outstanding debtors ledger; and
- ▶ Responding to creditor queries.

Plasrecycle Limited - in Administration

Summary of Joint Administrators' time costs from 15 July 2016 to 14 July 2017

	Total Hours	Total Time Cost
Accounting & administration	345.7	£97,279
Job acceptance and strategy	4.0	£2,640
Bank and statutory reporting	29.0	£16,950
Creditors	100.5	£28,818
Debtors	7.0	£2,840
Employee matters	59.5	£19,820
Trading	113.5	£52,480
Sale of business	151.5	£62,480
Immediate tasks	69.0	£20,625
Investigations/CDDA	10.5	£3,430
Property	128.5	£66,820
Other statutory duties	67.0	£14,615
VAT and Taxation	29.0	£8,931
	<u>1,114.7</u>	<u>£397,727</u>
Average rate per hour rate		£357

Administrators' charging policy for disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured and preferential creditors as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn.

The following Category 2 disbursements have been incurred:

Type and purpose	Incurring (£)	Paid (£)	Outstanding (£)
Mileage	251.10	-	251.10
Post and printing	912.45	-	912.45
Total	1,163.55	-	1,163.55