

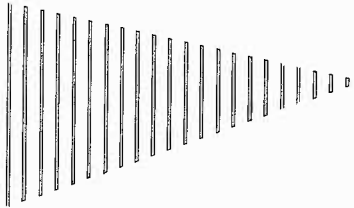
**Plasrecycle Limited**  
**In Administration (the “Company”)**

Six Monthly Progress Report

In accordance with Rule 2.47 of The Insolvency Rules 1986

2 February 2017

Ernst & Young LLP



Building a better  
working world

## 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 1986
the Company	Plasrecycle Limited - in Administration

## Contents

1. Introduction.....	1
2. Progress since the Proposals dated 2 September 2016.....	2
3. Outcome for creditors .....	5
4. Joint Administrators' receipts and payments.....	7
5. Joint Administrator's remuneration and disbursements.....	8
6. Other matters.....	10
Appendix A Statutory information .....	11
Appendix B Joint Administrators' receipts and payments account for the period from 15 July 2016 to 14 January 2017 .....	13
Appendix C Statement of Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9 .....	15
Appendix D Creditor's request for further information regarding an Administrators' remuneration or expenses - Rule 2.48A Insolvency Rules 1986 .....	17

## 1. Introduction

I write, in accordance with Rule 2.47 of the Insolvency Rules 1986, to provide creditors with a report on the progress of the Administration. This report covers the period from 15 July 2016 to 14 January 2017 and should be read in conjunction with the Proposals dated 2 September 2016.

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

There have been no extensions to the initial period of appointment. This will be reviewed in three months' time.

## 2. Progress since the Proposals dated 2 September 2016

### 2.1 Trading

As detailed in the Proposals, the Company ceased trading on 29 July 2016 with two people retained beyond this date to assist with the administration process; one retained employee resigned from the Company in October 2016. The final employee was made redundant on 13 January 2017.

#### 2.1.1 Trading sales

As reported in the Proposals, the Company continued to process the work in progress to maximise value during the Administration trading period. Sales of finished product were made to the main customer under the terms of the Company's contract with the customer.

Sales receipts totalled £71,890 from the sale of work in progress completed during the trading period.

In addition, £2,281 has been realised from a sale of the by-product of the extrusion process that was held at the date of appointment.

#### 2.1.2 Trading costs

Trading payments totalled £76,715 and are broken down as detailed in the receipts and payments account at appendix B. This amount includes £30,000 of employee wages relating to the period prior to administration that will reduce the level of preferential claims from employees.

Excluding the £30,000 of pre-appointment wages, the outcome for the period of trading was a profit of £25,175. This profit was only possible due to the value that was held in the work in progress and pre-payment of rent. To fully trade the Company would have incurred significant losses.

#### 2.1.3 Retention of Title

A number of ROT claims were received following our appointment.

Where claims were valid we have worked with ROT creditors to identify and recover their assets to mitigate unsecured claims.

A small number of ROT claims against plant and machinery were agreed and settled from the sale proceeds of the equipment. Payments to settle ROT claims totalled £118,009. There are no further ROT payments to be made on claims received.

### 2.2 Sale of business

As detailed in the Proposals, the Joint Administrators commenced a marketing process and approached a number of parties to offer the business and assets for sale. Discussions were held with 57 parties, of which 25 visited the Company's premises to view assets.

No offers for the full business and assets were forthcoming. Consequently, the Joint Administrators proceeded with realising the Company's assets on a piecemeal basis.

## **2.3 Asset realisations**

### **2.3.1 Leasehold property**

The Joint Administrators have agreed a surrender premium with the landlord of the property. The surrender has not yet completed so we are unable to disclose the value of the premium for commercial reasons, however it is higher than any 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 Joint Administrators have been working to clear the site to satisfy the requirements of the Environmental Agency; the surrender of the permit was granted on 13 January 2017. The contracts for the surrender of the leasehold are now being finalised and the transaction is expected to complete within the next two weeks.

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.

### **2.3.2 Plant and machinery**

Hilco completed a sale of the Company's plant and machinery assets by way of an online auction held on 6 October 2016.

Total realisations from the auction amounted to £1,176,957 with £972,982 being remitted to the Joint Administrators during the period covered by this report. The balance is held in Hilco's client account and will be remitted once expenses of the sale have been finalised.

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.

There are no further realisations expected from the plant and machinery.

### **2.3.3 Debtors**

As reported in the Proposals, the Company had £227,570 of outstanding debtor balances at the date of appointment.

£204,710 was due from Multipanel UK Limited ("Multipanel"), the Company's principal customer. There was a contract in place with Multipanel that provided a minimum supply clause with a three month notice period. As the Company was unable to continue supply for three months (due to the trading losses that would have been incurred in completing these supplies) Multipanel had a right of set off under the terms of the contract for their contractual losses. A full and final settlement of the debt 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 £3,336 with the balance being written off as uncollectable.

### **2.3.4 Other assets**

#### **2.3.4.1 Cash on appointment**

As detailed in the Proposals, c. £151,000 cash was held in the Company's bank accounts at the date of appointment. After deductions for accrued charges to the Company's credit card, the amount realised totalled £148,683.

#### **2.3.4.2 Rates refund**

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

#### **2.3.4.3 VAT receivable**

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

#### **2.3.4.4 Office equipment**

£1,170 has been realised from a sale of the office equipment and is held in Hilco's client account. There are no further realisations anticipated.

### **2.4 Costs of realisation**

#### **2.4.1 Security**

Since trading has ceased it has been necessary to employ a security firm to protect the site from theft, vandalism or squatters. Due to the size and location of the site the joint administrators' insurers have required at least two manned guards to be present at all times. 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 £68,609.

Since the plant and equipment has been sold and removed from the site the joint administrators have obtained approval from the insurers to secure the property with remote alarms and CCTV that is monitored 24 hours a day. This will reduce the ongoing holding costs.

#### **2.4.2 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 £34,254.

#### **2.4.3 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 £32,960.

#### **2.4.4 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 £47,972. These costs will continue to be incurred until the surrender of the lease is completed.

#### **2.4.5 Permit surrender costs**

In order to obtain the surrender of the Environment Agency permit it was necessary to pay a fee of £2,540 and engage a specialist to provide an independent report on site condition and make the surrender application. The costs paid to date are £2,115.

#### **2.4.6 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. The figures have been compiled based on the Company's books and records and have not been subject to independent review.

#### 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.

To date, no distribution has been made to Foresight and we expect that Foresight will suffer a shortfall.

##### 3.1.2 LWARB

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

To date, no distribution has been made to LWARB and we expect that LWARB will suffer a shortfall.

##### 3.1.3 AGF/WRAP

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

To date, no distribution has been made to AGF/WRAP and we expect that no funds will be available in respect of the debt.

#### 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.

We currently estimate that 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.

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.

It is not anticipated that there will 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 £0.9m to £1m; and
- ▶ The corresponding value of the Company's prescribed part will be c. £0.2m (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 timing or quantum of any distribution to non-preferential, unsecured creditors under the Prescribed Part at the present time.

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 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 July 2016 to 14 January 2017 is attached at Appendix B.

## 5. Joint Administrator's remuneration and disbursements

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 £7,486.53 plus VAT (where applicable), summarised as follows:

Type of expense	Incurred (£)	Paid (£)	Outstanding (£)
Statutory bonding	210.00	-	210.00
Travel	2,600.53	-	2,600.53
Accommodation	3,138.31	-	3,138.31
Subsistence	663.60	-	663.60
Category 2 disbursements	874.09	-	874.09
<b>Total</b>	<b>7,486.53</b>	<b>-</b>	<b>7,486.53</b>

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.

In certain circumstances, creditors are entitled to request further information regarding the Joint Administrators' remuneration or expenses, or to apply to court on the grounds that the costs are considered to be excessive. (Rules 2.48A and 2.109 of the Insolvency Rules 1986). Further information is provided in 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	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.

### 5.3.2 Costs incurred

The following estimated costs have been incurred but not yet paid

Name of firm	£
Gerald Eve	1,500
Hilco	50,000
Squire Patton Boggs (UK) LLP	12,000
RBT Solutions Ltd	1,000

## 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:

- ▶ Realising the remaining assets of the Company;
- ▶ Dealing with corporation tax and VAT matters, which includes filing statutory returns;
- ▶ Dealing with unsecured creditor enquiries;
- ▶ Distributing realisations to the secured and preferential creditors of the Company;
- ▶ Agreeing unsecured creditor claims and distributing the Prescribed Part;
- ▶ Ensuring all statutory reporting and compliance obligations are met; and
- ▶ Finalising the Administration, including payment of all Administration liabilities.

### 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

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 Address:	c/o Ernst & Young LLP1 Bridgewater Place Water Lane Leeds 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
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.

### Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

### Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary (£0.10)	23,917	2,391.70	23,917	2,391.70

## Directors and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Joseph Berry	Director	21 January 2015	-	-
David Jonathan Brookes	Director	1 July 2015	-	-
Paul Mitchell Levett	Director	30 November 2011	7 October 2016	490
Michael Stewart Thomas	Director	1 July 2015	-	-
Hugh Alexander Unwin	Director	14 May 2015	-	-
John Duncan Grierson	Director	1 December 2010	13 July 2016	9,888
James Peter Samworth	Director	15 March 2012	14 May 2015	-
Charlotte Eddington	Director	5 July 2013	31 December 2014	

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

Statement of Affairs		From 15/07/16 to 01/09/16	From 02/09/16 to 14/01/17	Total
£	RECEIPTS	£	£	£
1,300,000	Lease	-	-	-
1,510,000	Plant and machinery	-	972,982	972,982
148,683	Cash at date of appointment	148,683	-	148,683
117,141	Book debts	105,159	2,878	108,037
2,000	Office fixtures and fittings	-	-	-
-	Pre-appointment VAT refund	-	51,622	51,622
-	Rates refund	-	13,234	13,234
-	Stock	2,281	-	2,281
-	Bank interest	-	3	3
n/a	Balance on Administrators' trading account (see separate account for breakdown)	(15,973)	11,148	(4,825)
		<b>256,123</b>	<b>1,040,719</b>	<b>1,292,018</b>
	<b>PAYMENTS</b>			
	Retention of title claims	-	118,009	118,009
	Security	2,324	66,285	68,609
	Waste management	25,172	9,082	34,254
	Employee salaries	11,140	21,821	32,960
	Insurance	-	30,294	30,294
	Rent	-	17,678	17,678
	Legal fees	3,050	3,000	6,050
	Permit surrender costs	-	4,655	4,655
	Employer's NIC	1,063	2,267	3,329
	Other holding costs	-	782	782
	Storage charges	-	166	166
	Public Notices	85	-	85
	Bank charges	10	35	45
		<b>42,843</b>	<b>274,073</b>	<b>316,916</b>
	<b>Balances in hand</b>	<b>213,280</b>	<b>766,646</b>	<b>975,101</b>

### 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 January 2017

	From 15/07/16 to 01/09/16	From 02/09/16 to 14/01/17	Total
	£	£	£
<b>RECEIPTS</b>			
Trading sales	49,390	22,500	71,890
	<u>49,390</u>	<u>22,500</u>	<u>71,890</u>
<b>PAYMENTS</b>			
Employee salaries	53,956	-	53,956
Electricity	-	10,512	10,512
Employer's NIC	5,970	-	5,970
Carriage	2,580	840	3,420
Employee expenses	1,318	-	1,318
Maintenance and repairs	945	-	945
Other trading costs	593	-	593
	<u>65,363</u>	<u>11,352</u>	<u>76,715</u>
<b>Balance on Administrators' trading account</b>	<u>(15,973)</u>	<u>11,148</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

A summary of the Joint Administrators' time costs from 15 July 2016 to 14 January 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 January 2017

	Total Hours	Total Time Cost
Accounting & administration	194.2	£54,684
Job acceptance and strategy	4.0	£2,640
Bank and statutory reporting	23.0	£13,580
Creditors	76.0	£20,948
Debtors	7.0	£2,840
Employee matters	48.0	£16,380
Trading	111.5	£51,480
Sale of business	151.5	£61,060
Immediate tasks	69.0	£20,625
Investigations/CDDA	6.5	£2,090
Property	59.0	£31,100
Other statutory duties	55.5	£11,295
VAT and Taxation	4.2	£2,012
	<u>809.4</u>	<u>£290,733</u>
Average rate per hour rate		£359

### **Administrators' charging policy for disbursements**

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements 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 disbursements drawn but not to seek approval for their payment.

Category 2 disbursements 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 disbursements are subject to approval as if they were remuneration. To date, no Category 2 expenses have been incurred. In accordance with Rule 2.106(5A) of the Rules, the secured and preferential creditors have permitted the Joint Administrators to draw Category 2 expenses.

The following Category 2 disbursements have been incurred:

Type and purpose	Incurred (£)	Paid (£)	Outstanding (£)
Mileage	251.10	-	251.10
Post and printing	622.99	-	622.99
<b>Total</b>	<b>874.09</b>	<b>-</b>	<b>874.09</b>

## Appendix D      Creditor's request for further information regarding an Administrators' remuneration or expenses - Rule 2.48A Insolvency Rules 1986

### Creditors' request for further information regarding an administrators' remuneration or expenses - Rule 2.48A, Insolvency Rules 1986

- 1) If-
  - (a) within 21 days of receipt of a progress report under Rule 2.47-
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,  
makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2).
- (2) The administrator complies with this paragraph by either-
  - (a) providing all of the information asked for, or
  - (b) so far as the administrator considers that-
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
    - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information.
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of-
  - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just.
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just."

### Creditors' claim that remuneration is excessive - extract from Rule 2.109 of the Insolvency Rules 1986

- "(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the

permission of the court, may apply to the court for one or more of the orders in paragraph (4).

(1A) Application may be made on the grounds that—

(a) the remuneration charged by the administrator,

(b) the basis fixed for the administrator's remuneration under Rule 2.106, or

(c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")."

