

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Phoenix Chemicals Limited	Company number 03681753
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 54/2011

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
Christopher Ratten
RSM Tenon Recovery
Arkwright House
Parsonage Gardens
Manchester
M3 2LF


Jeremy Nigel Ian Woodside
RSM Tenon Recovery
Arkwright House
Parsonage Gardens
Manchester
M3 2LF

*Delete as
applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on 17 March 2011

Signed


Joint Administrator(s)

Dated

17/3/11

Contact Details:

You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
form

The contact information that you give
will be visible to researchers of the

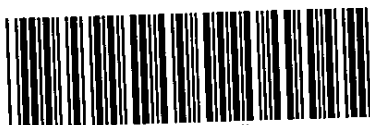
Christopher Ratten
RSM Tenon Recovery
Arkwright House
Parsonage Gardens
Manchester
M3 2LF

DX Number

+44 (0)161 834 3313
DX Exchange

When you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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COMPANIES HOUSE

**Joint Administrators' Proposals relating to
Phoenix Chemicals Limited ("the Company") – In
Administration**

Issued on: 17 March 2011

Christopher Ratten of RSM Tenon Recovery and Jeremy Nigel Ian Woodside of RSM Tenon Recovery are the Joint Administrators of the Company and these are the Joint Administrators' statutory proposals relating to the Company

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2. Circumstances leading to the appointment of the Joint Administrators

The Company was incorporated on 10 December 1998 under the name Phoenix (Wirral) Ltd, with Meconic Plc owning the Company. In 1999, Marshall Smalley, the managing director, led a management buy-out of the Company with financial backing from Mr John Hollowood. On 28 September 1999 the Company changed its name to Phoenix Chemicals Ltd.

The Company's activities focused on the research, development and the manufacture of complex organic chemicals used in the production of active pharmaceutical ingredients ("APIs") by the pharmaceutical industry.

The Company developed a leading position in the development of continuous flow processes used in conjunction with enzyme biocatalysis to produce chiral materials. It patented processes for continuous cyanation using hydrogen cyanide and for the continuous production and use of the highly explosive chemical reagent, diazomethane. This gave the Company a strong market position in the supply of intermediates into the atorvastatin supply chain (Lipitor, the world's largest selling prescription drug) and for the production of protease inhibitor drugs for the treatment of HIV.

From 2006, Mr Cann has, through the Cann family trusts, been the principal investor in the Company, becoming the majority shareholder in 2008.

The Company's customer base has included major pharmaceutical companies such as Pfizer, GSK and Bristol Myers Smith providing a mix of products for drugs that are either in the later stages of clinical development (Phase 3) or that have been launched.

Until 2009, the Company was solely based on a small research and manufacturing site at Bromborough on the Wirral. The site has limited ability to manufacture solid form products and its largest product is a liquid product, ATS4, supplied to Pfizer for the manufacture of Lipitor. With patent protection for Lipitor ending in 2011 and the entry of generic suppliers into the market, Pfizer informed the Company that they would be changing their route of manufacture to Lipitor and would cease to buy ATS4 in 2011. In the same period, a number of generic manufacturers approached Phoenix seeking supplies of ATS8, a solid form later stage intermediate. Based on this customer interest and with the financial support of the Cann Trusts, the businesses acquired a large API manufacturing site at Annan, Scotland with a view to using the Company's novel continuous flow technology as the basis to convert ATS4 manufactured at Bromborough through to ATS8 in the large scale assets available at Annan.

Funding of the acquisition and the associated trading losses for the start up period was projected to come from additional loans to be provided by the Cann Trusts, a £2m increase in the company's banking facility, a £2m working capital loan to be provided by a major Indian generic manufacturer (Dr Reddy's Laboratories) which they committed to make available upon product qualification as well as cash flow generated from the core diazomethane business and another major project being carried out.

This purchase of the Annan site was completed in September 2009 and a number of the site's previous employees were recruited. A new continuous flow rig was designed and built in Bromborough and this was installed on the Annan site in the spring of 2010. Manufacture of ATS8 commenced in the summer with the first trial quantities shipping in July. Unfortunately some initial quality problems delayed customer acceptance and although these were resolved following a change in the manufacturing process and a retreatment of the initial stock, it was not until November 2010 that first commercial sales could be made. In the same period with

the recessionary economic environment the business also saw significant delays in customer demand for the core diazomethane based products produced at Bromborough and at the same time the other major project was put on hold by the customer

Although the Cann Trusts had been supportive over the summer trading period, extending an additional £5m of loans, as a consequence of the poor trading over the summer period in September 2010, there was insufficient working capital available under the Company's banking facilities. The delays to the quality approval of the ATS8 product by Dr Reddy's meant that their loan had not been forthcoming. In addition Dr Reddy's decided they could not extend the working capital loan without the Company providing some form of bank guarantee, which the Company was not in a position to do.

A summary of the Company's recent trading performance is shown below

	Management accounts P/E 31 August 2010 £'000	Management accounts Y/E 30 April 2010 £'000	Financial Statements Y/E 30 April 2009 £'000	Financial Statements Y/E 30 April 2008 £'000
Turnover	1,494	5,154	8,007	4,915
Cost of Sales	(868)	(2,978)	(4,147)	(3,341)
Gross Profit	626	2,176	3,860	1,574
Administrative Expenses	(3,162)	(8,412)	(6,216)	(5,706)
Other Income	175	-	-	-
Exceptional Items	-	-	-	10,475
Interest Paid	(71)	(463)	(553)	(261)
Net Profit/(loss) before tax	(2,432)	(6,699)	(2,909)	6,082

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

Against this background the Board looked to raise additional investment. The Company was unable to raise additional finance from the existing shareholder base but did receive a number of expressions of interest from trade partners, however after limited due diligence it became clear that it would not be possible to conclude a transaction that would keep the Company as a going concern on terms acceptable to the existing secured loan providers.

On 11 January 2011, the directors of the Company sought independent professional insolvency advice from RSM Tenon Recovery. Based on the information provided by the directors, it was concluded that the Company should be placed into Administration.

On 25 January 2011, Jeremy Nigel Ian Woodside and I were appointed by the directors of the Company, as Joint Administrators of the Company pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986. The appointment permitted the Joint Administrators to take any actions required either jointly or alone.

3. Objectives of the Administration of the Company and the Joint Administrators' strategy for achieving them

The purpose of an Administration is to achieve one of the three objectives set out in the insolvency legislation, which are to -

- (a) rescue the company as a going concern, or
- (b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate

As a result, I am seeking to achieve objective (b) for the Company by initially trading the business in the short term whilst seeking interested parties to acquire all or part of the business and its assets

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extending the duration of the Administration

4 Actions of the Joint Administrators following appointment

On appointment, we attended the Company's trading premises and immediately took control of the business and assets. The decision was taken to trade the business for a short period whilst a purchaser for the business was sought. It was envisaged that this would maximise asset realisations and achieve a better outcome than would have been achieved from an immediate cessation of trade and sale of the assets and stock on a break up basis. It would also allow work in progress to be converted in to saleable finished goods. The Company has continued to manufacture and sell product from both of its sites

Bank of Scotland Commercial Finance ("BOSCF") agreed to provide the Company with an invoice discounting facility during the Administration trading period, to assist with the cash flow requirements of continued trade

Following an immediate review of staffing levels and costs, it was necessary to make a number of redundancies and the staffing level across the two manufacturing sites reduced from 112 to 71 employees on 25 January 2011

Prior to the Administration appointment, a discreet marketing campaign was undertaken by the proposed Administrators in an attempt to generate interest in the business and or assets of the Company. A database of firms who operate in the same sector as the Company, including certain of the Company's customers, were contacted and provided with relevant Company documentation if interested, subject to appropriate confidentiality agreements being put in place

The Administrators have continued to market the business for sale following appointment. This has involved liaising with parties who had expressed interest prior to the Administration and any parties who contacted the Administrators directly as a result of the Administration. An advert was placed in the Financial Times on 1 February 2011 in an attempt to generate further interest

Detailed discussions have taken place with interested parties identified before and after the date of Administration and a total of 33 parties had access to certain information concerning

the Company Following these discussions a deadline for best and final offers for the whole or part of the business and assets was set for 21 February 2011 This resulted in 4 offers for the whole business, one of which was subsequently withdrawn None of the remaining 3 offers were considered acceptable as they were all significantly below our agents' valuations and it was considered that the best outcome for creditors would result from a sale of the intellectual property and technology side of the business followed by the disposal of the properties and tangible assets on a break-up basis

There are three parties we are currently in negotiations with concerning their interest in the intellectual property and technology side of the business, together with associated items of plant and machinery Each has indicated an ability to conclude a purchase by the end of March and we are working towards concluding a sale Following this sale our agents will assist with an orderly sale of the plant and machinery and the sale of the freehold properties

We are currently working on the site closure plan, taking advice from a decommissioning and environmental consultant, Winterhill Asset and the Company's operations director The closure plan would be anticipated to take approximately 9 months and we would seek to retain some of the Company's staff at each site to assist with the decommissioning of plant

5 Financial Position of the Company

I have asked the directors to prepare a summary of the Company's estimated financial position as at 25 January 2011, which is known as a Statement of Affairs, but this has not yet been finalised I have prepared an estimate of the financial position of the Company as at 25 January 2011 from the records of the Company, and that is attached at **Appendix II**, together with a list of names and addresses of all known creditors, and the amounts of their debts

My comments on the Statement of Affairs are as follows

5.1. Undisclosed realisable values

Estimated to realise values are stated as uncertain in the draft Statement of Affairs for those assets for which sale negotiations are underway as disclosure could prejudice the realisations

5.2. Factored Book Debts

The Company factored its book debts with Bank of Scotland Commercial Finance ("BOSCF"), and as a result, they are held as security by BOSCF On appointment, the book value of assigned debts was \$1,093k, which has been translated to a Sterling value of £687,396 These debts have an estimated to realise value of £682,000 taking account of exchange rate movements

The current account balance owing to BOSCF on appointment was \$195k which equated to approximately £123,079 Any surplus monies will be available to Bank of Scotland plc ("BOS") as it is the same legal entity as ("BOSCF")

5.3. Intellectual Property ("IP")

The IP is subject to a BOS fixed charge The book value of the IP is £105,465 and the realisable value of the IP is uncertain but we have received interest in it from a number of parties

5.4. Plant and Machinery - Bromborough

The Company's plant and machinery located at the Bromborough facility is subject to a BOS fixed charge as a result of a chattel mortgage in their favour The book value is £5,996,827 and the estimated to realise value is undisclosed Our agents will be assisting with an orderly sale of the remaining plant and machinery after the initial sale of the R & D Business/ IP and

certain assets is concluded. We will provide a more detailed update in our next report to creditors.

5.5. Freehold Land and Property - Bromborough

The Company's land and property located in Bromborough is subject to fixed charges in favour of BOS, MSIF Mezzanine Fund No 2 and MSIF Venture Fund No 3. The Book value is £1,881,228 and the realisable value is undisclosed at this stage. Our agents will be assisting with the sale of the freehold land and property and we will provide a more detailed update in our next report to creditors.

5.6. Freehold Land and Property – Annan

The Company's land and property in Annan is subject to a first ranking fixed charge in favour of Shasun Pharma Solutions Ltd ("Shasun") and a second fixed charge in favour of the Trustees of H A Cann 1997 Trust ("Cann Trust"). The book value is £1,428,008 and estimated to realise value is undisclosed at this stage. Our agents will be assisting with the sale of the freehold land and property and we will provide a more detailed update in our next report to creditors.

On appointment, the sums owing to Shasun and the Cann Trust were £625,000 and £15,856,969 respectively.

5.7. Plant and Machinery – Annan

The Company's plant and machinery located at the Annan facility has a book value of £2,251,116 and the realisable value is undisclosed at this stage. Our agents will be assisting with an orderly sale of the remaining plant and machinery after the initial sale of the R & D Business/IP and certain assets is concluded and we will provide a more detailed update in our next report to creditors.

5.8. Motor Vehicles

The Company's balance sheet on appointment included motor vehicles with a book value of £12,774. The realisable value is currently undisclosed.

5.9. Stock

At the date of appointment, the Company's balance sheet included stock with a book value of £2,277,560. This consisted of finished goods, work in progress and raw materials. Some of this stock was utilised during Administration trading period and the estimated to realise value is currently uncertain.

5.10. Non-Factored Book Debts

The Company's debtor ledger also included some non-factored debts with a book value of £485,718 on appointment. It is estimated that non-factored book debt collections will total £450,000.

5.11. R&D Tax Refund

The Company has historically claimed R&D tax refunds. Investigation will be undertaken by the Administrators as to whether further refunds can be claimed for the period prior to the Administration.

5.12. VAT Refund

At the date of appointment, the Company's balance sheet included a VAT refund due to the Company with a book value of £98,722. The realisable value is shown as uncertain since this is expected to be subject to crown set-off in respect of the PAYE liability owed.

5.13. Rates Refund

At the date of appointment, the Company's balance sheet included a rates refund with a book value of £8,280. It is expected that the rates refund will be realisable in full.

5.14. Preferential creditors

The only known preferential creditors are employees and former employees of the Company who have claims for holiday pay and wage arrears owing together with the deficiency owing to the pension scheme. Preferential claims are subject to a maximum limit set by the insolvency legislation.

5.15. Prescribed Part

There are provisions in the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company granted a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and costs and expenses of the administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum prescribed part of £600,000

It is expected that the only secured creditor having to rely upon floating charge security will be MSIF. The Company granted a debenture in favour of MSIF on 21 June 2002. Given that its floating charge was created and registered prior to 15 September 2003, the prescribed part rules will not be applicable in this instance.

6. Joint Administrators' Receipts and Payments Account

I attach a summary of my receipts and payments relating to the Company for the period from when it entered Administration, 25 January 2011, to the date of these proposals, at **Appendix IV**.

I would comment specifically as follows:

6.1 Non-Factored Book Debts

The Company's debtor ledger included some non-factored debts with a book value of £485,718 on appointment. To date, £292,207 has been collected together with a sundry debt of £352.

6.2 Trading Surplus

As discussed in section 4 of the report, the Company has continued to trade since the Administrators' appointment to allow work in progress to be converted into saleable finished goods and to allow the possibility of a going concern sale to be explored. The sum of £68,580 detailed on the receipts and payments account represents the trading surplus received to date.

A trading account is also provided at **Appendix IV** which details Administration sales, purchases, other direct costs together with trading expenditure. I would comment on the trading account as follows:

- Sales receipts to date total £558,757
- Wage payments to date total £259,116. In addition arrears of pay totalling £120,880 have been paid to employees who have assisted with Administration trading.

- All other payments are of trading purchases and expenses and are considered self explanatory

7 Proposed Future Actions of the Joint Administrators to Achieve the Objective of the Administration

In order to achieve the objective of the Administration of the Company, we propose to realise the outstanding book debts, collect any outstanding balances in respect of Administrators' sales, settle any outstanding trading liabilities, sell the research and development business/intellectual property and certain assets, then sell the remaining stock, plant and machinery and properties with assistance from our agents

In addition, we will investigate the possibility of a R&D Tax refund and will realise the rates refund

It is anticipated that as a result of the Administrators actions that BOSCF, BOS and Shasun will be paid in full, MSIF and the Cann Trust will receive significant distributions and preferential creditors will be paid in full

The Company's financial position means there are insufficient assets to pay a dividend to unsecured creditors. It is expected that the Company will exit the Administration via a move directly to dissolution

8. Meeting of Creditors

I am not convening a meeting of creditors as in the Administrators' opinion the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part

However, creditors whose debts amount to at least 10% of the total debts of the company can require me to call a meeting. Such a request must be made to me on Form 2.21B within 8 business days of the date of the letter accompanying these proposals

If creditors do not require me to convene a meeting of creditors within that time period, then my proposals will be deemed to have been approved

Creditors are also entitled at a meeting of creditors to establish a Creditors' Committee should they so wish, provided that there are no fewer than three and no more than five wishing to be represented on the Committee

9 Pre-Administration Costs

Before a company enters into any form of insolvency proceedings, professional costs are necessarily incurred in order to ensure that -

- The most appropriate form of proceedings is chosen, in the interests of creditors and
- To deal with the mechanics of initiating the proceedings and appointing an insolvency practitioner

The basis on which these costs are to be paid varies according to the insolvency procedure adopted. In the case of a company entering into Administration, the Administrator must make a 'Statement of Pre-Administration Costs', the content of which is prescribed by the Insolvency Rules, and seek approval for their payment. In this case, approval will be sought from the secured creditors and from the preferential creditors

My statement of Pre-Administration costs is set out at **Appendix V**

In this case, further work was also done in the interests of creditors prior to my appointment as Administrator to prepare for trading the business and for the marketing and potential sale

of the business and assets. It will be appreciated that, had this commercial opportunity not been available, it would have still been necessary to obtain valuations and instruct agents and solicitors to assist in disposing of the assets following my appointment, and for me to manage and oversee the asset realisation process. To that extent, these costs are not additional costs that would have been saved, had the assets been disposed of later.

I should point out that my request for payment of our Pre-Administration costs does not comprise part of my formal Proposals for the conduct of the administration.

10. Joint Administrators' Remuneration and Expenses

I propose that our fees will be charged by reference to the time properly spent by us and our staff in dealing with the matters relating to the Administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates is set out in **Appendix III**.

I also propose that we are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is also set out in **Appendix III**.

As stated in section 8, I am not convening a meeting of creditors and consequently it will be for the secured and preferential creditors to approve my remuneration and category 2 expenses.

To the date this report is prepared, my time costs amount to £325,732, representing 1,564 hours work, at an average charge out rate of £208. **Appendix III** contains information about remuneration and expenses, including the total time spent on the affairs of the Company for the period from when it entered Administration, 25 January 2011, to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

Please go to <http://www.rsmtenon.com/creditorsguide> and click on 'Remuneration Guidelines Administration (post 6 April 2010)' if you require further information relating to Administrator's Remuneration. The Guide also gives important information about Creditors' Rights. Alternatively a copy is available free of charge upon request from the address below.

11. Discharge from liability

As there will be no return to unsecured creditors we will, in accordance with legislation, be seeking a resolution from the secured and preferential creditors, as appropriate for discharge from liability in respect of any action of ours as Administrators to take effect immediately following our cessation to act as Administrators.

12. Joint Administrators' Investigations

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

13. EC Regulation on Insolvency Proceedings

I consider that the EC Regulation on Insolvency Proceedings applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the company is in England and Wales.

14. Joint Administrators' Proposals

In order to achieve the objective set out at Section 3 above, Christopher Ratten of RSM Tenon Recovery and Jeremy Nigel Ian Woodside of RSM Tenon Recovery, the Joint Administrators formally propose to creditors that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they
 - (i) Realise the outstanding book debts, collect any outstanding balances in respect of Administrators' sales, settle any outstanding liabilities, sell the research and development business/ intellectual property and certain assets, sell the remaining stock, plant and machinery and properties with the assistance of our agents, investigate the possibility of a R&D Tax refund and realise the rates refund
 - (ii) sell the Company's assets at such time(s) on such terms as they consider appropriate,
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
 - (iv) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) If there are no funds available for distribution to the unsecured creditors, the company exits Administration by way of dissolution
- (c) If there are funds available to be distributed to the unsecured creditors, the company exits the Administration by way of a Creditors Voluntary Liquidation, and that Christopher Ratten and Jeremy Nigel Ian Woodside are appointed the Joint Liquidators of the Company, and that they will act jointly and severally in their duties. Creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved. Information about the approval of the proposals is set out at Section 8

15. Further Information

Should you require any further information relating to these proposals or the Administration of the Company please do not hesitate to contact Steven Colclough on the telephone number shown in the covering letter enclosing these proposals


Christopher Ratten
Joint Administrator

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 Administrators

Appendix I

Company Information

Company Name	Phoenix Chemicals Limited
Previous Name	Phoenix (Wirral) Ltd (Name changed on 28/09/1999)
Company Number	03681753
Date of Incorporation	10 December 1998
Trading Addresses	34 Thursby Road, Croft Business Park, Wirral, Merseyside, CH62 3P Three Trees Road, Newbie, Annan, Dumfrieshire, DG12 5QH
Current Registered Office	Arkwright House, Parsonage Gardens, Manchester, M3 2LF
Former Registered Office	34 Thursby Road, Croft Business Park, Wirral, Merseyside, CH62 3PW
Principal Trading Activity	Research, development and manufacture of chemicals

Appointment details

Date of Appointment	25 January 2011
Appointment made by	Directors
Court Name and Reference	High Court of Justice, Chancery Division, Manchester District Registry No 54 of 2011
Administrators Appointed	Christopher Ratten IP Number 9338 Jeremy Nigel Ian Woodside IP Number 9515

Officers of the company

Directors	Name	Shareholding
	Stewart Cairns	1,000,000
	Stephen James Cann	-
	Colin Andrew Leece	1,629,823
	Lee Proctor	666,667
	Henry Marshall Smalley	22,949,716
	Malcolm James Stewart	-
Company Secretary	Colin Andrew Leece	

Share Capital

Authorised	Allotted, called up and fully paid
2,500,000,000 ordinary shares £0.01 each	1,486,502,100 ordinary shares of £0.01 each

Charges

Debenture dated 21 June 2002 in favour of Merseyside Special Investments Mezzanine Fund No 2

Debenture dated 21 June 2002 in favour of Merseyside Special Investments Venture Fund No 3

Loan Agreement dated 20 February 2007 in favour of Herbert Anthony Cann, Ruth Amy Cann, Beverly John Berrymann, Hugh David Turner and Carole Fahy

Loan Agreement dated 20 February 2007 in favour of Herbert Anthony Cann, Ruth Amy Cann, Beverly John Berrymann, Hugh David Turner and Carole Fahy

Loan Agreement dated 7 June 2007 in favour of Herbert Anthony Cann, Ruth Amy Cann, Beverly John Berrymann, Hugh David Turner and Carole Fahy

Debenture dated 18 August 2007 in favour of Merseyside Special Investments Mezzanine Fund No 2

Deed of Confirmation and Recharge dated 19 March 2008 in favour of Merseyside Special Investments Venture Fund No 3

Debenture dated 16 April 2008 in favour of Bank of Scotland plc

Legal Charge dated 16 April 2008 in favour of Bank of Scotland plc

Standard security dated 4 September 2009 in favour of Shasun Pharma Solutions Limited

Standard security dated 19 March 2010 in favour of the Trustees of the H A Cann 1997 Interest in Progression Trust

Chattel Mortgage dated 4 January 2011 in favour of Bank of Scotland plc

Intellectual Property Fixed Charge dated 4 January 2011 in favour of Bank of Scotland plc

Chattel Mortgage dated 21 January 2011 in favour of Bank of Scotland plc

Debenture dated 1 February 2011 in favour of Lloyds TSB Commercial Finance

Appendix II
Directors' Statement of Affairs
as at 25 January 2011

NOTES TO THE DIRECTORS' STATEMENT OF AFFAIRS

As at 25 January 2011

- 1 The Directors' Statement of Affairs does not take into account the costs of the Administration
- 2 The figures contained in the Directors' Statement of Affairs reflects information obtained from the Company's records
- 3 Winterhill Asset Management carried out a valuation of the assets of the company
- 4 Preferential creditors represent liabilities to employees

Phoenix Chemicals Limited
Statement Of Affairs as at 25 January 2011

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge.		
Factored Book Debts	687,396 00	682,000 00
Bank of Scotland Commercial Finance		(123,079 00)
Intellectual Property	105,465 00	Uncertain
Plant & Machinery - Bromborough	5,996,827 00	Uncertain
Freehold Land & Property - Bromborough	1,881,228 00	Uncertain
Bank of Scotland plc		(1,182,057 00)
MSIF Mezzanine Fund No 2		(223,437 00)
MSIF Venture Fund No 3		(1,000,000 00)
Deficiency c/d		<u>(1,846,573 00)</u>
Freehold Land & Property - Ashman	1,428,008 00	Uncertain
Shasun Pharma Solutions Ltd		(625,000 00)
Trustees of HA Cann 1		(15,856,969 00)
Deficiency c/d		<u>(16,481,969 00)</u>
Assets subject to floating charge		
Plant & Machinery - Ashman	2,251,116 00	Uncertain
Motor Vehicles	12,774 00	Uncertain
Stock	2,277,560 00	Uncertain
Non-Factored Book Debts	485,718 00	450,000 00
R&D Tax Refund	Uncertain	Uncertain
VAT Refund	98,722 00	Uncertain
Cash in hand	146 00	146 00
Rates Refund	8,280 00	8,280 00
Uncharged assets		
Estimated total assets available for preferential creditors		<u>458,426 00</u>

Signature _____ Date _____

Phoenix Chemicals Limited
Statement Of Affairs as at 25 January 2011

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	458,426 00
Liabilities	
Preferential Creditors -	
Employee Arrears of Pay and Holiday Pay	124,596 00
Pension Schemes	166,524 00
	291,120 00
Estimated deficiency/surplus as regards preferential creditors	167,306 00
Debts secured by floating charge pre 15 September 2003	
Deficiency b/d	1,846,573 00
	(1,679,267 00)
Other Pre 15 September 2003 Floating Charge Creditors	
	NIL
	(1,679,267 00)
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	(1,679,267 00)
Debts secured by floating charge post 15 September 2003	
	NIL
Estimated deficiency/surplus of assets after floating charges	(1,679,267 00)
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Deficiency b/d	16,481,969 00
Shortfall to preferential creditors/F C's pre 15 Sept 2003 (brought down)	1,679,267 00
Trade & Expense Creditors	1,800,641 00
Employees PILON and Redundancy Pay	592,688 00
HM Revenue & Customs - PAYE & NIC	722,709 00
Unsecured loans	8,445,956 00
	29,723,230 00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(29,723,230 00)
Estimated deficiency/surplus as regards creditors	(29,723,230 00)
Issued and called up capital	
Ordinary Shareholders	14,865,021 00
	14,865,021 00
Estimated total deficiency/surplus as regards members	(44,588,251 00)

Signature _____ Date _____

RSM Tenon Recovery
Phoenix Chemicals Limited
A2 - Secured Creditors Statement of Affairs Figures

Key	Name	£
CB0P	Bank of Scotland plc Lloyds Banking Group, 4th Floor Citymark 150 Fountainbridge Edinburgh EH3 9PE Debenture dated 14 April 2008	1,182,057 00
CC0M	Trustees of the HA Cann 1997 Trust Activhouse Philips Road Blackburn BB1 5RD Standard security dated 18 March 2010	15,856,969 00
CL06	Bank of Scotland Commercial No 1 Brookhill Way Banbury Oxon OX16 3EL Debenture dated 14 April 2008	123,079 00
CM0F	MSIF Venture Fund No 3 5th Floor Cunard Building Pier Head Liverpool L3 1DS Debenture dated 21 June 2002	1,000,000 00
CM0G	MSIF Mezzanine Fund No 2 5th Floor Cunard Building Pier Head Liverpool L3 1DS Debenture dated 21 June 2002	223,437 00
CS08	Shasun Pharma Solutions Ltd Dudley Cramlington Northumberland NE23 7QG Standard security dated 4 September 2009	625,000 00
6 Entries Totalling		19,010,542.00

Signature _____

RSM Tenon Recovery
Phoenix Chemicals Limited
A4 - Preferential Creditors Statement of Affairs Figures

Key	Name	£
CE07	Employees Arrears of Pay and Holiday Pay	124,596 00
CS00	Scottish Widows Corporate Stakeholder Pensions PO Box 902 15 Dalkieth Road Edinburgh EH16 5BU	166,524 00
2 Entries Totalling		291,120.00

DRAFT

Signature _____

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
C 00	R F ANGUS	UNIT 5 ANGUS BUSINESS PARK, WATER STREET, CARLISLE, CUMBRIA, CA2 5AW	224 00
CA00	ASSOCIATES OF CAPE COD INC	DEACON PARK, MOORGATE ROAD, KNOWSLEY, LIVERPOOL, L33 7RX	311 00
CA01	Actuation Valve & Controls	8 Woodward Road, Knowsley Ind Park, Liverpool, L33 7UZ	2,191 00
CA02	Advanced Water Technologies	UNIT 39 BURTONWOOD INDUSTRIAL ESTATE, BURTONWOOD, WARRINGTON, CHESHIRE, WA5 4HX	7,516 00
CA03	ADVANCED AIR CONDITIONING LTD	UNIT 19, MEARNS LANE INDUSTRIAL ESTATE, ELLESMERE PORT, CHESHIRE, CH65 4TY	9,904 00
CA04	Aesseal Plc	GLOBAL TECHNOLOGY CENTRE, MILL CLOSE, BRADMARSH BUSINESS PARK, ROTHERHAM, S60 1BZ	675 00
CA05	Aflex Hose Limited	Stirling Bank Industrial Estate, Walton Mill Lane, Sowerby Bridge, Halifax, West Yorkshire, HX6 3BW	2,413 00
CA06	AxFlow Limited	Unit 9a, Hothorpe Business Park, Old Fieldhouse Lane, Huddersfield, HD2 1FA	8,765 00
CA07	AGILENT TECHNOLOGIES UK LTD	WAKEFIELD CENTRE E ROYAL BUSINESS PARK, STOCKPORT, CHESHIRE, SK8 3GR	18,111 00
CA08	AIR PRODUCTS PLC	ERSKINE PLACE TECHNOLOGY PARK, MOLESEY ROAD, WALTON ON THAMES, WATFORD, MK12 4RZ	34 00
CA09	AIRMAN ENGINEERING SERVICES	10 BURNING COURT, MANOR PARK, RUNCORN, CHESHIRE, WA7 1SR	350 00
CA0A	AIRSEA CONTAINERS LTD	Stanford Buildings, 521 Cavendish Street, Birkenhead, Merseyside, CH41 8FZ	17 00
CA0C	ALCHEM (WIDNES) LTD	UNIT 1 SHELL GREEN, BENNETTS LANE, WIDNES, CHESHIRE, WA8 0GW	1,857 00
CA0D	ALFA-LAVAL LTD	7 DOMAY ROAD, CAMBERLEY, SURREY, GU15 3DN	166 00
CA0E	AMTECH POWER SOFTWARE LTD	BANK HOUSE, 171 MIDSUMMER BOULEVARD, CENTRAL MILTON KEYNES, MK9 1EB	451 00
CA0F	a1-ENVIROSCIENCES GROUP	20 CHARLES STREET, LUTON, BEDFORDSHIRE, LU2 0EB	127 00
CA0G	Applied Safety Solutions Ltd	1-3 ROCK LANE WEST, ROCK FERRY, BIRKENHEAD, WIRRAL, CH42 1RE	7,153 00
CA0H	Arco Ltd	P O Box 21, Waverley Street, Hull, HU1 2SJ	856 00
CA0I	ARFON REWINDS LTD	UNIT 4 STADIUM COURT, BROMBOROUGH, WIRRAL, MERSEYSIDE, CH62 3RN	11,529 00
CA0K	Ash Waste Services Ltd	BROUGHTON MILLS ROAD, BRETTON, FLINTSHIRE, CH4 0BY	425 00
CA0L	Air Liquide UK	STATION ROAD, COLESHILL, BIRMINGHAM, B46 1JY	47,659 00
CA0N	AXA PPP HEALTHCARE	P O BOX 437, 1ST FLOOR, BANK HOUSE, KING ST, LEEDS, LS1 2HL	16,221 00
CB00	B & M WASTE SERVICES LTD	DOCK ROAD SOUTH, BROMBOROUGH, WIRRAL, CH62 4SQ	309 00
CB03	B+B HYGIENE LTD	Unit 5, The Woodlands Centre, Wilson Road, Liverpool, L36 6AD	49 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CB04	BEELINE COMPUTER SERVICES LTD	23 CRAIGLOCKHART DELL ROAD, EDINBURGH, EH14 1JW	209 00
CB05	Boiler Engineering Ltd	The Lodge' Westerhill, Hillend Road, Annan, DG12 6SA	206 00
CB07	BIFFA WASTE SERVICES LTD	DOCK ROAD SOUTH, BROMBOROUGH, WIRRAL, CH62 4SQ	1,399 00
CB08	BLACK ARROW FINANCE LTD	155-157 STAINES ROAD, HOVINGLOW, MIDDLESEX, TW3 3JB	1,429 00
CB09	BLAGDEN SPECIALITY CHEMICALS L	OSPREY HOUSE, BLACKEAGLE SQUARE, WESTERHAM, KENT, TN16 1PA	19,410 00
CB0A	BOC GASES	CUSTOMER SERVICE CENTRE, PO BOX 12 PRIESTLEY ROAD, WORSLEY, MANCHESTER, M20 2JH	6,276 00
CB0B	BRAMPTON PALLETS	STEPHENS INDUSTRIAL ESTATE, WILLOWHOLME, CARLISLE, CUMBRIA, CA2 5RN	705 00
CB0C	BRITANNIC HOLDINGS	THE SMITHY, BROMBOROUGH, WIRRAL, CH62 7ET	2,497 00
CB0D	BEERS TIMBER & BDLG SUPPS	Building Materials Depot, Bridge Road, Eastham, Wirral, L62 8AS	267 00
CB0E	BROADBENT	Green Street, South Huddersfield, HD1 3BA	1,699 00
CB0F	Bromborough Paints	Units 10 & 11 Village Road, Bromborough, Wirral, Merseyside, CH62 7ET	68 00
CB0G	BRAMMER UK LTD	UNIT 9, WINN WAY INDUSTRIAL ESTAT, DUMFRIES, DUMFRIES & GALLOWAY, DG1 1RG	9 00
CB0H	BSS CARLISLE	UNIT 10 PORT ROAD, BUSINESS PARK, PORT ROAD, CARLISLE, CA2 7AJ	1,429 00
CB0I	Buck & Hickman Ltd	Rossmore Road, Rossmore Ind Estate, Ellesmere Port, South Wirral, L65 3BU	280 00
CB0J	Biochemica UK Limited	The Innovation Centre, Venture Court, Queens Meadow Business Park, Hartlepool, TS25 5TG	15,760 00
CB0K	BULKHAUL LIMITED	HEAD OFFICE, BRIGNELL ROAD, RIVERSIDE INDUSTRIAL PARK, MIDDLESBROUGH, TS2 1PS	2,513 00
CB0L	BUSINESS STREAM	PO BOX 420, 55 BUCKSTONE TERRACE, EDINBURGH, EH10 6YN	348 00
CB0M	BRENNTAG UK LTD	Westinghouse Road, Trafford Park, Manchester, M17 1QB	77,692 00
CB0N	BRENNTAG UK LTD	HURRICANE COURT, HURRICANE DRIVE, ESTUARY PARK, LIVERPOOL, L24 8RL	130,054 00
CC00	Coolright	20 Albourne Rd, South Dean, Kirkby, Merseyside, L32 6RH	1,727 00
CC01	CCR SAS	172 RUE DE LA REPUBLIQUE, PUTEAUX, FRANCE, 92800	10,179 00
CC02	CEF ELLESMERE PORT	Unit 16, Rossmore Ind Estate, Roscliffe Road, Ellesmere Port, South Wirral, CH65 3AS	1,191 00
CC03	CEF DUMFRIES	Unit 6, Middle River Ind Est, Douglas, Isle of Man, IM2 1AL	1,459 00
CC04	Cespa UK Ltd	AUDREY HOUSE, 16-20 ELY PLACE, LONDON, EC1N 6SN	12,409 00
CC05	CHARLES THOMPSON LTD	GLASSHOUSE ROAD, KILNHURST, MEXBOROUGH, SOUTH YORKSHIRE, S64 5TD	341 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CC06	Cherwell Laboratories Ltd	7 & 8 LAUNTON BUSINESS CENTRE, MURDOCK ROAD, BICESTER, OX26 4XB	136 00
CC07	Chilworth Technology Ltd	Beta House, Southampton Science Park, Southampton, SO16 7NS	764 00
CC08	CJK Packaging	Bridgeholme Industrial Est, Chapel Lane, Chinley, High Peak, Derbyshire, SK23 6DX	787 00
CC09	C-MIST	The Centre for Maritime, applied Technology Safety Tech, Henot-Watt Research Park, Edinburgh, EH11 4AP	750 00
CC0A	COLLISTER & GLOVER LTD	10TH AVENUE, ZONES, DEESIDE INDUSTRIAL PARK, DEESIDE, FLINTSHIRE, CH5 2JUA	5,508 00
CC0B	Caldo Oils Ltd	Worsley Brick, Sutton, Worsley, Maseyside, WA9 3EZ	42,228 00
CC0C	COLE- PARMER	UNIT 3, RIVERBEND BUSINESS PARK, TRUMPERS WAY, HANWELL, LONDON, W7	351 00
CC0D	Corrosion Resistant Products	ADMON DEL RICAL, LITTLEBOROUGH, LANCASHIRE, OL15 9EG	304 00
CC0E	COUNTY REFRIGERATION LTD	UNIT 2, HEATHAM INDUSTRIAL ESTATE, DUMFRIES, DG1 3PH	171 00
CC0F	CUSTODIAN GUARDING COMPANY	PELSON INDUSTRIAL HOUSE, 55 HOUGHTON STREET, SOUTHPORT, PR9 0PG	3,584 00
CC0G	CHANCELLOR FORMECON	141 WATKINS WAY, RYDE, CHESHIRE, CW1 6YN	96 00
CC0H	CAMBREX IEP GmbH	HEINRICH-AUS-RASSE 190 196, 65203 WIESBADEN, GERMANY	376,914 00
CC0I	Chemische Fabrik Karl Bucher	Peranz 1, 89367 Waldstetten, Germany, 89367	51,692 00
CC0J	CSA	A Centre, 2 Weston Road, Crewe, Cheshire, CW98 1AF	454 00
CC0O	Trustees of HA Cann Settlement A&M Fund	Activhouse, Philips Road, Blackburn, Lancashire, BB1 5RD	435,795 00
CD00	DATASERVE UK	FINANCE SECTION, 19 HAWICK STREET, YOKER, GLASGOW, G13 4EN	1,160 00
CD01	Delta Containers Ltd	Weston Street, West Gorton, Manchester, M18 8DB	1,784 00
CD02	DERWENT WATER SERVICES LTD	ASHFIELD AVENUE, COTES PARK WEST IND ESTATE, SOMERCOTES, DERBYS , DE55 4QR	1,057 00
CD03	DESNAS SANDWICH BAR	50/52 BROMBOROUGH ROAD, BEBINGTON, WIRRAL, CH63 7RH	206 00
CD04	DHL INTERNATIONAL (UK) LTD	PO BOX 524, HOUNSLOW, MIDDLESEX, TW3 9LP	579 00
CD05	DMK CHEMICAL PROCESS PLANT LTD	UNIT 7B, RIVERSIDE INDUSTRIAL ESTATE, FIDDLERS FERRY, WARRINGTON CHESHIRE, WA5 2UL	583 00
CD06	DOPAK SAMPLING SYSTEMS	DOVIANUS BV, PO BOX 76, 2660 AB BERGSCHEHOEK, THE NETHERLANDS	1,795 00
CD07	DRAEGER SAFETY UK LTD	Ullswater Close, Blyth Riverside Business Park, Blyth, Northumberland, NE24 4RG	3,703 00
CD08	DRB MACHINING LTD	FIRST AVENUE, DEESIDE INDUSTRIAL PARK, DEESIDE, FLINTSHIRE, CH5 2QR	764 00
CD09	Dulcheck Cleaning Services	DUBLCHECK HOUSE, MINERVA COURT, MINERVA AVENUE, CHESTER, CH1 4QT	2,138 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CD0A	DW Analytical Ltd	MAY COTTAGE, GRAINS RD, DELPH, SADDLEWORTH, OL3 5RN	3,429 00
CE00	ECOLAB	CHANCERY HOUSE, ST NICHOLAS WAY, SUTTON, SURREY, SM1 1JB	1,088 00
CE01	ERC Accountants	SUITE 26, CENTURY BLDGS., BRUNSWICK BUSINESS PARK, TOWER ST, LIVERPOOL, L3 4BA	292 00
CE02	EMS Cargo Carline Ltd	SHADDON MILLS, SHARPOONGATE, CARLISLE, CUMBRIA, CA2 5TZ	301 00
CE03	Envogen UK Ltd	C/o RBS Invoice Finance Ltd, Smith House, PO Box 50, Elmwood Ave, Feltham, Middlesex, TW11 1JN	6,378 00
CE04	EP4	UNIT 9, ROSSDALE INDUSTRIAL ESTATE, ROSSFIELD ROAD, ELLESMERE PORT, CHECHIRE, SS5 3BS	340 00
CE05	EXERGY,LLC	320 E 40th BLVD, CALEDON CITY, NY 11630, USA	133 00
CE06	EATON FILTRATION GmbH	Filtration Division der Heidelberger Druckmaschinen AG, 53947 Nettelsheim, Germany, 53947	1,636 00
CE08	Employees - PILON and Redundancy Pay		592,688 00
CF00	Fibre Drums		4,800 00
CF01	Fine Controls Ltd	A Keyway South, Visiter Road, Haydock, St Helens, WA11 0RW	550 00
CF02	FISHER SCIENTIFIC UK LTD	Balanda Road, Gifford Business Park, Bromborough, Wirral, Merseyside, CH62 3QL	6,215 00
CF03	FGCS	102 Meadow Road, Loughborough, Leicestershire, LE11 5RG	1,457 00
CF05	Future Ind Services Ltd	15 NORTH WHITE ROAD, HARROW, MIDDLESEX, HA1 1TE	83,314 00
CF06	Fluid UK Ltd	Unit 102, Nearwater Road, Queensway Meadow Ind Estate, Newport, Gwent, NP19 4ST	163 00
CG00	GB Oils T/A Scottish Fuels	C/o RBS Invoice Finance, Smith House, PO Box 50, Elmwood Avenue, Feltham TW13 7QD	14,000 00
CG01	GE Capital Equipment Finance	TRYST HOUSE, GLENBURVIE BUSINESS PARK, LARBART, FALKIRK, FK5 4RB	9,337 00
CG02	GE SENSING EMEA	Capital House, Bond Street, Bristol, BS1 3LA	475 00
CG03	Graham's Machinery (Sales)	SENSING HOUSE, SHANNON FREE ZONE EAST, SHANNON CO CLARE, IRELAND	531 00
CG04	GRACE GMBH & CO KG	DEVA HOUSE, KNUITSFORD WAY, SEALAND INDUSTRIAL ESTATE, CHESTER, CH1 4NX	583 00
CG05	GREYHOUND CHROM & ALLIED CHEM	IN DER HOLLERHECKE 1, 67547 WORMS, GERMANY	4,213 00
CG06	Greif Packaging Direct	6 KELVIN PARK, BIRKENHEAD, MERSEYSIDE, CH41 1LT	0 00
CH00	Hichrom Limited	Division of Greif UK Ltd, Merseyside Works, Ellesmere Port, South Wirral, CH65 4EZ	1,659 00
CH01	H & I Engineering Ltd	1 THE MARKHAM CENTRE, STATION ROAD, THEALE, READING, BERKSHIRE, RG7 4PE	15,598 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CH02	HILL DICKINSON LLP	NO 1 St Paul's Square, Old Hall Street, Liverpool, L3 9SJ	481 00
CH03	HILLSIDE PRINTING SERVICES LTD	UNITS 1-3, ROCKLEY ROAD INDUSTRIAL ESTATE, ROCHDALE, LANCASHIRE, OL12 9EF	217 00
CH04	HSS BIRKENHEAD	124 NEW CHESTER ROAD, BIRKENHEAD, WIRRAL, CH41 9AN	442 00
CH05	Hughes Safety Showers	Whitefield Road, Bredbury, Stockport, Cheshire, SK6 2SS	66 00
CH06	H&V Commissioning Services	Kilknowe Old, 16 Barrmill Road, Galston, Ayrshire, KA4 8HH	2,227 00
CH07	HARBORLITE UK LTD	THE WESTWICK, EVERETT, EAST YORKSHIRE, HU17 8RQ	6,698 00
CH08	HM Revenue & Customs	Debt Management Enforcement & Insolvency, Durrington ridge House, Barrington Road, Northampton, NN1 4SE	722,709 00
CH0D	Trustees of the Hoch Settlement	Worthing, West Sussex, BN12 4SE	1,762,482 00
CI00	INSIGHT DIRECT UK	Wholesale Buildings Road, Blackburn, Lancashire, BB1 5RD	518 00
CI01	IMCD UK LTD (EURO)	THE ATTAGE, NEWREFIELD RD, UXBRIDGE, UB8 1PH	1,565 00
CI02	INEOS CHLOR LIMITED	Home, Throwley Way, Sutton, Surrey, SM1 4AF	34,921 00
CI03	Industrial Cleaning Supplies (Liverpool) Ltd	Runcorn, SHQ, PO Box 9, The Heath, Runcorn, Cheshire, WA7 4JE	599 00
CI04	INGLECRAY INSULATION CO LTD	GLENE HOUSE, 7-29, BRASENOSE ROAD, LIVERPOOL, L20 8HL	505 00
CI05	INNOVATION WASTE MANAGEMENT	UNIT 19, WHEATLAND BUSINESS PARK, WHEATLAND LANE, WALLASEY WIRRAL, CH44 7ER	2,131 00
CI06	ITS Testing Services (UK) Ltd	124 THE LIVERPOOL FILM STUDIOS, 105 BOUNDARY ST, LIVERPOOL, L5 9YJ	1,763 00
CI07	ISATEC LTD	Calve Brett House, 734 London Road, West Thurrock, RM20 3NL	414 00
CI08	ISIC A/S	WATERMEADOW HOUSE, CHESHAM, BUCKINGHAMSHIRE, HP5 1LF	336 00
CJ00	James Norman & Sons Contract	EDWIN RAHRS VEJ 54, DK-8220, BRABAND, DENMARK	6,835 00
CJ01	Jasco UK	FOUNDATIONS MAINTENANCE & LANDSCAP, HALCROW STADIUM, ANNAN ROAD, GRETNNA, DUMFRIESSHIRE, DG16 5DQ	2,421 00
CJ02	JENCONS	18 OAK INDUSTRIAL PARK, CHELMSFORD ROAD, GREAT DUNMOW, ESSEX, CM6 1XN	672 00
CJ03	J FREIGHT LIMITED	UNIT 15 THE BIRCHES, WILLARD WAY, IMBERHORNE INDUSTRIAL ESTATE, EAST GRINSTEAD, RH19 1XZ	3,491 00
CJ04	Johnson Controls Ltd	RIVERSIDE HOUSE, MELLOR STREET, ROCHDALE, LANCASHIRE, OL12 6AA	1,859 00
CJ05	John Morfield Ltd	PO Box 6359, Basildon, SS14 0JQ Unit 98, Sadler Forster Way, Teeside Industrial est, Thornaby-on-Tees, Stockton, TS17 9JY	895 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CJ06	JTS Corporate Solutions	Poplar House, Jackson Street, St Helens, WA9 3AP	383 00
CJ07	J C Peacock & Company Ltd	North Harbour, Ayr, Ayrshire, KA8 8AE	55 00
CJ08	Jersey Trust	PO Box 1075, Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP, Channel Islands	1,384,932 00
CK00	KINGSLEY INSTALLATIONS UK LTD	21 STATHAM ROAD, PRENTON, WIRRAL, CH43 7XS	664 00
CK01	Kinesis Ltd	9 ORION COURT, WIMBORNE RD., COLMWORTH BUSINESS PARK, ST NEOTS,	6,333 00
CK02	KSR-KUEBLER (UK) LEVEL	CAMBS PE19 5RX MEASUREMEN CONTROL LTD, TAN CAPEL, BETWS GWERFIL GOCH, GWRWEN, DENBIGHSHIRE, LL 9PU	54 00
CK03	Kurion International Ltd	43 RUNAL CLOSE, DRAYTON FIELDS INDUSTRIAL EST, DAVENTRY, NORTHAMPTONSHIRE, NN11 5RB	1,811 00
CK04	Kimpton Building Services	UNIT 5, HAWKESDALE RD, GREENFIELDS TECH PARK, BROMBOROUGH, WIRRAL, CH62 3J	1,011 00
CL00	LABELINE INTERNATIONAL LTD	DAS HOUSE, CHIVENOR BUSINESS PARK, NEAR BARNSTAPLE, NORTH DEVON, EX11 4AY	232 00
CL02	LEYTON FASTENERS	9-15 Cook St, Finesmere Port, South Wirral, Cheshire, CH65 4AU	1,659 00
CL03	LIVERPOOL CHAMBER OF COMMERCE	Number One, Old Hall Street, Liverpool, L3 9HG	130 00
CL04	LYNBROOK REPROGRAPHIC LTD	10 PROSPECT PLACE, EAST PIMBO, SKELMERSDALE, LANCASHIRE, WN8 9QD	1,299 00
CM00	M56 CHEMICAL & LAB SUPPLIES	UNIT 1, ASHVILLE WAY, SUTTON WEAVER, CHESHIRE, WA7 3EZ	1,265 00
CM02	Manchester Fluid System Technologies Ltd	3 Kelvin Close, Science Park North, Birchwood, Warrington, Cheshire, WA3 7WF	2,103 00
CM03	Micronclean Ltd	Roman Bank, Skegness, Lincolnshire, PE25 1SQ	1,330 00
CM04	Mersey Equipment	Arc House, 82-90 Taylor Street, Birkenhead, Merseyside, CH41 1BQ	259 00
CM05	MERSEYSIDE METAL SERVICES LTD	36 LORD STREET, BIRKENHEAD, WIRRAL, CH41 1BJ	3,967 00
CM06	Merseyflex Ltd	46-50 Mason Street, Liverpool, Merseyside, L7 3EW	418 00
CM07	METLAB SUPPLIES LTD	UNIT 7 GLENDALE AVENUE, SANDYCROFT, DEESIDE, FLINTSHIRE, CH5 2QP	4,569 00
CM08	Mettler-Toledo Ltd	64 Boston Road, Beaumont Leys, Leicester, LE4 1AW	2,424 00
CM09	MILLENNIUM HYGIENE	MARITIME HOUSE, 14/16 BALLS ROAD, PRENTON, BIRKENHEAD, WIRRAL, CH43 5RE	447 00
CM0B	Monster Worldwide Ltd	53-64 Chancery Lane, London, WC2A 1QS	6,987 00
CM0C	M & S Logistics Ltd	Hope Street Chapel, Sandbach, Cheshire, CW11 1BA	5,613 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CM0D	MERSEN LTD	BOLTRY WAY, DURHAM LANE INDUSTRIAL PARK, EAGLESCLIFFE, STOCKTON-ON-TEES, TS16 0PN	215 00
CN00	NewNet Plc	Carnac Lodge, Cams Estate, Fareham, Hants, PO16 8UJ	53 00
CN01	Nowest Digital Communications	Nowest House, 3 Portside Business Park, Portside North, Ellesmere Port, Cheshire, CH65 2HQ	881 00
CN02	NORTHERN FORKLIFT(SCOTLAND)LTD	85 KEPPOCKHILL DRIVE, 18 FOOD PARK, PORT DUNDAS, GLASGOW, G21 1HX	6,602 00
CN03	NORTHUMBRIAN WATER	SCIENTIFIC SERVICES, HORSLEY LABORATORIES, HORSLEY, NEWCASTLE UPON TYNE, NE15 8DE	1,643 00
CN04	N POWER LTD	BUSINESS SAVING TEAM, P O BOX 8007, OLDBURY, B69 2AL	71,705 00
CN05	NORTHUMBRIAN WATER SCIENTIFIC	SERVICES, NORTHUMBRIAN DOCK ROAD, WALLSEND, TYNE & WEAY, NE28 0QD	985 00
CO00	OCE UK LTD	CE HOUSE, CHATHAM WAY, BRENTWOOD, ESSEX, CM14 4DZ	146 00
CO01	Telefonica O2 UK Ltd	20 Queens Lawryns, Shire House, 2 Humboldt Street, Bradford, BD1 5HQ	823 00
CO02	ORANGE	21 HICKLE ROAD, DARLINGTON, CO DURHAM, DL1 4YQ	830 00
CO03	OUT AND ABOUT WINDOWS	21 LAYFEL LIGHT IND PAR, COALBROOKDALE RD, NESTON, SOUTH WIRRAL, CH64 3UG	165 00
CO04	OYC EU B V (Euro)	PO BOX 29014, 3001 GA Rotterdam, The Netherlands	51,304 00
CO05	OFCOM	Sales Ledger Division, Riverside House, 2a Southwark Bridge Street, London, SE1 9HA	150 00
CP00	Pall Europe Ltd	Europa House, Havant Street, Portsmouth, PO1 3PD	4,960 00
CP01	PALLETWORLD LTD	MEADOWSIDE COMPLEX, MEADOWSIDE STREET, RENFREW, PA4 8LF	455 00
CP02	PKF	5 TEMPLE SQUARE, TEMPLE STREET, LIVERPOOL, L2 5RH	6,698 00
CP03	Park Gate & Company Ltd	87 Kingstown Broadway, Kingstown Industrial Estate, Carlisle, CA3 0HA	4,993 00
CP04	PENKETHS LTD	Bassendale Road, Croft Business Park, Bromborough, Wirral, Merseyside, CH62 3QL	2,434 00
CP05	PENSTEEL LTD	UNIT 1, HORNDON BUSINESS PARK, WEST HORNDON, BRENTWOOD, ESSEX, CM13 3XL	5,760 00
CP06	PERKINELMER LAS (UK) LTD	CHALFONT ROAD, BEACONSFIELD, BUCKS, HP9 2FX	421 00
CP07	Pestokill	Graveoak, East Lancashire Road, Leigh, Lancashire, WN7 3SE	646 00
CP08	Phenomenex Ltd	Melville House, Queens Avenue, Hurdfield Ind Estate, Macclesfield, Cheshire, SK10 2BN	638 00
CP09	PHS WASTE MANAGEMENT	CHEMICAL DIVISION, TOLLGATE CRESCENT, BURSCOUGH IND EST, LANCASHIRE, L40 8TC	3,110 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CP0A	PKA Company	SOWERBY WOODS INDUSTRIAL EST, BARROW-IN-FURNESS, CUMBRIA, LA14 4QR	1,711 00
CP0B	PLASTOK ASSOCIATES LTD	75-79 MARKET ST, BIRKENHEAD, WIRRAL, MERSEYSIDE, CH41 6AN	55 00
CP0C	PM Associates	6-12 CHAMPIONS BUSINESS PARK, ARROWE BROOK ROAD, UPTON, WIRRAL, CH49 0AB	3,660 00
CP0D	PMS Fabrications Ltd	Thomas Lane, Bdrgh Road Industrial Estate, Carlisle, Cumbria, CA2 7NA	20,607 00
CP0E	Powfoot Golf Hotel	LINKS AVENUE, POWFOOT, ANAN, DG12 5PN	1,212 00
CP0F	P&R Labpak Ltd	UNIT 8 KETTERBY COURT, OFF JACKSON STREET, ST HELENS, MERSEYSIDE, WA9 3AH	2,198 00
CP0G	Paterson Safety Air Systems Ltd	The Green, Brechar, Kilsyth, Glasgow, G65 9QQ	4,762 00
CP0H	PYROBAN LTD	Enterprise Way, Dolphin Road, Shoreham-by-Sea, Sussex, BN43 6QG	535 00
CP0K	Petrochem Carless Limited	Cedar Court, Girdford Road, Leatherhead, Surrey, KT22 9RX	11,880 00
CR00	ROBBINS & MYERS (CHEMICAL REACTORS) LTD	UNIT 1 LYON ROAD, LYON ROAD INDUSTRIAL ESTATE, KEARSLEY, BOLTON, BL4 5TG	1,090 00
CR01	REFRESHMENT SYSTEMS LTD	BOYD ROAD, RADFORD, WEST YORKSHIRE, BD4 7HN	103 00
CR02	RPS Consultants Ltd	Unit 15, Courthouse, 55 Milton park, Abingdon, Oxon, OX14 4RY	1,047 00
CR03	ROCKWELL AUTOMATION LTD	PITFELLS KILN FARM, MILTON KEYNES, BUCKINGHAMSHIRE, MK11 3DR	12,080 00
CR05	RS Components Ltd	National Headquarters, PO Box 99, Corby, Northants, NN17 9RS	1,491 00
CR06	Reading Scientific Services Ltd	READING SCIENTIFIC CENTRE, WHITEKNIGHTS CAMPUS, PEPPER LANE, READING BERKSHIRE, RG6 6LA	306 00
CR07	Richmond Chemicals	830 F Higgins Road - 111C, Schaumburg, IL 60173, USA	984,802 00
CR08	Trustees of the Rushton No1 Trust	Activhouse, Philips Road, Blackburn, BB1 5RD	739,955 00
CR09	Trustees of the Rushton No2 Trust	Activhouse, Philips Road, Blackburn, BB1 5RD	575,994 00
CR0A	Trustees of the Rushton No3 Trust	Activhouse, Philips Road, Blackburn, BB1 5RD	1,737,426 00
CR0B	Trustees of the Rushton No4 Trust	Activhouse, Philips Road, Blackburn, BB1 5RD	449,408 00
CS00	Sulzer Dowding & Mills	ENGINEERING SERVICES, 4 THURSBY ROAD, CROFT BUSINESS PARK, BROMBOROUGH WIRRAL, CH62 3PW	2,157.00
CS01	Simtex International	1st Floor Prysman House, Dew Lane, Eeastleigh, Southampton, Hampshire, SO50 9PX	8,266 00
CS02	SEFAR LTD	BURY BUSINESS CENTRE, KAY STREET, BURY, LANCASHIRE, BL9 6BU	4,184 00
CS03	Sampling Systems Ltd	2 Forge Mills Park, Station Road, Coleshill, Warwickshire, B46 1HT	765 00
CS04	SAMUEL BANNER & CO LTD	HAMPTON COURT, TUDOR RD, MANOR PARK, RUNCORN, CHESHIRE, WA7 1TU	24,189 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CS05	Sealex Ltd	Poole Hall Road, Poole Hall Ind Estate, Ellesmere Port, South Wirral, CH66 1ST	4,651 00
CS06	SEPA	Erskine Court, Castle Business Park, Stirling, FF9 4TR	17,540 00
CS07	SGE (UK) Ltd	1 Potters Lane, Kiln Farm, Milton Keynes, MK11 3LA	451 00
CS09	Sherman Chemicals Ltd	35 BRICKFIELDS BUSINESS PARK, GILLINGHAM, DORSET, SP8 4PX	1,331 00
CS0A	SHIRE SYSTEMS LTD	1 MOUNTBATTEN BUSINESS CENTRE, 16 MILLBROOK ROAD EAST, SOUTHAMPTON, SO15 3HY	1,029 00
CS0B	SIGMA-ALDRICH COMPANY LTD	The Old Brickfield New Road, Gillingham, Dorset, SP8 4XT	4,431 00
CS0C	SRM Ltd	CASTLE CEMENT, CUSTOMER A/C'S DEPT, P/O BOX 1913, THE RIDGE, CHIPPING SODURY, BRISTOL, BS37 0AB	70,692 00
CS0D	SOLUTECH	Barlow Drive, Broomfield Park Industrial Est, Winsford, Cheshire, CW7 2JZ	1,465 00
CS0E	Solway Osset Services Ltd	113 CAHERNEFIELD INDUSTRIAL ESTATE, DUMFRIES, DG1 3PQ	566 00
CS0F	SPECK & BURKE ANALYTICAL	Alva Industrial Estate, Alva, Clackmannanshire, FK12 5DQ	611 00
CS0G	Stanlow Pallets Ltd	Old Road, Ellesmere Port, CH65 4AJ	294 00
CS0H	STAINLESS RESTORATION LTD	UNIT 1M1, WILKINSON INDUSTRIAL ESTATE, CROFT STREET, HYDE CHESHIRE, CH65 1EE	259 00
CS0I	STERIS LTD	STERIS HOUSE, LAYS CLOSE, VIABLES, BASINGSTOKE HAMPSHIRE, RG22 4AX	1,626 00
CS0J	STEPHEN ROWE OPTICIANS	78 HIGH STREET, ANNAN, DUMFRIES & GALLOWAY, DG12 6DL	44 00
CS0K	STERLING DEVELOPMENTS	STEWART HOUSE, 309 BURY NEW RD, SALFORD, MANCHESTER, M7 2YN	3,323 00
CS0L	STN INTERNATIONAL	Commerzbank AG, Commerzbank House, 60 Gracechurch Street, LONDON, EC2P 2JD	454 00
CS0M	Sunlight Service Group Ltd	PO BOX 6114, BASINGSTOKE, RG24 8JP	3,349 00
CS0N	SUURMOND UK LTD	DE MONTFORT HOUSE, 7E ENTERPRISE WAY, PO BOX 193, EVESHAM WORCESTERSHIRE, WR11 2WY	612 00
CS0Q	Mr Henry Marshall Smalley	Minafon, Betws-Y-Coed, Conwy, LL24 0AS	375,162 00
CT00	TOYOTA MAT HANDLING UK LTD	706 STIRLING RD, SLOUGH TRADING ESTATE, SLOUGH, BERKSHIRE, SL1 4SY	6,475 00
CT01	TRESCAL LIMITED	THE SERVICE CENTRE, WATCHMOOR POINT, CAMBERLEY, SURREY, GU15 3AD	2,633 00
CT02	The Environment Agency	AQUA HOUSE, INCOME DEPT 311, P O BOX 263, PETERBOROUGH, PE2 8YD	2,212 00
CT03	TDC Hydro Ltd	TDC HOUSE, EWLOE ROUNDABOUT, DEESIDE, FLINTSHIRE, CH5 3AW	811 00
CT04	THAMES RESTEK UK LTD	UNITS 8-16, MINISTRY WHARF, WYCOMBE ROAD, SAUNDERTON, BUCKS, HP14 4HW	223 00
CT05	TITAN TECHNOLOGY	PIESTOWES BARN, HAREWAY LANE, BARFORD, WARWICK, CV35 8DD	410 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CT06	Tetra Limited	14 Bumpers Lane, Sealand Industrial Est, Chester, CH1 4LT	2,076 00
CT07	TNT UK LIMITED	P O BOX 4, RAMSBOTTOM, BURY, LANCASHIRE, BL8 9AR	207 00
CT08	TOYOTA INDUSTRIAL FINANCE	12 CALTHORPE ROAD, EDGBASTON, BIRMINGHAM, B15 1QZ	449 00
CT09	TQ EXPRESS	UNIT 7, BUILDING 301, CARGO CENTRE, MANCHESTER AIRPORT, M90 5TQ	2,662 00
CT0A	Thompson Scaffolding Services	Unit 29, Bowerbank Way, Gilwilly Trading Estate, Penrith, Cumbria, CA11 8BQ	8,995 00
CT0B	TYNE VALVES LTD	UNIT 6 BLAYDON BUSINESS CENTRE, COWEN ROAD, BLAYDON HAUGH, BLAYDON, TYNE & WEAR, NE21 5TW	7,951 00
CT0C	THUS plc	1-2 BERKELEY SQUARE, 99 BERKELEY STREET, GLASGOW, G3 7HR	265 00
CU00	United Utilities	PO BOX 450, WARRINGTON, WA55 1WA	9,927 00
CU01	Underwater Diving Services	RAMSDEN DOCK, BARROW-IN-FURNESS, CUMBRIA, LA14 2TB	5,343 00
CU02	UNIVERSITY OF LEEDS	FINANCIAL SERVICES, LEICESTER STONER BUILDING, LEEDS, LS2 9JT	588 00
CU03	UPS LIMITED	Unit 10, Forest Road, Feltham, Middlesex, TW13 7DY	5,788 00
CV00	VWR INTERNATIONAL	HUNTER BOULEVARD, MAGNAPARK, LUTTERWORTH, LEICESTERSHIRE, LE17	2,732 00
CV01	Veolia (ex Cleanaway (Port))	National Sales Office, Bridges Road, Ellesmere Port, Cheshire, CH65 4EQ	21,143 00
CV02	VISHAY PM ONBOARD LTD	REDALE HOUSE, CANAL ROAD, BRADFORD, YORKSHIRE, BD1 2AG	3,482 00
CV03	VEGA Controls Ltd	KENDAL HOUSE, VICTORIA WAY, BURGESS HILL, WEST SUSSEX, RH15 9NF	2,544 00
CV04	VULCAN FIRE LTD	Grove House, Booth Street, Carrs Industrial Estate, Haslingden, BB4 5JA	4,282 00
CV05	Vigilant Security Scotland Ltd	SECURITY HOUSE, LOGANBARNES, DUMFRIES, DG1 4BZ	52,439 00
CV06	VIZARDS WYETH	RIVERBRIDGE HOUSE, ANCHOR BOULEVARD, CROSSWAYS, DARTFORD KENT, DA2 6SL	1,905 00
CV07	VTA GmbH	BERNRIEDER STRASSE, D-94559 NIEDERWINKLING, GERMANY	2,187 00
CV08	VODAFONE TELEPHONE	CREDIT CONTROL DEPARTMENT, VODAFONE, TOWERS BUSINESS PARK, WILMSLOW ROAD, MANCHESTER, M20 2RY	210 00
CW00	W P Thompson & Co	COOPERS BUILDING, CHURCH STREET, LIVERPOOL, L1 3AB	30,379 00
CW01	WACAD Design Ltd	15 Barrington Drive, Dumfries, Dumfries & Galloway, DG1 4HZ	8,371 00
CW02	WATERS LTD	730/740 CENTENNIAL COURT, CENTENNIAL PARK, ELSTREE, HERTS, WD6 3SZ	1,678 00
CW03	Wacker Chemicals Ltd	120 Bridge Road, Chertsey, Surrey, KT16 8LA	2,317 00
CW04	WEBSTER, J R	UNIT 2, EXPRESS BUSINESS PARK, ROYAL STANDARD WAY, NEW CHESTER ROAD, BIRKENHEAD, WIRRAL, CH42 1NB	79 00

RSM Tenon Recovery
Phoenix Chemicals Limited
B - Company Creditors

Key	Name	Address	£
CW05	WHR PROPERTY CONSULTANTS LLP	THE LEXICON, 10 MOUNT STREET, MANCHESTER, M2 5NT	2,277 00
CW06	Wickham Labs Ltd	WINCHESTER ROAD, WICKHAM, FAREHAM, HAMPSHIRE, PO17 5EU	1,254 00
CW07	Wirral Metropolitan College	Reddett Park, Eastham, Wirral, L43 0AY	2,360 00
CW08	Wirral Borough Council	Planning Department, North Anna, Town Hall, Brighton Street, Wallasey, Wirral, Merseyside, L63 2ED	29,947 00
CY00	Yokogawa (UK) Ltd	St. George's Road, Rainham Park, Runcorn, Cheshire, WA7 1TR	459 00
ED02	Simon Davidson	Well Close, Loughton Head, Camisle, Cumbria, CA5 7DD	0 00
248 Entries Totalling			11,561,994.00

Appendix III

Information relating to Joint Administrators' Remuneration and Expenses

Information relating to the Joint Administrators' Fees and Expenses

1. Overview of Case

1.1. Appointment

We were appointed Joint Administrators on 25 January 2011 following an application by the Company's directors pursuant to paragraph 22 of schedule B1 of the Insolvency Act 1986

1.2. Strategy

The strategy of the Administration was to continue to trade the business in the short term in order to allow the possibility of a going concern sale of some or all of the business and to allow work in progress to be converted into saleable finished goods. Whilst no acceptable offer was received for the business as a whole we are continuing to seek a sale of the research and development business, intellectual property and associated plant & machinery.

Following the sale of the intellectual property etc, it is intended to carry out decommissioning of the two sites in order to sell the remaining plant & machinery and the Company's properties located at Bromborough and Annan.

1.3. Staffing

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

In addition to RSM Tenon staff we have used the services of DLA Piper Solicitors for legal advice, Winterhill Asset Management for valuation advice and assistance with the sale of assets and Site Ops Ltd for environmental and decommissioning consultancy. The fees of DLA Piper Solicitors and Site Ops Ltd will be agreed on a time cost basis whilst those of Winterhill Asset Management are on a percentage of realisations basis. All third party fees will be regularly reviewed and disclosed to the Company's secured creditors.

1.4. Existing fee arrangements

There are no existing fee arrangements. It is our intention to seek fee approval from the Company's secured and preferential creditors on a time cost basis.

1.5. Anticipated return to creditors

It is currently anticipated that significant returns will be paid to all secured creditors in this matter with Bank of Scotland Commercial Finance, Bank of Scotland plc and Shasun Pharma Solutions Ltd expected to be repaid in full.

In addition, the preferential creditors are expected to be paid in full, preferential creditor claims having already been reduced by approximately £80,000 as a result of payments of arrears of pay made to employees during Administration trading.

There are insufficient assets in this matter to allow a distribution to unsecured creditors.

Explanation of office-holders charging and disbursement recovery policies

1.6. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates are

	£ Rates since 25 January 2011
Director and licensed Insolvency Practitioner	355
Associate Director	355
Senior Manager	275-290
Manager	185-200
Senior Administrator	130-173
Administrator	115-121
Cashier	105-115

Secretarial and support staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon Recovery.

1.7. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

It is proposed that the following Category 2 disbursements are recovered by RSM Tenon Recovery.

Room hire	£60.00
Envelope	4.2p
Paper (photocopies per sheet)	1.75p
Postage (depending on size and weight)	At cost
Files and dividers (cost per 100 creditors)	£2.00
Storage of archive box for one quarter	£1.60
Travel (per mile)	40p

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

2. Description of work carried out

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

2.1 Pre-appointment

Full details of our pre-appointment costs are set out separately in Appendix V.

2.2 Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,

Staff of different levels were involved in the above activities depending upon the experience required.

2.3 Investigations

The time spent includes:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

2.4 Realisation of assets

Please refer to the main body of the report but in summary the time spent includes:

- > Marketing the Company with the view to a sale as a going concern,
- > Liaison with solicitors and agents,
- > Correspondence and meetings with interested parties,
- > Reviewing offers,
- > Agreement of contracts,
- > Collecting the book debts of the Company,
- > Selling the Company's stock.

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake. The sale of the business was particularly complex and required extensive involvement of the Administrators and senior staff.

2.5 Trading

Trading activities included:

- > Planning appropriate trading strategy,
- > Liaison with employees,
- > Dealing with suppliers,
- > Contact and negotiation with customers,

- > Authorisation of commitments,
- > Review of trading position,
- > Paying suppliers,

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

2.6 Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with retention of title claims,
- > Recording creditor claims
- > Reporting to creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,
- > Reporting to the secured creditors

3 Time and chargeout summary

To date a total of 1,563 84 hours have been spent at an average charge out rate of £208 29 bringing the total cost to date to £325,732 40

A summary table is shown below

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	32 75	118 70	148 20	31 35	331 00	60,062 70	181 46
Creditors	5 25	27 00	125 37	0 00	157 62	28,330 35	179 74
Employees	12 30	50 90	152 17	0 00	215 37	40,543 00	188 25
Retention of Title	2 25	10 75	47 35	0 00	60 35	10,283 55	170 40
Secured Creditors	5 60	14 20	2 50	0 00	22 30	6,559 00	294 13
Investigations	0 00	0 50	0 00	12 25	12 75	1,860 00	145 88
Book Debts	0 30	1 90	13 50	0 00	12 70	3,276 50	257 99
Intangible Assets	31 50	0 00	0 50	0 00	32 00	11,269 00	352 16
Tangible Assets	43 85	63 90	22 80	0 00	133 55	35,547 35	266 17
Trading	84 85	132 35	369 00	0 00	586 20	128,000 95	218 36
Total hours	218 65	420 20	881 39	43 60	1,563 84		
Total fees claimed £	77,620 75	100,742 20	141,861 10	5,508 35		325,732 40	208 29

The above costs exclude VAT

4 Disbursements

4.1 Category 1

Category 1 disbursements incurred are outlined below

	Incurred	Paid
	£	£
Mileage	5,590	Nil
Parking & Motor Expenses	276	Nil
Subsistence	94	Nil
Internet charges	55	Nil
Total	<u>6,015</u>	<u>Nil</u>

The above costs exclude VAT

4.2 Category 2 disbursements

No Category 2 disbursements (amounts payable or paid to RSM Tenon Recovery or to any party in which the officeholder or RSM Tenon Recovery has an interest) have been incurred or paid in this matter

Appendix IV

Joint Administrators'
Receipts and Payments Account

Phoenix Chemicals Limited
(In Administration)
Joint Administrators' Trading Account
To 14/03/2011

S of A £	£	£
POST APPOINTMENT SALES		
Sales - UK	120,262 50	
Sales - Ireland	438,495 36	
		558,757 86
PURCHASES		
Purchases	6,348 01	
		(6,348 01)
OTHER DIRECT COSTS		
Fuel Oil	43,681 48	
Waste Removal	2,081 20	
		(45,762 68)
TRADING EXPENDITURE		
Staff Wages	259,116 51	
Other Staff Costs	2,703 88	
Motor and Travel	461 05	
Telephone	1,581 73	
Haulage Costs	3,442 34	
Insurance	8,000 00	
Licence Fees	17,969 06	
Bank Charges	375 00	
Factoring Charges & Interest	16,377 26	
Lease/HP Payments	4,336 31	
Repairs & Maintenance	2,693 00	
Sundry Expenses	130 89	
Arrears of Pay	120,880 56	
		(438,067 59)
TRADING SURPLUS/(DEFICIT)		68,579.58

Phoenix Chemicals Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 14/03/2011

S of A £		£	£
	SECURED ASSETS		
682,000 00	Factored Book Debts	NIL	
(123,079 00)	Bank of Scotland Commercial Finance	NIL	
Uncertain	Intellectual Property	NIL	
Uncertain	Plant & Machinery - Bromborough	NIL	
Uncertain	Freehold Land & Property - Bromborou	NIL	
(1,182,057 00)	Bank of Scotland plc	NIL	
(223,437 00)	MSIF Mezzanine Fund No 2	NIL	
(1,000,000 00)	MSIF Venture Fund No 3	NIL	
Uncertain	Freehold Land & Property - Annan	NIL	
(625,000 00)	Shasun Pharma Solutions Ltd	NIL	
(15,856,969 00)	Trustees of HA Cann 1997 Trust	NIL	
			NIL
	COSTS OF REALISATION		
	Insurance	4,000 00	(4,000 00)
	ASSET REALISATIONS		
Uncertain	Plant & Machinery - Annan	NIL	
Uncertain	Motor Vehicles	NIL	
Uncertain	Stock	NIL	
450,000 00	Non-Factored Book Debts	292,206 79	
	Sundry Debts	352 50	
Uncertain	R&D Tax Refund	NIL	
Uncertain	VAT Refund	NIL	
146 00	Cash in hand	NIL	
8,280 00	Rates Refund	NIL	
	Trading Surplus/(Deficit)	68,579 58	361,138 87
	COST OF REALISATIONS		
	Site Security Costs	400 00	
	Agents Disbursements	870 00	
	Advertising business for sale	2,086 00	
	Statutory Advertising	75 60	
	Insurance of Assets	3,812 86	(7,244 46)
	PREFERENTIAL CREDITORS		
(53,693 00)	Employee Arrears of Pay and Holiday	NIL	
(166,524 00)	Pension Schemes	NIL	
			NIL
	UNSECURED CREDITORS		
(1,800,641 00)	Trade & Expense Creditors	NIL	
(144,095 00)	Employees PILON and Redundancy P	NIL	
(722,709 00)	HM Revenue & Customs - PAYE & NI	NIL	
(8,445,956 00)	Unsecured loans	NIL	
			NIL
	DISTRIBUTIONS		
(14,865,021 00)	Ordinary Shareholders	NIL	

**Phoenix Chemicals Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 14/03/2011**

S of A £	£	£
		NIL
(44,068,755.00)		349,894.41
REPRESENTED BY		
Vat Receivable		16,533 96
LloydsTSBCF Factoring A/c		68,989 05
Floating Deposit A/c		288,423 90
Vat Payable		(24,052 50)
		349,894.41

Phoenix Chemicals Limited ("the Company") – In Administration

Statement of Pre-Administration Costs

Pre-Administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the administrator or his firm, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so

Summary of the Joint Administrators' pre-Administration costs

The Joint Administrators make the following statement in accordance with Rule 2.33 (2B) of the Insolvency Rules 1986 as amended ("the Rules") in relation to their pre-Administration costs

The Joint Administrators' pre-Administration costs comprise -

	£
Pre – Administration time costs	36,856
Pre – Administration expenses	
Legal costs	None
Agents costs	None
Pre – Administration disbursements	
Category 1	None
Category 2 (see Appendix III)	None
Total	£36,856

In accordance with Rule 2.67A (3)(b) the Joint Administrators will be seeking approval for payment of their Pre-Administration costs from the secured and preferential creditors

Further information on each category of pre-Administration cost is given below

Pre-administration time costs of the Joint Administrators

The Joint Administrators' unpaid pre-appointment time costs total £36,856 at RSM Tenon Recovery's standard charging rates (see Appendix N2)

These costs were all incurred prior to the Administration and in relation to the following activities

- Confirming that one of the statutory objectives of administration could be achieved
- Liaising with secured creditors, key stakeholders and major creditors
- Carrying out all necessary steps in order to place the Company into Administration
- Preparation for the marketing and potential sale of the Company

A summary table is shown below

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	15 30	103 25	8 40	0 25	127 20	32,425 45	255 13
Creditors	8 10	0 00	2 50	0 00	10 60	3,308 00	312 08
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	N/A
Realisation of Assets	2 50	0 30	0 70	0 00	3 50	1,095 60	313 03
Trading	0 00	0 00	0 00	0 00	0 00	0 00	N/A
Total hours	25 90	103 55	11 60	0 25	141 30		
Total fees claimed £	9,194 50	25,931 20	1,700 10	30 25		36,856 05	260 84

The agreement under which we incurred the pre-Administration costs was RSM Tenon Recovery's Letter of Engagement from the Company dated 11 January 2011

None of these costs have been paid

Pre-Administration expenses

No pre-Administration expenses have been incurred

Pre-Administration disbursements

No pre appointment disbursements were incurred in this matter

Work done

The work undertaken by the Administrators prior to my appointment as Administrator was done in the interests of creditors to prepare for trading the business and for marketing and potential sale of the business and assets

Other persons entitled to claim

We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any such claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules

Not part of the Administrators' Proposals

Please note that our request for payment of pre-Administration costs is separate to and does not form part of our Proposals to creditors for the conduct of the administration

Rule 2.37

Creditor's request for a meeting

Name of Company Phoenix Chemicals Limited	Company number 03681753
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 54 of 2011

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b)
Phoenix Chemicals Limited

Arkwright House
Parsonage Gardens
Manchester
M3 2LF

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

CREDITORS QUESTIONNAIRE ON DIRECTORS CONDUCT

Company: Phoenix Chemicals Limited - In Administration

Creditor's name and address.	
Amount of claim.	£
What was the authorised credit limit?	£
If your claim exceeds the credit limit, on what basis or terms was the credit increased?	
Please provide details of any comfort, security or assurance given which influenced your decision to continue to supply on credit.	
When were you first aware that there were difficulties in obtaining payment and what was the evidence of this?	
Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt.	
Please provide details of any cheques which were dishonoured, including dates and amounts.	
As there any particular matters you feel should be reviewed? If so please provide brief details.	

Date	
Signature	
Name	
Position	

PROOF OF DEBT - GENERAL FORM**In the matter of****Phoenix Chemicals Limited - In Administration****and in the matter of The Insolvency Act 1986**

Appointment Date – 25 January 2011

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date	