

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
Stereecycle (Rotherham) Limited

Company number
04393028

In the
The High Court of Justice, Chancery Division
(full name of court)

Court case number
7219 of 2012

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

We (a)

Guy Robert Thomas Hollander

Michael James Wellard

of Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD

*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

(b) 6 November 2012

Signed


Joint Administrator

Dated

6 November 2012

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 searchers of the public record.

Guy Robert Thomas Hollander
Tower Bridge House, St Katharine's Way, London, E1W 1DD

DX Number

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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**Sterecycle (Rotherham) Limited - In Administration
("SRL", "the Company")**

**Administrators' Statement of Proposals Pursuant to Paragraph 49
of Schedule B1 of the Insolvency Act 1986**

6 November 2012

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report should not be referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The administrators act as agents of the Company without personal liability.

Guy Robert Thomas Hollander and Michael James Wellard
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Sterecycle (Rotherham) Limited

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Statement to Creditors

1 Introduction

- 1.1 This statement is addressed to the creditors of the Company and includes the Joint Administrators' proposals which will be considered at the meeting of creditors to be held on 23 November 2012
- 1.2 The creditors may approve the proposals, with or without modifications, but any modifications are subject to the consent of the Joint Administrators. If the creditors choose to reject the proposals, a report will be sent to the Court advising that creditors have resolved to reject the proposals. In the event of such a rejection, the Court may provide that the appointment of the Joint Administrators ceases and make such order as it deems appropriate. This may include the Company being returned to the control of the directors or a winding-up order being made, placing the Company into compulsory liquidation.
- 1.3 If the proposals are approved by the creditors either with or without modification, the meeting may also establish a creditors' committee pursuant to paragraph 57 of Schedule B1 of the Insolvency Act 1986. The purpose of such a committee would be to assist the Joint Administrators in the discharge of their duties and responsibilities. If the proposals are agreed, the Joint Administrators will continue to control the business of the Company. At a later date, the Administrators will arrange for the Company to exit from the Administration. This may be via a creditors' voluntary liquidation or by an application to dissolve the Company.
- 1.4 The statutory purpose of an Administration comprises three hierarchical objectives
- a) rescuing the Company as a going concern,
 - b) achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration), or
 - c) realising property in order to make a distribution to one or more secured or preferential creditors
- 1.5 Prior to our appointment, a financial overview of the Company was undertaken and the options considered with the board of directors. Given the level of debt, the threat of a winding up petition and the time available, it was not considered possible to restructure the Company's debt. Consequently, once the Company was placed in to Administration, rescuing it as a going concern was not considered feasible. However, objective (b) was considered appropriate as this was likely to produce a better result for the Company's creditors than would be achieved if the Company was wound up.

2 Statutory information

- 2.1 I would advise you that I was appointed Administrator of the Company jointly with my partner Michael Wellard, on 18 September 2012. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales and Michael Wellard is authorised in the UK by the Association of Chartered Certified Accountants.

- 2.2 The application for the appointment of an Administrator was made by the directors on 18 September 2012 following an application to the High Court of Justice. A Notice of Intention to Appoint an Administrator had been filed by the directors earlier on 14 September 2012.
- 2.3 The floating charge holder, RBS Invoice Finance Limited ("RBSIF") provided consent to the appointment on 17 September 2012. According to the Company's records, the amount due to RBSIF under its invoice discounting facility was nil, however, it was considered prudent to serve notice on them.
- 2.4 The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000 of 29 May 2000) applies to this Administration and the proceedings are main proceedings.
- 2.5 The Court reference number is 7219 of 2012.
- 2.6 The registered number of the Company is 04393028.
- 2.7 The trading address of the Company was Sheffield Road, Templeborough, Rotherham, South Yorkshire, S60 1DX ("Rotherham site"). The business traded under the name Sterecycle.
- 2.8 The registered office of the Company is Tower Bridge House, St Katharine's Way, London, E1W 1DD. The former registered office was Lower Ground Floor, 32 Grosvenor Gardens, London, SW1W 0DH.
- 2.9 All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone.
- 2.10 Details of the directors of the Company along with their shareholding are as follows:
- | Director | Date appointed | Date resigned | Shares held |
|--------------------|----------------|---------------|-------------|
| Mr Thomas Shields | 09/02/2010 | - | Nil |
| Mr Richard Moulson | 20/09/2011 | - | Nil |
| Mr Ronald Kopas | 28/07/2005 | - | Nil |
| Mr Andrew Hinton | 10/10/2005 | - | Nil |
| Mr John Grierson | 05/05/2004 | - | Nil |
- 2.11 The Company's financial year ends on 31 March. The last statutory accounts filed by the Company were for the year ended 31 March 2012.
- 2.12 A summary of the Company's trading results for the financial years ended 31 March 2010, 31 March 2011 and 31 March 2012 are provided below.

Summary Profit & Loss Account	Year ended 31/03/2012	Year ended 31/03/2011	Year ended 31/03/2010
	£'000	£'000	£'000
Revenue	7,057	5,300	6,197
Cost of Sales	<u>(8,299)</u>	<u>(6,301)</u>	<u>(6,243)</u>
Gross Profit	(1,242)	(1,001)	(46)
Exceptional impairment cost	-	(4,890)	-
Insurance claim	550	400	-
Exceptional repair costs	<u>(309)</u>	<u>(219)</u>	<u>-</u>
	(1,001)	(5,710)	(46)
Administration expenses	<u>(654)</u>	<u>(2,829)</u>	<u>(3,255)</u>
Operating Loss	(1,655)	(8,539)	(3,300)
Finance income	1	971	23
Finance expense	<u>(31)</u>	<u>(2,047)</u>	<u>(1,825)</u>
Operating Loss before taxation	(1,685)	(9,615)	(5,102)
Taxon loss on ordinary activities	-	161	-
Loss for the financial year	<u>(1,685)</u>	<u>(9,454)</u>	<u>(5,102)</u>

Source Filed Accounts for the Years Ended 31 March 2010, 2011 and 2012

- 2 13 A summary of the trading results up to 31 August 2012, taken from the draft management accounts are as follows

Summary Profit & Loss Account	For the period 01/04/2012 to 31/08/2012
	£'000
Revenue	4,408
Variable costs	<u>(2,837)</u>
Contribution	1,570
Fixed costs	<u>(2,264)</u>
EBITDA	(694)
Depreciation	(278)
Interest - Hire Purchase	<u>(42)</u>
EBIT	<u>(1,014)</u>

Source Management accounts for the period 1 April 2012 to 31 August 2012

- 2 14 The Company's balance sheets for the years ending 31 March 2010, 31 March 2011, 31 March 2012 and the draft management accounts up to 31 August 2012 are summarised below.

Balance Sheet	Notes	As at 31/08/2012 £'000	As at 31/03/2012 £'000	As at 31/03/2011 £'000	As at 31/03/2010 £'000
Non-current assets					
Property, plant and equipment		12,823	11,340	9,197	11,011
		12,823	11,340	9,197	11,011
Current Assets					
Trade and other receivables		5,479	4,646	4,740	1,584
Cash and cash equivalents		430	903	236	10,052
		5,909	5,549	4,976	11,636
Current liabilities					
Trade and other payables		4,323	2,807	13,285	5,221
Borrowings		1,522	252	-	-
		5,845	3,059	13,285	5,221
Net Current Assets / (Liabilities)		63	2,490	(8,309)	6,415
Total assets less current liabilities		12,886	13,830	888	17,426
Non-current liabilities					
Borrowings	1		501	-	9,577
Net assets		12,886	13,329	888	7,850
Shareholders' equity					
Share capital		3	3	3	3
Share premium		23,395	23,395	23,395	20,895
Capital contribution		14,126	14,126	-	-
Warrents Reserve	2	-	-	-	168
Profit and loss account		(24,638)	(24,195)	(22,510)	(13,216)
		12,886	13,329	888	7,850

Source Filed Accounts for the Years Ended 31 March 2010, 2011 and 2012
Management Accounts as at 31 August 2012

Notes

1 Amount relates to Convertible Debentures issued in January 2010. On 14 May 2010, the Company became a subsidiary of STE (Clean Recycling and Energy) plc as part of a group re-organisation. In May 2010, STE acquired all the issued debentures of the Company. In December 2010, the Company redeemed the convertible debentures at par by way of an intercompany loan.

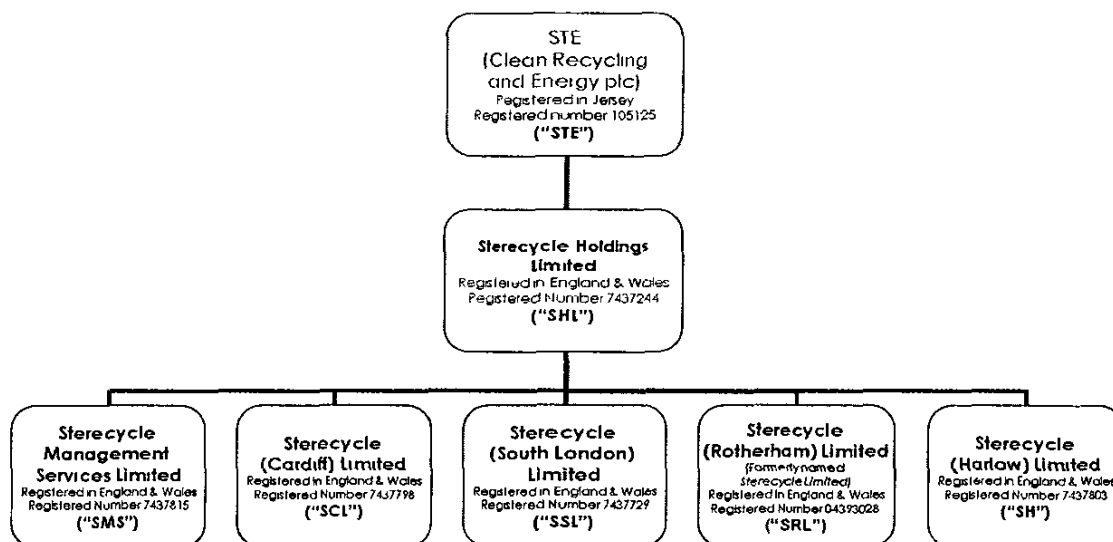
2 Relates to warrants relating to preference shares. In May 2010, STE acquired all of the issued preference shares of the Company. In December 2010, STE subscribed for new ordinary shares of the Company in exchange for the cancellation of the preference share capital.

3 Background and Events Leading up to Appointment

3.1 Group structure

- 3.1.1 In May 2010, the current corporate structure as set out below (hereafter referred to as the "Stereecycle Group"), was implemented whereby the Company was renamed from Sterecycle

Limited to Sterecycle (Rotherham) Limited and became 100% owned by Sterecycle Holdings Limited ("SHL") The ultimate parent company is STE (Clean Recycling and Energy) Plc ("STE")



3 1 2 Michael Wellard and myself were also appointed Administrators over SHL and Sterecycle Management Services Limited ("SMS") on 18 September 2012.

3 1 3 We have also recently been appointed Administrators over Sterecycle (Cardiff) Limited 2012 ("SCL") on 2 November 2012

3 1 4 It is expected that STE, the ultimate parent company registered in Jersey, will shortly be placed into liquidation Meetings have been convened for 8 November 2012 for members and creditors to consider the appointment of myself and Mike Wellard as Liquidators Under Jersey Law an administration insolvency procedure is not available

3 1 5 The Company was the main operating company, however SMS employed the staff and the majority of the intellectual property of the Group Therefore these two companies were closely interlinked

3 1 6 SHL is a holding company and was not trading

3 1 7 Sterecycle (South London) Limited and Sterecycle (Harlow) Limited were originally incorporated with the intention to develop further sites However, the plans for these sites to become operational did not proceed and both companies are dormant, and are expected to be struck off

3.2. Other sites

3 2 1 The Sterecycle Group also acquired a site near Cardiff, South Wales in 2007 which was transferred to SCL in December 2010 The land is yet to be developed but has planning permission for a waste processing facility incorporating autoclave technology, materials recycling and combined heat and power generation

- 3 2 2 The head office for the Sterecycle Group was located at Grosvenor Gardens, London which were leasehold premises with the lease held in the name of SMS (“London office”)

3.3. The Sterecycle business

- 3 3 1 SRL was founded in 2003 with a business plan of applying autoclave waste treatment technology to unsorted household and commercial waste. This technology had been used on a smaller scale processing medical waste.
- 3 3 2 Using funds raised from a number of private investors, SRL began commissioning the Rotherham site in June 2008. It was the first business to design, build and operate a commercial-scale autoclave waste treatment plant. The aim being to divert household and commercial waste from landfill.
- 3 3 3 The plant initially operated two autoclaves, enabling a capacity of circa 90,000 tonnes per annum of waste. In January 2012, a third larger autoclave was commissioned, which doubled throughput capacity from 90,000 tonnes to approximately 175,000 tonnes per annum.
- 3 3 4 SRL received the majority of waste from three local authorities, the Barnsley, Doncaster and Rotherham councils (“BDR”).
- 3 3 5 The process included sorting and scanning the waste using state of the art infrared optic equipment to remove valuable recyclable materials, such as plastic and metals. Other materials were also extracted, which could be used as fuel in certain processes (refuse-derived fuel or “RDF”).
- 3 3 6 The remainder of the waste such as organic materials (i.e. cardboard and vegetable matter) was processed through autoclaves where it was sterilized using steam and high pressure transforming it into a biomass-rich product that was branded and trademarked as Sterefibre®. The remaining amount of residue was deployed to landfill sites. Sterefibre® can be used as a soil conditioner on land remediation schemes and as a fertilizer for biomass energy crops.
- 3 3 7 The plant was capable of recovering more than 80% of input waste materials as recyclates, RDF and Sterefibre® such that only circa 20% needed to be sent to landfill. This level of landfill diversion, which avoided primary incineration, was attractive to both municipal and trade customers.
- 3 3 8 SRL’s revenues arose from two different sources, the processing / gate fees that it received for each tonne of waste delivered to site and the proceeds from the sale of recyclates extracted from such waste. The average processing fee was circa £80-90 per tonne of waste received, with recyclate income at almost £20 per tonne. However, the recyclate prices were volatile and subject to wide fluctuations. The costs of removing the residual waste products were also subject to changes affecting the profit margins achieved by the business.
- 3 3 9 The employees used by the business were employed by SMS and the costs for their services were recharged through inter-company loans. SMS employed approximately 90 staff across both the Rotherham and London sites.

3.4. Reasons for failure

- 3 4 1. In January 2011, a fatal accident at the Rotherham site significantly impacted the business with the site being closed for approximately three months. The accident also resulted in subsequent difficulties in raising finance. The cause of the accident is still subject to investigation by South Yorkshire Police (“the Police”) and the Health and Safety Executive (“HSE”).
- 3 4 2. In early 2012, the plant suffered from operational problems resulting in difficulties in meeting the increased contractual commitment from the Company’s main customer BDR. The capacity issue meant it was necessary for waste to be processed offsite by a third party which led to significant cost overruns.
- 3 4 3. In late Spring of 2012, delays were also experienced in the project to increase capacity at the Rotherham site, which involved the installation of a new front end materials recovery facility (MRF). These delays postponed the start-up of the expanded plant and the planned increase in revenues.
- 3 4 4. During 2012, the Sterecycle Group attempted to raise funding through a reverse take over (“RTO”) on the Toronto Stock Exchange. Subscription receipts of Can\$2m were paid into an escrow account and were to be released following the successful listing. However, delays were experienced in the process and in gaining approval from the Ontario Securities Commission (“OSC”). In September 2012, the OSC advised that the cashflow forecasts submitted by the group were insufficient to meet ongoing working capital requirements, even with the release of the Can\$2m held in escrow.
- 3 4 5. The price of recyclates, including plastics, paper and metals had also fallen over the last six months (some prices falling by up to 50%), which effected the level of income received.
- 3 4 6. By August 2012, the Company was in discussions with its major customer BDR for renegotiation of the terms of its contract, including the reduction of the volume of waste supplied and also a reduction of the gate fee per tonne. BDR advised of the requirement of either an increased performance bond from £2.1m to £4.16m or the provision of £2.08m cash as security.
- 3 4 7. As a result of the above, the Company was faced with working capital constraints and increasing creditor pressure. The Company was threatened with a winding up petition from a creditor, Mayflower Engineering Limited, requiring payment of £220,000 by 15 September 2012.
- 3 4 8. Mazars were initially approached by the Sterecycle Group towards the end of May 2012 to provide advice on the options available in the event that the fundraising through the RTO was unsuccessful.
- 3 4 9. Mazars were further contacted on an ad hoc basis to provide informal advice and in the week commencing 10 September 2012 the Board of Directors approached Mazars to consider insolvency options, given the concern over the share listing not proceeding. This position was confirmed on 13 September 2012 when the OSC rejected the application and required further information, and together with the impending threat of a winding up petition, the Board of

Directors instructed Mazars to commence the Administration process in respect of the Company

4 Subsequent Events

4.1. Efforts to sell business and assets

- 4.1.1 On the date of the Administrators' appointment, my staff and I attended the Rotherham site and met with management to review the options available to the Company and to assess the viability of the business. It was concluded that the Administrators would maintain the business operations and that the moratorium would give the necessary breathing space to seek a sale of the business as a going concern
- 4.1.2 If a sale of the business could be achieved (rather than a sale on a break up basis), it was likely to be beneficial to creditors for several reasons, namely,
- Higher asset disposal values
 - Safeguarding the jobs for some 90 employees (there would be a transfer of the employment contracts held in SMS under TUPE)
 - Reduction in liabilities such as rent, waste disposal costs and reservation of title claims
- 4.1.3 In order to ensure the continuation of the business, the Administrators agreed that the arrears of wages for the period 1 September 2012 to 17 September 2012 would be honoured. These arrears were paid in the September payroll using funds held in the Administration of SMS. However, as this payment benefitted the Company, the payroll cost of £196,239 will be reimbursed to SMS.
- 4.1.4 Several redundancies were required to be made on 18 September 2012 in respect of several senior management roles that were no longer required.
- 4.1.5 The Administrators identified with senior management various parties who could be interested in the business and assets of SRL/SMS and contact was made with them. In addition, the Administrators advertised internally in Mazars and an advertisement was placed in the Financial Times on 25 September 2012, and on the IP-Bid.com website on 19 September 2012.
- 4.1.6 The ongoing viability of the business was largely reliant on the continuation of the contract with BDR, the Company's principal customer. The supply of waste from BDR had been suspended with effect from the close of business on 18 September 2012 and a meeting was arranged with BDR on the following day to discuss their willingness to provide future waste whilst the Administrators pursued a sale of the business as a going concern. BDR were unable to provide any assurances at the meeting but confirmed that they would give it their due consideration and advise within 48 hours. Unfortunately, they confirmed on 21 September 2012 that the contract had been terminated as a result of SRL being in Administration.

- 4.1.7 Consequently, with no trading income, the Administrators had no option but to take steps to reduce costs and to cease operations
- 4.1.8 It was necessary to make 71 employees redundant on 21 September 2012 and a skeleton team of 19 staff were retained to assist the Administrators to mothball the site and to provide maintenance cover whilst the Administrators still attempted to achieve a going concern sale of the business and assets
- 4.1.9 There was a high level of interest in the business with a total of 57 expressions of interest received. Non disclosure agreements and a sales memorandum were issued to 53 of these parties and signed non disclosure agreements were returned by 24 parties. Of these, 14 parties visited the site
- 4.1.10 The remaining interested parties either confirmed that they were only interested in the assets on a break-up basis, or that they had no further interest in the business and assets
- 4.1.11 By 1 October 2012, the Administrators' negotiations were well advanced with one party and heads of terms were being finalised. It was intended that the terms of the sale agreement would be agreed by 5 October 2012 with a sale exchanged shortly thereafter.
- 4.1.12 Under the draft heads of terms, completion of the sale was conditional upon several factors, including the waste permit license being transferred to the purchaser by the Environment Agency, BDR's agreement for the supply of waste (albeit at lower volumes) going forward, and a lease assignment being agreed with the landlord of the Rotherham site
- 4.1.13 Unfortunately, the interested party was unable to get the necessary assurance over the future supply of waste from BDR. They concluded that with the significant level of investment that would be required to run a profitable waste processing plant and without any guaranteed income stream, the operation could not be viable. Consequently, they confirmed to the Administrators on Sunday 7 October 2012 that they would not be proceeding with their offer. By this time, the other interested parties had either withdrawn their interest or confirmed to the Administrators that they could not progress matters in the time available
- 4.1.14 The Administrators faced significant time pressure in finalising a deal based on the significant running costs in maintaining the site, including salary costs, rent and rates. An agreement had been reached with the landlord for the occupation of the premises up to 8 October 2012. On this basis, the Administrators were required to either vacate the premises, or would have been required to extend the agreement with the landlord and incur further costs (see section 4.2 below)
- 4.1.15 On a break up basis, the Administrators' appointed chattel agents, Wyles Hardy & Co ("Wyles Hardy"), had advised that any recovery of the plant and machinery was likely to be negligible after taking into consideration the costs of removal (see section 4.4)
- 4.1.16 In light of the above, the Administrators had no option but to close down the site on 8 October 2012, make the remaining staff redundant and hand the property back to the landlord

4.2. Rotherham site lease

- 4 2 1 Rent in respect of the Rotherham site was due quarterly and at the date of the Administrators' appointment, SRL was in two months rent arrears. The Quarterly rent is £63,682 and the landlord held a rent deposit of £50,000
- 4 2 2 In accordance with recent case law, including the *Goldacre* decision, and absence of any agreement with the landlord, if the Administrators were in occupation of the premises on the quarter day (29 September 2012), a quarter's rent would be payable as an Administration expense. Although, the Administrators would not be liable for any outstanding rent from the date of their appointment to 28 September 2012
- 4 2 3 However, an agreement was reached with the landlord to pay weekly rent from the date of appointment up until 8 October 2012 (three weeks)

4.3. Clearance of waste from site and environment issues

- 4 3 1 On the day of Administration, the Company had a large quantity of waste (in excess of 3,500 tonnes) on the Rotherham site
- 4 3 2 The Administrators were in regular contact with the Environment Agency in respect of their concerns on the level of waste products on the site and its removal
- 4 3 3 The Administrators made arrangements for all waste received and processed during the Administration period to be removed from site. This totalled approximately 910 tonnes of municipal solid waste (MSW), middlings and fibre, and 237 tonnes of RDF bales. The total cost of removal was some £93,108, including VAT
- 4 3 4 The remaining waste, approximately 1200 of MSW and approximately 1300 tonnes of RDF bales had been on site prior to the Administration. On this basis, the cost for clearing this proportion of waste would either be a liability that a potential purchaser would inherit if a sale had been achieved or, in the event of the property being handed back to the landlord, the responsibility of the landlord, which is what occurred in this case

4.4. Valuation of assets

- 4 4 1 The Administrators instructed Wyles Hardy, registered valuers and auctioneers to provide a valuation of the plant and machinery at the Rotherham site. Wyles Hardy are specialist business and asset valuers and auctioneers and they were chosen based on their experience in insolvency matters and in the industry. The basis of their fees have been agreed on a time cost basis
- 4 4 2 Wyles Hardy advised that to maximise asset values on a break up basis, they would need a period of 9 -12 months to market the plant and machinery, due to the bespoke nature of the equipment and the difficulty in removing the equipment from site. They advised that the unencumbered assets had a value in the region of £350,000
- 4 4 3 Annual rent and rates total approximately £375,000 and it would be necessary to maintain 24-hour security cover during the marketing period to safeguard the assets. Therefore, allowing for these costs, the Administrators concluded that it would not be cost effective to sell the plant and machinery on a break up basis

4.5. Retention of title claims from suppliers

- 4 5 1 The Administrators received notification of 18 retention of title (“ROT”) claims from various suppliers in respect of goods/equipment situated at the Rotherham site. These creditors have claims totalling in the region of £1.1 million.
- 4 5 2 In order to reduce costs, and as the Administrators had been working towards a sale of the business as a going concern, a formal adjudication of claims was not carried out on the basis that the goods were likely to be required by a potential purchaser. Alternatively, if a sale was not forthcoming, then the Administrators would allow suppliers to recover their goods, as this would reduce their claims against the Company.
- 4 5 3 Following the cessation of the business on 8 October 2012 and with control of the site being handed back to the landlord, the details of ROT claims were provided to the landlord. He has informed the Administrators that he has been in contact a number of suppliers claiming ROT and has reached agreement with them. We are currently awaiting confirmation but we would expect the creditor claims to be significantly reduced as a result of this.

5 Investigations

- 5 1 The Joint Administrators are required to investigate the affairs of the Company and the conduct of the directors in the period leading up to the Administration. The findings are reported to the Insolvency Service in accordance with the Companies Directors’ Disqualification Act 1986, and an appropriate report will be filed in due course. The content of the report is confidential.
- 5 2 Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. The request for information forms part of our usual investigation procedure and does not imply that there may be any cause of action lying against any person concerned in the Company’s affairs.

6 Assets

6.1. Cash at Bank

- 6 1 1 The Company held a current account with HSBC Bank plc. At the date of appointment, funds of £384,456 were held in the account. Following further bank charges and the deduction of amounts owing on the Company’s credit cards, funds totalling £383,984 have been transferred to the Administration account.

6.2. Surplus Invoice Finance funds

- 6 2 1 The Company had an invoice finance facility with Royal Bank of Scotland Invoice Finance Limited (“RBSIF”).

6 2 2 RBSIF hold a fixed and floating debenture over the assets of SRL, however, the facility held a surplus balance upon Administration of £18,360. Following further receipts and discounting charges, a balance of £339,622 was realised on 10 October 2012.

6.3. Performance Bond

6 3 1 The Company was required to provide a performance bond in the sum of £500,000 under the terms of the service agreement with BDR. This bond was required in respect of the initial term (phase 1) of the contract with BDR, but expired on the implementation of phase 2 in January 2012. The bond was held with surety HCC International Insurance Company PLC and funds of £500,000 have been realised in the Administration, together with interest of £1,979.

6.4. Debtors

6 4 1 The Company's main customer was BDR and the amount owing by BDR at date of Administration totalled £1,567,723, based on invoices for the period 1 August 2012 to 17 September 2012. To date, credits totalling £27,134 have been applied against these invoices in respect of penalties under the terms of the agreement with BDR.

6 4 2. Funds received in the Administration to date total £1,292,753, which includes the surplus funds received from RBSIF, as noted above.

6 4 3 Accordingly, a balance of £520,562 (£433,801 net of VAT) is owing from BDR, which is in respect of September invoices. For the purpose of the Estimated Outcome Statement, attached at Appendix C, a provision of approximately 50% has been applied for potential set-off, final reconciliation of accounts and further credits to be applied against these invoices.

6 4 4 Amounts owing from other debtors at the date of Administration total £14,915 (£12,429 net of VAT). Receipts totalling £379, plus VAT have been received to date. In the Estimated Outcome Statement, we have made a provision for further credits.

6.5. Trading Receipts

6 5 1 An amount of £44,074 (£36,728 net of VAT) was invoiced to BDR in respect of waste supplied on the first day of Administration. Amounts invoiced to other customers in the Administration total £9,427 (£7,855 net of VAT).

6 5 2 For the purpose of the Estimated Outcome Statement, a provision of approximately 30% has been made for potential credits to be applied against these invoices.

6.6. Intercompany debt

6 6 1 An intercompany debt of £2,624,891 is owing from SHL, the immediate parent company, following the sale of assets to fellow subsidiaries which was settled by the intercompany loan with SHL during the year ended 31 March 2011.

6 6 2 As noted above, SHL was placed into Administration on 18 September 2012 and the amount recoverable for this loan is dependent on the level of funds realised in the Administration of SHL.

- 6 6 3 The only asset in SHL is intercompany debts owing from SMS and SCL. It is likely that there will be a recovery from SMS and possibly SCL, depending on the net realisation of the freehold property owned by SCL. However, at this stage, we have shown the recovery to be uncertain in the Estimated Outcome Statement.

7 Liabilities

7.1. Secured Creditors

- 7 1 1 As noted above, RBSIF held a fixed and floating debenture over SRL dated 29 March 2012, which was registered on 31 March 2012.
- 7 1 2 Prior to Administration, the facility had not been drawn down to the full value of invoices on the ledger and on the day of Administration, a surplus balance of £18,360 was held by RBSIF. Accordingly, RBSIF have no claim in the Administration.
- 7 1 3 As noted in Section 6 2, a surplus balance of £339,622, in respect of book debts, has been realised.

7.2. Preferential Creditors

- 7 2 1 As noted in Section 3 1 5, the employees used for the Company's business were employed and paid by SMS. Accordingly, there are no preferential claims in the Administration of SRL.
- 7 2 2 The costs for the employees' services were recharged to SRL through the intercompany account.
- 7 2 3 As detailed above, the arrears of wages owing to employees for the period 1 September 2012 to 17 September 2012 was paid by SMS as an expense of the Administration in order to sell the business as a going concern. The cost of £196,239 will be reimbursed to SMS.

7.3. Unsecured Creditors

- 7 3 1 According to the directors' Statement of Affairs, unsecured creditors' claims total £3,579,246. Total claims received to date are £2,587,152. These claims have not yet been adjudicated and will be reviewed once the Administrators are in a position to make a distribution to the unsecured creditors.
- 7 3 2 In addition, intercompany debts are owed by the Company to the ultimate parent company, STE in the sum of £624,970, and to SMS in the sum of £212,638.
- 7 3 3 There is also a contingent liability in respect of any claim made against the Company by the HSE in respect of the fatal accident at the Rotherham site in January 2011. As the investigations into the accident are ongoing, the value of any potential claim is currently uncertain.

8 Prescribed Part

- 8 1 In this case the qualified floating charge holder, RBSIF, has been repaid in full and therefore the prescribed part does not apply

9 Statement of Affairs

- 9 1 In accordance with paragraph 47 of Schedule B1 of the Insolvency Act 1986, the directors were requested to prepare a Statement of Affairs for the Company by 8 October 2012
- 9 2 A copy of the Statement of Affairs for the Company is attached at Appendix A, which has been filed at Companies House. Our comments in relation to the Statement of Affairs are as follows
- The directors provided an estimated value of £750,000 for the Rotherham plant. However, for the reasons set out in Section 4 of this report, it was necessary for the Rotherham site to be handed back to the landlord and the plant and equipment abandoned. Accordingly, no realisation is expected.
 - No realisation has been included in respect of the inter-company debt owing by SHL to the Company in the sum of £2,624,891. However, as noted in Section 6.6, an amount is likely to be recoverable from SHL depending on the level of funds that may flow through from the Administrations of SMS and SCL.
 - There was no provision for the costs of the Administration.

10 Estimated Outcome Statement including Receipts & Payments Account

- 10 1 Attached as Appendix B is an Estimated Outcome Statement, which includes a summary of the Joint Administrators' receipts and payments for the period from 18 September 2012 to 6 November 2012.
- 10 2 As noted in Section 6, further realisations of £200,000 have been estimated in relation to amounts owing from BDR, and a further £10,000 in relation to other customers in respect of book debts.
- 10 3 An amount of £30,000 is expected to be realised in respect of trading receipts owing from BDR and other customers.
- 10 4 The level of creditor claims used is based on the directors' estimate in the Statement of Affairs. As noted above, these claims have not been adjudicated and are subject to change. An additional 20% has been included on the value of the claims in the Estimated Outcome Statement to cover the potential increase in the value of claims following formal adjudication.

10.4.1 Based on asset realisations to date, the Administrators are pleased to be able to confirm that there will be a distribution to unsecured creditors. However, at this relatively early stage of the Administration, the expected distribution to creditors is uncertain due to the following factors:

- The amount of further debtor recoveries and intercompany receivables
- A number of unsecured creditor claims remain outstanding and therefore the final quantum of claims has yet to be assessed
- The agreement of ROT claims and or return of goods to those suppliers has not been finalised but the reduction in claims could be material
- The investigation by the police and HSE into the fatal accident is ongoing and the prospect of any claim is uncertain. In the event of a successful legal action against the Company, the claim awarded could have a material impact on the outcome to the Company's creditors

10.5 Therefore, in light of the above, the estimated dividend to unsecured creditors is currently 32 pence in the £. However, given the level of uncertainty, this estimate should be considered as illustrative and is likely to be subject to change.

11 Duration

11.1 The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment. However, pursuant to paragraph 76 of Schedule B1 of the Insolvency Act, 1986 this may be extended by either:

- an application to Court for a specified period, or
- by consent of the creditors for a maximum of 6 months

11.2 It is unclear at present if an extension of the Administration is likely to be sought in this case, but creditors will be kept advised of developments.

12 Proposals

12.1 In accordance with paragraph 49 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators of Sterecycle (Rotherham) Limited make the following proposals to creditors for achieving the purposes of the Administration dated 18 September 2012. Approval of these proposals will be considered as a single resolution at a meeting of creditors to be held on 23 November 2012.

- a) The Joint Administrators shall do all such things and generally exercise all powers as Joint Administrators as they, at their discretion, consider desirable in order to achieve the purpose of the Administration, or to protect and preserve the assets of the Company, or to maximise realisations for any other purpose incidental to these proposals.
- b) If the Joint Administrators consider it to be the most cost effective exit route, the Joint Administrators be permitted to conclude the Administration and place the Company into

Creditors' Voluntary Liquidation, with the appointment of Michael James Wellard and Guy Robert Thomas Hollander as Joint Liquidators. In accordance with paragraph 83(7)(a) of Schedule B1 of The Insolvency Act 1986, and Rule 2.117A(2)(b) of the Insolvency Rules 1986, creditors may nominate a different person to act as Liquidator provided that the nomination is made after the receipt of these proposals and before they are approved.

- c) Under the provisions of the Insolvency Act, the Joint Administrators have limited powers to agree the claims of unsecured non-preferential creditors and make distributions without permission of the Court. Therefore in the event that there are sufficient funds to enable a distribution to such creditors the Joint Administrators may apply to Court pursuant to paragraph 65 of Schedule B1 of The Insolvency Act 1986, for permission to declare and pay a dividend to such creditors, should they consider it to be more beneficial to the creditors than for the Company to proceed into Creditors' Voluntary Liquidation.
- d) In the event that the Company does not proceed into Creditors' Voluntary Liquidation, once all of the assets have been disposed of and all available funds distributed to creditors where possible, the Joint Administrators may, if appropriate, file a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the Administration, with the Company being dissolved three months thereafter.

13 Administrators' Remuneration

- 13.1 Confirmation and approval of the basis of remuneration will be sought from a creditors' committee and if one is not appointed, from the creditors at their initial meeting.
- 13.2 The basis of remuneration may be fixed
 - a) as a percentage of the value of the property with which I have to deal, or
 - b) by reference to the time properly given by my staff and I in attending to matters arising in the administration, or
 - c) as a set amount,or, as a combination of any one or more of the above.
- 13.3 If no committee is formed at the meeting of creditors, I propose that my remuneration be fixed on the basis of the time properly spent by my staff and I in dealing with matters arising during the Administration.
- 13.4 Attached at Appendix D are details of my firm's current charge out rates applicable to the case and those allocated disbursements for which approval will be sought.
- 13.5 Attached at Appendix C is a summary of my time costs to 2 November 2012 in accordance with Statement of Insolvency Practice 9. To date 629.9 hours have been spent dealing with the administration of this case, at a total cost of £158,837.50 representing an average hourly rate of £252. A copy of the publication "A creditors guide to Administrators' Fees" which

details the basis on which an Administrator's fees should be calculated is available to download from the website <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104> or alternatively will be provided free of charge upon written request to this office

- 13 6 Appendix C also includes a detailed breakdown of the type of work carried out
- 13 7 The latest estimate of costs is summarised in the Estimated Outcome Statement attached as Appendix B. The provision for the Joint Administrators' fees is based on an estimate of the eventual total costs. However, it is difficult to accurately estimate what these costs will be as it will be dependent on the timescale and extent of further work required in connection with the realisation of assets and agreement of claims

14 Pre-Administration Costs

- 14 1 The pre-administration costs total £20,760. This includes time costs of £12,732 carried out by Mazars and legal fees and expenses of £8,028 incurred by our solicitors Squires Sanders before the Company entered administration but with a view to it doing so. These fees are on a time cost basis.
- 14 2 Squire Sanders were instructed on the basis of their experience in working on assignments of this nature. The Administrators' choice was based on their perception of the advisor's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. No payment has been paid to date in respect of these costs.
- 14 3 The work carried out was required to enable the Company to be placed into Administration and involved advice to the board of directors by the proposed Administrators, the completion of formal documentation and filing the appointment documents at Court.
- 14.4 The payment of unpaid pre-administration costs is to be treated as an expense of the administration. Confirmation and approval of the costs will be sought from a creditors' committee and if one is not appointed, from the creditors at their initial meeting.

15 Joint Administrators' remuneration in SHL

- 15 1 The only creditors in SHL are
- SRL in the sum of £2,624,891
 - HM Revenue & Customs of £100
- 15 2 Based on asset realisations in SHL and the level of creditor claims, the estimated distribution to unsecured creditors is currently 4 pence in the £. Based on the level of SRL's claim, 99.9% of these funds are expected to flow to SRL.
- 15 3 As SRL has the major financial interest in the Administration of SHL, it is proposed that approval of the basis of the Joint Administrators' remuneration in SHL be sought in the Administration of SRL. Accordingly, confirmation and approval of the basis of remuneration

will be sought from a creditors' committee of SRL and if one is not appointed, from the creditors of SRL at their initial meeting. We currently estimate that the Administrators' time costs in SHL will be in the region of £15,000.

16 Pre-Administration costs in SHL

- 16.1 The pre-administration costs total £2,831. This includes time costs of £1,318 carried out by Mazars and legal fees and expenses of £1,513 incurred by our solicitors Squires Sanders before the Company entered administration but with a view to it doing so. These fees are on a time cost basis.
- 16.2 The payment of unpaid pre-administration costs is to be treated as an expense of the administration of SHL.
- 16.3 As per Section 15, confirmation and approval of the costs will be sought from a creditors' committee of SRL and if one is not appointed, from the creditors of SRL at their initial meeting.
- 16.4 The work carried out was required to enable the Company to be placed into Administration and involved advice to the board of directors by the proposed Administrators, the completion of formal documentation and filing the appointment documents at Court.

17 Meeting of Creditors

- 17.1 A meeting of the creditors of the companies to consider these proposals will be held on 23 November 2012. Formal notice convening the meeting is enclosed on Form 2.20B together with a form of proxy.
- 17.2 Please complete and return the form of proxy to this office by the date of the meeting if you cannot attend and would like to be represented. In order to be entitled to vote at the meeting, under Rule 2.38 Insolvency Rules 1986, you must give to me, not later than 12 noon on the business day before the day fixed for the meeting, details in writing of your claim.

18 Creditors' Committee


- 18.1 At the meeting of creditors a committee may be formed if no less than three and no more than five creditors are willing to serve on it.
- 18.2 If a committee is formed, the Joint Administrators shall consult with it from time to time on the conduct of the administration and the implementation of the proposals. Where appropriate, the Administrators will seek the committee's sanction to proposed actions.
- 18.3 The Administrators will be required to report to and convene meetings of the creditors' committee in accordance with the Insolvency Act and Rules.

19 Future Reports

19.1 A progress report covering the first six months of the Administration will be circulated to creditors during April 2013

Should you have any queries in relation to this matter, please do not hesitate to contact me or Cheryl Clarke at this office

Yours faithfully
For and on behalf of
Stereocycle (Rotherham) Limited



G R T Hollander
Joint Administrator

Dated 6 November 2012

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England & Wales

The affairs, business and property of the Company are being managed by the Joint Administrators

The Joint Administrators act as agents of the Company and without personal liability

Statement of Affairs

Name of Company Stereocycle (Rotherham) Limited	Company number 04393028
In the The High Court (full name of court)	Court case number 7219 of 2012

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Stereocycle (Rotherham) Limited of Lower Ground Floor, 32 Grosvenor Gardens, London, SW1W 0DH

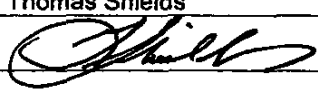
(b) Insert date

on the (b) 18 September 2012, the date that the company entered Administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 18 September 2012 the date that the company entered Administration

Full name Mr Thomas Shields

Signed 

Dated 01.10.2012

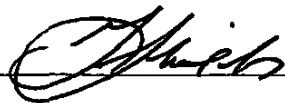
Sterecycle (Rotherham) Limited
Statement of Affairs as at 18 September 2012

A – Summary of Assets

Notes

		Book Value £	Estimated to Realise £
Assets			
Assets subject to fixed charge.			
Sales Ledger	1	1,413,721	1,060,290
Less: Chargeholder		0	0
Sub Total		1,413,721	1,060,290
Assets subject to floating charge:			
Cash Balances		385,259	385,259
Insurance Bond Collateral		500,000	500,000
Landlord's rent deposit	2	50,000	0
Intercompany debts due from Sterecycle Holdings L	3	2,624,891	0
Rotherham Plant (inc Hire Purchase assets)	4	12,834,764	750,000
Office Furniture	4	5,660	500
Computer Equipment	4	7,693	700
Sub Total		16,408,267	1,636,459
Uncharged assets:			
Prepaid Expenses		417,134	0
Accrued Income (uninvoiced sales)	1	453,386	0
Deferred expenditure (IPO/RTO fees)		30,000	0
Total		900,520	0
Estimated total assets available for preferential creditors		18,722,508	2,696,749

Signature



Date

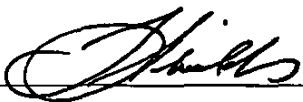
01.10.2012

Sterecycle (Rotherham) Limited
Statement of Affairs as at 18 September 2012

A1 – Summary of Liabilities

Notes

			Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)			2,696,749
Liabilities			
Preferential creditors -			0
			0
Estimated surplus/(deficiency) as regards preferential creditors			2,696,749
Estimated prescribed part of net property where applicable (to carry forward)			(542,350)
Estimated total assets available for floating charge holders			2,154,399
Debts secured by floating charges			0
Estimated surplus/(deficiency) of assets after floating charges			2,154,399
Estimated prescribed part of net property where applicable (brought down)			542,350
Total assets available to unsecured creditors			2,696,749
Unsecured non-preferential claims			
HM Revenue & Customs			
Trade Creditors	5	2,469,211	
Intercompany due to STE (Clean Recycling and Energy) Plc		624,970	
Intercompany due to Sterecycle Management Services Ltd		209,784	
Accruals yet to be invoiced/claimed		189,198	
Liabilities under Asset Purchase Agreements		920,837	
			4,414,000
Estimated deficiency after floating charge where applicable (brought down)			0
Estimated deficiency/surplus as regards creditors			(1,717,251)
Issued and called up capital			3,348
Estimated total deficiency/surplus as regards members			(1,720,599)

Signature  Date 01.10.2012

Sterecycle (Rotherham) Limited

B - Company Creditors

Statement of Affairs as at 18 September 2012

Key	Name	Address	£
ABBL01	ABB	Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4BT	11,930.28
ABCR01	A&B Cranes & Electrical Services Ltd	Tinsley Park Close, Sheffield, S9 5DE	14,304.60
ABIL01	Ability Handling Ltd	Mangham Way, Barbot Hall Ind. Est, Rotherham, S61 4RL	988.38
ABLE01	Able Access Scaffolding Services Ltd	Able House, Barkston Road, Carlton Industrial Estate, Barnsley, S71 3HU	6,096.00
ACTI01	Active Controls	Unit 6, Courtyard Workshops, Bath Street Market, Harborough Leicestershire, LE16 9EW	147.00
AIRP01	Air Products	2 Millennium Gate, Westmere Drive, Crewe, Cheshire, CW1 6AP	179.86
AIRS01	Air Spectrum Environmental Ltd	Spectrum House, Perrywood Trading Park, Wylds Lane, Worcester, WR5 1DZ	706.34
ALTI01	Altitude Access Ltd	Burma Road, Blidworth, Mansfield, Notts, NG21 0RT	2,561.18
AMPU01	Ampulla Ltd	Highbank, Halton Street, Hyde, Cheshire, SK14 2NY	110.41
ANDR03	Mr Andrew McGee	Ballamona, Oakhill, Port Soderick, Isle of Man, IM4 1AT	76,418.52
APOL01	Apollo Fuels Ltd	Templeborough Depot, Sheffield Road, Sheffield, S9 1RT	13,896.06
AQUA03	AquaAid (South Yorkshire)	Aven Industrial Park, Tickhill Road, Maltby, S66 7QR	1,175.24
ARCO01	Arco Limited	P O Box 733, Parkway Avenue, Sheffield, South Yorkshire, S9 4YX	3,804.36
AS&T01	AS&T Ltd	Unit 19 Mount Osborne Business Center, Oakwell, Barnsley, S71 1HH	4,745.64
ASKP01	A S K Pearcey Ltd	25 Borrowdale Crescent, Dinnington, Sheffield, South Yorkshire, S25 2TW	2,640.00
ASSE01	Asset & Land Environmental Ltd	Resource Works, Junction 25 M60, Ashton Road, Bredbury, Stockport, SK6 2QE	2,122.20
AVON01	Avonbank Engineering Services Ltd	Staddle Stones, Blacksmiths Lane, Crophorne, Pershore, Worcestershire, WR10 3LX	3,126.72
AXIO01	Axon Consulting	Tudor House, Unit 2, Meadow, Bramhall, Stockport, SK7 2DG	10,094.48
AXIS01	Axis PED Ltd	Chester Enterprise Centre, Hoole Bridge, Chester, CH2 3NE	1,436.40
BANN01	Banner Plant Ltd	Callywhite Lane, Dronfield, Derbyshire, S18 2XS	42.36
BGAS01	British Gas	British Gas Business, 1600 Parkway Court, Oxford Business Park, Oxford, OX4 2JY	2,022.08
BLAC01	Blackthorne Building & Design Ltd	Dawes Building, Dannemora Drive, Sheffield, S9 5DF	10,874.30
BLUE01	Blue Machinery (Central) Ltd	5 Commonsides Business Park, Daresbury Lane, Hatton, Warrington, WA4 4FT	12,503.09
BRAD01	Bradley Refrigeration Limited	929 Abbydale Road,, Sherfield, S7 2QD	3,517.80
BRAM01	Brammer UK Ltd	Claverton Court, Claverton Road, Wythenshawe, Manchester, M23 9NE	512.27
BRIA01	Brian Burton	9 Fitzwilliam St, Swinton, S64 8RE	109.00
BTEL01	British Telecommunications	BT Payment Services Ltd, BT Telephone Payment Centre, Durham, DH98 1BT	852.96
CALD01	Caldic (UK) Ltd	Stainsby Close, Holmewood Industrial Estate, Chesterfield, Derby, S42 5UG	1,526.40
CART02	Carter Cabin Hire Ltd	Garage Lane, Setchey, King's Lynn, Norfolk, PE33 0BE	2,982.00
CAST01	Castell Safety International Ltd	The Castell Building, 217 Kingsbury Road, London, NW9 9PQ	1,465.27

CATP01	Catplant Quarry Limited	Hazel Lane Landfill, The Bungalow, Holmsley Lane, Brierley Gap Barnsley, South Yorkshire, S72 9EX	273,308 87
CATP02	Catplant Ltd	The Bungalow, Holmsley Lane, Brierley Gap, Barnsley, S72 9EX	35,421 00
CHA101	Chain & Conveyor	Winterbottom Lane, Mere, Knutsford, Cheshire, WA16 0QQ	16,995 94
CHEM02	Chemical Industrial Services	Tudor House, Warren Road, Lowestoft, Suffolk, NR32 4QD	3,096.00
CLEA02	CLEANSafe SERVICES UK Ltd	Units 3-4 Progress Way Business Park,, Progress Way,, Croydon,, Surrey, CR0 4XD	1,266 00
CLUG01	Clugston Construction Limited	St Vincent House, Normanby Road, Scunthorpe, North Lincolnshire, DN15 8QT	81,257 64
COCH02	Cochran Ltd	Newbie Works, Annan, Dumfries & Galloway, Scotland, DG12 5QU	2,982 59
COL101	Colin Craig	31 Jermyn Avenue, Sheffield, S12 4QA	70 00
COMP03	Complete Shutter Services Ltd	Rawson Spring Way, Riverdale Trading Estate, Hillsborough, Sheffield, S6 1PG	792 00
COMP04	Compressor Services East Midlands	Unit 16 Ecclesbourne Park, Clover Nook Road, Alfreton, DE55 4RF	465 44
CORG01	Corgin Limited	Bellasis Street, Stafford, ST16 3DD	14,930 40
CRJS01	CRJ Service Ltd	Brook House Farm, London Rd, Allostock, Nr Knutsford, Cheshire, WA16 9LU	30,840 00
CROB01	C Roberts Steel Services Ltd	Eastwood Trading Estate, Rotherham, S65 1SU	4,646.32
CROM01	Cromwell Group	PO Box 14, Chartwell Drive, Wigston, Leicester, LE18 1AT	3,591 00
CROW01	Crown Construction	St James House, Albert Court, Peasehill Road, Ripley Derbyshire, DE5 3AQ	28,052.40
CTWH01	CTW Hardfacing	Quality Works, Mowbray Street, Sheffield, S3 8EN	6,900.00
DATA01	Datasharp	Woodlands Court, Truro Business Park, Truro, Cornwall, TR4 9NH	3,255 68
DEAR01	Dearne Valley Engineering	Unit 8, Century Park Network Centre, Dearne Lane Manvers, Rotherham, S63 5DE	2,906.40
DEME01	Demex Ltd	Bernera Works, Psalters Lane, Holmes, Rotherham South Yorkshire, S61 1DQ	1,008.00
DRCO01	Dr Cooke & Partners	Riversdale Surgery,, 59 Bridge Street,, Belper, Derbyshire, DE56 1AY	90.00
DUDL01	Dudley Child Executive Recruitment	Royal House, 28 Sovereign Street, Leeds, LS1 4BJ	12,600 00
EASV01	Easynet Ltd	The Maltings, Charlton Road, Shepton Mallet, Somerset, BA4 5QE	2,130.34
EDSL01	EDS Ltd	Loxley Manor, Loxley Road, Loxley, Sheffield, S6 6RW	6,347 41
EEIN01	EE Ingleton Engineering Ltd	Adelaide Works, 55 Mowbray Street, Sheffield, S3 8EZ	5,220.00
ELEC01	Electfab Ltd	Central Business Park, Masbrough St, Rotherham, South Yorkshire, S601EW	4,632.00
ELEC02	Electric Motor Suppliers Ltd	56 Eldon Street, Devonshire Business Park, Sheffield, S1 4GT	10,580 40
ELEV01	Elevation Training & Development	Unit 8, Carl Stahl House, Farfield Park, Manvers, Rotherham, S63 5DB	300 00
ERIK01	ERIKS Industrial Services Ltd	Finance Department, Amber Way, Halesowen, West Midlands, B62 8WG	6,385.01
ESSS01	Ess Safeforce	Central House, Beckwith Knowle, Otley Road, Harrogate, North Yorkshire, HB3 1UD	2,427 60
EURO01	Eurovalve UK Ltd	Unit 1, Dukeries Way, Dukeries Industrial Estate, Worksop, Notts, S81 7DW	5,191 20
EURO06	Eurofleet (Sheffield) Ltd	The Old Coach Works, Garter Street, Sheffield, S4 7QX	991 80
FASK01	Fasken Martineau LLP	17 Hanover Square, London, W1S 1HU	2,827 44
FLEE01	Fleetclean Ltd	Common Lane, Knottingley, West Yorkshire, WF11 8BN	1,186 98
FOCU01	Focus NDT Ltd	Unit 21 Aspen Court,, Bessemer Way, Rotherham, S60 1FB	216 00
FORD01	Forde Construction Ltd	39 Townhead Street, Sheffield, S1 2EB	1,843 20

FORW01	Forward Chemicals Ltd	PO Box 12, Tanhouse Lane, Widnes, Cheshire, WA8 0RD	3,578.62
FREE01	Freeman Mills Partnerships	Unit 7 Stonebroom, Industrial Estate, Stonebroom Alfreton, Derbyshire, DE55 6LQ	8,640.00
FROG01	Frogson Waste Management Ltd	20/25 Douglas Road, Parkwood Springs, Sheffield, S3 9SA	4,442.64
GEOR01	Geo Robson & co Conveyors Ltd	Coleford Road,, Sheffield, S9 5PA	2,921.40
GIGR01	Draefern Ltd T/A Gi Group	Drefem House, Dunston Court, Dunston Road, Chesterfield, S41 8NL	5,740.93
GLEN01	Glenco Quarry Services	19 Meadowbank Avenue, Sheffield, S7 1PB	94.20
GRYB01	Grybrook Ltd	T/A Ronald Gill Associates, 4 Chapel Road, Burncross, Sheffield, S35 1ZG	2,280.00
H2OC01	H2O chemicals Ltd	C/- HSBC Invoice Finance (UK) Ltd, 21 Farncombe Road, Worthing, West Sussex, BN11 2BW	3,397.60
HAMI01	Hamilton Plant Hire	Stuart Hamilton Plant Hire, Construction House, Broad Oaks, Sheffield, S9 3HH	8,309.77
HARRO1	Harris & Taylor Scaffolding Ltd	407 Petre St, Sheffield, South Yorkshire, S4 8LL	19,980.00
HEDL01	Hedley Hydraulics Ltd	Lion House, Crigglestone Industrial Estate, High Street, Crigglestone Wakefield, WF4 3HT	283.82
HOLL01	Hollinsend Fire Safety Ltd	Unit E, Hillside Business Park, New Street, Halfway, Sheffield, S20 3GH	2,563.20
HOYN01	Hoyng Monegier LLP	Rembrandt Tower, 31st Floor, Amstelplein 1, Amsterdam, Netherlands, 1096 HA	542.35
HPCP01	HPC Pest Control Ltd	12 Hall Close, Dronfield Woodhouse, Dronfield, S18 8ZA	2,938.96
HSSH01	HSS Hire Group Ltd	25 Willow Lane, Mitcham, Surrey, CR4 4TS	6,274.26
INSU01	The Insurance Partnership Services	Central Accounts Dept, Partnership House, Priory Park East, Kingston upon hull, HU4 7DY	7,552.62
INTE02	Interfit Ltd	Church Road, Lydney, Gloucestershire, GL15 5EN	108.00
JDCO01	JD Consulting Engineers Ltd	8 Park Mews, Retford, Nottinghamshire, DN22 6UT	2,874.00
JDLDO1	JDL Decorators	38 Livingstone road, Chapletown, S35 2UF	707.70
JFHO01	JF Hose & Couplings	Unit 5 Hecla Works, Mounsey Road, Bamber Bridge, Preston, Lancs., PR5 6LS	1,588.32
JFRA01	J Francis & Sons	67 Rosebury Road, Fulham, London, SW6 2NQ	423.58
KALT01	Kal Tire	Bluebell Close, Clover Nook Ind Est , Alfreton, Derbyshire, DE55 4RD	229.20
KBRO01	K & B Rouse Construction Ltd	75a Calow Lane, Chesterfield, Derbyshire, S41 0AX	9,322.03
KENN01	Kennedys Law LLP	25 Fenchurch Avenue, London, EC3M 5AD	902.98
KEST01	Kestrel Environmental Services	Block O, Bolsover Business Park, Boslover, Chesterfield, S44 6BB	832.80
KINE01	Kinetic Recruitment Services Ltd	3rd Floor, Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP	23,096.81
LEPL01	Le Pla Hydraulics	Monkey Works, Neepsend Lane, Sheffield, S3 8AU	3,913.99
LJHG01	LJH Group Ltd	T/A Duo Manufacturing, Leigh Road, Chantry, Nr Frome, Somerset, BA11 3LR	312,991.08
LYRE01	Lyreco UK Ltd	Deer Park Court, Donnington Wood, Telford, Shropshire, TF2 7NB	251.58
MANI01	MAN Industrial Supplies Ltd	Unit 3b, Swinton Meadows Industrial Estate, Swinton, Nr Rotherham, South Yorks., S64 8AB	290.88
MANT01	Mantank Environmental Services Lt	Worsley Trading Estate, Lester Road, Little Hulton, Manchester, M38 0PT	2,160.00
MAXI01	MaxiClad Ltd	The Picasso Building, Calder Vale Road, Wakefield, WF1 5PF	274.85
MAYF01	Mayflower Engineering Ltd	Coleridge Road, Sheffield, S9 5DA	220,024.44
MENT01	Mentor FLT Training Ltd	Burley Close, Turnoaks Business Park, Chesterfield, Derbyshire, S40 2UB	1,008.00
MICR01	Micro Alarms Ltd	Thornclyff Park Estate, Chapeltown, Sheffield, S35 2PH	770.70

MULT03	Multi Task Personnel Limited	47 Moorgate Croft Business Centre, Southgrove, Rotherham, S60 2EN	2,916.39
NESU01	NES UK Ltd	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	8,495.76
NOTT01	Nottinghamshire Recycling Ltd	Workshop Recycling Centre, Shireoaks Road, Worksop, Nottinghamshire, S80 3HA	4,713.52
NPOW01	Npower Yorkshire Ltd	Wetherby Road, Scarcroft, Leeds, LS14 3HS	1,280.40
NRML01	NRM Ltd	Coopers Bridge, Braziers Lane, Bracknell, Berkshire, RG42 6NS	258.00
NWTO01	NW Total Engineered Solutions	Andrews Way, Barrow-in-Furness, Cumbria, LA14 2UE	3,841.20
OFFI02	Office Depot (UK) Ltd	PO Box 1747, Andover, SP10 4BA	659.93
PAKT01	Paktech Strapping Ltd	Unit D4 Aldred Close,, Norwood Industrial Estate,, Killamarsh,, Sheffield, S21 2JH	708.90
PARK01	Parker Hannifin Ltd	Parker Sales UK, Tachbrook Park Drive, Tachbrook Pk, Warwick, CV34 6TU	4,696.80
PDRE01	P D.R Electrical Engineers Ltd	Central Business Park, Masbrough St, Rotherham, South Yorkshire, S60 1EW	18,689.52
PENN01	Pennine Lubricants Ltd	Unit 35, Nutwood Trading Estate, Limestone Cottage Lane, Wadsley Bridge, Sheffield, S6 1NJ	4,429.13
PETE03	Peter Hird & Sons Ltd	English Street, Hull, HU3 2BT	2,598.54
PHOE01	Phoenix Mechanical Services Ltd	44 Wilson St, Sheffield, S3 8DD	54,940.00
PHSG01	PHS Group Plc	Western Industrial Estate, Caerphilly, CF83 1XH	58.33
PIND01	Pinders	16 Moore Street, Sheffield, S3 7US	57.58
PLEV01	Plevins & Son	Cheshire St, Mossley, Ashton-under-Lyne, Lancs, OL5 9NG	1,680.00
PPEE01	PP Engineering Crane Hire	Charles Street, Klnhurst, Rotherham, S64 5TG	16,342.80
PREM01	Premier Pumps	35-41 Catley Rd, Darnall, Sheffield, South Yorkshire, S9 5JF	3,277.20
PROC02	Procon Engineering	Vestry Estate, Otford Rd, Sevenoaks, Kent, TN14 5EL	463.20
PROG02	Progressive Safety Footwear & Clot	101 Worthing Road, Sheffield, South Yorkshire, S9 3JN	24.30
PUMP01	Pump and Tank Services Ltd	3 Poplar Drive, Brinsworth, Rotherham, S60 5BP	201.60
RIVE02	Riverside Automation Ltd	61 Wostenholm Road, Sheffield, S7 1LE	3,379.20
RUDE01	RJD Engineering Company	Hellaby Lane,, Hellaby Industrial Estate,, Rotherham,, South Yorkshire, S66 8HN	13,959.60
RONK01	Ron Kopas	Flat 3, 15 Wetherby Gardens, London SW5 QJW	30,000.00
ROTH02	Rother Valley Conveyors	The Sycamores, Foxcroft Meadows, Maltby, Rotherham S. Yorkshire, S66 8NF	7,423.20
ROTH03	Rotherham Light Haulage	61 Hartington Road, Holmes, Rotherham, S61 1DB	168.00
RSCO01	RS Components Ltd	PO Box 99, Corby, Northamptonshire, NN17 9RS	3,557.09
SABA01	Saba Com	Unit 9, Carbrook Business Park, Dunlop Street, Sheffield, S9 2HR	1,888.80
SCAT01	Scattergood & Johnson Ltd	Lowfields Road, Leeds, LS12 6ET	334.15
SENE01	Seneca Environmental Solutions Ltr	Carey House, Great Central Way, Wembley, Middlesex, HA9 0HR	13,585.42
SEWE01	Sew-Eurodrive Ltd	Beckbridge Industrial Estate, Normanton, West Yorkshire, WF6 1QR	4,561.76
SHOO01	Shoosmiths	Apex Plaza, Forbury Road, Reading, RG1 1SH	320.28
SILS01	Silsoe Odours Ltd	Building 42, Wrest Park, Silsoe,	7,190.40
SOUT03	Southern Vulcanizing	502 Stone Close, West Drayton, Middlesex, UB7 8JU	12,381.26
STAD01	Stadler UK Ltd	12 York Gate, Regent's Park, London, NW1 4QS	29,044.28

SUMM01 Summit Asset Management Ltd	Melita House, 124 Bridge Road, Chertsey, Surrey, KT16 8LH	97,962 91
SWAL01 SWALEC	PO Box 2346, Cardiff, CF23 8WE	16,761 39
SYST01 Systematic Print Management	Centurion Way, Caistor, Lincolnshire, LN7 6QA	942 00
TCHA01 TC Harrison JCB	8 Brookdale Court, Chapelton, Sheffield, S35 2PT	8,211 70
TCHL01 TCHLEASING FLEET SOLUTIONS	8 Brookdale Court, Chapelton, Sheffield, S35 2PT	12,668 74
TDR01 TDR Transmission Ltd	5 Hunsley Street, Sheffield, S4 8DY	222 00
TEDB01 Tedbar Tinker Hire	53 Carlisle Street, Sheffield, S4 7LJ	8,442.82
TERB01 TERBERG DTS UK	Lowfields Way,, Lowfield Business Park,, Elland, Halifax,, West Yorkshire, HX5 9DA	3,260 00
TNTU01 TNT UK Ltd	PO Box 4, Ramsbottom, Bury, LANCs, BL8 9AR	48 99
TOMR01 TOMRA Sorting Ltd	The Springboard Centre, Mantle Lane, Colaville, LE67 3DW	13,585 02
TOTA01 Total Environmental Technology Ltd	Kirkburn Manor, Main Street, Kirkburn, Driffield, YO25 9DU	43,218 91
TRAN04 Transwaste Ltd	Melton Waste Park, Gibson Lane, Melton, East Yorkshire, HU14 3HH	138,838 34
UNIT01 United Silicones Ltd	Unit 10,, Kingsgrove Industrial Estate, Invincible Road,, Farnborough , GU14 7SS	882.00
VEOL01 Veolia Environmental Services	FAO Cash Collection, Kingswood House, Kingswood Crescent, Cannock Staffordshire, WS11 8JP	9,481 92
VIK101 Viking Direct	PO Box 279, Leicester, LE3 1YU	261 83
VIK102 Viking Pumps Ltd	Viking House, Dannemora Drive, Off Greenland Road, Sheffield, S9 5DF	372.00
VIRI01 Viridor Waste Management	PO Box 237, Taunton, TA1 1QU	228 00
VIST01 Vistech Cooling Systems Ltd	Unit 1, Church Lane Estate, Church Lane, Plummers Plain, Horsham, West Essex, RH13 6LU	2,811 60
VULC01 Vulcan Conveyors	Unit 4, Hoyle Head Mills, New Street, Earlsheaton, Dewsbury, West Yorkshire, WF12 8JJ	13,069 18
WARW02 Warwick Ward (Machinery) Ltd	Blacker Hill, Barnsley, S74 0RE	2,397 17
WAYN01 Wayne Contracts	Grove Farm, Yarllet, Staffs, ST18 9SD	1,680.00
WILL01 Williams Fasteners	Unit 4A, Tinsley Industrial Estate, Shepcote Way, Sheffield, S9 1TH	422 80
WRGR01 FCC Recycling UK Ltd	6 Sidings Court, White Rose Way, Doncaster, DN4 5NU	356,720.02
YORK01 Yorkshire Water	PO Box 52, Bradford, BD3 7YD	49,637 64



Signature

Date 0.10.2012

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COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
Sterecycle Holdings Ltd	Tower Bridge House, St Katharines Way, London E1W 1D	100	100	100 Ordinary Shares of £1 each
Total		100	100	

Signature  Date 01.10.2012

Sterecycle (Rotherham) Limited (in Administration)

Notes to Statement of Affairs

- 1** Assume that for debtors (& accrued income balances) - 75% of amount due on the sales ledger, primarily BDR will be paid but that accrued income balances (un-invoiced sales) will not be paid
- 2** Assume landlord does not return the deposit on the Rotherham office
- 3** Assume that Sterecycle Holdings Ltd - in Administration is unable to repay any of its unsecured debts
- 4** Assessment of plant sale values assumes a purchaser can be found who wishes to operate the equipment as a going concern - note the gross amount also includes assets acquired under Asset Purchase Agreements which do not become property of the company until all outstanding lease payments are made
- 5** Based on invoices posted to the ledgers at the time of appointment of Administrators Invoices subsequently received have not been accounted for and no estimate has been made Excludes debit balances on the creditors' ledger

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Sterecycle (Rotherham) Limited
(in Administration)
Administrators' Receipts & Payments Account
for the period 18 September 2012 to 6 November 2012
Estimated Outcome Statement as at 6 November 2012

	Statement of Affairs - Estimated to realise value £	Receipts and Payments 18 September 2012 to 6 November 2012 £	Estimated future £	Estimated outcome £
Asset realisations				
Trading receipts		2,571	30 000	32,571
Book debts - BDR	1,060,290	1 292,753	200,000	1 492,753
Book debts - Other		379	10 000	10,379
Cash at bank	385,259	383,984	-	383,984
Performance bond	500,000	501,979	-	501 979
Rotherham plant	750,000	-	-	-
Office furniture & equipment	1 200	-	-	-
Petty Cash		176	-	176
Intercompany debt - Sterecycle Holdings Limited	-	-	Uncertain	Uncertain
	2 696,749	2,181,842	240,000	2,421,842
Less: Costs of realisation				
Contribution to Sterecycle Management Services - various costs		44,011	-	44,011
Repayment to SMS		-	196,239	196,239
Rent		-	14,656	14,656
Rates		-	7 247	7,247
Heat / Light / Water		11,879	5,000	16 879
Security		-	15,000	15,000
HP Lease payments		4,141	3,000	7,141
Hire of Equipment		11,633	4,000	15 633
Repairs / Maintenance		1 933	4,000	5,933
Sundry Expenses / Supplies		39	-	39
Industrial Supplies		209	2,000	2,209
Waste Disposal		85,963	-	85,963
Haulage		5,954	-	5,954
Gas / Diesel		1,242	-	1,242
IT Services		3,112	-	3 112
Cleaning Services		475	1,000	1,475
Employment Agency Costs/Contract labour		1,903	500	2,403
Employee Expense Payments		857	-	857
Advertising Costs		175	2,751	2,926
Stationary & Postage		267	-	267
Redirection of Mail		60	-	60
Insurance of assets		-	5,000	5,000
Bonding		-	640	640
Bank Charges		60	-	60
Joint Administrators' Remuneration		-	240,000	240,000
Joint Administrators' Disbursements		-	5,000	5,000
Legal fees and expenses		-	40 000	40,000
Agent's costs		-	12,000	12,000
Contingent costs		-	5,000	5,000
Pre-appointment costs - Mazars		-	12 732	12,732
Pre-appointment costs - Squire Sanders		-	8,028	8,028
		173,913	583,793	757,706
Funds available to unsecured creditors	2,696,749	2,007,929	(343,793)	1,664,136
Unsecured creditors				
Trade creditors and accruals	3,579,246			4,295,095
Intercompany due to STE (Clean Recycling and Energy) Plc	624,970			624,970
Intercompany due to Sterecycle Management Services Ltd	209,784			209 784
HSE - contingent liability	Uncertain			Uncertain
	4 414,000	-	-	5,129,849
Estimated dividend to unsecured creditors (pence in the £)				0.32

STERECYCLE (ROTHERHAM) LIMITED

(IN ADMINISTRATION)

Analysis of Administrators' time costs for the period 18/09/2012 to 02/11/2012

Classification of work Function	Hours			Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Administrator			
Charge out rates	460	200 - 225	80 - 160			
2 Admin & Planning	1 80	12 20	2 50	16 50	3,636 50	220 39
3 Taxation		1 20		1 20	270 00	225 00
4 Investigations		4 20	0 10	4 30	933 50	217 09
5 Realisation of Assets	64 10	102 20	10 10	176 40	53,600 50	303 86
6 Trading	65 70	164 40	70 00	300 10	72,312 50	240 96
8 Creditors	12 10	12 70	17 10	41 90	10,892 00	259 95
9 Reporting	1 10	27 00	2 00	30 10	6,613 00	219 70
11 Cashiering	0 80	23 10	13 00	36 90	6,282 00	170 24
12 Statutory & Compliance	1 30	10 50	10 70	22 50	4,297 50	191 00
Total Hours	146 90	357 50	125 50	629 90	158,837 50	252 16
Total Time Costs (£)	67,574 00	75,482 50	15,781 00	158,837 50		
Average Hourly Rate by Grade	460 00	211 14	125 75	252 16		

**Sterecycle (Rotherham) Limited (in Administration)
Joint Administrators' SIP 9 Analysis**

A more detailed explanation of the work carried out is summarised below

Administration and Planning

Includes case planning and strategy, case set-up and case administration

Taxation

Includes initial notifications to HMRC and correspondence with them in respect of the VAT group VAT returns and corporation tax issues

Investigations

Correspondence with former directors for completion of CDDA questionnaires and their requirement to prepare statement of affairs Investigation of Company's affairs and conduct as outlined in the Insolvency Act 1986 and Statement of Insolvency Practice 2

Realisation of assets

Includes liaising with interested parties for sale of business and assets, preparation of sales memorandum, data room, reviewing and documenting terms of offer and seeking legal advice on issues on potential sale including environment, waste licence and transfer of employees

Realisation of all other assets, including cash at bank, book debts and all other assets

Trading

Includes maintenance of site in order to achieve a sale of the business, cash flow forecasts, HR/Employee related issues, environmental issues, dealing with suppliers and utility companies

A further breakdown of trading costs is as follows

Classification of work Function	Hours			Total Hours	Time Cost
	Partner	Manager	Administrator		
Charge out rate	460	200 - 340	80-160		
<u>Trading time costs</u>					
- Suppliers (orders / undertakings)	4 00	78 70	29 20	111 90	21,134
- Customers (order placement)	4 50	4 90	19 50	28 90	5,110
- Hire Purchase/Retention of Title issues	9 00	16 60	11 50	37 10	9,208
- Staff Management	21 00	58 10	1 50	80 60	21,978
- Financial Review & Trading Strategy	22 00	7 70	1 60	31 30	12,093
- Cash Management	4 00	0 40	8 60	13 00	2,790
Total Hours	64 50	166 40	71 90	302 80	72,313
Total Time Costs (£)	29,670	34,334	8,309	72,313	

**Creditors**

Liaising with creditors and dealing with creditor related issues, reviewing and updating creditor claims

Reporting

Preparation of Administrators' proposals and forms for initial meeting of creditors

Statutory reporting requirements

Cashiering

Setting up bank account, establishing set up of case details on IPS, case maintenance of bank accounts

Statutory & Compliance

Preparation and lodgement of statutory appointment documents, initial notices to creditors

Case monitoring and statutory compliance, internal case reviews

Sterecycle (Rotherham) Limited – In Administration**Guidance for creditors on charge out rates and allocated disbursements*****Charge out rates***

The Administrators and their staff current charge out rates are set out below

Grade of personnel	Hourly charge out rate (£)
Partner	460
Senior Manager	305 - 340
Manager	225
Assistant Manager	200
Administrator	80 - 160
Cashier	70 - 110

In common with other professional firms, our charge out rates increase from time to time over the period of administration of a case

Allocated disbursements

It is proposed that the following allocated expenses of administering the case be charged -

- Company search(es) Searches are obtained by the firm's company secretarial department and are charged at the cost of the search plus an administration charge, which is currently 25% of cost, subject to a minimum administration charge of £5 00
- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile
- Document storage – based on the cost of the square footage occupied by boxes and files of records and allocated on the basis of the number of open cases

It should be noted that disbursement costs might increase from time to time. However, increases would only be in line with inflation or increases from our suppliers