The Insolvency Act 1986

Notice of result of meeting of Creditors

Name of Company	Company number
Paperlinx Brands (Europe) Limited	04707159

In the	Court case number
High Courts of Justice, Companies Court, Chancery Division (full name of court)	2432 of 2015

We

Matthew David Smith
Deloitte LLP
PO Box 810
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London
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Neville Barry Kahn
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hereby report that a meeting of the creditors of the above company was held by correspondence on 10 June, 2015 at which

Proposals were approved

A creditors' committee was not formed

Signed ______________________
Joint Administrator

Dated 11 JUNE 2015

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

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SATURDAY
A49GEVIG
A27 13/06/2015 #114
COMPANIES HOUSE

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

Deloitte.

The Paper Company Limited	Court Case No 2424 of 2015 / Company No 01995271
Howard Smith Paper Group Limited	Court Case No 2426 of 2015 / Company No 01138498
Robert Horne Group Limited	Court Case No 2431 of 2015 / Company No 00584756
Paperlinx Services (Europe) Limited	Court Case No 2436 of 2015 / Company No 04707150
Contract Paper Limited	Court Case No 2433 of 2015 / Company No 00935398
Howard Smith Paper Limited	Court Case No 2421 of 2015 / Company No 00744570
Paperlinx (Europe) Limited	Court Case No 2425 of 2015 / Company No 04427116
Paperlinx (UK) Limited	Court Case No 2435 of 2015 / Company No 02101016
Paperlinx Brands (Europe) Limited	Court Case No 2432 of 2015 / Company No 04707159
Paperlinx Investments (Europe) Limited	Court Case No 2427 of 2015 / Company No 04434552
Paperlinx Treasury (Europe) Limited	Court Case No 2422 of 2015 / Company No 01764986
Pinnacle Film & Board Sales Limited	Court Case No 2420 of 2015 / Company No 02430786
Precision Publishing Papers Limited	Court Case No 2434 of 2015 / Company No 01859705
Robert Horne UK Limited	Court Case No 2428 of 2015 / Company No 00391887
Trade Paper Limited	Court Case No 2437 of 2015 / Company No 02737349
The M6 Paper Group Limited	Court Case No 2429 of 2015 / Company No 02755905
Sheet and Roll Convertors Limited	Court Case No 2430 of 2015 / Company No 01336740
W. Lunnon & Company Limited	Court Case No 2438 of 2015 / Company No 00457382

All in Administration (together "the Companies")

All appointments in the High Court of Justice, Chancery Division, Companies Court

Registered Office c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

Matthew David Smith and Neville Barry Kahn ("the Joint Administrators") were appointed Joint Administrators of the Companies on 1 April 2015 The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

26 May 2015

Contacts

Joint Administrators of the Companies

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Deloitte.

The Paper Company Limited
Howard Smith Paper Group Limited
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Howard Smith Paper Limited
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Trade Paper Limited
The M6 Paper Group Limited
Sheet and Roll Convertors Limited
W. Lunnon & Company Limited

All In Administration (together "the Companies")

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that the Joint Administrators provide creditors with details of their proposals to achieve the purpose of the administrations

Initial meetings of creditors (pursuant to paragraph 52(1)(b) of Schedule B1 of the Act) have been convened by company as follows

Physical meeting

2.30pm on 10 June 2015 at the Ampthill Suite, Grand Connaught Rooms, 61-65 Great Queen Street, London WC2B 5DA, UK

Paperlinx Services (Europe) Limited
The Paper Company Limited
Howard Smith Paper Group Limited
Robert Horne Group Limited

Meeting by correspondence

Resolutions to be returned by noon on 9 June 2015

Contract Paper Limited
Howard Smith Paper Limited
Paperlinx (Europe) Limited
Paperlinx (UK) Limited
Paperlinx Brands (Europe) Limited
Paperlinx Investments (Europe) Limited
Paperlinx Treasury (Europe) Limited
Pinnacle Film & Board Sales Limited
Precision Publishing Papers Limited
Robert Horne UK Limited
Trade Paper Limited
The M6 Paper Group Limited
Sheet and Roll Convertors Limited
W Lunnon & Company Limited

Contacts

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Deloitte.

If creditors wish to vote at the physical meeting of creditors of Paperlinx Services (Europe) Limited, The Paper Company Limited, Howard Smith Paper Group Limited and Robert Horne Group Limited, to be held on 10 June 2015, they should complete a proof of debt form and proxy form and return them to the address shown Both of these forms can be downloaded from the website or a hard copy can be provided upon request

Creditors of any of the remaining 14 companies will be able to vote on the Joint Administrators proposals by way of a voting resolutions form that will be posted to them and will also be required to complete a proof of debt form These forms can also be downloaded from the website or a hard copy can be provided upon request It is not proposed to hold meetings for these companies as they did not trade and have very few creditors

All completed forms should be returned to the address shown opposite by noon on 9 June 2015. Creditors should ensure they only complete the forms for the individual entities which they are owed monies from.

To assist creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Companies,
- the circumstances giving rise to the appointment of the Joint Administrators,
- the progress of the administrations to date, and
- the Joint Administrators' proposals for achieving the objectives of the administrations (Appendix E)

Yours faithfully
For and on behalf of the Companies

Matthew David Smith
Joint Administrator

Glossary

Glossary

Entity definitions - UK

1st Class	1st Class Packaging Ltd
Donington	Donington Packaging Supplies Ltd
HSPG	Howard Smith Paper Group Ltd
PPX Europe	PaperlinX (Europe) Ltd
PPX Services	PaperlinX Services (Europe) Ltd
PPX Brands	PaperlinX Brands (Europe) Ltd
PPX Investments	PaperlinX Investments (Europe) Ltd
PPX Treasury	PaperlinX Treasury (Europe) Ltd
Parkside	Parkside Packaging Ltd
RHUK	Robert Horne UK Ltd
RHG	Robert Horne Group Ltd
TPC	The Paper Company Ltd

Group definitions - UK

PPX UK	PPX (Europe) Limited, together with PaperlinX (UK) Limited, and its subsidiary undertakings
Trading Companies	HSPG, RHG, TPC and PPX Services
Independents	The three packaging companies that did not enter administration, being 1st Class, Donington and Parkside

Entity definitions – non-UK

PPX Australia	PaperlinX Ltd, the ultimate parent company, listed on the Australian Stock Exchange
PPX Ireland	PaperlinX Ireland Holdings Ltd and its subsidiary Paperlinx Ireland Ltd
PPX NL Holdings	PaperlinX Netherlands Holdings B V
PPX Spain	PaperlinX S L

Group definitions – non-UK

PPX Group	PaperlinX Ltd and its group

General definitions

c	Circa
EAT	Earnings after Tax
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY12,13,14	The financial year to 30 June 2012,13,14
ING	ING Belgium SA, debtor finance administator
GAAP	Generally accepted accounting principles
m	Millions
Management	The management of the Companies
N/A	Data either not applicable or not available
RBSIF, Secured creditor	RBS Invoice Finance Limited
SIP 9	Statement of Insolvency Practice 9
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 1981
VAT	Value Added Tax

Executive Summary

Topic	Summary
Purpose of the administrations	• The purpose of the administrations will be to achieve a better result for the Companies' creditors as a whole than would be achieved through immediate liquidations
Joint Administrators' strategy	• Whilst parts of the businesses have been sold, a sale of the whole of the businesses of the Companies as a going concern could not be achieved As a result, further realisations will now be made whilst winding down the businesses and clearing out stock
Initial meeting of creditors	• The Joint Administrators have convened a creditors' meeting on 10 June 2015 to be held as per the table on page 1
Timescale	• The duration of the administrations is dependent on the ability to find a purchaser, the completion of trading and the associated wind down and collection of the pre appointment debtor book

Estimated Outcomes	• A summary of the directors' statements of affairs is provided at Appendix B A full copy of the statements of affairs is available at www deloitte com/uk/paperlinx
	• Based on current information, the Joint Administrators anticipate the following outcome for each category of creditor
	  • Secured creditor – The secured creditor is likely to be repaid in full
	  • Preferential creditors - There should be sufficient floating charge realisations to enable payment in full of preferential claims
	  • Unsecured creditors – It is likely (but not certain) there will be a distribution for unsecured creditors in the Trading Companies, and there remains significant uncertainty in relation to the quantum of any potential dividends For the remaining companies in administration the prospect of a distribution to unsecured creditors is dependent on the flow of funds from the Trading Companies arising from intercompany balances

Proposals	• The Joint Administrators' proposals for managing the businesses and affairs of the Companies can be found in Appendix E

Background

Background

The Companies were part of a listed Australian group, with operations in the UK, the rest of Europe and Asia Pacific, which together operated under the brand of PaperlinX

PPX UK was the largest part of the global business and was a major UK paper merchant, operating from 19 sites nationwide with over 1,000 employees

PPX Group's wider European and Asia Pacific businesses continued to trade outside of insolvency after the appointment of the Joint Administrators, although certain European operations have since entered local insolvency proceedings

Employees

As at 1 April 2015, the Companies employed 1,027 staff, as follows

- TPC – 336
- HSPG – 109
- RHG – 582

Summarised group structure chart

A summarised PPX UK structure chart is set out on the following page This should be read in combination with the detailed glossary set out at the start of the document

The principal trading companies in PPX UK were TPC, RHG and HSPG, each of which had operated as a separate market facing entity until 2014, when the common PaperlinX brand was applied across the business In addition to these three companies, PPX Services operated as an internal logistics provider, leasing vehicles and utilising dedicated logistics staff (largely RHG employees) to run warehouses and delivery operations

The Independents did not enter administration, and operated under their own separate management and brands The shares of the Independents were sold on 6 May 2015

PPX UK historical trading

£'000s	12m to June 2013	12m to June 2014	8m to Feb 2015
Turnover	598,063	529,719	296,583
Cost of sales	(481,976)	(432,485)	(242,660)
Gross profit	**116,087**	**97,234**	**53,923**
Operating costs	(135,402)	(109,519)	(73,906)
EBIT	**(19,315)**	**(12,285)**	**(19,983)**
Net interest	(1,668)	(118)	94
EBT	**(20,983)**	**(12,403)**	**(19,889)**
Taxation	(2,384)	(3,128)	214
EAT	**(23,367)**	**(15,531)**	**(19,675)**
Extraordinary items	-	-	(544)
Net loss	**(23,367)**	**(15,531)**	**(20,219)**

Source Management accounts

Overview of financial information

The table above shows the financial results of PaperlinX UK for recent periods drawn from unaudited Management accounts, no UK consolidated financial statements were prepared or audited

Please note that this information has not been verified by the Joint Administrators or by Deloitte

More detailed financial information for each of the Companies is shown in the directors' Statement of Affairs in Appendix B

Profit and loss commentary

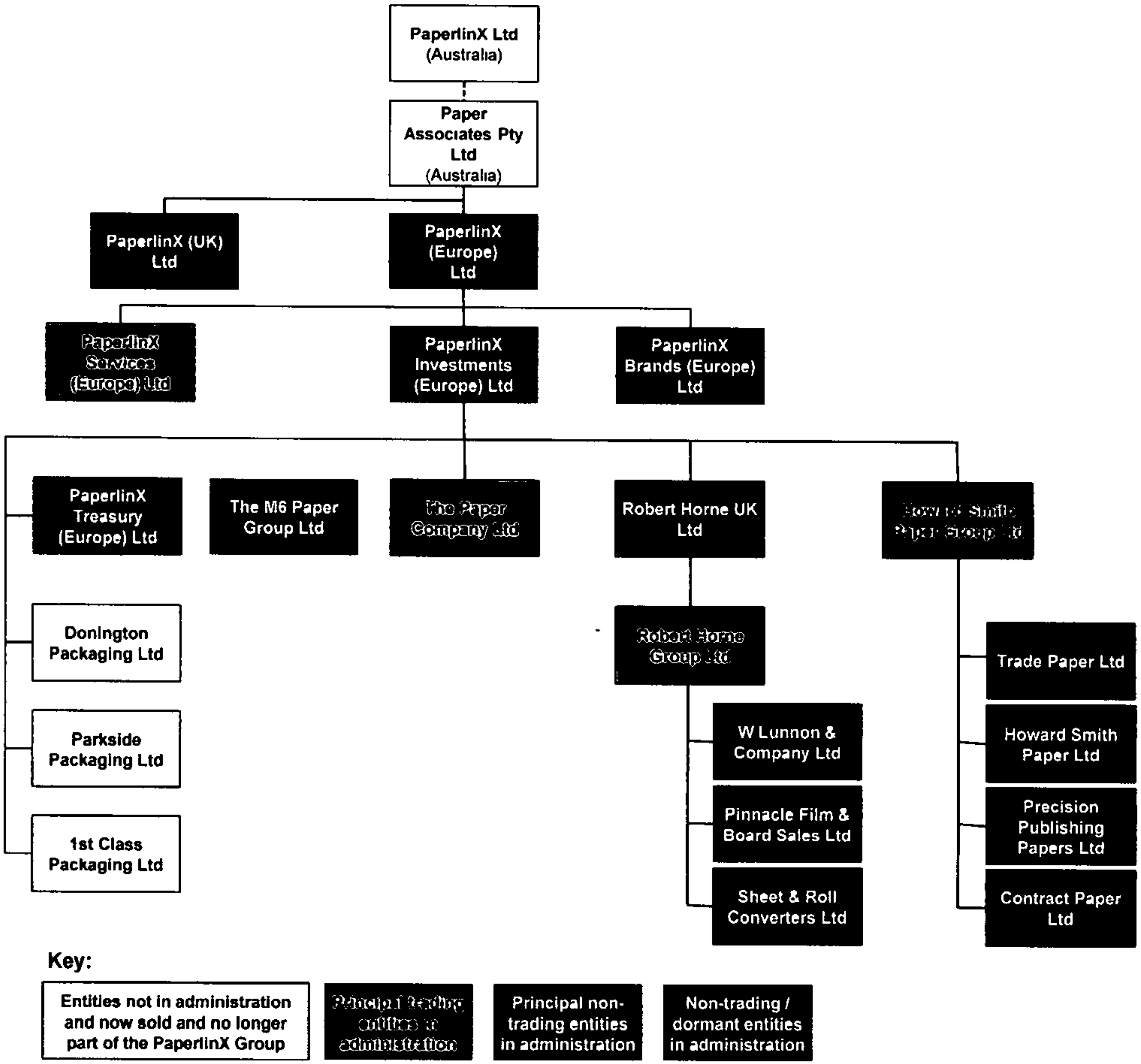
The past few years have seen a significant decline in paper sales volumes, this has occurred at the same time as falling margins for the industry

PPX UK took measures to reduce its cost base from FY13 to FY14, but did not have the financial resources to fund the further material cost reductions that were required to match the decline in revenues in FY15 This resulted in an increase in losses in the current year, with EBIT to February 2015 of (£19 9m), compared to (£9 7m) in the same period in the prior year

These trading losses, along with shortened supplier terms, resulted in a rapidly worsening liquidity position prior the appointment of the Joint Administrators

Background
The Companies

Abbreviated group structure showing UK entities



Background
Summary financials

The financial information shown is drawn from the audited annual financial statements of the relevant companies and illustrates the substantial trading losses being generated by each entity.

PPX Services' revenue was largely from other PPX UK entities for delivery services.

Historical financial information - Trading Companies

£'000	HSPG		TPC		RHG		PPX Services	
Year ended / as at	Jun 13	Jun 14	Jun 13	Jun 14	Jun 13	Jun 14	Jun 13	Jun 14
Profit and loss account								
Turnover	131,428	118,741	234,908	209,354	234,991	216,534	51,087	46,852
Cost of sales	(112,194)	(105,469)	(192,314)	(175,045)	(190,533)	(178,543)	(50,523)	(46,319)
Gross profit	**19,234**	**13,272**	**42,594**	**34,309**	**44,458**	**37,991**	**564**	**533**
Administrative expenses	(23,634)	(15,673)	(46,338)	(37,258)	(47,761)	(42,084)	(1,304)	(662)
Operating loss	**(4,400)**	**(2,401)**	**(3,744)**	**(2,949)**	**(3,303)**	**(4,093)**	**(740)**	**(129)**
Other finance and investment items	-	-	-	-	-	-	-	-
Restructuring costs	(592)	(1,001)	(1,008)	(1,225)	(1,673)	(681)	(2,026)	(1,182)
EBIT	**(4,992)**	**(3,402)**	**(4,752)**	**(4,174)**	**(4,976)**	**(4,774)**	**(2,766)**	**(1,311)**
Net interest	(187)	(83)	(1,266)	146	(1,330)	(1,221)	-	164
EBT	**(5,179)**	**(3,485)**	**(6,018)**	**(4,028)**	**(6,306)**	**(5,995)**	**(2,766)**	**(1,147)**
Taxation	(662)	(348)	(318)	(1,281)	(1,046)	(3,596)	(184)	611
EAT	**(5,841)**	**(3,833)**	**(6,336)**	**(5,309)**	**(7,352)**	**(9,591)**	**(2,950)**	**(536)**
Summarised balance sheets								
Intangible assets	-	-	-	-	4,456	3,694	125	88
Tangible assets	1,448	1,783	2	1	3,204	3,235	885	712
Investments	18,101	18,101	1,698	1,628	12,201	12,201		
Fixed assets	**19,549**	**19,884**	**1,700**	**1,629**	**19,861**	**19,130**	**1,010**	**800**
Stocks	9,680	5,143	17,310	11,323	21,933	14,539	-	-
Trade debtors	26,955	19,917	51,048	41,585	44,478	38,920	38	43
Amounts owed by group companies	1,776	4,090	87,582	101,980	11,491	7,329	16,757	15,346
Other debtors	2,557	1,776	3,984	4,599	7,551	3,010	1,213	3,894
Cash at bank and in hand	2,685	3,076	4,287	4,914	4,842	4,590	2	19
Current assets	**43,653**	**34,002**	**164,211**	**164,401**	**90,295**	**68,388**	**18,010**	**19,302**
Bank debt	-	-	(28,103)	(33,488)	-	-	-	-
Trade creditors	(8,227)	(10,858)	(17,354)	(18,684)	(30,154)	(25,663)	(759)	(3,633)
Inter-company creditors	(36,312)	(28,653)	(12,967)	(13,510)	(29,006)	(18,652)	(2,949)	(2,637)
Other creditors	(4,513)	(4,698)	(6,666)	(4,672)	(4,007)	(8,225)	(1,687)	(1,523)
Other provisions	(1,034)	(1,025)	(670)	(834)	(1,639)	(512)	(1,220)	(440)
Total liabilities	**(86,398)**	**(73,887)**	**(78,727)**	**(84,698)**	**(93,812)**	**(71,704)**	**(9,564)**	**(10,870)**
Net assets/(liabilities) before pension deficit	**13,116**	**8,652**	**100,151**	**94,842**	**45,350**	**34,466**	**12,405**	**11,869**
FRS17 pension deficit	(2,683)	(3,002)	-	-	(35,242)	(33,859)	-	-
Net assets/(liabilities)	**10,433**	**5,650**	**100,151**	**94,842**	**10,108**	**607**	**12,405**	**11,869**

Source Statutory accounts prepared under UK GAAP

Background
Summary financials

The financial information shown is drawn from the company annual financial statements of the relevant companies. Information for each of the other non-trading / dormant entities can be seen in the relevant directors' Statements of Affairs in Appendix B.

Historical financial information - principal non-trading entities

£'000	PPX Treasury		PPX Brands		PPX Investments		PPX Europe	
Year ended / as at	Jun 13	Jun 14	Jun 13	Jun 14	Jun 13	Jun 14	Jun 13	Jun 14
Profit and loss account								
Turnover	8,464	6,311	1,332	566	126	69	-	-
Cost of sales	(5,417)	(6,026)	(179)	(85)	-	-	-	-
Gross profit	**3,047**	**285**	**1,153**	**481**	**126**	**69**	**-**	**-**
Administrative expenses	(2,999)	(960)	(9)	(21)	-	-	472	(218)
Operating loss	**48**	**(675)**	**1,144**	**460**	**126**	**69**	**472**	**(218)**
Other finance and investment items	-	-	-	-	**(11,744)**	**(3,000)**	**(14,198)**	**(776)**
Restructuring costs	-	-	-	-	-	-	-	-
EBIT	**48**	**(675)**	**1,144**	**460**	**(11,618)**	**(2,931)**	**(13,726)**	**(994)**
Net interest	2,411	(1,056)	(59)	(37)	(609)	(615)	3,633	3,439
EBT	**2,459**	**(1,731)**	**1,085**	**423**	**(12,227)**	**(3,546)**	**(10,093)**	**2,445**
Taxation	(583)	(41)	307	-	(337)	145	(261)	(78)
EAT	**1,876**	**(1,772)**	**1,392**	**423**	**(12,564)**	**(3,401)**	**(10,354)**	**2,367**
Summarised balance sheets								
Intangible assets	-	-	1	-	5	1	-	-
Tangible assets	-	-	-	-	-	-	-	-
Investments	-	-	-	-	213,115	206,515	172,554	169,254
Fixed assets	**-**	**-**	**1**	**-**	**213,120**	**206,516**	**172,554**	**169,254**
Stocks	-	-	-	-	-	-	-	-
Trade debtors	-	-	-	-	-	-	-	-
Amounts owed by group companies	98,729	73,984	275	-	548	228	83,472	88 787
Other debtors	35	11	-	2	13	66	723	639
Cash at bank and in hand	44,504	69,374	229	7	78	5	19	-
Current assets	**143,268**	**143,369**	**504**	**9**	**78**	**5**	**19**	**-**
Bank debt	-	-	-	-	-	-	(64,674)	(64,156)
Trade creditors	(7)	(25)	-	-	-	(240)	-	-
	(104,422)	(116,010)	(3,076)	(2,064)	(51,808)	(48,562)	(1,979)	(1,949)
Other creditors	(1,054)	(321)	(128)	(221)	(72,456)	(72,008)	(174)	(267)
Other provisions	-	-	-	-	(1,280)	(1,191)	-	-
Total liabilities	**(105,483)**	**(116,356)**	**(3,204)**	**(2,285)**	**(125,544)**	**(122,001)**	**(66,827)**	**(66,372)**
Net assets/(liabilities) before pension deficit	**37,785**	**27,013**	**(2,699)**	**(2,276)**	**87,654**	**84,520**	**105,746**	**102,882**
FRS17 pension deficit	-	-	-	-	-	-	-	-
Net assets/(liabilities)	**37,785**	**27,013**	**(2,699)**	**(2,276)**	**88,215**	**84,814**	**105,746**	**102,882**

Source Statutory accounts, prepared under UK GAAP

Circumstances giving rise to the appointments of the Joint Administrators

Reasons for failure and financial distress

The Companies have been experiencing declining market volumes for a number of years, which accelerated significantly in the last year due to certain suppliers beginning to sell direct to customers

The combination of this sales decline with low gross margins and a high fixed cost base resulted in increasingly high losses for a number of years, which accelerated in the current financial year

These trading losses, in combination with tightening supplier credit terms, and reduced invoice finance facility availability due to lower sales, resulted in considerable liquidity pressure across the Companies

This liquidity pressure limited the ability of the directors to undertake a material restructuring of the Companies' cost base, which would have required significant expenditure on systems, and employee and property restructuring

Steps taken to remedy / turnaround

The Companies' directors sought alternative sources of additional finance, including from the parent company and other group companies, but were not successful in obtaining financing to support the Companies' trading cash requirements or to fund an operational restructuring

In addition, PPX Australia and the directors of PPX UK sought to sell the Companies as going concerns, and / or raise additional equity finance into the UK businesses However, due to the scale of the investment required, the level of group inter-dependencies and the significant pension and trading liabilities of certain of the Companies it became evident that a solvent solution would not be deliverable

When decision to appoint was made

Once it became clear that the Companies would be unable to pay their debts as they fell due and that there was no reasonable prospect of achieving a sale or additional investment, the directors held a board meeting on the morning of 1 April 2015 to consider placing the Companies into administration

Involvement of Deloitte pre-appointment

Deloitte was approached in December 2014 by PPX Australia to advise it on its options in relation to the Companies and the wider European business Our work under this engagement with PPX Australia commenced in early January 2015 and ceased in early March 2015

In early March 2015 the directors of the Companies engaged Deloitte directly to provide advice to them on the options available for the Companies and on their discussions with stakeholders

Matt Smith and Neville Kahn of Deloitte were asked to take the appointments as Joint Administrators by the directors of the Companies, which also included the consent of RBSIF, as qualifying floating charge holder, in relation to The Paper Company Limited

In addition to the above, Deloitte was retained in mid-March 2015 to provide corporate finance advice to PPX Europe (the UK holding company) and PPX NL Holdings (the Netherlands holding company of the majority of the European businesses) in relation to seeking sale options for the PaperlinX operations in the UK and Europe To date the Polish PaperlinX operation has been sold and a number of other potential sales are still being pursued

Post-appointment

Post-appointment
Purpose

Appointment of the Joint Administrators

Matthew David Smith and Neville Barry Kahn, of Deloitte LLP were appointed Joint Administrators of the Companies by the directors of the Companies on 1 April 2015, following the filing of a Notice of Appointment of Joint Administrators at the High Courts of Justice, Chancery Division, Companies Court

Purpose of the administration

In order to achieve the first purpose of the administrations, the Joint Administrators must be able to rescue the Companies as a going concern

The Companies had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective of the administrations Based on the available financial information, there was insufficient value placed on the Companies' assets by third parties in order to effect a restructuring of the Companies' considerable debts and the Joint Administrators concluded that the first option was not possible to achieve

Accordingly, the purposes of the administrations were to achieve a better result for creditors as a whole than would be obtained through immediate liquidations of the Companies

Post-appointment
Joint Administrators' strategy

Trading

Given the level of the Companies' operating losses (c £2m per month), the significant levels of supplier debt with the resultant level of retention of title claims, and the lack of funding available to support on-going purchases, the Joint Administrators concluded it would not be possible for the Companies to continue to trade at their previous levels and with the cost base unchanged

A decision was taken to immediately scale back operations Consequently 685 employees were made redundant on the day of the appointment of the Joint Administrators, with the remaining staff retained to enable trading to be continued on a more limited basis, principally from the Northampton and Manchester sites, whilst attempts were made to sell all or parts of the various businesses and the assets (principally stock and debtors) were realised

Marketing for sale

PPX Australia and the directors of the Companies had sought to sell PPX UK as a going concern before the appointment of the Joint Administrators, but had been unable to conclude a transaction due to the levels of operating losses and supplier and other debts

At the date of appointment of the Joint Administrators no parties remained interested in the entire business, although some interest remained in certain businesses and in the Independents

Deloitte Corporate Finance Advisory had previously been appointed by the directors to advise on and conduct a sale and marketing process of PPX UK assets and consequently, after their appointment, the Joint Administrators instructed Deloitte Corporate Finance Advisory to continue to pursue sales on their behalf where possible, with buyer interest focussed on the Independents, the Paper business (including the Reel Paper (NFR) business), and the Visual Technology Solutions (VTS) business

A total of 47 parties were approached or made contact with the Joint Administrators 37 non-disclosure agreements were issued, 12 parties met or spoke with business unit management and 16 parties submitted bids

Over the Easter weekend, interest in the whole business (i e paper and related divisions) continued to be progressed with two parties However, these parties subsequently withdrew from the process leaving no credible interest in the principal paper operations As a result, three smaller separate business sales were concluded, as detailed below

Business	Principal Vendor	Nature of sale	Employees	Value £m
VTS	RHG	Trade and assets	65	1 5
Independents	PPX Investments	Share sale	63	5 4
NFR	TPC	Trade and assets	5	0 3
			133	7 2

Note The Independents sale includes £0 6m of deferral consideration, which should be payable when tax losses are passed across

In addition to the initial consideration, the VTS and NFR businesses have subsequently acquired further stock for a total of £0 6m

None of the purchasers were connected parties

As part of the sale of the Independents, £1 2m owed by these companies to RBSIF (which was cross-guaranteed by TPC) was repaid on completion, and trade debtors due to the Companies of £0 2m were settled

At this stage it appears unlikely that any sales of any further elements of the business will be achieved, and as a result the Joint Administrators are continuing the wind down of the remainder of the businesses

Northern Ireland

Trade in the Republic of Ireland ("RoI") and Northern Ireland is undertaken by PPX Ireland, a RoI registered entity not owned or controlled by PPX UK PPX Ireland continues to trade normally outside of administration

A number of employees in Northern Ireland were employed by RHG and cross-charged to PPX Ireland, and PPX UK leased certain assets (including the Belfast site) on behalf of PPX Ireland

These employees and assets have been retained by PPX UK to date and cross-charged to PPX Ireland, and discussions are on-going to arrange the transfer of the employees and assets to PPX Ireland in the near future once it concludes a proposed share sale process to become independent of the PPX Group

Other asset realisations

Following their decision that it would not be possible to continue to trade the business of PPX UK as normal, the Joint Administrators pursued a strategy of realising the best possible value for the assets of the businesses They were successful in conducting a number of sales of separable business units, as discussed on the previous page In addition to these business sales, the Joint Administrators have sought to realise value for PPX UK's remaining assets, which principally comprise stock, trade debtors, plant and machinery and certain freehold and leasehold properties

Stock

Immediately on appointment a large number of suppliers contacted the Joint Administrators to notify their claims of retention of title over the Companies' stock The Joint Administrators have worked with suppliers to establish the validity of claims, and where there is no valid claim to realise value for stock

On appointment stock on the Companies' books had a cost value of c£27 4m, including £6 0m at third party sites

To date, 155 separate claims have been received covering stock valued at c£23 2m Given the level of claims and the costs being incurred to maintain the leasehold sites (where the stock was located), once it became apparent that a sale of the entire business was not viable the Joint Administrators sought to facilitate orderly access to enable suppliers with retention of title to collect stock Where suppliers have requested to collect stock they have been asked to contribute to these costs by an agreed collection charge per pallet, to cover the incremental costs of continued occupation over this period

The Joint Administrators have retained certain sales staff to manage the sale of stock during the initial trading period and the subsequent realisations of stock not subject to supplier claims To 30 April 2015, trading sales of £3 6m had been made, excluding stock sold with the VTS, NFR and Independents' businesses Further sales continue and these figures do not reflect the final trading outcome, a detailed trading account will be provided in the Joint Administrators' first progress report

Property

The Joint Administrators have instructed agents, GVA Grimley Ltd and Deloitte Real Estate, to provide advice on marketing and selling the properties The legal elements of the property work are being handled by Jones Day LLP, except in relation to Sheffield, where Shoosmiths LLP had been instructed by the Companies prior to the administration and continued to work on this property sale

Freehold and long leasehold property

The Companies own five freehold / long leasehold properties, of which two are sublet The sale of a freehold owned by TPC in Sheffield is nearing exchange and completion

Short leasehold property

The Companies operated from 35 leasehold properties, of which eight are vacant and two are sublet

It is not anticipated that there will be value in the majority of these leases, other than the London warehouse (held by TPC) for which contracts have been exchanged on an assignment, with completion conditional on landlord consent (which has been requested and is expected to be received)

The purchaser of the VTS business was granted a licence to occupy the Northampton head office and warehouse until late October and a six month lease of RHG's freehold warehouse in Manchester

Chattel assets

As at the date of appointment the Companies owned a small quantity of tangible assets including plant and machinery, fixtures and fittings and other items, across its trading premises An independent valuer, Hilco Appraisal Ltd, has been instructed by the Joint Administrators to secure, value and seek purchasers for these assets This process is ongoing

A significant amount of plant, machinery and vehicles were financed on hire purchase agreements The Joint Administrators continue to liaise with these funders to arrange collection of the financed assets

Books debts

As at the date of the Joint Administrators' appointment, the material sales ledger balances of the Companies were

- TPC - £39 3m,
- RHG - £36 7m, and
- HSPG - £17 0m

TPC's debtors are subject to an invoice finance arrangement with RBSIF, which also holds fixed and floating charge security by way of a debenture over all of TPC's assets

The debtors of RHG and HSPG were sold pursuant to a Receivable Purchase Agreement (entered into in 2010) to PPX Europe and then on sold by PPX Europe to a special purpose vehicle administrated by ING The substance of these transactions is similar to an invoice finance arrangement, giving ING full legal ownership and control of these trade debtors

Subsequent to the appointment of the Joint Administrators, both ING and RBSIF have appointed Atlantic Risk Management Services Limited ("AtlanticRMS"), a specialist debt collections adviser, to realise the value of the trade debtors books of TPC, RHG and HSPG The Joint Administrators have been working closely with AtlanticRMS to maximise realisations, and have retained a number of employees of the Companies to assist with this

To 15 May 2015, book debt collections have totalled £30 7m (£10 7m in TPC, £11 6m in RHG and £8 4m in HSPG) and the credit control team continue to liaise with the Companies' debtors regarding repayment of outstanding balances This process is likely to continue for some time, with a number of customers benefiting from credit terms of 90 days or more

Legal matters

Jones Day LLP has been instructed by the Joint Administrators to advise on relevant matters arising during the administrations, including advice on the validity of the Joint Administrators' appointment and the security position of various creditors

Post-appointment

Joint Administrators' strategy

Intercompany amounts due from non-UK entities

As can be seen from the statements of affairs and entity balance sheets, certain of the Companies benefit from material inter-company debtor balances, which are due from other PPX Group European entities

The Joint Administrators remain in dialogue with the directors of those entities in relation to the realisation of value by those entities, where possible It is not yet clear how much (if any) value will ultimately flow to the Companies, given the impact on other PPX Group European business of the insolvency proceedings in the UK, the Netherlands and Austria

Employee consultation

After an initial phase of redundancies immediately following appointment, the Joint Administrators have consulted regularly with the remaining employees An employee representative body was elected shortly after appointment which meets at regular intervals to discuss matters which may affect the remaining employees

A total of 70 people have transferred their contracts of employment to new employers as at 30 April 2015 A further 63 employees of the Independents employed at the time of the sale of those entities, and all employees likely to be affected by ongoing sales processes, are being regularly updated

Receipts and payment account

A receipts and payments account detailing asset realisations achieved and costs paid to 15 May 2015 is provided in Appendix C for each company

The Joint Administrators' proposals

The Joint Administrators' proposals for the administrations are attached at Appendix E These proposals cover continuing to manage the businesses, affairs and property of the Companies, realisation of assets, agreement of claims, distribution of funds, establishing creditors' committees (if requested), fixing the basis of and the ability to draw remuneration and seeking to exit the administrations in the most efficient way possible

Estimated outcomes for creditors

Secured creditor - RBSIF

TPC records show that RBSIF was owed £21 6m, in relation to the RBSIF funding arrangement, upon the appointment of the Joint Administrators

These amounts are secured by way of fixed and floating charges granted by TPC on 26 May 2010 and 14 July 2014 Based on currently available information, the Joint Administrators expect there will be sufficient debtor realisations to repay the Secured Creditor in full, assuming there is no call on the guarantees detailed below Jones Day LLP have reviewed the security on behalf of the Joint Administrators and confirmed its validity

It should be noted that the Secured Creditor has cross-guarantees in relation to all amounts owed to it by TPC, the Independents and PPX Ireland The amounts owed to RBSIF by the Independents has been repaid in full as part of their sale

As a condition of the release of its cross-guaranteed security over the assets of the Independents, RBSIF required Paperlinx Investments to retain 90% of the proceeds of the sale of the Independents in a segregated account for the benefit of RBSIF to cover any shortfall which may arise to RBSIF in relation to TPC and PPX Ireland This will be released once RBSIF is fully repaid from debtor collections

Other asset security

Whilst there are no known secured creditors of any of the Companies other than TPC (as above), ING has effective economic ownership of the trade debtor books of HSPG and RHG (as sold to PPX Europe), and no value will flow to the Companies until indebtedness to ING has been repaid in full, including costs and interest

PPX Europe liabilities to ING at the date of appointment totalled £39 5m as per the directors' Statement of Affairs (shown in Appendix B)

In addition, the arrangements with ING effectively provide that any excess proceeds from the debtor books of HSPG and RHG can be applied to make up any deficit to ING on its lending to fund the debtor book of PPX NL Holdings and its main trading subsidiary

PPX NL Holdings remains solvent, but its trading subsidiary has entered insolvency proceedings in the Netherlands and has ceased trading

The Joint Administrators understand that ING should be fully repaid from the Dutch debtor collections in respect of these Dutch facilities, but note that the risk of a claim remains, and that until ING is repaid in full in the Netherlands it is unlikely that any excess proceeds due to the Companies would be released

Preferential creditors

Preferential creditors consist of amounts owed to the Companies' employees for arrears of wages (whilst the March payroll was paid there remain residual claims for overtime and commissions in March that were not paid prior to the administrations), holiday pay and pension contributions

Based on current information, the Joint Administrators expect to be able to pay preferential creditors in full

Post-appointment
Outcome for creditors

Unsecured creditors

The directors' statements of affairs show estimated non-preferential unsecured creditors by company as per appendix B

Given the level of secured debt (to RBSIF, and in effect ING) and the expected level of asset realisations, the Joint Administrators currently expect there will be sufficient asset realisations to enable some level of distribution to be made to unsecured creditors of TPC, RH, PPX Treasury and PPX Investments However, given the size of the unsecured creditor claims in many of these entities, any such dividends are likely to be modest (as a percentage of total claims) It is presently too early to provide an estimate of likely returns to creditors in these companies

The likelihood and quantum of any dividend for unsecured creditors in HSPG and PPX Europe is largely reliant on there being a surplus on the ING debtor facility (which is presently uncertain)

Recoveries in the balance of the Companies will be dependent on the quantum of intercompany dividends and recoveries from PPX European Group companies which are not currently known

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charges, as set out under section 176A of the Act

The Prescribed Part is calculated as a percentage of net property and is subject to a statutory maximum of £600,000 per company

As the Secured Creditor is expected to be repaid in full from fixed charge realisations, the Prescribed Part is unlikely to apply in relation to TPC

Furthermore, the Prescribed Part does not apply to any of the other Companies as there are no other floating charge creditors

Claims process

Unsecured creditors are invited to submit their claims to the Joint Administrators by completing a proof of debt form, which is available on the administrations website and which should be sent by post or via email to the appropriate address on page 1

Creditors should only complete the form for the company(s) which owe them money.

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors

There are several possible exit routes from administrations which are available to the Joint Administrators Based on current information, the Joint Administrators consider the following exit routes may be appropriate

- *Dissolution* – If the Joint Administrators consider there is no further property which might permit a distribution to the Companies' creditors, they may file notice of dissolution with the Registrar of Companies and the Company(s) will be dissolved three months later
- *Creditors' Voluntary Liquidation ("CVL")* – If the Joint Administrators consider a distribution to unsecured creditors will be made they may file a notice to that effect with the Registrar of Companies and the administration will cease on the date that notice is registered and the relevant company will then be wound up
  - Please note that if the any of the companies are placed into CVL the Joint Administrators propose to be appointed as joint liquidators The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are approved by creditors, ie by 10 June 2015
  - Any creditors' committee appointed in the relevant administration will become a liquidation committee and the basis of the joint liquidators' remuneration fixed during the administrations will apply in the CVL
  - For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time approved by either the court, the creditors (either via the creditors' committee or by meeting) or, in specific circumstances, by the secured (and preferential) creditors

In this case, the Joint Administrators will request the approving body approves that the Joint Administrators be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report

Remuneration and expenses

Joint Administrators' remuneration

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is available for download at www deloitte com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 1 and this will be provided to you at no cost

Basis of Joint Administrators' remuneration

Pursuant to Rule 2 106 of the Rules, the basis of Joint Administrators' remuneration may be fixed

- as a percentage of the value of the property with which the Joint Administrators have to deal,
- by reference to time costs properly given by the Joint Administrators and their staff in attending to matters arising in the administration,
- as a set amount, or
- any combination of the above

In accordance with Rule 2 106(5), the Joint Administrators will seek approval from the creditors to fix the basis of their remuneration

TPC, RHG, HSPG, PPX Europe, PPX Investments, PPX Services and PPX Treasury

The Joint Administrators are seeking approval of the basis of their fees in respect of these companies by reference to time costs Approval will be sought at the meeting of creditors to be held on 10 June 2015 (or from creditors committee(s) if appointed) in respect of PPX Services (Europe) Limited, TPC, RHG and HSPG In regard to the remaining companies, PPX Europe, PPX Investments and PPX Treasury approval will be sought by way of the resolutions submitted for the meetings by correspondence (or from creditors committee(s) if appointed)

A proxy form/form of resolutions, which includes the resolutions being requested in respect of the Joint Administrators' remuneration and expenses, is available at www deloitte com/uk/paperlinx Creditors should ensure they only complete the relevant form(s) for companies from which they are owed monies

Contract Paper Limited, Howard Smith Paper Limited, Paperlinx (UK) Limited, Paperlinx Brands (Europe) Limited, Pinnacle Film & Board Sales Limited, Precision Publishing Papers Limited, Robert Horne UK Limited, Trade Paper Limited, The M6 Paper Group Limited, Sheet and Roll Convertors Limited and W. Lunnon & Company Limited

The Joint Administrators are seeking approval of the basis of their fees in respect of these companies as a fixed fee Approval will be sought by way of the resolutions submitted for the meeting by correspondence

A form of resolutions, which includes the resolutions being requested in respect of the Joint Administrators' remuneration and expenses, is available at www deloitte com/uk/paperlinx Creditors should ensure they only complete the relevant form(s) for companies from which they are owed monies

Remuneration and expenses
Remuneration

Time costs incurred to date

The following table outlines the time cost incurred to 15 May 2015 by company

Company	Hours	Time cost (£)	Average rate/hour (£/hr)
Paperlinx Services (Europe) Limited	230 80	100,092 00	433 67
The Paper Company Limited	1,636 54	715,604 65	437 27
Howard Smith Paper Group Limited	942 49	409,538 90	434 53
Robert Horne Group Limited	1,866 05	841,298 75	450 84
Contract Paper Limited	5 10	1,737 00	340 59
Howard Smith Paper Limited	5 20	1,787 50	343 75
Paperlinx (Europe) Limited	230 80	100,092 00	433 67
Paperlinx (UK) Limited	7 40	2,717 00	367 16
Paperlinx Brands (Europe) Limited	7 40	2,657 50	359 12
Paperlinx Investments (Europe) Limited	413 15	336,875 25	815 38
Paperlinx Treasury (Europe) Limited	51 40	37,146 50	722 69
Pinnacle Film & Board Sales Limited	5 10	1 737 00	340 59
Precision Publishing Papers Limited	5 10	1,737 00	340 59
Robert Horne UK Limited	5 10	1 737 00	340 59
Trade Paper Limited	5 10	1 737 00	340 59
The M6 Paper Group Limited	5 10	1,737 00	340 59
Sheet and Roll Convertors Limited	5 10	1,737 00	340 59
W Lunnon & Company Limited	4 70	1,639 00	348 72

Further detail in respect of these time costs is provided in Appendix D

Additional information

Transactions with connected parties

SIP 13 requires the Joint Administrators to review transactions (or other dealings) with the directors and / or connected parties in the two years prior to and during the administration The SIP 13 guidance requires the disclosure of transactions other than those in the ordinary course of business

Transactions within two years prior to the appointment of the Joint Administrators

There was a significant volume of transactions between the Companies and other members of the PPX Group, principally in relation to IT and other central services provided to the Companies, which were recharged to the Companies

The Administrators are currently reviewing these transactions and whether these, or any other, transactions need to be considered further as part of the Joint Administrators' investigations (see opposite) Once this work is complete, any transactions identified as not being in the ordinary course of business will be disclosed, along with the Administrators' opinion of whether the transactions give rise to any potential claims by the Companies for the benefit of the administration estates It is anticipated that this work will be complete and commented on in the Joint Administrators' first progress report, which will be available for review no later than 31 October 2015

Transactions subsequent to the appointment of the Joint Administrators

Other than transactions in the normal course with PPX Ireland, there have been no transactions with connected parties since the appointment of the Joint Administrators

Investigations

As part of their duties, the Joint Administrators are obliged shortly after their appointment to review all of the information available to them and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies

In addition, the Joint Administrators are required to consider the conduct of the directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and will submit confidential reports to the Insolvency Service, a division of the Department for Business, Innovation and Skills

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to them at the address given on page 1 as soon as possible

EU Regulations

As stated in the administration appointment documents, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' premises at the date of appointment of the Joint Administrators, please contact the Joint Administrators as soon as possible

Appendices

Statutory information

	Contract Paper Limited	Howard Smith Paper Limited	Paperlinx (Europe) Limited
Company number	00935398	00744570	04427116
Registered office	c/o Deloitte LLP Hill House 1 Little New Street, London, EC4A 3TR	c/o Deloitte LLP, Hill House, 1 Little New Street London EC4A 3TR	c/o Deloitte LLP, Hill House 1 Little New Street, London EC4A 3TR
Trading names	Contract Paper Limited	Howard Smith Paper Limited	Paperlinx (Europe) Limited
Previous names	Contract Papers Limited	Howard Smith Papers Limited	N/A
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court
Court reference	2433 of 2015	2421 of 2015	2425 of 2015
Company directors	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek
Company Secretary	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman
Directors' shareholdings	N/A	N/A	N/A

	Paperlinx (UK) Limited	Paperlinx Brands (Europe) Limited	Paperlinx Investments (Europe) Limited
Company number	02101016	04707159	04434552
Registered office	c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR	c/o Deloitte LLP, Hill House, 1 Little New Street London EC4A 3TR	c/o Deloitte LLP, Hill House 1 Little New Street London EC4A 3TR
Trading names	Paperlinx (UK) Limited	Contract Paper Limited	Howard Smith Paper Limited
Previous names	Paramount Paper Sales Limited	PPX Partner (No 1) Limited Hackremco (No 2042) Limited	Hackremco (No 1963) Limited
Court	High Court of Justice Chancery Division, Companies Court	High Court of Justice Chancery Division Companies Court	High Court of Justice Chancery Division, Companies Court
Court reference	2435 of 2015	2432 of 2015	2427 of 2015
Company directors	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek
Company Secretary	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman
Directors' shareholdings	N/A	N/A	N/A

Statutory information

	Paperlinx Treasury (Europe) Limited	Pinnacle Film & Board Sales Limited	Precision Publishing Papers Limited
Company number	01764986	02430786	01859705
Registered office	c/o Deloitte LLP, Hill House 1 Little New Street, London EC4A 3TR	c/o Deloitte LLP Hill House, 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House, 1 Little New Street London EC4A 3TR
Trading names	Paperlinx (Europe) Limited	Paperlinx (UK) Limited	Contract Paper Limited
Previous names	Southern Paper Group Limited	Pinnacle Film & Board Sales (Northern) Limited	N/A
Court	High Court of Justice, Chancery Division Companies Court	High Court of Justice Chancery Division Companies Court	High Court of Justice Chancery Division, Companies Court
Court reference	2422 of 2015	2420 of 2015	2434 of 2015
Company directors	Mrs Gail McColm Mr Mariusz Swiak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swiak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swiak Mr Joost Willem Peter Smallenbroek
Company Secretary	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman
Directors' shareholdings	N/A	N/A	N/A

	Robert Horne UK Limited	Trade Paper Limited	The M6 Paper Group Limited
Company number	00391887	02737249	02755905
Registered office	c/o Deloitte LLP, Hill House 1 Little New Street, London, EC4A 3TR	c/o Deloitte LLP Hill House, 1 Little New Street London, EC4A 3TR	c/o Deloitte LLP, Hill House 1 Little New Street London EC4A 3TR
Trading names	Howard Smith Paper Limited	Paperlinx (Europe) Limited	Paperlinx (UK) Limited
Previous names	Robert Horne Group Plc	N/A	Verseworth Limited
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court
Court reference	2428 of 2015	2437 of 2015	2429 of 2015
Company directors	Mrs Gail McColm Mr Mariusz Swiak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swiak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swiak Mr Joost Willem Peter Smallenbroek
Company Secretary	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman
Directors' shareholdings	N/A	N/A	N/A

Statutory information

	Sheet and Roll Convertors Limited	W.Lunnon & Company Limited	Paperlinx Services (Europe) Limited
Company number	01336740	00457382	04707150
Registered office	c/o Deloitte LLP Hill House, 1 Little New Street London, EC4A 3TR	c/o Deloitte LLP, Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP, Hill House, 1 Little New Street London EC4A 3TR
Trading names	Contract Paper Limited	Howard Smith Paper Limited	Paperlinx Services (Europe) Limited
Previous names	N/A	N/A	PPX Partner (No 2) Limited Hackremco (No 2043) Limited
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division Companies Court
Court reference	2430 of 2015	2438 of 2015	2436 of 2015
Company directors	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek
Company Secretary	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman
Directors' shareholdings	N/A	N/A	N/A

	The Paper Company Limited	Howard Smith Paper Group Limited	Robert Horne Group Limited
Company number	01995271	01138498	00584756
Registered office	c/o Deloitte LLP Hill House 1 Little New Street, London, EC4A 3TR	c/o Deloitte LLP, Hill House, 1 Little New Street London EC4A 3TR	c/o Deloitte LLP, Hill House 1 Little New Street London EC4A 3TR
Trading names	The Paper Company Limited	Howard Smith Paper Group Limited	Robert Horne Group Limited
Previous names	Bunzl Fine Paper Limited	The Howard Smith Paper Group Limited	Robert Horne Group PLC Robert Horne Paper Company Limited
Court	High Court of Justice Chancery Division, Companies Court	High Court of Justice, Chancery Division Companies Court	High Court of Justice Chancery Division Companies Court
Court reference	2424 of 2015	2426 of 2015	2431 of 2015
Company directors	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek	Mrs Gail McColm Mr Mariusz Swak Mr Joost Willem Peter Smallenbroek
Company Secretary	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman	Mrs Michelle Samantha Brightman
Directors' shareholdings	N/A	N/A	N/A

Website

In an effort to reduce the costs of the administrations, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose The web address is www deloitte com/uk/paperlinx

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All statutory notices will be retained on the website until its closure, three months after the administrations ending

If any person wishes to receive a hard copy of any document uploaded by the Joint Administrators to the above website, they should contact the Joint Administrators via the contact details on page 1 of this report, and hard copies will be provided free of charge

Directors' Statements of Affairs - Summary

£	HSPG Book value	HSPG Estimated to realise	PPX Services Book value	PPX Services Estimated to realise	TPC Book value	TPC Estimated to realise	RHG Book value	RHG Estimated to realise
Assets subject to fixed charge								
Leasehold property	-	-	-	-	167 255	-	-	-
Plant equipment, fixtures & fittings	-	-	-	-	323 245	50 000	-	-
Debtors	-	-	-	-	41 607 317	31 205 488	-	-
Less Amounts due to fixed charge holders		-	-	-	(21 660 178)	(21 660 178)	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-	-	-	20 437 638	9 595 310	-	-
Assets subject to floating charge								
Freehold property	-	-	-	-	-	-	1 832 172	2 500 000
Other fixed assets	-	-	656 504	50,000	-	-	-	-
Intangible assets	8 184 170	-	64 063	-	-	-	15 337 827	-
Stock	3 468 714	1 000 000	-	-	10,487 520	2 621 880	10 940 907	2 735 227
Debtors & other assets	1 063 277	-	153 933	-	399 229	-	8 699 647	-
Cash	2 213,248	2 213 248	-	-	605 966	605 966	3 255 173	3 255 173
Intercompany receivables	40 597 638	7 914 248	14,257 689	Uncertain	93 554 304	Uncertain	37 049 323	7,279 177
Estimated total assets available for preferential creditors	55 527 047	11 127,496	15 132 189	50 000	105 047 019	12 823 156	77 115 049	15 769 577
Preferential creditors		(61 453)		-		(231 488)		(529 074)
Estimated deficiency / surplus to preferential creditors		11 066 044		50 000		12 591 668		15 240 503
Estimated prescribed part of net property		-		-		-		-
Estimated total assets available for unsecured creditors		11 066 044		50 000		12 591 668		15 240 503
Unsecured non-preferential claims		(72 326 194)		(15 526 573)		(35 108 959)		(209 370 065)
Estimated deficiency / surplus to creditors		(61 260 150)		(15 476 573)		(22 517 291)		(194 129 562)
Called up share capital		(22 500,000)		(25 000 000)		(86 567 022)		(12 000 000)
Estimate deficiency / surplus to members		(83,760,150)		(40,476,573)		(109,084,313)		(206,129,562)

Directors' Statements of Affairs - Summary

£	PPX Europe Book value	PPX Europe Estimated to realise	PPX Investments Book value	PPX Investments Estimated to realise	PPX Treasury Book value	PPX Treasury Estimated to realise
Assets subject to fixed charge						
Intercompany receivables	75,895,249	56 921 437	-	-	-	-
Less Amounts due to fixed charge holders	(39,541,866)	(39 541,866)	-	-	-	-
Estimated surplus/(deficiency) to fixed charge holders	36,353,383	17,379,571	-	-	-	-
Assets subject to floating charge						
Investments	169 254 000	-	222,615,184	5,000,000	-	-
Debtors & other assets	652,641	637 881	68,910	-	34,225	-
Cash	7,589	7 589	70 893	70,893	1,079,497	1 079 497
Intercompany receivables	69 301 618	Uncertain	60,509	Uncertain	141 177 131	Uncertain
Estimated total assets available for floating charge holders	239,215,847	18,025,041	222,815 496	5,070 893	142,290,853	1,079,497
Estimated deficiency / surplus after floating charges		-		5 000 000		-
Total assets available to unsecured creditors		18,025,041		10,070,893		1,079,497
Unsecured non-preferential claims		(87,472,430)		(61,502,021)		(125,069,208)
Estimated deficiency / surplus to creditors		(69 447,389)		(51,431,129)		(123,989,711)
Called up share capital		(29,282,524)		(15,407,946)		(14,050,000)
Estimate deficiency / surplus to members		(98,729,913)		(66,839,075)		(138,039,711)

Directors' Statements of Affairs - Summary

£	Howard Smith Paper Ltd Book value	Howard Smith Paper Ltd Estimated to realise	Contract Paper Ltd Book value	Contract Paper Ltd Estimated to realise	Trade Paper Ltd Book value	Trade Paper Ltd Estimated to realise	W Lunnon & Company Ltd Book value	W Lunnon & Company Ltd Estimated to realise
Assets subject to fixed charge		-	-	-	-	-	-	-
Less Amounts due to fixed charge holders	-	-	-	-	-		-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-	-	-	-	-	-	-
Assets subject to floating charge								
Intercompany receivables	1 807 000	Uncertain	3 000 000	Uncertain	10 000	Uncertain	510 000	Uncertain
Estimated total assets available for unsecured creditors	1 807 000	-	3 000 000	-	10,000	-	510 000	-
Unsecured non-preferential claims		(9 922,412)		(9 922 412)		(9 922 412)		(9 922 412)
Estimated deficiency / surplus to creditors		(9 922 412)		(9 922 412)		(9 922 412)		(9 922 412)
Called up share capital		(3 700 000)		(3,000 000)		(10 000)		(373 446)
Estimate deficiency / surplus to members		(13,622,412)		(12,922,412)		(9,932,412)		(10,295,858)

Directors Statements of Affairs - Summary

£	RHUK Book value	RHUK Estimated to realise	PPX (UK) Ltd Book value	PPX (UK) Ltd Estimated to realise	Pinnacle Film & Board Sale Ltd Book value	Pinnacle Film & Board Sale Ltd Estimated to realise	Precision Publishing Papers Ltd Book value	Precision Publishing Papers Ltd Estimated to realise
Assets subject to fixed charge								
Investments	46,277,000	-	-	-	-	-	-	-
Intercompany receivables	13,364,000	Uncertain	-	-	-	-	-	-
Less Amounts due to fixed charge holders	-	-	-	-	-	-	-	
Estimated surplus/(deficiency) to fixed charge holders	59 641 000	-	-	-	-	-	-	-
Assets subject to floating charge								
Debtors & other assets	-	-	27 233	-	-	-	-	-
Intercompany receivables	-	-	707 771	Uncertain	108 000	Uncertain	50 000	Uncertain
Estimated total assets available for unsecured creditors	-	-	735 004	-	108 000	-	50 000	-
Unsecured non-preferential claims		(9,922,412)		(9 922 412)		(9,922,412)		(9,922,412)
Estimated deficiency / surplus to creditors		(9 922 412)		(9 922 412)		(9 922,412)		(9 922 412)
Called up share capital		(16 202 744)		(2)		(11 000)		(50 000)
Estimate deficiency / surplus to members		(26,125,156)		(9,922,414)		(9,933,412)		(9,972,412)

Directors' Statement of Affairs - Summary

£	Sheet & Roll Convertors Ltd		PPX Brands		M6 Paper Group Ltd	
	Book value	Estimated to realise	Book value	Estimated to realise	Book value	Estimated to realise
Assets subject to fixed charge	-	-	-	-	-	-
Less Amounts due to fixed charge holders	-	-	-	-		
Estimated surplus/(deficiency) to fixed charge holders	-	-	-	-	-	-
Assets subject to floating charge						
Intangible assets	-	-	111	-	-	-
Cash	-	-	7,209	7,209	-	-
Intercompany receivables	271,000	Uncertain	-	-	5,905,000	Uncertain
Estimated total assets available for unsecured creditors	271,000	-	7,319	7,209	5,905,000	-
Unsecured non-preferential claims		(9,922,412)		(11,919,712)		(9,922,412)
Estimated deficiency / surplus to creditors		(9,922,412)		(11 912,503)		(9 922,412)
Called up share capital		(26,579)		(2)		(373,447)
Estimate deficiency / surplus to members		**(9,948,991)**		**(11,912,505)**		**(10,295,859)**

Receipts and Payments Accounts

Trading has been performed primarily through TPC to minimise the associated administration costs – this will be reallocated by the Joint Administrators in due course

General notes to the receipts and payments accounts across all entities

G1 - Joint Administrators' Trading accounts

Prior to the administration the Companies operated on a divisional basis principally through the four Trading Companies Whilst employees were employed in specific entities, they typically worked across these companies Similarly, stock was purchased in specific companies but was able to be sold by all divisions and entities, with intercompany journals then reflecting the transfer of stock

Due to this complex operational structure and the reduced nature of trading in the administrations, in order to simplify the process (and minimise the costs), all administration sales have been invoiced through TPC TPC has thus in effect acted as agent of the other trading companies Similarly, trading costs (including all payroll costs) have been primarily borne out of TPC (unless specifically invoiced to another entity due to a pre administration relationship)

When the trading period is complete, these sales and their associated costs will be reallocated across the other trading entities (RH and HS) in order to most equitably allocate sales and costs to the entities This will be principally done on the basis of the stock levels of each entity at the date of administration, but will also take into account other factors that impact the level of costs in each entity (eg leases and employees) This cost reallocation will be performed once the final trading realisations and costs are more certain, and is expected to be done prior to the first six month progress report

The trading account also includes the costs (principally payroll, IT, and apportionments of rent and services) for collecting out the pre administration debtor books The Administrators consider it to be likely that RBS, and potentially ING, will be repaid in full and as such the trading entities will in due course recover any benefit of the debtor surplus

G2 – No receipt and payments accounts

From the corporate structure shown on page 10, some of the entities in administration are non-trading or dormant Companies, with no assets (other than potential intercompany claims) to realise at the date of appointment Therefore the following entities have no activity to report to date in respect of receipt and payments accounts

- Contract Paper Ltd
- Howard Smith Paper Ltd
- The M6 Paper Group Ltd
- PaperlinX (UK) Ltd
- Pinnacle Film and Board Sales Ltd
- Precision Publishing Papers Ltd
- Robert Horne UK Ltd
- Sheet and Roll Convertors Ltd
- Trade Paper Ltd
- W Lunnon & Company Ltd

G3 – Represented by

Cash in hand represents funds held in bank accounts at the date of preparation of the receipt and payments accounts, being 15 May 2015 Employee deductions represent accruals for PAYE, NIC and Attachment of Earnings

G4 – Bank Accounts

All funds are held in interest bearing accounts The associated corporation tax on interest received will be accounted for to HM Revenue and Customs as appropriate

Receipts and Payments Accounts

No payments have been made to date in respect of professional costs incurred

G5 – Trading accounts

All sums shown within trading accounts are shown net of VAT, which is payable and will be accounted for to HM Revenue and Customs in due course

G6 - Professional costs

To advise on relevant legal matters and to prepare required legal documentation the Joint Administrators instructed Jones Day LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations

In addition, Shoosmiths LLP have continued to advise TPC in relation to a sale of freehold in Sheffield which had almost completed at the date of administration, in order to minimise costs

Hilco Appraisal Ltd have been appointed as chattels agents and are assisting the Joint Administrators to ensure that value is maximised for the sale of plant and machinery and other chattel assets

AtlanticRMS, as described on page 18, have been appointed by ING and RBSIF as specialist debt collections adviser, to realise the value of the trade debtors books of TPC, RHG and HSPG AtlanticRMS's fees are payable by ING / RBSIF, but such payment will form part of their secured claims

GVA Grimley Ltd have been appointed by the Joint Administrators to market the freehold and long leasehold properties for sale

All professional fees, unless stated otherwise in the table below, are based upon their recorded time costs incurred at charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment

The expected levels of professional fees are detailed below

Professional Fees - estimate of fees accrued (none paid) to 15 May 2015

£	Legal Fees		Agents Fees		Debt Collection	Total
	Jones Day	Shoosmiths	Hilco	GVA	Atlantic RMS	Fees
TPC	61,471	Fee on sale	8,750	Fee on sale	Payable by RBSIF	70,221
HSPG	38,171	-	8,750	Fee on sale	-	46,921
RHG	111,571	-	8,750	-	-	120,321
PPX Services	8,071	-	8,750	-	Payable by ING	16,821
PPX Europe	8,071	-	-	-	-	8,071
PPX Investments	108,071	-	-	-	-	108,071
PPX Treasury	8,071	-	-	-	-	8 071
8 Other entities equally shared	5,500	-	-	-	-	5,500
	349,000	**-**	**35,000**	**-**	**-**	**384,000**

The Paper Company Limited

Receipts and payments account for the period 1 April 2015 to 15 May 2015

£	SoA values	Notes	To date
Receipts			
Trading surplus/(deficit)	2,621,880	G1	305,451
Cash at bank	605,996		105,992
Bank interest	-		53
Book debts	31 205,488		-
Funds received from save as you earn scheme	-	1	443,124
Sale of business	-	2	260,000
Intercompany loans	Unknown	3	900,000
Plant & equipment	50,000		-
Total receipts			2,014,620
Payments			
Statutory advertising	-		508
Distribution of save as you earn funds to employees	-	1	157,301
Bank charges	-		153
Total payments			157,961
Balance in hand			1,856,659
Represented by			
Cash in hand			2,035 940
VAT Receivable/(Payable)			(179,281)
Balance in hand			1,856,659

Joint Administrators' trading account

£	Notes	To date
Receipts		
Sales - stock		821,221
Pallet Collection Charge	4	158,277
License Fee from related companies		50,935
Total receipts		1,030,433
Payments		
Purchases - stock		4,300
Wages and salaries		598 489
Rent		65,222
Service charge		313
Sub contractors		11,980
Transport		19,203
Consumables		5 900
Postage		12,182
IT		1,841
Repairs and maintenance		3,168
Duty/deferment charges		1,020
Agents' fees		1,365
Total payments		724,982
Trading surplus/(deficit)		305,451

Notes to the receipts and payments account

G1 This trading statement is for all Trading Companies and the final surplus / (deficit) will be reallocated as appropriate Please refer to the detailed note on page 35

1 Book debt receipts (£10 7m) have been remitted directly to RBSIF through the pre-appointment collection account

2 Some employees made contributions to a Scottish Widows save as you earn scheme as part of their salaries The Joint Administrators have distributed £157k of these funds following allocation against employee accounts, and are determining if further distributions of the balance are required The sale of the Narrow Format Reels part of the business

3 To fund trading activity through TPC, a £900k loan has been provided from Treasury, which will be repaid in due course

4 The Joint Administrators have levied a pallet collection charge for suppliers to collect stock in a safe and orderly fashion, in order to cover the incremental costs incurred in this process, as described on page 17 of the proposals

Howard Smith Paper Group Limited

Receipts and payments account for the period 1 April 2015 to 15 May 2015

£	SoA values	Notes	To date
Receipts			
Trading surplus/(deficit)	1,000,000	G1	(1 181)
Cash at bank	2 213 248		966,387
Cash at bank - funds held on trust for ING		1	1 577 631
Bank interest			289
Book debts - collected on behalf of ING		2	5 962 780
Book debts - pending transfer to ING		3	2,463 571
Funds collected on behalf of other group entities		4	33,081
Sundry Receipts			559
Total receipts			11 003 118
Payments			
Payment of opening cash to ING	-	1	1 577 631
Payment of pre-appointment debtors to ING	-	2	5 962,780
Bank charges	-		99
Total payments			7,540,510
Balance in hand			3,462,608
Represented by			
Cash in hand			3 462,372
VAT receivable/(payable)			236
Balance in hand			3,462,608

Joint Administrators' trading account

£	Notes	To date
Receipts		
Sales - stock	5	-
Total receipts		-
Payments		
Repairs and maintenance		1,181
Total payments		1,181
Trading surplus/(deficit)		(1,181)

Notes to the receipts and payments account

1 Of the £2 5m cash at date of appointment, £1 6m was due to ING due to sale of invoices and has therefore been swept across to ING as shown in the payments below The Joint Administrators received legal advice to confirm that these monies were held on trust

2 Funds are collected by HSPG on behalf of ING for pre-appointment debtors due to the invoices being raised by HSPG These invoices have been sold to PPX Europe and subsequently sold to ING, therefore any surplus arising from the debtor collections will be passed across to PPX Europe To minimise costs, funds collected by HSPG have been swept across directly to ING

3 These funds have been swept from pre-appointment bank accounts into the administration estate The Joint Administrators anticipate that these will primarily be payable to ING as owner of the invoices issued pre-appointment, but prior to allocating all receipts against the relevant debtor accounts the funds have been ring-fenced so they are not available to be utilised in the administration estate A proportion may relate to post administration sales, despite these being invoiced from TPC, due to the client holding their account with RHG / HSPG pre-appointment

4 Certain receipts have been recovered by HSPG (in pre and post administration accounts) which relate to other entities - these will be transferred to the correct trading entity and paid across to RBS / ING as appropriate in due course

5 Trading has been primarily borne out of TPC, as discussed in G1 on page 36

Robert Horne Group Limited

Receipts and payments account for the period 1 April 2015 to 15 May 2015

£	SoA values	Notes	To date
Receipts			
Trading surplus/(deficit)	2 735 227	G1	356 178
Cash at bank	3 255 173		2 154 455
Cash at bank funds held on trust for ING	-	1	1,498 832
Bank interest	-		767
Book debts - collected on behalf of ING	-	2	7 567 916
Book debts - pending transfer to ING	-	3	4 027 281
Sale of business	-	5	1 582 000
Land & buildings	2 500,000		-
Sub-tenant rental income	-		11 025
Reimbursement of costs incurred on behalf of a related party	-		39 907
Intercompany loans	7 279,177		-
Funds collected on behalf of other group entities	-	4	17 951
Sundry Receipts			3 971
Total receipts			17 260 283
Payments			
Payment of opening cash to ING	-	1	1 498 832
Payment of pre-appointment debtors to ING	-	2	7 567,916
Bank charges	-		110
Total payments			9 066,857
Balance in hand			8,193,426
Represented by			
Cash in hand			8 311 523
VAT Receivable/(Payable)			(118 096)
Balance in hand			8,193,426

RHG - Joint Administrators trading account

£	Notes	To date
Receipts		
Sales - stock		425 000
Total receipts		425,000
Payments		
Sub contractors		8 400
Transport		1 996
Postage		2,000
IT		8 480
Insurance		47,946
Total payments		68,822
Trading surplus/(deficit)		356,178

Notes to the receipts and payments account

1 Of the £3 7m cash at date of appointment, £1 5m was due to ING due to sale of invoices and has therefore been swept across to ING as shown in the payments below The Joint Administrators received legal advice to confirm that these monies were held on trust

2 Funds are collected by RHG on behalf of ING for debtors due to the invoices being raised by RHG These invoices have been sold to PPX Europe and subsequently sold to ING, therefore any surplus arising from the pre-appointment debtor collections will be passed across to PPX Europe To minimise costs, funds collected by RHG have been swept across directly to ING

3 These funds have been swept from pre-appointment bank accounts into the administration estate The Joint Administrators anticipate that these will primarily be payable to ING as owner of the invoices issued pre-appointment, but prior to allocating all receipts against the relevant debtor accounts the funds have been ring-fenced so they are not available to be utilised in the administration estate A proportion may relate to post administration sales, despite these being invoiced from TPC, due to the client holding their account with RHG / HSP pre-appointment

4 Certain receipts have been recovered by HSPG (in pre and post administration accounts) which relate to other entities - these will be transferred to the correct trading entity and paid across to RBS / ING as appropriate in due course

5 Sale consideration for the VTS part of the business, as detailed on page 16 of the proposals

6 Stock was sold to the purchaser of the VTS part of the business after the sale and received by RHG

6 Trading has been primarily borne out of TPC, as discussed in G1 on page 36

Paperlinx Services (Europe) Limited

Receipts and payments account for the period 1 April 2015 to 15 May 2015

£	SoA values	Notes	To date
Receipts			
Trading surplus/(deficit)	-	1	(23,882)
Plant & machinery	50,000		-
Intercompany receivables	Unknown		-
Bank interest	-		1
Intercompany loans	-	2	50,000
Total receipts			26 119
Total payments			-
Balance in hand			26,119
Represented by			
Cash in hand			21,371
VAT Receivable/(Payable)			4,748
Balance in hand			26,119

Joint Administrators' trading account

£	Notes	To date
Receipts		
Sales - stock		
Total receipts		-
Payments		
Plant and Machinery hire		15 244
Engineering Support		6,135
Repairs and maintenance		718
Sundry payments		1 785
Total payments		23,882
Trading surplus/(deficit)		(23,882)

Notes to the receipts and payments account

1. Services is the group entity which holds a number of contracts and leases - this have been required for the limited trading performed by the Joint Administrators and therefore the payments made through the PPX Services trading account (see below) These costs will be reallocated across the entities holding stock as set out in GN1
2. In order to fund the trading expenses, an intercompany loan has been provided (from funds held within Treasury) These loans will be repaid in due course

Paperlinx Treasury (Europe) Limited and Paperlinx Brands (Europe) Ltd

Receipts and payments account for the period 1 April 2015 to 15 May 2015

£	SoA values	Notes	To date
Receipts			
Cash at bank	1 079 497		1 006,863
Bank interest			97
Intercompany receivables	Unknown		-
Total receipts			1,006 959
Payments			
Intercompany loan payments		1	950 000
Total payments			950,000
Balance in hand			56,959
Represented by			
Cash in hand			56,959
Balance in hand			56,959

PPX Brands

£	SoA values	Notes	To date
Receipts			
Cash at bank	7,209		7,187
Bank interest	-		1
Total receipts			7,188
Total payments			-
Balance in hand			7,188
Represented by			
Cash in hand			7,188
Balance in hand			7,188

Notes to the receipts and payments account

1 In order to fund the trading expenses initially incurred by other entities in administration, an intercompany loan has been made by PPX Treasury

Appendices

Appendix C

Paperlinx (Europe) Limited and Paperlinx Investments (Europe) Limited

Receipts and payments account for the period 1 April 2015 to 15 May 2015

PPX Europe

£	SoA values	Notes	To date
Receipts			
Cash at bank	7 589		7,589
Bank interest	-		1
Deferred taxation	637,881		-
Book debts	-	1	-
Intercompany receivables	56 921 437		-
Total receipts			7 590
Total payments			-
Balance in hand			7,590
Represented by			
Cash in hand			7,590
Balance in hand			7,590

Notes to the receipts and payments account

1 PPX Europe owns the invoices raised by HSPG / RHG prior to the appointment of the Joint Administrators, which have been subsequently sold to ING To minimise the costs in the administration, pre-appointment book debts collected by HSPG / RHG on behalf of PPX Europe have been directly swept to ING Should there be any surplus in respect of these book debts, the special purpose vehicle will repay this surplus to PPX Europe.

PPX Investments

£	SoA values	Notes	To date
Receipts			
Cash at bank	70 893		80 920
Bank interest	-		9
Book debts	-		275
Sale of investments	5 000 000	1	4 841 944
Funds held on behalf of other group entities			155 221
Sundry receipts	-	2	500
Total receipts			5,078,870
Total payments			-
Balance in hand			5,078,870
Represented by			
Cash held in restricted account for RBSIF			4 263 250
Cash in hand			815 620
Balance in hand			5,078,870

Notes to the receipts and payments account

1 Sale of shares in the Independents, as discussed on page 16 of the proposals

2 Sale of the Independents included settlement of intercompany debt owed to other companies in administration and collected on their behalf These will be paid across to the relevant entities in due course

3 Relates to pre-appointment insurance refund

Joint Administrators' time costs incurred to date

A detailed breakdown of the time costs incurred by the Joint Administrators and their staff during the period from 1 April 2015 to 15 May 2015 is shown on the next pages Time is charged in six minute increments The work undertaken has been categorised into the following task headings

Administration and planning

- Activities include case set-up and management, statutory reporting and compliance, appointment notifications, correspondence, cashiering functions and closure of the case

Investigations

- The Joint Administrators have captured a significant amount of data to enable the intercompany accounts to be reviewed in detail prior to the first progress report

Trading

- Trading forecasts have been prepared and monitored
- Cost reduction proposals have been reviewed and implemented
- The Joint Administrators have provided an onsite team to, inter alia
  - Attend all sites on day one,
  - Monitor trading and take appropriate trading and strategy decisions, and
  - Liaise with customers in order to ensure all further trading was performed on revised terms, and
  - Manage the realisation of residual stocks

Realisation of Assets

- Sale of business – time has been incurred in dealing with
  - Sale of business and assets VTS division (part of TPC),
  - Sale of business and assets of NFR division of RHG,
  - Share sale of the Independents (owned by PPX Investments),
  - In addition to which time has been incurred in dealing with and progressing enquires in relation to the paper business other divisions of the Trading Companies
- Property – time has been incurred in dealing with
  - Liaising with landlords in relation to continued occupation of premises and rental rates,
  - Engaging and managing agents to manage the sale of properties, and
  - Securing an assignment of one of the leases
- Book Debts – the credit control team and AtlanticRMS have been monitored by the Joint Administrators' team
- Plant and machinery – time has been incurred managing the realisation process and ensuring the strategy fits with the trading process
- Stock realisation – this includes time in relation to the residual stock clearance process (part of which is also included in trading)

Creditors

- Activities include set-up of creditor records, creditor communications, unsecured and secured claims
- ROT – significant resource has been required to manage the high volume of claims received
- Employees – the multi site nature of the business and the process of employee consultation has absorbed significant resource

Case specific matters

- Activities include VAT and other taxation matters, including in relation to the sale of the business and Independents

Appendices

Appendix D

Joint Administrators' time costs for The Paper Company Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	1 15	994 75	18 80	12,220 00	3 20	1 616 00	8 60	3 483 00	4 90	1 470 00	36 65	19 783 75	539 80
Case Management and Closure	-	-	2 70	1 755 00	-		2 70	923 50	0 90	226 00	6 30	2 904 50	461 03
Initial Actions	0 20	173 00	13 60	8 315 00	35 90	16 372.00	10 20	3 219 00	8 60	2,250 00	68 50	30 329 00	442 76
General Reporting	0 30	184 50			-	-	-	-	1 80	441 00	2 10	625 50	297 86
	1 65	1,352.25	35 10	22,290 00	39 10	17,988.00	21 50	7,625.50	16 20	4,387 00	113 55	53,642.75	472.42
Trading													
Day 1 Control of Trading	13 75	9 081 25	20 65	10 508 75	6 50	2 665 00	26 00	8 705 00	37 50	6 350 00	104 40	37 310 00	357 38
Ongoing Trading	19 80	12 177 00	50 00	25 675 00	100 50	42 202 50	159 50	50 005 00	106 80	23 835 00	436 60	153 894 50	352 48
Monitoring Trading	67 10	43 516 50	-	-	61 00	30 805 00	14 00	4 480 00	43 50	10 410 00	185 60	89 211 50	480 67
	100 65	64,774 75	70 65	36,183 75	168 00	75,672.50	199 50	63,190 00	187 80	40,595 00	726 60	280,416 00	385 93
Realisation of Assets													
Book Debts	8 00	5 920 00	-	-	51 80	21 238 00	-		-	-	59 80	27 158 00	454 15
Other Assets (e g Stock)	-	-	1 50	975 00			-		-	-	1 50	975 00	650 00
Chattel Assets	0 50	307 50	-	-	3 00	1 515 00	-	-	-	-	3 50	1 822 50	520 71
Property - Freehold and Leasehold	52 70	43 010 50	24 00	18 360 00			0 75	345 00	-	-	77 45	61 715 50	796 84
Retention of Title	4 20	2 583 00	147 50	78 672 50		-	183 30	66 204 00	-	-	335 00	147 459 50	440 18
Sale of Business / Assets	19 90	13 463 50	3 50	1 662.50	12 50	7 625 00	-		-		35 90	22 751 00	633 73
Third Party Assets	-	-	-	-		-	21 10	6 752.00	-	-	21 10	6 752 00	320 00
	85.30	65,284 50	176 50	99,670 00	67 30	30,378.00	205 15	73,301 00	-	-	634 25	268,833 50	502.82
Creditors													
Employees	5 90	3 628 50	-	-	38 40	15 744 00	63 00	20 160 00	23 34	4 901 40	130 64	44 433 90	340 12
Secured	5 00	4 325 00	7 00	4 550 00	-		-		-	-	12 00	8 875 00	739 58
Unsecured	-	-	-	-	14 40	7 186 50	23 00	7 360 00	54 60	15 494 50	92 00	30 041 00	326 53
	10 90	7,953.50	7 00	4,550 00	52.80	22,930 50	86 00	27,520 00	77 94	20,395 90	234 64	83,349 90	355 22
Case Specific Matters													
VAT	27 50	29 562 50	-	-	-	-			-	-	27 50	29 562 50	1 075 00
	27 50	29,562 50	-	-	-	-	-	-		-	27 50	29,562 50	1,075 00
TOTAL HOURS & COST	226 00	168,927 50	289 25	162,693 75	327 20	146,969 00	512.15	171,638 50	281 94	65,377 90	1,636 54	715,604 65	437 27
AVERAGE RATE/HOUR PER GRADE		£ 747 47		£ 562.47		£ 449 17		£ 336 13		£ 231 89			
FEES DRAWN												-	

Appendix D

Joint Administrators' time costs for Howard Smith Paper Group Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	1 00	865 00	51 20	33 280 00	1 20	606 00	5 80	2 349 00	3 10	930 00	62 30	38 030 00	610 43
Case Management and Closure	-	-	2 00	1 300 00	-		2 90	1 004 50	0 90	226 00	5 80	2 530 50	436 29
Initial Actions	0 20	173 00	0 30	195 00	21 90	10 632 00		-	8 60	2 250 00	31 00	13 250 00	427 42
General Reporting	0 30	184 50	-	-	-	-	-	-	1 80	441 00	2 10	625 50	297 86
	1 50	1,222.50	53 50	34,775 00	23 10	11,238 00	8 70	3,353.50	14 40	3,847 00	101 20	64,436 00	637 91
Trading													
Day 1 Control of Trading	2 00	1 730 00	3 10	1 472 50	-		2 00	620 00	0 50	122 50	7 60	3,945 00	519 08
Ongoing Trading	8 10	4 981 50	26 90	14,090 00	62 00	25 420 00	81 70	25 654 00	84 40	18 477 50	263 10	88,623 00	336 84
Monitoring Trading	39 70	25 915 50	-	-	60 50	30 552 50	2 50	800 00	42 00	10 042 50	144 70	67 310 50	465 17
	49 80	32,627 00	30 00	15,562 50	122 50	55,972.50	86 20	27,074 00	126 90	28,642 50	415 40	159,878 50	384 88
Realisation of Assets													
Other Assets (e g Stock)	-	-	2 50	1 625 00		-	-	-	-	-	2 50	1 625 00	650 00
Chattel Assets	1 00	615 00			3 00	1 515 00	-	-	-	-	4 00	2 130 00	532 50
Property - Freehold and Leasehold	2 00	1 680 00	19 00	14 535 00	11 50	7 015 00	4 25	1 430 00	-	-	36 75	24 660 00	671 02
Retention of Title	3 20	1 968 00	68 00	36 027 50	-	-	86 70	31 671 00	-	-	157 90	69,666 50	441 21
Sale of Business / Assets	3 80	3 287 00	-	-	-	-	-	-	-	-	3 80	3 287 00	865 00
Third Party Assets	-		-	-	-	-	7 10	2 272 00	-	-	7 10	2 272 00	320 00
	12 90	10,058 50	88 50	52,187 50	14 50	8,530 00	98 05	35,373 00	-	-	214 95	106,149 50	493 83
Creditors													
Employees	6 00	3 690 00	-	-	21 60	9 853 50	70 50	22 560 00	21 84	4 586 40	119 94	40 689 90	339 25
Secured	2 80	2 422 00	6 00	3 900 00	-	-	-	-	-		8 80	6 322 00	718 41
Unsecured	-	-		-	10 00	5 050 00	-		51 10	14 444 50	61 10	19 494 50	319 06
	8 80	6,112.00	6 00	3,900 00	31 60	14,903 50	70 50	22,560 00	72 94	19,030 90	189 84	66,506 40	350 33
Case Specific Matters													
Pensions	0 50	432 50		-	-	-	-		-		0 50	432 50	865 00
VAT	20 50	22 037 50		-		-	-		-		20 50	22 037 50	1 075 00
Tax	0 10	99 00	-	-	-	-	-	-	-		0 10	99 00	990 00
	21 10	22,569 00	-	-	-	-	-		-	-	21 10	22,569.00	1,069 62
TOTAL HOURS & COST	94.10	72,589 00	179.00	106,425 00	191 70	90,644.00	263 45	88,360 50	214.24	51,520 40	942.49	409,538 90	434 53
AVERAGE RATE/HOUR PER GRADE		£ 771 40		£ 594.55		£ 472.84		£ 335 40		£ 240 48			
FEES DRAWN												-	

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Joint Administrators' time costs for Robert Horne Group Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	1 00	865 00	53 50	34 775 00	1 90	959 50	9 00	3 466 50	4 30	1 290 00	69 70	41 356 00	593 34
Case Management and Closure	-		1 00	650 00	-	-	2 80	964 00	1 90	436 00	5 70	2 050 00	359 65
Initial Actions	0 70	480 50	18 85	10 633 75	25 90	12 272 00	5 80	1 856 00	14 60	3 720 00	65 85	28 962 25	439 82
General Reporting	0 30	184 50	-		-		-	-	1 80	441 00	2 10	625 50	297 86
	2.00	1,530 00	73 35	46,058 75	27 80	13,231 50	17 60	6,286 50	22.60	5,887 00	143 35	72,993 75	509 20
Trading													
Day 1 Control of Trading	12 50	8 437 50	7 75	3 681 25	11 75	4 817 50	13 50	4 280 00	0 50	122 50	46 00	21 338 75	463 89
Ongoing Trading	11 50	7 072 50	57 50	30 550 00	99 50	41 792 50	177 60	55 812 00	118 50	25 702 50	464 60	160 929 50	346 38
Monitoring Trading	84 30	54 469 50	-	-	61 00	30 805 00	6 50	2 080 00	42 50	10 165 00	194 30	97 519 50	501 90
	108 30	69,979 50	66 25	34,231 25	172.25	77,415 00	197 60	62,172 00	161 60	36,990 00	704 90	279,787 75	396 92
Realisation of Assets													
Book Debts	4 70	4 065 50	-	-	-	-	0 70	224 00	-		5 40	4 289 50	794 35
Other Assets (e g Stock)	-	-	14 50	9 425 00	-	-	-	-	-		14 50	9 425 00	650 00
Chattel Assets	1 10	676 50	-	-	3 00	1 515 00		-	-	-	4 10	2 191 50	534 51
Property - Freehold and Leasehold	18 00	15 120 00	75 00	57 375 00	14 00	8 540 00	0 95	409 00			107 95	81 444 00	754 46
Retention of Title	9 20	5 658 00	223 25	118 363 75	-	-	271 60	98 523 00	-	-	504 05	222 544 75	441 51
Sale of Business / Assets	41 40	26 686 00	-	-	9 50	4 797 50	-		-		50 90	31 483 50	618 54
Third Party Assets	-		-	-	-		23 50	7 520 00	-	-	23 50	7 520 00	320 00
	74 40	62,206 00	312 75	185,163 75	26 50	14,852 50	296 75	108,676 00			710 40	358 898 25	505 21
Creditors													
Employees	6 00	3 690 00	1 50	712 50	74 60	30 586 00	86 60	27 933 00	23 35	4 903 50	192 05	67 825 00	353 16
Secured	3 50	3 027 50	7 50	4 875 00	-			-		-	11 00	7 902 50	718 41
Unsecured	-	-	-	-	10 00	5 050 00	10 40	3 328 00	55 85	15 869 50	76 25	24 247 50	318 00
	9 50	6,717 50	9 00	5,587 50	84 60	35,636 00	97 00	31,261 00	79 20	20,773 00	279 30	99,975 00	357 95
Case Specific Matters													
Pensions	3 00	2 670 00		-		-	-	-	-	-	3 00	2 670 00	890 00
VAT	25 00	26 875 00			-	-	-	-	-	-	25 00	26 875 00	1 075 00
	28 10	29,644 00		-	-	-	-		-	-	28 10	29,644 00	1,054 95
TOTAL HOURS & COST	222.30	160,077 00	460 35	271,041 25	311 15	141,135 00	608 95	206,395 50	263 30	62,650 00	1,866 05	841,298 75	450 84
AVERAGE RATE/HOUR PER GRADE		£ 720 09		£ 588 77		£ 453.59		£ 338 94		£ 237 94			
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Joint Administrators' time costs for PaperlinX Investments (Europe) Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	-	-	0 20	101 00	1 80	729 00	1 00	300 00	3 00	1 130 00	376 67
Case Management and Closure	-	-	-		-		0 10	40 50	0 90	226 00	1 00	266 50	266 50
Initial Actions	0 20	173 00	-	-		-	-		2 60	780 00	2 80	953 00	340 36
	0 60	367 50	-	-	0 60	303 00	1 90	769 50	5 20	1,477 50	8 20	2,907 50	354 57
Realisation of Assets													
Sale of Business / Assets	150 00	151 870 00	-	-	176 55	125 044 25	-	-	5 50	1 622 50	332 05	278 536 75	838 84
	152.00	153,600 00	48 50	31,525 00	176 55	125,044 25	-		5 50	1,622.50	382.55	311,791 75	815 04
Case Specific Matters													
Tax	22 40	22 176 00	-	-	-		-	-	-	-	22 40	22 176 00	990 00
	22 40	22,176 00	-	-	-	-	-		-	-	22.40	22,176 00	990 00
TOTAL HOURS & COST	174 90	176,133 50	48.50	31,525 00	177 15	125,347 25	1 90	769 50	10 70	3,100 00	413 15	336,875 25	815 38
AVERAGE RATE/HOUR PER GRADE		£ 1,007 05		£ 650 00		£ 707 58		£ 405 00		£ 289 72			
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Joint Administrators' time costs for PaperlinX Services (Europe) Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	-	-	0 20	101 00	0 80	324 00	1 80	540 00	2 80	965 00	344 64
Case Management and Closure	-	-	-	-	-	-	0 10	40 50	0 90	226 00	1 00	266 50	266 50
Initial Actions	0 20	173 00	-	-	-	-		-	2 60	780 00	2 80	953 00	340 36
General Reporting	0 30	184 50	-	-	-	-			6 30	1 543 50	6 60	1 728 00	261 82
	0 50	357 50		-	0 20	101 00	0 90	364 50	11 60	3,089 50	13 20	3,912 50	296 40
Trading													
Ongoing Trading	-	-	-	-	2 60	1 313 00	1 40	448 00	1 00	200 00	5 00	1 961 00	392 20
Monitoring Trading	3 50	3 027 50	-	-	-	-		-	-	-	3 50	3 027 50	865 00
	3 50	3,027 50	-	-	2.60	1,313 00	1 40	448 00	1 00	200 00	8 50	4,988.50	586 88
Realisation of Assets													
Third Party Assets		-	-	-		-	2 00	640 00	-	-	2 00	640 00	320 00
	1 70	1,045 50	-	-	-		2 00	640 00	-	-	3 70	1,685 50	455 54
Creditors													
Unsecured	-	-	-	-		-		-	45 20	12 916 50	45 20	12 916 50	285 76
	-	-							45 20	12,916 50	45 20	12,916 50	285 76
TOTAL HOURS & COST	5 70	4,430 50			2.80	1,414 00	4.30	1,452.50	57 60	16,206 00	70 60	23,503 00	332.90
AVERAGE RATE/HOUR PER GRADE		£ 777 28		-		£ 505 00		£ 337 79		£ 280 38			
FEES DRAWN													

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Joint Administrators' time costs for PaperlinX (Europe) Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing		-	-	-	0 10	50 50	0 90	364 50	0 90	270 00	1 90	685 00	360 53
Case Management and Closure	-	-	-	-	-	-	0 40	136 50	0 90	226 00	1 30	362 50	278 85
Initial Actions	0 20	173 00	-	-	-	-	-	-	2 60	780 00	2 80	953 00	340 36
General Reporting	0 30	184 50			0 50	252 50	-		0 70	171 50	1 50	608 50	405 67
	0 50	357 50	-	-	0 60	303 00	1 30	501 00	5 10	1,447 50	7 50	2,609 00	347 87
Realisation of Assets													
Book Debts	2 00	1 230 00	-	-	163 30	66 953 00	-	-	-	-	165 30	68 183 00	412 48
Other Assets (e g Stock)	-	-	23 00	14 950 00	-	-	-	-	-	-	23 00	14 950 00	650 00
	2.00	1,230 00	23.00	14,950 00	163.30	66,953 00		-	-	-	188 30	83,133 00	441 49
Creditors													
Secured		-	-	-	35 00	14 350 00	-	-	-	-	35 00	14 350 00	410 00
		-	-	-	35 00	14,350 00			-	-	35 00	14,350 00	410 00
TOTAL HOURS & COST	2.50	1,587 50	23.00	14,950.00	198 90	81,606 00	1 30	501 00	5.10	1,447 50	230 80	100,092.00	433 67
AVERAGE RATE/HOUR PER GRADE		£ 635 00		£ 650 00		£ 410 29		£ 385.38		£ 283.82			
FEES DRAWN													

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Joint Administrators' time costs for PaperlinX Treasury (Europe) Limited for the period 1 April 2015 to 15 May 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0 50	432 50	2 50	1 625 00	0 30	151 50	1 00	405 00	1 10	330 00	5 40	2 944 00	545 19
Case Management and Closure		-	-	-	-		0 10	40 50	0 90	226 00	1 00	266 50	266 50
Initial Actions	0 20	173 00	-	-	-		-		2 60	780 00	2 80	953 00	340 36
Liaison with Other Insolvency Practitioners		-	-	-	-		-			-		-	
General Reporting	0 30	184 50	-	-	1 60	808 00	-	-	5 20	1 274 00	7 10	2 266 50	319 23
	1 00	**790 00**	**2 50**	**1,625 00**	**1 90**	**959 50**	**1 10**	**445 50**	**9 80**	**2,610 00**	**16 30**	**6,430 00**	**394 48**
Realisation of Assets													
Other Assets (e g Stock)	10 50	9 082 50	8 00	5 200 00	-		-	-	-	-	18 50	14 282 50	772 03
	10 50	**9,082.50**	**8 00**	**5,200 00**		-	-	-	-		**18 50**	**14,282 50**	**772.03**
Case Specific Matters													
Tax	16 60	16 434 00	-	-	-		-	-	-	-	16 60	16 434 00	990 00
	16 60	**16,434 00**	-		-		-	-	-		**16 60**	**16,434 00**	**990 00**
TOTAL HOURS & COST	**28 10**	**26,306 50**	**10 50**	**6,825 00**	**1 90**	**959 50**	**1 10**	**445 50**	**9 80**	**2,610 00**	**51 40**	**37,146 50**	**722.69**
AVERAGE RATE/HOUR PER GRADE		£ 936 17		£ 650 00		£ 505 00		£ 405 00		£ 266.33			
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Joint Administrators' time costs for Contract Paper Limited, Howard Smith Paper Limited, Paperlinx (UK) Limited, Paperlinx Brands (Europe) Limited, Pinnacle Film & Board Sales Limited, Precision Publishing Papers Limited, Robert Horne UK Limited, Trade Paper Limited, The M6 Paper Group Limited, Sheet and Roll Convertors Limited and W. Lunnon & Company Limited for the period 1 April 2015 to 15 May 2015

In relation to the following entities, the below table summarises all of the Joint Administrators' time costs incurred in respect of these companies from 1 April 2015 to 15 May 2015 All of these costs relate to administration and planning, which consists of case set-up and management, statutory reporting and compliance, appointment notifications, correspondence, and cashiering functions (where such activities have been undertaken in relation to collecting funds from pre-appointment bank accounts)

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Contract Paper Limited	0 50	357 50	-	-	0 40	202 00	-	-	4 20	1 177 50	5 10	1 737 00	340 59
Howard Smith Paper Limited	0 50	357 50	-	-	0 50	252 50		-	4 20	1 177 50	5 20	1 787 50	343 75
Paperlinx (UK) Limited	0 50	357 50	0 50	325 00	0 50	252 50	0 90	364 50	5 00	1 417 50	7 40	2 717 00	367 16
Paperlinx Brands (Europe) Limited	0 50	357 50	0 30	195 00	0 50	252 50	1 00	405 00	5 10	1 447 50	7 40	2 657 50	359 12
Pinnacle Film & Board Sales Limited	0 50	357 50		-	0 40	202 00		-	4 20	1 177 50	5 10	1 737 00	340 59
Precision Publishing Papers Limited	0 50	357 50	-	-	0 40	202.00	-		4 20	1 177 50	5 10	1 737 00	340 59
Robert Horne UK Limited	0 50	357 50		-	0 40	202 00	-		4 20	1 177 50	5 10	1 737 00	340 59
Trade Paper Limited	0 50	357 50		-	0 40	202 00			4 20	1 177 50	5 10	1 737 00	340 59
The M6 Paper Group Limited	0 50	357 50			0 40	202 00	-		4 20	1 177 50	5 10	1 737 00	340 59
Sheet and Roll Convertors Limited	0 50	357 50	-		0 40	202 00			4 20	1 177 50	5 10	1 737 00	340 59
W Lunnon & Company Limited	0 50	357 50			0 40	202 00	-		3 80	1 079 50	4 70	1 639 00	348 72

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2014
Partners & Directors	615 - 970
Assistant Directors	475 - 735
Managers	410 - 660
Assistant Managers	310 - 525
Assistants & Support	50 - 310

Charge out rates

The average charge - out rates applicable to this case for each company are provided on page 25

The above bands are specific to the Restructuring Services department partners and staff In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

Expenses and disbursements

Description	£
Accommodation	13,731 91
Mileage	4,518 00
Subsistence	2,882 10
Train	2,289 90
Taxi	690 29
Postage costs	566 00
Courier	347 99
Business Mobile	79 91
Toll	79 18

Category 1 expenses

The Joint Administrators' direct expenses and disbursements incurred to date (excluding VAT) are set out above

Category 2 expenses

These are expenses and disbursements which may include shared or allocated costs and which require specific approval to be draw from the administration estate

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile)

To date, the only Category 2 expense incurred is mileage, however, it is expected that any costs incurred by Deloitte Real Estate or Deloitte Tax (Belfast) during the administrations will rank as Category 2 disbursements

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment

Joint Administrators' proposals for

HSPG

RHG

TPC

PPX Services

PPX Europe

PPX Investments

PPX Treasury

Joint Administrators' proposals

The following proposals will be put to the meeting of creditors to be held on 10 June 2015 for approval Should a creditors' committee be formed at this meeting, specific approval for proposals 6,7 and 10 will be requested from the committee

The Joint Administrators' proposals are as follows

1 the Joint Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses,

2 the Joint Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with any investigation into the affairs of the Companies,

3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Companies unless the Joint Administrators conclude, in their reasonable opinion, that the Companies will have no assets available for distribution,

4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when their claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the court gives permission following an appropriate application,

5 that, in the event the creditors of each of the Companies so determine, at meetings of creditors, a Creditors' Committee be appointed,

6 that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT,

7 that the Joint Administrators' direct expenses and category 2 expenses in respect of mileage and statutory websites be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses (plus VAT where applicable) from the administration estate,

8 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most appropriate exit route to formally conclude the administration,

9 that, if each Company or any of the Companies are to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and,

10 That the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

Joint Administrators' proposals for:

Contract Paper Limited
Howard Smith Paper Limited
Paperlinx (UK) Limited
Pinnacle Film & Board Sales Limited
Paperlinx Brands (Europe) Limited
Precision Publishing Papers Limited
Robert Horne UK Limited
Trade Paper Limited
The M6 Paper Group Limited
Sheet and Roll Convertors Limited
W Lunnon & Company Limited

Joint Administrators' proposals

Creditors will be asked to approve the following proposals at a meeting by correspondence for which responses are required by 12 noon on 9 June 2015 Should a creditors' committee be formed, specific approval for proposals 6,7 and 10 will be requested from the committee

The Joint Administrators' proposals are as follows

1 the Joint Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses,

2 the Joint Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with any investigation into the affairs of the Companies,

3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Companies unless the Joint Administrators conclude, in their reasonable opinion, that the Companies will have no assets available for distribution,

4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when their claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the court gives permission following an appropriate application,

5 that, in the event the creditors of each of the Companies so determine, at meetings of creditors, a Creditors' Committee be appointed,

6 that the basis of the Joint Administrators' remuneration shall be a fixed fee of £25,000 plus VAT to be drawn from the administration estate should funds permit,

7 that the Joint Administrators' direct expenses and category 2 expenses in respect of mileage and statutory websites be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses (plus VAT where applicable) from the administration estate,

8 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most appropriate exit route to formally conclude the administration,

9 that, if each Company or any of the Companies are to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and,

10 That the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals

The Joint Administrators act as agents of the Companies and contract without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration

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