

AM10 (Scot)

Notice of administrator's progress report



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number S C 1 2 1 8 4 7

Company name in full iTEC Packaging (Chester-le-Street) Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s) Martyn

Surname Rickels

3 Administrator's address

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

4 Administrator's name ①

Full forename(s) Allan

Surname Kelly

① Other administrator

Use this section to tell us about another administrator.

5 Administrator's address ②

Building name/number Suite 5, 2nd Floor

Street Bulman House

Regent Centre

Post town Gosforth

County/Region Newcastle Upon Tyne

Postcode N E 3 3 L S

Country

② Other administrator

Use this section to tell us about another administrator.

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 5	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3
To date	^d 0	^d 4	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten signature]

X

Signature date

^d 1	^d 6	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3
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AM10 (Scot)

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Keeley Casey
Company name	FRP Advisory Trading Limited
Address	4th Floor Abbey House
Post town	Booth Street
County/Region	Manchester
Postcode	M 2 4 A B
Country	
DX	cp.manchester@frpadvisory.com
Telephone	0161 833 3344



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Receiver
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1 (Scot), VAM2 (Scot), VAM3 (Scot), VAM4 (Scot), VAM6 (Scot), VAM7 (Scot) VAM8 (Scot)
- CVA1 (Scot), CVA3 (Scot), CVA4 (Scot)
- AM02 (Scot), AM03 (Scot) AM04(Scot), AM05 (Scot), AM06 (Scot), AM07 (Scot), AM08 (Scot), AM09 (Scot), AM10 (Scot), AM12 (Scot), AM13 (Scot), AM14 (Scot), AM19 (Scot), AM20 (Scot), AM21 (Scot), AM22 (Scot), AM23 (Scot), AM24 (Scot), AM25 (Scot)
- REC1(Scot), REC3 (Scot)
- LIQ13 (Scot), LIQ14 (Scot), WU15 (Scot)
- COM1 (Scot), COM2 (Scot),

2 Insolvency practitioner's name

Full forename(s)

Simon

Surname

Farr

3 Insolvency practitioner's address

Building name/number

4th Floor

Street

Abbey House

Post town

Booth Street

County/Region

Manchester

Postcode

M 2 4 A B

Country

FRP

iTEC Packaging (Chester-le-Street) Limited (In Administration) ("The Company")

The Joint Administrators' Progress Report for the period 5 April 2023 to 4 October 2023

16 October 2023

Contents and abbreviations



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2.	Estimated Outcome for the Creditors
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B.	Form AM10 (Scot) - Formal Notice of the Progress Report
C.	Schedule of Work
D.	Details of the Joint Administrators' Time Costs and Disbursements for the Reporting Period
E.	Receipts and Payments Account for the Reporting Period

The following abbreviations may be used in this report:

FRP	FRP Advisory Trading Limited
The Company / iTEC CLS	iTEC Packaging (Chester-le-Street) Limited (In Administration)
The Joint Administrators	Martyn Rickels, Allan Kelly and Simon Farr of FRP Advisory Trading Limited
The Reporting Period	The period 5 April 2023 to 4 October 2023
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
SIP 9	Payments to Insolvency Office Holder and their Associates from an Estate
Asheton	Asheton Capital Limited (QFCH)
Hilco	Hilco Valuation Services Limited
HMRC	HM Revenue & Customs
CID	Confidential Invoice Discounting
iTEC Mansfield	iTEC Packaging (Mansfield) Limited – in Administration
QFCH	Qualifying Floating Charge Holder
Landwood	Landwood Commercial (Manchester) Limited
Pinsent Mason	Pinsent Mason, the Joint Administrators' lawyers
Premises	Drum One, Drum Industrial Estate, Chester-le-Street, DH2 1AE

Contents and abbreviations

FRP

PPF	Pension Protection Fund
ROT	Retention of Title
RPS	Redundancy Payments Service
STB	Secure Trust Bank Plc (QFCH)
The Group	iTEC Packaging (Mansfield) Limited and iTEC Packaging (Chester-Le-Street) Limited, both in Administration
The Insolvency Rules	The Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
The Purchaser/Shalam	Shalam Thermoforming (UK) Limited
The Secured Creditors	STB and Asheton
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
The Proposals	The Joint Administrators' Proposals and report to creditors dated 26 May 2023

1. Progress of the Administration in the Reporting Period

This report should be read in conjunction with the Proposals, which provides further background information regarding the Company, details leading up to the insolvency, further details regarding the trading period and sale of the Company's business and assets. A copy can be provided on request to this office.

Work undertaken during the Reporting Period

Attached at **Appendix C** a schedule of work undertaken during the Reporting Period together with a summary of work still to be completed.

The Joint Administrators subcontracted the work of analysing the Company's bank statements that could have been undertaken by their staff, to Prism 339 Ltd. This was considered appropriate due to the number of statements and transactions in the relevant period and the ability of Prism to convert and analyse them quickly, as opposed to completing this work manually, the cost to the estate for this was £220.

Payments made from the estate are fair and reasonable and proportionate to the insolvency appointment and are directly attributable to this insolvency.

No payments have been made to associates of the Joint Administrators without the prior approval of creditors as required by SIP9.

Attached at **Appendix E** is a receipts and payments account detailing transactions for the Reporting Period. Please note that all transactions are presented net of VAT.

The Joint Administrators' Trading Period

The Joint Administrators traded the business from the date of appointment up until 10 May 2023, being the date of the completion of the sale to the Purchaser. The Joint Administrators determined it was feasible to continue to trade the business and considered beneficial to the creditors for the following reasons:

- Trading the business in Administration would assist with the recovery of the outstanding pre-Administration book debts as there would be continuity of supply to customers.

- Trading forecasts suggested that a 6 week trading period could see a trading surplus generated, further enhancing the Administration estate for the benefit of creditors.
- An Administration trading period allowed sufficient time to fully market the business and assets for sale. A sale of the business and assets as a going concern would:
 - Increase recovery of the plant and equipment;
 - Mitigate landlord claims;
 - Mitigate employee liabilities; and
 - Further protect book debt realisations through ongoing continuity of supply for customers.
- Funding would also be available from STB to support any cash flow requirement arising from the decision to continue to trade the business.
- In the event a going concern sale of the business was not possible, a trading period would allow a period of time for agents to implement marketing strategies and prepare the equipment for sale, therefore mitigating property holding costs.

The Joint Administrators and their staff were present at the Company's trading premises, on a daily basis, to facilitate and manage the continued trading of the business, whilst undertaking an accelerated sale process.

Whilst 29 redundancies were made shortly after appointment, to reduce the losses incurred by the business and to reduce the impact of Administration on ongoing activities, the majority of staff were retained to assist with trading.

Certain key management personnel were also retained to maintain customer relationships and contract management procedures. In addition to this, all of the Company's support functions were maintained including Finance and IT.

1. Progress of the Administration in the Reporting Period

FRP

Further details regarding the work undertaken during the trading period can be found in the Schedule of Work at **Appendix C**.

Most of the customers were subject to STB's CID facility, however one large customer was subject to a separate supplier finance agreement. This customer agreed to a prepayment of £210k (plus VAT) to be offset against sales generated during the Administration trading period. This is currently in the process of being reconciled with the customer against sales generated.

Overall, invoicing generated during the trading period totals £2.28m excluding VAT, of which £1.36m, excluding VAT, has been received directly to date, in line with credit terms provided to customers. Funds totalling c£500k are currently held by STB and will be transferred to the Administration estate in due course.

Stock purchases of £508k were made during the trading period, which includes an amount of £218k in relation to stock subject to valid retention of title claims.

On appointment, a ransom payments totalling £8k were paid to various suppliers in order to facilitate ongoing trading and are included in the trading expenditure.

As detailed above, invoices generated during the trading period totalled £2.24m with costs incurred and paid to date totalling £1.69m. These are predominately in respect of wages, stock purchases, and haulier costs.

Following the sale of the business and assets, the Joint Administrators have undertaken the cancellation of undertakings, as appropriate.

At this stage, a trading profit of £300k is anticipated, however an update on costs and the final position will be provided in the next report to creditors.

Joint Administrators' Trading Receipts and Payments Account

The Administration trading receipts and payments account is attached at **Appendix E**, which is presented on a cash basis.

There is currently a cash deficit of £121k however, as noted previously, it is anticipated that there will be a trading profit of c£300k following final payments to all suppliers and receipt of Administration trading sales. This figure reflects the impact of initial ROT and ransom payments required to continue production, together with the level of stock held at the date of transaction.

The above outcome does not include professional fees associated with the trading period.

Receipts also include £1,497 in respect of recycled waste.

Sale of the Company's Business and Certain Assets

On 10 May 2023, the Joint Administrators completed a sale to Shalam Thermoforming (UK) Limited, a UK newco set up by Shalam Packaging, a 3rd party Israeli based packaging business, with sites across the UK and Europe. Creditors should refer to the Proposals for full details of marketing activities undertaken, and offers received by the Joint Administrators.

Sale consideration of £2.2m was received on completion with the balance of £300k deferred over 9 months, to be paid equally on a quarterly basis in June, September and December 2023. Deferred consideration totalling £100k has been received during the Reporting Period, a further £100k was received shortly after the end of the Reporting Period, with the final instalment of £100k due in December.

1. Progress of the Administration in the Reporting Period

The sales consideration was apportioned as follows:

Sale to Shalam		£
Day 1 consideration	2,200,000	
Deferred consideration	300,000	
	2,500,000	

Apportioned as follows:

IP, records, contracts, goodwill, IT, WIP	7
Encumbered Plant & Machinery	2,250,000
Stock	249,993
	2,500,000

The transaction also provided the following benefits:

- All remaining 117 staff transferred to the Purchaser in accordance with TUPE therefore mitigating claims from employees in the Administration for unpaid holidays, together with redundancy and pay in lieu of notice claims which were estimated to be in excess of c£1.6m;
- The sale provided continuity of service for the Company's customers, thereby maximising book debt recoveries;
- The sale maximised realisations, net of costs, for the plant & machinery; and
- The sale provided ongoing occupation of the trading premises therefore mitigating any claim from the landlord for unpaid rent and dilapidations.

Given an element of the consideration is on a deferred basis, the Joint Administrators have obtained first ranking fixed and floating charge debenture security in Shalam.

Debtors, cash at bank and any trading profit were excluded from the transaction.

Licence to occupy the Premises

As part of the transaction, the Joint Administrators granted the Purchasers a 6 month Licence to Occupy the trading premises, expiring on 9 November 2023. The purpose

of the licence being to allow the Purchaser time to agree the basis of their occupation of the Premises going forward with the landlord.

Licence fee funds totalling £449,583 have been received to date and remitted onwards directly to the Landlord.

Connected Party Transactions and SIP 16 Disclosure

It should be noted that whilst the Purchaser is a third party, it was anticipated that a current director, Steve Naylor, would continue to be involved in the management of the business going forward and therefore for prudence, the transaction was treated as a connected party transaction.

Given the sale is considered to include a substantial part of the Company's assets and in accordance with the Administration (Restrictions on Disposal etc to Connected Persons) Regulations 2021, the Purchaser obtained an independent Evaluators report which confirmed they were satisfied that the consideration being provided and the grounds for the disposal were reasonable in the circumstances.

A copy of the Evaluators report can be found at **Appendix G** of the Proposals.

Creditors should also refer to the main body of the Proposals for further details regarding SIP 13 disclosures and considerations.

Other Asset Realisations

Books Debts

As at the date of the Joint Administrators' appointment the Company's debtor ledger totalled £4.6m and the indebtedness to STB in respect of the CID facility totalled £2.7m, before interest and charges.

A summary of the balance is shown below, inclusive of provisions for aged debts and rebates due to customers.

1. Progress of the Administration in the Reporting Period

Debtor Ledger	£'000
Gross Ledger	4,597
Less: Intercompany	(3)
Less: Aged Debtors	(455)
Less: Rebates	(466)
	3,674

Following the Administration appointment, there has been significant engagement with each customer to appraise them of the position, to seek to mitigate any impact of the Administration and secure repayment of the outstanding balance.

Receipts to date total £4.1m which have been remitted directly to STB, a further £65k has been received following the end of the Reporting Period. The pre-appointment ledger has now been exhausted and no further collections are anticipated.

The Receipts and Payments account includes a £50k payment in respect of a haulier claiming lien over a shipment to customers. This amount was paid on the basis that the goods would be released to the customer, thereby allowing collection of the debt.

In addition to the above ledger, the sum of £32k was owed from a customer subject to a supplier finance agreement which therefore does not fall under STB's fixed charge security. The balance has been received in full.

Sundry Refunds

Two sundry refunds totalling £7k have been received during the Reporting Period. The amounts consist of £1k due in respect of a pre-appointment insurance claim and £6k in respect a refund due in respect of an employee benefit premium that was paid pre-appointment.

Utility Refund

Funds totalling £1k have been received during the Reporting Period in respect of a credit balance due on of the Company's pre-appointment utility accounts.

ITEC Packaging (Chester-le-Street) Limited (In Administration)
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Cash at Bank

As at the date of appointment, the Company's bank account held £45k. There were a number of bank charges that were applied to the account balance on appointment and the residual balance of £43k has been transferred to the Administration estate.

Rates Refund

The Joint Administrators engaged agents to review the Company's historic business rates and identify any refunds due to the Company in respect of historic overpayment and rateable values and funds totalling £114k have been received during the Reporting Period in respect of a refund due to the Company.

Gross Bank Interest

Gross bank interest totalling £17k has been received during the Reporting Period.

Other Matters

Employees

A total of 29 of the Company's 146 employees were made redundant shortly after appointment and advised of their rights to lodge a claim with the RPS in respect of any sums owed to them.

The Joint Administrators provided the RPS with information to allow claims to be processed and paid as efficiently as possible and assisted employees with lodging their claims.

The April 2023 payroll costs in respect of the 117 retained staff have been paid as an expense of the Administration.

All retained staff transferred to the Purchaser as part of the sale of the Company's business and assets.

1. Progress of the Administration in the Reporting Period

Pension

The Joint Administrators engaged SP Insolvency Limited, a pensions and insolvency specialist to establish further information in respect of Company pension schemes and to determine any requirements of the Joint Administrators.

The Company historically participated in a Defined Benefit ("DB") Operational Scheme which provides for defined benefits based on final pensionable salary. The DB scheme is now closed and independent trustees were appointed to administer the scheme.

The valuation methodology of the DB pension scheme is impacted by the insolvency of the Company and it is understood that as at the date of the last valuation in June 2020, the deficit was estimated at £8.3m in the event of an insolvency.

The insolvency of the Company also triggers an assessment by the PPF to consider the eligibility of the scheme in order to pay compensation to the scheme members.

The scheme has now entered into the assessment period and the Joint Administrators are in communication with the PPF and scheme trustees regarding next steps.

The Company also operates a defined contribution scheme; the assets of the scheme were held separately from the Company. The Joint Administrator have submitted an RP15 claim to the RPS on behalf of scheme members in respect of outstanding pre-appointment contributions and the RPS are in the process of settling the arrears directly with the pension scheme.

ROT

The Joint Administrators provided all creditors with an opportunity to submit Retention of Title claims at the outset of the Administration.

To date 19 claims have been submitted and the Joint Administrators are in the process of finalising these claims. All of these creditors have been provided with supervised access to the trading premises.

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Credit notes of £2k excluding VAT have been received in relation to goods uplifted which has reduced the quantum of creditor claims in the Administration.

Payments to suppliers with valid Retention of Title claims will be made where the stock has been used during the Administration trading period. The Joint Administrators are in contact with these suppliers. To date, the Joint Administrators have paid £218k excluding VAT to suppliers with valid ROT claims.

Investigations

Part of the Joint Administrators duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. The Joint Administrators have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of Joint Administrators' investigations are set out in the schedule of work attached. The Joint Administrators can confirm that no further investigations or actions were required.

Extension to the initial period of appointment

The Administration will end automatically after 12 months from the date of the appointment of the Joint Administrators. This period can be extended with the consent of the creditors for up to twelve months or longer by application of the Court.

A request to extend the initial period of the Administration by 12 month will be sought from the Secured Creditors and preferential creditors, to provide further time to:

- Finalise the reconciliation of the trading account and collection of post appointment sales;
- Conclude outstanding property matters with the Purchaser;

1. Progress of the Administration in the Reporting Period

FRP

- Make a further distribution to STB;
- Distribute funds to preferential creditors following the conclusion of the ongoing employment tribunal.

Anticipated exit strategy

It is anticipated that the Joint Administrators will implement the necessary steps to move the Company into dissolution prior to the automatic end date.

2. Estimated Outcome for the Creditors

FRP

The initial estimated outcome for creditors was set out in the Proposals and further update is provided below.

Outcome for the Secured Creditors

STB

STB provided an Asset Based Lending facility to the Company to fund both working capital and the initial acquisition, including a CID facility in respect of debtors and chattel mortgage in respect of the plant & machinery.

In consideration for the above facilities, the Company granted STB a debenture containing fixed and floating charges dated 22 September 2022, together with specific charges over debtors and plant & machinery.

Indebtedness to STB is estimated to be £6.7m, inclusive of interest, charges and termination fees, across the CID facility, chattel mortgage and loan facility.

STB benefits from cross-guarantee security with iTEC Mansfield. On appointment, indebtedness in respect of iTEC Mansfield is estimated to be £5.3m inclusive of interest, charges and termination fees.

An interim distribution of £1.1m has been paid to STB during the Reporting Period under its fixed charge, in respect of the total capital owed to STB excluding interest, termination charges and other charges. A further distribution will be made in due course, however it is anticipated that STB will suffer a shortfall in iTEC CLS's Administration but should be repaid under the cross guarantee from iTEC Mansfield.

Asheton

Following the 2022 acquisition, Asheton provided the Company with a term loan of £711k which is secured by way of a debenture containing fixed and floating charges dated 22 September 2022.

This figure excludes outstanding interest and associated costs.

Asheton also benefit from cross-guarantee security with iTEC Mansfield. The indebtedness in respect of iTEC Mansfield amounted to £709k on appointment, again prior to the application of interest.

A distribution under its fixed charge of £1.35m was paid to Asheton during the Reporting Period from iTEC Mansfield under the cross guarantee security. This was in respect of the capital owed to Asheton from the Companies.

An update will be provided in the next report to creditors.

Outcome for the Preferential Creditors

It is currently estimated that preferential creditors will total £40K being the redundant employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation.

It is anticipated that there will be a distribution to preferential creditors.

Outcome for the Secondary Preferential Creditors

From 1 December 2020 HMRC ranks as a secondary preferential creditor in respect of the following:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme deductions; and
- Employees' NI contributions

It is currently estimated that the secondary preferential creditors will total £373k however HMRC's claim is awaited.

2. Estimated Outcome for the Creditors



A distribution to secondary preferential creditors is dependent on final asset realisations (primarily the reconciliation of the trading account), costs of the Administration process and also claims received from primary preferential creditors.

Outcome for the Unsecured Creditors

According to the Company’s books and records at the date of the Joint Administrators’ appointment, unsecured creditors totalled £22.3m and were broken down as follows:

Summarised unsecured creditors	£'000
Trade creditors	10,660
HMRC	1
PPF - defined benefit pension scheme	4,500
Unsecured employee claims	213
Intercompany	7,417
Total unsecured creditors	22,791

The Joint Administrators have received unsecured creditor claims totalling £9.9m to date.

It is not currently anticipated that there will be sufficient funds available to make a distribution to unsecured creditors.

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000 and the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits.

The net property available for the Prescribed Part is less than the prescribed minimum of £10,000, therefore in accordance with the Insolvency Rules, the Prescribed Part shall not apply in this matter.

3. Joint Administrators’ Remuneration, Disbursements, Expenses and Pre-appointment Costs



Joint Administrators’ Remuneration

The approved proposals set out that the Joint Administrators’ remuneration should be calculated in part as a percentage of value of the property (being the sale transaction) and in part on a time cost basis.

Work	Quantum	Fee Basis
Statutory duties, trading, reporting obligations, investigations, creditor queries and ROT	N/A	time costs
Realisation of business and certain assets (excluding book debts)	5%	percentage of realisations

The basis of the Joint Administrators’ remuneration has not yet been approved by creditors, and the Joint Administrators have accordingly not drawn any remuneration in this case. The Joint Administrators will seek to agree their fees with the Secured Creditors and Preferential Creditors.

Approval of the amounts of fees that the Joint Administrators may draw from the funds of the estate will be sought from each Secured Creditor, plus, where a dividend has been or is proposed to be paid to preferential creditors, 50 % in value of those preferential creditors who respond to an invitation to give or withhold approval. Each request for fees to be fixed will be accompanied by details of the time spent and work done.

The Joint Administrators’ fees in respect of the assets specifically pledged, being the book debt ledger will be agreed with STB.

Remuneration charged by reference to the time incurred in attending to matters arising

Part of the Joint Administrators’ remuneration is proposed to be charged by reference to time incurred. Time costs incurred to 4 October 2023, excluding time incurred in relation to asset realisations, total £397,639.

A breakdown of the Joint Administrators’ time costs incurred during the Reporting Period is attached at **Appendix D**. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm’s support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually. Details of FRP’s charge out rates are included at **Appendix D**. in accordance with SIP 9, a breakdown of the key areas of time expended by FRP in the Reporting Period is as follows:

- Time costs of £88,595 are attributed to dealing with creditors, this includes liaising with Secured Creditors regarding the Joint Administrators’ appointment and review of the Secured Creditors validity of security and termination fees. Time has also been spent in dealing with employee queries and assisting with employee claims, and dealing with unsecured creditors, including ROT creditors.
- Time costs of £192,792 have been incurred in dealing with trading matters. This included liaising with suppliers during the trading period to ensure ongoing supply, liaising with STB regarding funds transfers, continued update and reconciliation of trading cashflow, regular staff meetings, regular updates to stakeholders, liaising with customers regarding orders and price uplifts, making payments, and various other trading matters. Time has also been spent reconciling receipts relating to post appointment sales. Creditors should

3. Joint Administrators’ Remuneration, Disbursements, Expenses and Pre-appointment Costs



refer to the schedule of work for a full detailed breakdown of all trading activities undertaken.

- Time cost totalling £46,982 have been incurred in relation to statutory compliance which included drafting and circulation of the Joint Administrators’ appointment and Proposals to the relevant bodies of stakeholders, and obtaining a review of the validity of appointment. Time has also been spent in dealing with tax matters.
- Time costs of £55,741 have been incurred in dealing with matters relating to administration and planning. This included completing file reviews and associated administrative tasks in order to monitor case progression, completion of necessary insurance requirements and administering the Administration estate bank accounts and making payments where necessary.
- Time costs of £13,528 have been incurred dealing with matters under the heading Investigations. This relates to the Joint Administrators’ investigations into the conduct of the Directors and the Company, and compiling their statutory report to the Department of Business Energy, and Industrial Strategy.

Remuneration charged on a percentage of the value of the property

It is proposed that Joint Administrators’ fees will be charged as 5% of the gross realisations (net of VAT) of the assets realised in relation to the sale of the business and certain assets to the Purchaser. The Joint Administrators anticipate that requesting the approval of part of their remuneration as a percentage of the value of the property will give greater certainty to creditors over the sum to be charged, aligns the interest of the Joint Administrators with the creditors, reduces the administrative burden to provide detailed time recording information to creditors and represents a fair and reasonable reflection of the work it is anticipated will be undertaken by the Joint Administrators.

Joint Administrators’ Disbursements

The Joint Administrators’ disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Joint Administrators’ Expenses

When instructing third parties to provide specialist advice and services, or having the specialist services provided by the firm, the Joint Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work being undertaken. This is reviewed by the Joint Administrator periodically throughout the duration of the assignment. The specialists chosen may regularly be used by the Joint Administrator and usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment.

The Joint Administrators have engaged the following agents or professional advisors:

Professional Advisor	Nature of work	Basis of fees
Pinsent Mason	Legal matters and sales documentation.	Time costs
Hilco	Valuation and appraisal of Company Assets	Time costs
SP Insolvency	Provision of pension report and advice	Fixed fee

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-appointment Costs

FRP

Carndearg Consultants t/a PCA	Historic business rates review	% of realisations
City Press	Dealing with press and media queries	Time costs
Whittingham Riddell LLP	Tax Advice	Time costs
JMW Solicitors LLP	Legal matters and validity of security review	Time costs
Northumbria Payroll	Payroll Services	Fixed fee

The Joint Administrators will seek approval for the payment of these costs from the Administration estate from the Secured Creditors and preferential creditors, following the circulation of this report.

Joint Administrators' Pre-appointment Costs

The Group initially engaged FRP on 27 March 2023 to undertake cash flow management support for the Group, contingency planning and undertake an accelerated sale process. The Group paid FRP a total of £40,000 plus VAT in this respect, however this was paid by ITEC Mansfield in respect of the time costs incurred in relation to ITEC Mansfield specifically.

The following costs totalling £55,198 were incurred by the Joint Administrators and their professional advisors, and remained outstanding at the date of appointment, a summary excluding VAT, is below:

Provider	Amount unpaid for which approval will be sought £
FRP	41,320
Pinsent Masons	7,000
Gateley Legal	6,878
TOTAL	55,198

Appendix A

Statutory Information



ITEC PACKAGING (CHESTER-LE-STREET) LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names:	n/a
Previous registered name:	Paccor UK Limited (14 September 2018 to 24 October 2022)
Date of incorporation:	11 December 1989
Company number:	SC121847
Registered office:	c/o FRP Advisory Trading Limited, Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD
Previous registered office:	C/O Womble Bond Dickinson (UK) LLP, 2 Semple Street, Edinburgh, Scotland, EH3 8BL
Business address:	Drum One, Drum Industrial Estate, Chester-le-Street, DH2 1AE

ADMINISTRATION DETAILS:

Joint Administrators:	Martyn Rickels, Allan Kelly and Simon Farr
Address of Joint Administrators:	FRP Advisory Trading Limited 4th Floor, Abbey House, Booth Street, Manchester, M2 4AB FRP Advisory Trading Limited 2 nd Floor, Bulman House, Newcastle Upon Tyne, NE3 3LS
Date of appointment of Joint Administrators:	5 April 2023
Court in which Administration proceedings were brought:	Court of Session
Court reference number:	P298/23
Appointor details:	Asheton Capital Limited, Qualifying Floating Charge Holder
Previous office holders, if any:	None
Extensions to the initial	None

Appendix A

Statutory Information

period of
appointment:

Date of
approval of
Joint
Administrators'
proposals: 13 June 2023

FRP

Appendix B

Form AM10 (Scot) - Formal Notice of the Progress Report

FRP

AM10 (Scot)

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number S C 1 2 1 8 4 7

Company name in full iTEC Packaging (Chester-le-Street) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Martyn

Surname Rickels

3 Administrator's address

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

4 Administrator's name ①

Full forename(s) Allan

Surname Kelly

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Suite 5, 2nd Floor

Street Bulman House

Regent Centre

Post town Gosforth

County/Region Newcastle Upon Tyne

Postcode N E 3 3 L S

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 5	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3
To date	^d 0	^d 4	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten signature]

X

Signature date

^d 1	^d 6	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3
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AM10 (Scot)

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Keeley Casey
Company name	FRP Advisory Trading Limited
Address	4th Floor Abbey House
Post town	Booth Street
County/Region	Manchester
Postcode	M 2 4 A B
Country	
DX	cp.manchester@frpadvisory.com
Telephone	0161 833 3344



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Receiver
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1 (Scot), VAM2 (Scot), VAM3 (Scot), VAM4 (Scot), VAM6 (Scot), VAM7 (Scot) VAM8 (Scot)
- CVA1 (Scot), CVA3 (Scot), CVA4 (Scot)
- AM02 (Scot), AM03 (Scot) AM04(Scot), AM05 (Scot), AM06 (Scot), AM07 (Scot), AM08 (Scot), AM09 (Scot), AM10 (Scot), AM12 (Scot), AM13 (Scot), AM14 (Scot), AM19 (Scot), AM20 (Scot), AM21 (Scot), AM22 (Scot), AM23 (Scot), AM24 (Scot), AM25 (Scot)
- REC1(Scot), REC3 (Scot)
- LIQ13 (Scot), LIQ14 (Scot), WU15 (Scot)
- COM1 (Scot), COM2 (Scot),

2 Insolvency practitioner's name

Full forename(s)

Simon

Surname

Farr

3 Insolvency practitioner's address

Building name/number

4th Floor

Street

Abbey House

Post town

Booth Street

County/Region

Manchester

Postcode

M 2 4 A B

Country

Appendix C
Schedule of Work

FRP

iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

The table below sets out a detailed summary of the work undertaken by the office holder(s) during the Reporting Period together with an outline of work still to complete.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims if the business has continued to trade and/or is sold following appointment; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

Note	Category		Value of time incurred
1	ADMINISTRATION AND PLANNING Work undertaken during the Reporting Period	ADMINISTRATION AND PLANNING Future work to be undertaken	£55,741
	Regulatory Requirements		
	Considered money laundering risks and know your client information in accordance with Money Laundering Regulations. Monitored professional and ethical matters and other legislation such as Bribery Act and Data Protection Act.	Continued monitoring of money laundering risks and know your client information in accordance with Money Laundering Regulations. Continued monitoring of professional and ethical matters and other legislation such as Bribery Act and Data Protection Act.	
	Ethical Requirements		

iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

	<p>Prior to the Joint Administrators' appointment and prior to the period covered by this report a review of ethical issues was undertaken and no ethical threats were identified. During the Review Period, no new threats to compliance with the Code of Ethics have been identified.</p>	<p>Continue to monitor the ethical requirements and identifying threats as and when they arise.</p>	
	Case Management Requirements		
	<p>Held initial discussions with management.</p> <p>Collated information from management.</p> <p>Determined and documented case strategy.</p> <p>Set up and administered insolvent estate bank account.</p> <p>Completed bank account reconciliations where appropriate.</p> <p>Set up case files/filed and maintained internal case diary.</p> <p>Dealt with interest and enquires from industry press and local media.</p> <p>Requested a review of security documentation to confirm the validity of any charges.</p> <p>Held internal meetings to discuss case strategy and completed internal case reviews to ensure that case matters are progressed.</p> <p>Liaised with former advisors to the Company to request third party information to assist in general enquiries.</p>	<p>Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing.</p> <p>Continue to administer insolvent estate bank accounts throughout the duration of the case and arrange closure when appropriate.</p> <p>Continue to maintain case files/filing and internal case diary.</p> <p>Arrange for the collection and storage of case files and destruction when appropriate.</p>	

iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

	<p>Considered GDPR and reviewed the Company's data protection policy.</p> <p>Instructed our IT Advisory team to capture the Company's digital records.</p> <p>Arranged for Company's website to be updated to reflect the Joint Administrators' appointment.</p> <p>Arranged for insurance on the assets in the estate, and updated insurers throughout the Reporting Period to ensure cover remained appropriate and cancelled when required.</p> <p>Instructed the following professional firms to assist the Joint Administrators:</p> <ul style="list-style-type: none">- Pinsent Masons– to provide legal advice regarding all aspects of the case including the sale of assets to Shalam.- Hilco – to provide valuation advice in relation to the Company's tangible assets and provide advice on the most suitable disposal strategy. Hilco are a RICS qualified firm of Chartered Surveyors and Valuers, they also hold suitable Professional Indemnity Cover.- City Press – to deal with press and media enquiries.- Northumbria Payroll – to process payroll for the post appointment period (this was the Company's pre-appointment provider)		
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iTEC Packaging (Chester-le-Street) Limited (In Administration)

Schedule of Work

	<ul style="list-style-type: none"> - SP Insolvency Limited – to review the Joint Administrators obligations in respect of the pension scheme. - PCA – to review the Company's historic property rating to identify any refunds due to the Company in respect pre-appointment business rates. - JMW Solicitors LLP – to review the Secured Creditors validity of security - Whittingham Riddell – to provide tax advice and preparation of CT returns. 		
2	ASSET REALISATION Work undertaken during the Reporting Period Sale of Company's business and assets <p>Following their appointment the Joint Administrators, conducted an accelerated sales process to achieve a sale of the Company's business and assets.</p> <p>The Joint Administrators completed a sale of the Company's business and assets to the Purchaser on 10 May 2023. Creditors should refer to the Proposals and main body of the progress report for full details of the marketing activities undertaken and further details regarding the sale. As part of the sale, all remaining 117 members of staff TUPE'd to the Purchaser and the Purchaser was granted a month licence to occupy the trading premises for a period of six months.</p> <p>The funds received in respect of the licence fee have been remitted onwards directly to the landlord.</p>	ASSET REALISATION Future work to be undertaken Deferred consideration <p>The Joint Administrators will continue to monitor the position regarding outstanding deferred consideration and collect these funds in due course.</p> Debtors <p>Continue to liaise with STB to collect post appointment sales.</p> Insurance refund <p>Continue to liaise with insurers and receipt funds relating to refund due on post appointment premiums paid.</p>	n/a % of realisations

ITEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

<p>Deferred Consideration</p> <p>The sales consideration included £300k of deferred consideration payable over 9 months, to be paid equally on a quarterly basis in June, September and December 2023.</p> <p>The Joint Administrators have liaised with the Purchaser and monitored this position during the Reporting Period.</p> <p>Debtors</p> <p>The Joint Administrators and their staff liaised with each debtor to reconcile and agree the balance due. Alongside STB, the Joint Administrators collected the pre-administration book debtors and ensured they were paid directly to STB. This process has now been exhausted.</p> <p>Cash at Bank</p> <p>The Joint Administrators liaised with HSBC to arrange the transfer of the cash at bank balance on appointment to the Administration estate account.</p> <p>Post Administration Sales</p> <p>The Joint Administrators are in the process of continuing to collect the remaining post appointment sales and liaising with the customer to reconcile the prepayment.</p> <p>Recycled Waste</p> <p>The Joint Administrators realised funds totalling £1,496 during the Reporting Period.</p>		
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iTEC Packaging (Chester-le-Street) Limited (In Administration)

Schedule of Work

	<p>Rates Refund</p> <p>The Joint Administrators engaged specialists agents to review the Company's historic business rates to ascertain if any refunds were due, and a refund has been received during the Reporting Period.</p> <p>Utility Refund</p> <p>The Joint Administrators have liaised with a utility Company regarding a pre-appointment refund due to the Company.</p> <p>Sundry Refunds</p> <p>Two sundry refunds have been received during the Reporting Period, these refunds relate to an insurance claim and refund in respect of an employee health cover premium paid, both relating to the pre-appointment period.</p> <p>Bank Interest</p> <p>Receipted gross bank interest totalling £16,870 during the Reporting Period.</p> <p>Insurance Refund</p> <p>The Joint Administrators' insurers have advised that a refund is due to the Administration estate in respect of premiums paid relating to the post appointment period, the Joint Administrators expect to receive these funds in due course.</p>		
3	<p>CREDITORS</p> <p>Work undertaken during the Reporting Period</p>	<p>CREDITORS</p> <p>Future work to be undertaken</p>	£88,596
	Notified HMRC, all known creditors and other key stakeholders of the Joint Administrators appointment.		

iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

<p>Retention of Title Requested creditors who wish to bring claims contact the Joint Administrators as soon as possible.</p> <p>Assisted ROT creditors with arranging on site stock inventories. Reviewing and adjudicating ROT claims on a case by case basis.</p> <p>Secured Creditors Liaised with the Secured Creditors regarding the appointment of the Joint Administrators.</p> <p>Provided the Secured Creditors with regular updates regarding the progress of the Administration, including full estimated outcome statements.</p> <p>Obtained advice from solicitors regarding the Secured Creditors validity of appointment.</p> <p>Distributed capital only distribution to Secured Creditors from fixed charge asset realisations.</p> <p>Preferential Creditors Time has been spent assessing the level of preferential creditors following the redundancies made, primarily relating to wage arrears accrued holiday pay and the level of outstanding pension contributions.</p>	<p>Secured Creditors: The Joint Administrators will liaise with the Secured Creditor throughout the course of the Administration to provide them with periodic updates.</p> <p>The Joint Administrators will liaise with the Secured Creditor to obtain approval on the basis of their fees and discharge from liability and extension to the initial Administration period.</p> <p>The Joint Administrators will continue to obtain advice from solicitors regarding the Secured Creditors validity of security.</p> <p>Preferential creditors: The Joint Administrators will liaise with the Preferential Creditors to obtain approval on the basis of their fees and discharge from liability and extension to the initial Administration period.</p>	
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ITEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

<p>Requested P45's from the Company's pre-appointment provider and circulating to redundant employees.</p> <p>Obtained a CN reference number from the RPS in order that employees can submit their claims.</p> <p>Liaised with the employees to advise them of their redundancy and assist them with their claims to the RPS.</p> <p>Collated and submitted forms RP14 & 14A to the RPS to enable the employee claims to be processed.</p> <p>Established the position with regards any Employer pension scheme, notifying the relevant parties in accordance with the legislation.</p> <p>Liaising with the Pension Protection Fund regarding the Company's defined benefit pension scheme.</p> <p>Holding on site meetings with staff as and when required for retained staff.</p> <p>Liaising with the payroll provider to process April payroll.</p> <p>Liaising with the Employment Tribunals Service.</p> <p>Secondary preferential creditors</p> <p>Advised HMRC of the Joint Administrators' appointment and requested the submission of its claim.</p>	<p>If sufficient funds are available to make a distribution to preferential creditors the office holder will agree claims, pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution.</p> <p>Secondary preferential creditors</p> <p>The Joint Administrators will liaise with the Secondary Preferential Creditors to obtain approval on the basis of their fees and discharge from liability.</p>
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iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

<p>Liaised with HMRC regarding pre-appointment VAT returns in order to minimise HMRC's secondary preferential claim.</p> <p>Unsecured Creditors Obtained a copy of the Company's creditor ledger.</p> <p>Notified the creditors of the Joint Administrators' appointment and requested they submit their claim in the Administration.</p> <p>Liaised with creditors and dealing with their queries/concerns.</p> <p>Logging proof of debt forms.</p> <p>Assets of finance Liaised various companies with assets on lease to the Company to arrange collection or obtain ongoing service if required.</p> <p>Pensions The Joint Administrators have completed and submitted an RP15 claim to the RPS in respect of the pre-appointment pension arrears and continue to liaise with the Pension Protection Fund regarding the defined benefit pension scheme.</p> <p>Drafting and delivery of the Joint Administrators' progress report to creditors.</p> <p>Seeking approval of the Joint Administrators' remuneration for the account period 5 April 2023 to 4 April 2023.</p>	<p>If sufficient funds are available to make a distribution to secondary preferential creditors the office holder will agree the claims and pay a distribution.</p> <p>Unsecured creditors: Continue to deal with creditor queries and any subsequent claims received, including requesting evidence in support of claims submitted.</p> <p>Pensions Continue to liaise with the scheme Trustee/ Pension Protection Fund in relation to the defined benefit scheme.</p>	
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iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

4	INVESTIGATIONS Work undertaken during the Reporting Period	INVESTIGATIONS Future work to be undertaken	£13,528
	<p>The Joint Administrators have a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Information provided to Department of Business Energy and Industrial Strategy ("DBEIS") is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <p>The Joint Administrators sent questionnaires to all directors who have held office within 3 years of the insolvency.</p> <p>Requested bank statements from the Company's bankers covering the two year period prior to the Administration.</p> <p>Reviewed completed questionnaires, and Company books and records to assist with enquiries.</p> <p>Completion of online submission to the DBEIS regarding the directors' conduct and preparation of internal memo to document rationale and findings.</p>	<p>Full bank statement review and reconciliation and completion of CDDA memo.</p>	

iTEC Packaging (Chester-le-Street) Limited (In Administration)

Schedule of Work

	Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.		
5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the Reporting Period	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken	£46,982
	<p>Circulated notification of the Joint Administrators' appointment to all creditors and stakeholders.</p> <p>Advertised notice of the Joint Administrators' appointment as required by statute.</p> <p>Calculated and protected the value of assets that are not subject to a charge by obtaining a bond to the correct level.</p> <p>Provided creditors with the Proposals for the conduct of the Administration for approval by creditors in accordance with legislation.</p> <p>Compiled a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed.</p> <p>Assisted the Directors to prepare a Statement of Affairs and filed at Companies House.</p>	<p>To obtain creditor approval on the basis on which the office holder's fees will be calculated.</p> <p>To provide statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed at the court and Registrar of Companies.</p> <p>To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims</p> <p>Dealing with post appointment VAT and or other tax returns as required.</p> <p>To deal with the statutory requirements in order to bring the case to a close and for the office holders(s) to obtain their release from office; this includes preparing final reports for stakeholders, convening final meetings, statutory advertising and filing the</p>	

iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

	<p>Notified HMRC of the Joint Administrators' appointment.</p> <p>Liaised with HMRC regarding the submission of the pre-appointment VAT return.</p> <p>Liaised with HMRC and management regarding Plastic Packaging Tax that is due to HMRC in respect of the trading period.</p>	relevant documentation with the court and Registrar of Companies.	
6	<p>TRADING</p> <p>Work undertaken during the Reporting Period</p> <p>Trading</p> <p>The Joint Administrators and their staff were present at the Company's trading premises, on a daily basis, to facilitate and manage the continued trading of the business, whilst undertaking an accelerated sale process.</p> <p>Certain key management personnel were retained to maintain the contract management procedures. In addition to this, all of the Company's support functions were maintained including Finance and IT.</p> <p>The Joint Administrators set up systems to monitor the financial affairs of the business post appointment and to prepare regular trading cash flow forecasts and budget requests to ensure that sufficient funding was available to discharge the expenses of the Administration as they fall due.</p>	<p>TRADING</p> <p>Future work to be undertaken</p> <p>Reconcile trading account and make payment of final invoices relating to the trading period.</p> <p>Chase any outstanding invoices that relate to the trading period.</p>	£192,792

iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

<p>Throughout the trading period the Joint Administrators oversaw all daily operational issues, including liaising with and providing undertakings to suppliers (where necessary) to ensure the continuity of services.</p> <p>Employees</p> <p>Whilst some redundancies were made on appointment, the majority of staff were retained to assist with trading.</p> <p>The Joint Administrators have processed wages and staff expenses in line with the usual contractual terms.</p> <p>Ongoing dialogue has taken place with employees as well as elected union representatives in connection with employment and payroll related queries.</p> <p>As part of the ongoing consultation process, several meetings with Employee Representatives have also taken place in order to further discuss matters raised and to provide updates, where possible.</p> <p>Correspondence has taken place, post-appointment, with relevant parties regarding the reinstatement of certain insurance policies relating to employee benefits previously provided by the Company.</p> <p>Pension contributions for the post-administration period have been calculated and fulfilled. The Joint Administrators and their staff have undertaken the following tasks relating to the trading period:</p>		
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ITEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

	<p>Meeting with staff on appointment and outlining and implementing a strategy to continue to operate the business.</p> <p>Management of Company staff during the period and ensuring appropriate levels of staff throughout.</p> <p>Liaised with key suppliers to ensure the continued provision of services/ goods in order to facilitate a post appointment trading period, and providing undertakings to suppliers where appropriate.</p> <p>Withdrawing all supplier undertaking following the completion of the sale.</p> <p>Agreeing a business critical only cash flow with the management team.</p> <p>Daily review of trading cashflow and monitoring and making payments where required.</p> <p>Daily attendance on site by Joint Administrators' staff to oversee the continued trading functions.</p> <p>Liaised with the Company's IT staff and IT providers to ensure continuity of IT services and systems.</p> <p>Determining the steps to be taken to comply with the General Data Protection Regulations and any additional requirements.</p>		
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iTEC Packaging (Chester-le-Street) Limited (In Administration)**Schedule of Work**

	<p>Arranging for the Company's social media to be updated to reflect the Administration process.</p> <p>Processing payroll for retained staff.</p> <p>Liaising with insurers regarding post appointment trading requirements to insure we remain compliant.</p> <p>Overseeing all daily operational issues.</p> <p>Liaising with customers to agree price uplift.</p>		
7	LEGAL AND LITIGATION Work undertaken during the Reporting Period	LEGAL AND LITIGATION Future work to be undertaken	NIL
	No work has been undertaken to date.	We will seek legal advice and intervention as and when needed throughout the assignment.	
	Total time costs incurred in the Reporting Period		£397,639

Appendix D

Details of the Joint Administrators' Time Costs and Disbursements for the Reporting Period

FRP

FRP

ITEC Packaging (Chester-Le-Street) Limited - Post (In Administration)
Time charged for the period 05 April 2023 to 04 October 2023

	Appointment				Total Cost		
	Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	£ Average Rate	Base £
Administration and Planning	40.58	27.30	35.05	75.60	182.51	55,741.35	305.42
A&P - Admin & Planning		1.80			1.80	648.00	360.00
A&P - Strategy and Planning	5.80	13.00	1.40	2.00	22.20	8,766.00	394.86
A&P - Case Accounting - Genera	1.86	0.30	8.85	11.60	22.61	5,288.85	233.92
A&P - Case Accounting		1.45	1.95	17.90	21.30	4,289.25	201.37
A&P - Case Control and Review	21.80	7.75	13.65	0.80	44.00	19,044.75	432.84
A&P - General Administration	9.10	0.50	6.10	42.05	57.75	14,242.00	246.61
A&P - Travel		2.50	5.00	7.50	15.00	1,325.00	178.67
A&P - Insurance		2.50	0.60	0.25	3.35	1,127.50	336.57
A&P - Media	2.00				2.00	1,010.00	505.00
Creditors	68.00	76.25	76.60	38.50	259.35	86,995.50	341.61
CRE - Employees	6.00	42.50	40.30	13.65	102.45	30,341.00	296.15
CRE - Secured Creditors	50.50	10.00			60.50	29,797.50	492.52
CRE - Pensions - Creditors	1.50	3.70	2.90	0.25	6.35	3,004.00	359.76
CRE - Unsecured Creditors	1.00	1.25	10.30	17.45	30.00	6,954.00	231.80
CRE - TAX/VAT - Pre-appointment				0.70	0.70	119.00	170.00
CRE - HPI Leasing		1.00	6.55		7.55	2,304.75	305.26
CRE - ROT	0.50	17.80	16.05	6.45	40.80	11,630.25	285.06
CRE - Legal Creditors	8.00				8.00	4,040.00	505.00
CRE - Landlord	0.50		0.50		1.00	405.00	405.00
Investigation		11.70	28.25	3.50	43.45	13,528.25	311.35
INV - CDDA Enquiries		0.20	9.00	1.85	11.05	3,149.00	284.98
INV - IT - Investigations			6.75	1.65	8.40	2,159.25	257.05
INV - Investigatory Work		11.50	12.50		24.00	8,220.00	342.50
Statutory Compliance	19.20	59.25	42.05	8.65	128.15	46,991.50	366.61
STA - Appointment Formalities		5.00		1.45	6.45	2,290.00	355.04
STA - Bonding/ Statutory Advertising		0.30	0.50	1.35	2.15	509.50	236.98
STA - Statement of Affairs	2.00		3.50	1.10	6.60	2,065.50	312.95
STA - Pensions- Other			1.40	1.40	1.40	323.00	230.71
STA - Statutory Compliance - Gen	0.20	8.60	12.85	4.35	26.00	7,829.50	301.13
STA - Tax/VAT - Post appointment		0.25	3.20		3.45	1,066.50	309.13
STA - Statutory Reporting/ Meetr	17.00	43.60	20.60		81.20	32,653.50	402.14
STA - GDPR Work		0.50		0.40	0.90	244.00	271.11
Trading	216.30	146.35	100.80	3.50	466.95	192,792.25	412.88
TRA - Case Accounting - Trading		4.00	2.80		6.80	2,152.00	316.47
TRA - Trading - General	107.80	126.85	75.30	0.50	310.45	119,054.75	383.49
TRA - Trading forecasting/ Monit	32.50	3.00			35.50	18,657.50	531.20
TRA - Trade sales/ Purchase	76.00	12.50	22.70		111.20	52,248.00	469.86
TRA - IT - Trading / Sale support				3.00	3.00	480.00	160.00
Total Hours	344.06	319.85	282.75	133.75	1,080.41	397,638.85	368.04

Disbursements for the period
05 April 2023 to 04 October 2023

	Value £
Category 1	
Bonding	1,000.00
Car/Mileage Recharge + 1 Person	292.00
Company Search	25.00
Computer Consumables	2,733.65
Consultancy	105.00
Hotels	3,709.50
Other Travel	0.00
Postage	5.39
Property	81.31
Stationery	134.95
Subsistence	891.78
Sundries/General	243.00
Category 2	
Car/Mileage Recharge	2,792.34
Grand Total	12,013.92

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

FRP Charge out rates	From	To
Grade	1st May 2022	1st May 2023
Appointment taker / Partner	480-580	505-610
Managers / Directors	360-460	380-485
Other Professional	210-320	220-335
Junior Professional & Support	130-190	135-200

Appendix E

Receipts and Payments Account for the Reporting Period

FRP

iTEC Packaging (Chester-le-Street) Limited
(In Administration)
Joint Administrators' Trading Account
To 04/10/2023

S of A £	£	£
POST APPOINTMENT SALES		
Sales	1,365,400.23	
Customer Prepayments	210,000.00	
Recycled waste	1,496.60	
		1,576,896.83
PURCHASES		
Stock	507,560.71	
		(507,560.71)
OTHER DIRECT COSTS		
Ee's & Er's pension contributions	20,516.96	
Direct Wages	391,475.94	
Employee Expenses	1,194.76	
Attachment of Earnings	2,430.61	
		(415,618.27)
TRADING EXPENDITURE		
Rents	121,363.57	
Heat & Light	164,768.12	
Telephone	6,998.41	
Storage	481.49	
Insurance	315.70	
Consultancy Fees	61,023.26	
Payroll Costs	1,487.20	
Lease/HP Payments	4,170.68	
Hire of Equipment	18,100.66	
Repairs & Maintenance	2,223.03	
Sundry Expenses	38.10	
Employee PAYE/NI	98,494.98	
Haulier Costs	182,240.73	
IT Costs	10,828.16	
Property Expenses	328.53	
Skip hire and removal	1,228.65	
Packaging Costs	46,773.83	
Consumables	4,730.00	
Employee health benefits	423.94	
Rates	49,101.64	
		(775,120.68)
TRADING SURPLUS/(DEFICIT)		(121,402.83)

ITEC Packaging (Chester-le-Street) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 04/10/2023

S of A £		£	£
	SECURED ASSETS		
	Plant & Machinery	2,050,000.00	
	Goodwill	1.00	
	Intellectual Property	1.00	
			2,050,002.00
	COSTS OF REALISATION		
	Legal Disbursements	3,362.00	
	Legal Fees	4,500.00	
	Haulier Lien	50,000.00	
			(57,862.00)
	SECURED CREDITORS		
(5,183,346.00)	STB	1,100,000.00	
(711,235.00)	Loan Notes	NIL	
			(1,100,000.00)
	ASSET REALISATIONS		
	Business Records	1.00	
	Customer Contracts	1.00	
250,000.00	Stock	249,993.00	
	Supplier Contracts	1.00	
250,000.00	WIP	1.00	
	Book Debts	31,878.20	
	Information Technology	1.00	
	Sundry refund	7,121.48	
52,182.00	Cash at Bank	43,209.80	
	Licence Fee	449,583.23	
	Rates Refund	114,091.21	
	Utilities Refund	1,060.06	
	Bank Interest Gross	16,870.25	
	Trading Surplus/(Deficit)	(121,402.83)	
			792,409.40
	COST OF REALISATIONS		
	Administrators' Disbursements	200.00	
	Licence Fee	449,583.23	
	Agents/Valuers Fees (1)	22,818.24	
	Pensions Report	440.00	
	Statutory Advertising	92.25	
	Bank Charges - Floating	80.00	
			(473,213.72)
	PREFERENTIAL CREDITORS		
(49,193.00)	RPO - Wages + Holiday pay	NIL	
(5,354.92)	Employee - Wages + Holiday Pay	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(373,272.00)	HMRC	NIL	
			NIL
	UNSECURED CREDITORS		
(10,660,477.00)	Unsecured Creditors - Trade & Expens	NIL	

iTEC Packaging (Chester-le-Street) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 04/10/2023

S of A £		£	£
(195,416.21)	RPO - Redundancy + Notice pay	NIL	
(9,692.47)	Employee - Redundancy + Notice pay	NIL	
(1,292.00)	HMRC - Unsecured	NIL	
(4,500,000.00)	PPF	NIL	
			NIL
	DISTRIBUTIONS		
(9,901,813.00)	Ordinary Shareholders	NIL	
			NIL
(31,006,080.60)			1,211,335.68
	REPRESENTED BY		
	Vat Recoverable - Floating		308,335.76
	Current Floating Int Bearing		1,306,723.52
	Vat Recoverable - Fixed		1,572.40
	Vat Payable - Floating		(405,296.00)
			1,211,335.68