

The Insolvency Act 1986

**Statement of Administrators' Proposal**

Name of Company Sheffield Recycling Services Limited	Company number 04619438
In the High Court of Justice, Manchester District Registry [full name of court]	Court case number 2205 of 2016

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

We (a) Mark Beesley and Tracy Mary Clowry  
of Beesley Corporate Solutions,  
Astute House,  
Wilmslow Road,  
Cheshire,  
SKP 3HP

\* Delete as applicable

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

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

(b) Insert date

(b) 27 April 2016

Signed *TM Clowry*  
Joint Administrators

Dated 27 April 2016

**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.

Beesley Corporate Solutions	
Astute House Wilmslow Road Handforth Cheshire SK9 3HP	
	Tel 01625 544 795
DX Number	DX Exchange



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29/04/2016

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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

**SHEFFIELD RECYCLING SERVICES LIMITED**

**(In Administration)**

**Registered Number 04619438**

**In The High Court of Justice, Manchester District Registry**

**Reference No: 2205 of 2016**

**Administrators' Proposal pursuant to  
Para 49 of Schedule B1 Insolvency Act 1986**

**27 APRIL 2016**

Beesley Corporate Solutions  
Astute House, Wilmslow Road, Handforth, Cheshire, SK9 3HP  
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**TO: THE REGISTRAR OF COMPANIES  
THE COURT  
ALL CREDITORS  
ALL SHAREHOLDERS  
ALL DIRECTORS**

## **1 INTRODUCTION**

- 1.1** We, Mark Beesley and Tracy Mary Clowry, refer to our appointment as Joint Administrators of Sheffield Recycling Services Limited ("the Company") on 4 March 2016 and write to present our proposal ("the Proposal") for the Company pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act")
- 1.2** We were appointed by way of a Court appointment pursuant to paragraph 12 of Schedule B1 of the Act following an application made by the Director of the Company
- 1.3** Pursuant to Paragraph 100 (2) we act jointly and severally as Joint Administrators. We declare that during administration of the Company any act required or authorised under any enactment to be done by the Joint Administrators may be carried out by both or either of us, or by one or both of the persons for the time being holding that office in succession to us

## **2 STATUTORY INFORMATION**

### **2.1 General**

Name	Sheffield Recycling Services Limited
Company Number	04619438
Date of Incorporation	17 December 2002
Previous Names	N/A
Trading Styles	N/A
Registered Office	Currently (for the purposes of the administration) Astute House, Wilmslow Road, Handforth, Cheshire SK9 3HP
Previously	Manor Works Cricket Inn Road Sheffield South Yorkshire S2 5AX
Trading Addresses	Manor Works Cricket Inn Road Sheffield South Yorkshire S2 5AX  Daneshill Landfill, Daneshill Road, Retford, DN22 8RB (from 27/05/2009 to 27/05/2010)
Principal Activity	Collection of non hazardous waste & Treatment & Disposal of non hazardous waste
Director	Scott Barrie Barker (From 17 December 2002 to Date)

Former Director (last 3 years)	Donna Louise Barker (From 1 April 2008 to 31 August 2013)
Secretary	Donna Louise Barker (From 17 December 2002 to 1 January 2010)
Issued Share Capital	2 Ordinary £1 shares
Shareholders – Current	Scott Barrie Barker – 1 Ordinary £1 share Donna Louise Barker - 1 Ordinary £1 share

- 2.2** The Administration proceedings are under the jurisdiction of the High Court of Justice, Manchester District Registry under Court reference number 2205 of 2016
- 2.3** The Company's main centre of operations is based in the UK. The EC Regulations on Insolvency Proceedings apply and the proceedings are main proceedings under those regulations

### **3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION**

- 3.1** Sheffield Recycling Services Limited (company registration number, 04619438) ("Sheffield/the Company") was incorporated on 17 December 2002
- 3.2** The Company trades from two sites located on opposite sides of the road at Manor Works, Cricket Inn Road, Sheffield, S2 5AX, which are subject to secured lending with Lloyds Bank Plc, ("Lloyds/The Bank")
- 3.3** It was also noted from the Company's website that, it had previously operated from a site located at, Daneshill Landfill, Daneshill Road, Retford, DN22 8RB. The landlord of this site has confirmed that the Company held a lease of the site from 27 May 2009 to 27 May 2010
- 3.4** Sheffield commenced trading in December 2002, carrying on business of a waste recycler and skip hirer
- 3.5** Sheffield granted a Debenture to Excel-A-Rate Business Services Ltd on 30 October 2003. This incorporated a floating charge over the assets of the Company. Excel-A-Rate consented to the Administration and advised they had no outstanding balance due to them. They also thereafter registered notice of the satisfaction of their charge in full, at Companies House on 1 March 2016
- 3.6** Sheffield granted a Debenture, incorporating a floating charge over the assets to Lloyds on 26 July 2005
- 3.7** On 9 November 2005, Sheffield purchased two plots of land from which it was trading, and which are registered under title numbers, SYK293687 and SYK297989. The total price paid was £500,000 and was funded by the creation of a charge over the land in favour of Lloyds
- 3.8** In addition, the Director, Mr Scott Barrie Barker provided a Personal Guarantee to Lloyds in an amount not to exceed £375,000 in November 2005
- 3.9** On 30 March 2006, Sheffield purchased an additional plot of land located opposite the trading premises, and registered under Title Number SYK237311. The total amount

paid was £295,000 which was funded by further borrowings from Lloyds and supported by a Debenture created on 30 March 2006 and registered at Companies House on 5 April 2006. The Bank also has a charge registered against title number SYK237311.

- 3.10** As at the 18 February 2016, the total sum due to Lloyds stood at £645,619.69.
- 3.11** It was however believed that Sheffield would have a claim against Lloyds in respect of a complaint made in respect of two fixed rate loans made to Sheffield on 30 March 2006 and 24 September 2008. Whilst, the quantum of these claims had not been fully calculated, it was believed that the same would be in the order of £400,000-£500,000.
- 3.12** Sheffield instructed All Square Limited to commence action in this regard and a complaint has been raised to The Financial Ombudsman Service. A final decision in this regard has yet to be received. Although, it is noted that awards handled by The Financial Ombudsman Service can be limited to £150,000 they may however suggest a financial institution should consider making a payment in a higher sum.
- 3.13** Sheffield held two licences granted by The Environment Agency which authorised it to transport, process and store waste. It also held a carrier's certificate.
- 3.14** On 18 December 2015 a Section 37 Notice was served against Sheffield, preventing it from depositing any further waste on the site, registered under Title Numbers SYK293687 and SYK297989, until the current volume of waste at this site, which was estimated to be between 600-1,000 tonnes, had been reduced to the permitted level of 200 tonnes.
- 3.15** On 8 January 2016, a Section 36 Notice was issued by The Environment Agency against Sheffield, in respect of the site registered under Title Number SYK237311. This notice gave Sheffield until 18 February 2016 to take specified steps in relation to the breaches of conditions of the licence, failing which a Section 37 Notice would be issued. Due to the Company's financial position it was not in a position whereby it could meet these requirements. Consequently, a Section 37 Notice has been issued following the Administration Order.
- 3.16** On 25 November 2015, a winding up petition was presented to the Manchester County Court by Haydock Finance Limited, under reference 3237 of 2015. The petition was heard on 25 January 2016 and adjourned to 22 February 2016, to enable Sheffield to make an application for Administration.
- 3.17** On 17 December 2015, Sheffield entered into a licence pursuant to which the operation of the skip hire element of the business was to be undertaken by an associated Company, SRS Recycling Limited, ("SRS"), (Company Number 09716800). SRS has its own carrier's certificate with The Environment Agency. SRS is an associated company by virtue of the Director's step son being the sole director and shareholder thereof.

- 3.18** It was proposed that, SRS would pay Sheffield the sum of £1,000 per month for the licence. SRS's accountants prepared the cash flow forecast as below, indicating the ability to maintain these payments (see also 3.19). The same was included in the Director's application to the Court for the Administration Order.

<b>Turnover (Per Month)</b>	<b>£70,000</b>
<b>Costs</b>	
Payment to Waste Station	42,000
Hire of Vehicles (3 x Skip Wagons)	4,800
Fuel	5,000
Insurances	2,000
Licence Fee (EA reserve)	500
Admin Staff	1,000
Wages	5,200
Licence fee	1,000
Total	61,500
<b>Surplus (Net Per Month)</b>	<b>8,500</b>

- 3.19** In addition to the licence fee, the surplus profits initially calculated by SRS's accountant at £8,500 per month were to be utilised by SRS to fund the clearance of the sites, and bring them within the guidance issued by The Environment Agency. Figures later provided just prior to administration however indicated that sums of £2,400 to £6,000 per month were more viable. (Please refer to the Cash flow prepared by SRS's accountant which was filed at Court for the hearing on 4 March 2016 and is exhibited at Appendix A(i)).
- 3.20** Further, it appeared that Sheffield had debtors of circa £40,000 to collect in.
- 3.21** On 19 February 2016, the Director sought to put the company into Administration, and accordingly, an application for Administration Order was made to the Manchester County Court, and listed to be heard on Friday, 4 March 2016.
- 3.22** As a result the hearing of the winding-up petition was further adjourned to 7 March 2016.
- 3.23** At the hearing on 4 March 2016 the Administration Order was duly granted and we were appointed Joint Administrators.
- 3.24** On 7 March 2016 the winding-up order was dismissed and the costs of the petition were ordered to be an expense of the Administration.

## 4 SUMMARY OF FINANCIAL POSITION

### 4.1 Profit & Loss Account

The Company's profit & loss accounts for the years ended 31 December 2014 & 31 December 2013, are summarised below

	Accounts for the year ended 31/12/2014	Accounts for the year ended 31/12/2013
	£	£
Turnover	902,142	1,039,329
Cost of Sales	429,505	453,107
Gross Profit	472,637	586,222
Distribution Costs	254,955	297,965
Administrative Expenses	145,854	219,004
Operating Profit/(Loss) and Profit/(Loss) on Ordinary Activities before Taxation	71,828	69,253
Interest Receivable	(64)	11
Interest Payable & Similar charges	(67,735)	(69,290)
Profit/Loss on Ordinary Activities before Tax	4,029	(26)
Tax on profit on ordinary activities	-	(37,043)
Profit/(Loss) for the year	4,029	37,017

### 4.2 Balance Sheet

The company's balance sheets for the years ended 31 December 2014, 31 December 2013 & 31 December 2012 are summarised below

	Accounts for the year ended 31/12/2014		Accounts for the year ended 31/12/2013	
	£	£	£	£
<b>Fixed Assets</b>				
Tangible Assets		864,200		890,754
<b>Current Assets</b>				
Stocks	40,000		20,000	
Debtors	176,942		186,260	
Cash at Bank and in Hand	139		18,661	
	217,081		224,921	
Creditors amounts falling due within one year	(386,795)		(365,816)	
Net Current Liabilities		(169,714)		(140,895)
Total Assets Less Current Liabilities		694,486		749,859
Creditors Amounts falling due after more than one year		(578,773)		(638,175)
Net Liabilities		(115,713)		111,684
Called up share capital		2		2
Profit and loss account		115,711		111,682
Shareholders' funds		115,713		111,684



	Amended Accounts for the year ended 31/12/2012		Accounts for the year ended 31/12/2012	
	£	£	£	£
<b>Fixed Assets</b>				
Tangible Assets		932,423		923,423
<b>Current Assets</b>				
Stocks	40,000		-	
Debtors	209,674		200,009	
Cash at Bank and in Hand	12,141		14,141	
	<u>261,815</u>		<u>214,150</u>	
Creditors amounts falling due within one year	(391,775)		343,788	
Net Current Liabilities		(129,960)		(129,638)
Total Assets Less Current Liabilities		<u>802,463</u>		<u>802,785</u>
Creditors Amounts falling due after more than one year		(709,187)		(756,650)
Provision for Liabilities				(15,297)
Net Liabilities		<u>93,276</u>		<u>30,838</u>
Called up share capital		2		2
Hedging Reserve		18,609		-
Profit and loss account		<u>74,665</u>		<u>30,836</u>
Shareholders' funds		<u>93,276</u>		<u>30,838</u>

#### Notes to 4.1 and 4.2 above:

1 Full Accounts for the year ended 31 December 2014 have been provided by the accountants. Only abbreviated accounts have been obtained for the years ended 31 December 2013 and 31 December 2012, (Amended copies of which have been filed at Companies House in respect of the 2012 and are detailed above)

2 The company was exempt from audit under S477 of the Companies Act 2006 for the above periods

#### 4.3 Statement of Affairs

In accordance with paragraph 47 of Schedule B1 of the Insolvency Act 1986 the Director of the Company was requested to provide a Statement of Affairs of the Company as at the date of the commencement of administration

To date, the Director has failed to provide a completed Statement of Affairs despite several requests for same. It is therefore not possible to provide a summary of same within this proposal and no statement has been filed at Companies House. No order limiting the disclosure of the Statement of Affairs pursuant to Rule 2.30 of the Insolvency Rules 1986 (as amended) has been made by the Court.

#### 4.4 Receipts and Payments

A receipts and payments account for the period of administration to date is enclosed as Appendix B

In addition, there is still to be paid

- (a) Administrators' costs as shown in Appendix C
- (b) Professional fees (Auctus Limited) in respect of our Agents' Valuation of the assets and assistance in sourcing potential purchasers. An invoice has been requested but not yet received. They have also organised the security for the site on a sub-contract basis
- (c) Solicitors Fees (SAS Daniels) in respect of legal advice provided both in the pre administration period and post. Our solicitors have confirmed that their time costs to 25 April 2016 were £16,500.00 plus VAT, of which £13,000 plus VAT represents

work undertaken pre appointment. They have however agreed not to invoice same until realisations are made. To date, no fees have been paid in respect of their time costs incurred. To date, their disbursements of £1,294.00 have been paid,

- (d) ADI, an invoice in the amount of £440.00 for services provided in relation to attempts to locate assets has been received
- (e) Eddisons have provided open cover public liability insurance in respect of the sites, to date no fees have been paid in this regard, however Eddisons have advised that the total costs to date are £958.50
- (f) Security for the site is an ongoing requirement. Costs of £5,125.00 plus VAT have been incurred in this regard. No fees have been paid to date
- (g) Predator Alarms, provided fitting and updating of the CCTV system to enable continued monitoring of the site. To date, no invoice has been provided and no fees have been paid in this regard
- (h) Securecare Monitoring provided an alarm system for the premises, including continued monitoring, to date, no invoice has been provided and no fees have been paid in this regard

## **5. EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT**

### **5.1 General**

- 5.1.1** Immediately following our appointment on 4 March 2016, our agents attended the site with a view to securing the premises. As noted above, the intention was for SRS to continue the skip hire element of the business under the existing licence, with the surplus monthly income to be used towards the clearance of the sites
- 5.1.2** Prior to the Administration, an agreement had been reached with the Environment Agency for SRS to have access to the site during working hours, to enable removal of wastage with a view to reducing the tonnage to an allowable level
- 5.1.3** Following our appointment we have continually monitored the site to ensure that full compliance has been maintained by SRS. It did however become apparent that, SRS were not taking any steps to reduce the tonnage on the sites
- 5.1.4** Additionally, the licence fee on £1,000 per month and the surplus income, (as noted above), was not being paid into the Administration estate. Correspondence was entered into with, the Director of SRS, Director of Sheffield and the accountants who had prepared the cash flow forecasts
- 5.1.5** SRS subsequently advised that, following the Administration, a number of customers had cancelled their contracts with the company, furthermore, they did not feel the figures prepared by the accountant were a true representation of the trade of the company and as such it could not afford to maintain either the licence fee or the clearance costs
- 5.1.6** We have however received notice from several customers that SRS has continued to trade utilising the assets of Sheffield. Investigations in this regard are continuing to be made by the Joint Administrators

- 5.1.7** Accordingly, on Tuesday, 29 March 2016, the decision was made to close the site and remove all access from SRS, who in any event, appeared to have vacated the site on Thursday, 24 March 2016
- 5.1.8** Enquiries in relation to the outstanding debtors of £40,000.00 resulted in advice from the Director and accountant assisting him that these had been fully collected prior to administration and swallowed by the bank. Our enquiries in this regard are continuing
- 5.1.9** Throughout the Administration period we have maintained communication with the Environment Agency, given the restrictions in place. We have also however been notified by The Health & Safety Executive that, on 14 January 2016 a Prohibition Notice was served on the Company in relation to the sites
- 5.1.10** Prior to the Administration, the Director provided a schedule of the assets held by the Company, the majority of which were subject to finance/lease agreements. Following our appointment we have undertaken steps to locate and identify these assets
- 5.1.11** A number of Finance/Lease Companies have advised that, they have also been unable to locate their assets, despite several requests to the Director. The Administrators were advised that, a number of assets had been reported as stolen, written off or disposed of in the months preceding the Administration, with the Director also advising that a number of assets had been "cannibalised" for parts. Enquiries in this regard are also continuing
- 5.1.12** We have entered into correspondences with the finance/lease companies, and instructed tracing agents to locate assets, however we have not been able to locate these as yet. We are however aware that, a number of leasing/finance companies have now also referred to the matter to their fraud departments for further investigations
- 5.1.13** As indicated above, as Administrators, our investigations into the various matters highlighted are continuing, and a further update will be provided in due course. (See also 5.3 below)
- 5.1.14** Full details of the claim against Lloyds in respect of the two fixed rate loans were pursued by the Joint Administrators. A file has been provided from All Square and correspondence has been entered into with the Financial Ombudsman Service to ascertain the validity and potential quantum of these claims
- 5.1.15** We advise that, enquiries are continuing in this regard, and the Financial Ombudsman Services' report is awaited
- 5.1.16** We also advise that, Scott Barrie Barker and Donna Louise Barker were subject to Bankruptcy Orders made on 11 April 2016 in their absence. The petitions were issued against Mr & Mrs Barker by Haydock Finance Limited, in relation to personal guarantees they had provided in respect of equipment Sheffield held on finance with Haydock. We have however subsequently been informed that, the County Court has revisited the matter and following a review has concluded that the service of the petitions was incorrect and retrospectively adjourned the hearings until 23 May 2016
- 5.1.17** As it has become apparent that the proposed plan of SRS to utilise the surplus income from their trading of the skip business to clear the site, is not viable, the Administrators have obtained a number of quotes from potentially interested parties, with a view to

either, clearing the sites and processing the waste off site, or purchasing the sites in their present state, reducing the waste levels to the Environment Agency's satisfaction and thereafter continuing operations at the site

- 5.1.18** We have also obtained a professional valuation of the sites, providing a current market value of the sites once cleared of all waste
- 5.1.19** Discussions with Lloyds in this regard have been commenced, with a view to obtaining the most cost effective and beneficial resolution with regards to the sites. Unfortunately, due to illness and the time scales involved, it has not been possible for the Bank's representative to fully review the various options proposed. Nor has not been possible to finalise discussions with Lloyds and implement a proposed course of action
- 5.1.20** We therefore advise that, whilst these discussions continue with Lloyds, it is not feasible to confirm a defined proposed course of action under of the Administration
- 5.1.21** As it is not the intention of the Joint Administrators to call a meeting of Creditors pursuant to Paragraph 52 (1) (b) Schedule B1 of the Insolvency Act 1986, (please see Section 13 below), it is our intention to issue a revised proposal subject to Paragraph 54 Schedule B1 of the Insolvency Act 1986 & Rule 2.45 of The Insolvency Rules 1986 in due course, once discussions with the Bank have been concluded
- 5.2.** As Joint Administrators, we continue to deal with all aspects that include, but are not limited to, realising the remaining assets, dealing with creditor correspondence and completing our statutory obligations. Our responsibilities as Administrators are being adhered to in accordance with Schedule B1 of the Insolvency Act 1986 (as amended) and the Insolvency Rules 1986 (as amended) whilst in office

As Insolvency Practitioners we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

### **5.3 Investigations**

Our investigations into the affairs of the Company and the events leading up to our appointment are still at an early stage and we will report our conclusions to the appropriate authorities in due course

The emphasis of these investigations is to ascertain full information on the whereabouts of the Company's assets based upon the information provided prior to the Administration, and that provided by a number of creditors and involves an examination of the books, records and correspondences in the Joint Administrators' possession, correspondence received from creditors and personal interviews with the Company's officers

This investigation work will include an assessment into whether there are any potential claims that could be brought against parties connected to the Company or any third parties, and an initial assessment as to whether there were any matters that might lead to recoveries for the estate or require further investigation

In the meantime, if creditors have any specific matters regarding the running of the Company and/or the conduct of its director that they feel warrants investigation, we would ask them to let us have full details in writing

## 5.4 Professional Advisors Used

On this assignment we have used the professional advisors listed below

Name of Professional Advisor	Service Provided	Cost
SAS Daniels LLP <sup>1</sup>	Legal Advice	£19,800 00 & Disbursements £ 1,294 00
Auctus Limited trading as Charles Taylor, Auctioneers and Valuers	Asset Valuations Estimated	£ 2,400 00
ADI <sup>2</sup>	Security	£ 6,150 30
Eddisons <sup>2</sup>	Tracing Report	£ 440 00
Predator Alarms <sup>2</sup>	Open Cover Public Liability Insurance	£ 958 50
Securecare Monitoring <sup>2</sup>	CCTV Camera System	£ 804 80
	Alarm Monitoring	£ 264 00
AUA Insolvency Risk Services Ltd (Recharge of same by Beesley Corporate Solutions)	Specific Penalty Bond	£950 40

\*Unless otherwise stated, all agents instructed are independent and have no connection to the insolvent party/(ies), the office holder(s) or Beesley Corporate Solutions. We can also confirm that the agents detailed above confirmed their independence to us.

Details of our firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix D.

## 6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Administrator(s) must perform his/their functions with the objective of

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or if (a) and (b) cannot be achieved)
- (c) Realising property in order to make a distribution to one or more secured, preferential creditors and unsecured creditors

6.2 The Company could not in our opinion be rescued as a going concern as, following the Section 36 & Section 37 Notices placed on it by The Environment Agency, it was not able to fully utilise the sites and remove and process the waste held.

6.3 It was viewed prior to the Administration Order that, the licence granted to SRS would allow funds to be realised in order to finance the clearance of the sites. However, as noted above, the compliance of SRS in this regard has not been achieved. Therefore no realisations have been received in this regard. Alternative options are therefore being explored which it is believed will produce a better result than would have been the case in liquidation.

## **7 ADMINISTRATORS' PROPOSAL**

**7.1** In accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986 we, Mark Beesley and Tracy Mary Clowry, the Administrators of the Company, make the following proposal for achieving the purposes of the Administration. As Administrators, we do not propose to call a meeting of creditors in this matter in accordance with Paragraph 52 (1) (b). The proposals are as follows -

**7.2** That we, as Administrators, do all such things and generally exercise all of our powers as Administrators contained in Schedule 1 of the Insolvency Act 1986 (as amended) as we in our discretion consider desirable or expedient, in order to achieve the purposes of the Administration and to protect and preserve the assets of the Company and to maximise the realisation of those assets or for any purpose incidental to these proposals

**7.3** That we, as Administrators continue our enquiries into the conduct of the Director(s) of the Company and assist any regulatory authorities with their investigation into the affairs of the Company

**7.4** That we, as Administrators be authorised to agree the claims of the secured, (preferential) and unsecured creditors against the company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution.

**7.5** Should there be sufficient funds to make a payment to preferential creditors if any such creditors come to light and, subject to the availability of such funds, we will make such a distribution in accordance with our powers contained in Schedule 1 of the Insolvency Act 1986 (as amended). No such creditors are however anticipated

**7.6** On the basis of current information, it seems unlikely that there will be sufficient funds to make a payment or distribution to the unsecured non-preferential creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986 (ie the Prescribed Part for unsecured debts). We will give consideration as to which is the more appropriate method of making such distribution either under Administration or by filing the relevant documents to cause the Company to be placed into Creditors' Voluntary Liquidation. In the latter event we propose that we would be appointed as Joint Liquidators, by filing the requisite forms with the Registrar of Companies pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986

Whilst in the present circumstances, it is not possible to calculate the value of the Company's net assets or the prescribed part, it is anticipated that, the value of the prescribed part may ultimately be Nil. At this stage it is not anticipated that an application will be made under S176A(5) of the Insolvency Act 1986 (as amended)

**7.7** In the event that a distribution is made under the Prescribed Part under the Administration, or if in the event there are insufficient funds to make a payment by way of distribution to the unsecured creditors, once all outstanding matters have been concluded, we will file the requisite forms with the Registrar of Companies to enable the Company to be dissolved pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986

**7.8** In the event that none of the above exit routes are deemed appropriate by the Administrators, and it has not proven necessary to take the action at 7.20 below, it is

proposed that we will present a petition to the Court for the compulsory winding-up of the Company pursuant to paragraph 79 We will also seek our appointment as Joint Liquidators pursuant to section 140(1) of the Insolvency Act 1986 and will seek our release as Administrators from the Court pursuant to paragraph 98 (2) (b) of Schedule B1 to the Insolvency Act 1986

- 7.9** That if sufficient funds are available and a Liquidator(s) is appointed then the net funds held, after the provision for costs, be passed by us to the appointed Liquidator(s)
- 7.10** That in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors' Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of the Company
- 7.11** That if a Creditors' Committee is not appointed, the secured creditor of the Company shall be asked to fix the basis of our remuneration (Rule 2 106(5A)(a)), expenses and pre-appointment costs and expenses (See notes 7 12 – 7 16 and Section 10 generally below)
- 7.12** That we shall be remunerated on a time cost basis by reference to Beesley Corporate Solutions normal rates for time spent by the Administrators and their staff attending to matters arising in the Administration
- 7.13** That pursuant to Rule 2 67A the Administrators' pre-Administration costs, including disbursements and VAT thereon as detailed in Appendix C attached be approved and that the Administrators be authorised to draw their costs, plus VAT, from the Administration estate This is not part of the proposal subject to approval under paragraph 53 Further detail relating to the extent of our involvement is set out below

This essentially involved assessing and advising on the Company's financial position, reviewing the Director's witness statement and gathering further information in relation to the company's affairs and the proposed course of action with regards to the continuation of the SRS licence, liaising extensively with solicitors, finance companies, and the accountant and representatives of both the Company and SRS, meeting with the various parties, including the Environment Agency, to discuss the position and proposed Administration to determine a way forward to maximise realisations

- 7.14** That the Administrators be authorised to recharge internal disbursements that include an element of allocated costs These are known as Category 2 costs and the basis of their calculation is detailed in Appendix D Other disbursements known as Category 1 costs comprise precise sums expended to third parties and no prior authorisation is required
- 7.15** Following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable the Administrators implement the most cost effective steps to formally conclude the Administration This may include the distribution of funds to unsecured creditors and then the dissolution of the Company or alternatively, seeking to put the Company into compulsory liquidation, or applying to court to end the Administration
- 7.16** That the Administrators, pursuant to paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986, be released from all liability in respect of their acts as Administrators, immediately upon their appointment as Administrators ceasing to have

effect (In the event of no Creditors' Committee being appointed, the principles in note 7.11 will apply)

- 7.17** As indicated in section 5 above, discussions have been commenced with Lloyds with a view to obtaining the most cost effective and beneficial resolution with regards to the sites. It was not possible to approach the Bank with options in this regards until such time as we had been able to obtain quotes for the site clearance following SRS leaving the site at the end of March. Such information was gathered by the end of last week and a conference call organised with the Bank. Unfortunately, due to illness and the time scales involved, it has not been possible for the Bank's representative to fully review the various options proposed. Nor has not been possible to finalise discussions with Lloyds and implement a proposed course of action.
- 7.18** We therefore advise that, whilst these discussions continue with Lloyds, it is not feasible to confirm a defined proposed course of action under of the Administration.
- 7.19** That as it is not the intention of the Joint Administrators to call a meeting of Creditors pursuant to Paragraph 52 (1) (b) Schedule B1 of the Insolvency Act 1986, (please see Section 13 below), we propose to issue a revised proposal subject to Paragraph 54 Schedule B1 of the Insolvency Act 1986 & Rule 2.45 of The Insolvency Rules 1986 in due course, once our discussions with the Bank have been concluded.
- 7.20** That in the event that it is concluded, that the purpose of the Administration cannot be achieved and there will be no distributions to any class of creditor, we will apply to the Court to End the Administration accordingly, and release us from office.

## **8 DURATION**

- 8.1** The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment. However, pursuant to Section 127 of the Small Business, Enterprise and Employment Act 2015, this may be extended by consent of creditors for a specified period of up to one year.

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

Alternatively, it could be that the Administration will be concluded in the near future by means of an application to court.

## **9 PROPOSED EXIT ROUTE**

- 9.1** In due course it will be necessary for the Company to exit from the Administration. This can either be into a Creditors' Voluntary Liquidation, into Compulsory Liquidation or by Dissolution of the Company or by applying to Court to End the Administration. Unless stated, all references to paragraph numbers in this section are references to paragraphs in Schedule B1 to the Insolvency Act 1986.
- 9.2** On the basis of initial information it appeared that the most likely exit route would be by Dissolution. Dissolution may still be an appropriate exit route and can include a distribution of funds to the secured creditor and unsecured creditors under the prescribed part, if sufficient funds became available. Dissolution will be by way of filing the requisite forms with the Registrar of Companies to enable the Company to be dissolved pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986.



- 9.3** If however compulsory liquidation is the chosen exit route it is proposed that we present a petition to Court for the winding-up of the Company pursuant to paragraph 79 We will also seek our appointment as Liquidators pursuant to Section 140(1) of the Insolvency Act 1986, and will seek our release as Administrators from the Court pursuant to paragraph 98(2)(c) of Schedule B1 to the Insolvency Act 1986 This would be more timely and cost-effective, as it would avoid the duplication of work by an alternative Insolvency Practitioner(s) In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986, creditors may nominate a different person as the proposed Liquidator(s) All valid nominations must be made after the receipt of these proposals and before the proposals are approved, with or without modifications
- 9.4** Alternatively, if it is deemed necessary to progress or conclude our enquiries and/or realisations and to make any distributions, the Company will move into Creditors' Voluntary Liquidation, and the Administrators will file the requisite forms with the Registrar of Companies pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986 (as amended)
- 9.5** It is proposed that we would be appointed as Joint Liquidators to enable the distribution to unsecured creditors of the Company and the conclusion of enquires/realisations This would be more timely and cost-effective, as it would avoid the duplication of work by an alternative Insolvency Practitioner(s) In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986, creditors may nominate a different person as the proposed Liquidator(s) All valid nominations must be made after the receipt of these proposals and before the proposals are approved, with or without modifications
- 9.6** In the event that none of the above exit routes are deemed appropriate by the Administrators, it is proposed that we make an application pursuant to Paragraph 79 (2) (a) for the Administration to End and the Appointment of the Administrators to cease to have effect
- 9.7** That the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986 (as amended) immediately upon the Administrators filing their final report to creditors and vacating office

## **10 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### **PRE-ADMINISTRATION COSTS**

#### **10.1 Introduction**

A statement of Pre-Administration costs is provided at Appendix C

Pre-Administration costs are defined as the remuneration charged and expenses incurred by the Administrator(s) (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so

In this regard, details of our involvement pre-administration are set out at 7 13 above

As stated above we instructed the following professionals

<b>Name of Advisor</b>	<b>Service Provided</b>	<b>Cost</b>
SAS Daniels LLP <sup>1</sup>	Legal Advice	£13,000 00
	Disbursements	£1,294 00
Auctus Limited trading as Plus VAT (Estimated) Charles Taylor, Auctioneers and Valuers	Asset Valuations	£2,000 00

**Notes to Above**

- 1) SAS Daniels has agreed not to invoice same until realisations are made To date no fees have been paid to them in respect of their time costs incurred pre-appointment The above represents disbursements incurred in the Administration application
- 2) Whilst costs have been incurred in this regard, no invoices have been received to date Costs are continuing in relation to security at the sites and general advice
- 3) The amounts are exclusive of VAT

All costs of the Administration to date have been met by an introduction of funds from the Joint Administrators In the event that realisations/recoveries made result in sufficient funds becoming available to meet these costs, these will be paid in full, subject to approval, (as detailed below) See also Appendix B

## **10.2 Approval of costs**

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Insolvency Act 1986, that is payment out of the Prescribed Part, therefore, approval of the unpaid Pre-Administration costs will be sought in accordance with Rule 2 67A(3)(b) of the Rules, which is outlined below

Determination of whether and to what extent the unpaid Pre-Administration costs are approved for payment shall be

- By the approval of each secured creditor of the Company, or
- If the Administrator has made, or intends to make, a distribution to preferential creditors, by the approval of
  - each secured creditor of the Company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

Approval from the secured creditor (and preferential creditors) will therefore be sought in respect of the unpaid Pre-Administration costs

Please note

A) That there are no known preferential creditors

B) During the pre-appointment and immediate post appointment periods this firm's charge-out rates were as set out below

<b>Job Title</b>	<b>Cost per hour</b>
Director/IP	£450
Senior Manager	£300 - £325
Manager	£250
Administrator	£125 - £165

The same are detailed in Appendix D

### **10.3 Post appointment costs**

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Insolvency Act 1986, therefore, fixing the basis of the Administrator's remuneration will be approved in accordance with Rule 2 106(5A) of the Rules, which is outlined as follows

- Where the Administrator has made a statement under Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 the basis of the Administrator's remuneration may be fixed by approval of
  - each secured creditor, or
  - if the Administrator intends to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

In accordance with the provisions of Rule 2 106(2) of the Insolvency Rules 1986 the Administrators remuneration may be fixed either as a percentage of the assets realised and distributed in the Administration, a set amount, or alternatively, by reference to the time spent. In this case, we are requesting the creditors to agree to the latter. In this regard, we enclose a summary of our time costs to date (Appendix C) and Additional Information In Relation To the Administrators Policy Regarding Fees and Disbursements, which includes details of this firm's charge out rates (Appendix D). A Creditors' Guide to Administrators Fees can be found at [www.beesley.co.uk/guides](http://www.beesley.co.uk/guides)

The secured creditor (and preferential creditors) will be invited to approve the basis of the Administrators' remuneration to be fixed

- (i) by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Beesley Corporate Solutions at the time when the work is performed, plus VAT,

Please note the Administrators do not expect there to be any claims of a preferential nature in the Administration

In line with Paragraph 52 (1) (b) of Schedule B1 of the Insolvency Act 1986 outlined above there is no requirement for unsecured creditors to pass a resolution in respect of the Administrators' remuneration

We also require approval in respect of the basis upon which we recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of their calculation is detailed in Appendix D. Other

disbursements known as Category 1 costs comprise precise sums expended to third parties and no prior authorisation is required. We will therefore also be seeking approval from the secured creditor in regard to Category 2 costs.

#### **10.4 Creditors' right to request information**

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

#### **10.5 Creditors' right to challenge Remuneration and/or Expenses**

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), challenging the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within 8 weeks of receipt by the applicant(s) of this report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

### **11 FUTURE REPORTS**

- 11.1** The result of the vote on our proposals (see section 12 below) will be reported to all creditors immediately thereafter and filed at Companies House and the Court.
- 11.2** A progress report covering the first six months of the Administration will be circulated to creditors during September 2016.
- 11.3** All progress reports will be made on a six monthly basis thereafter. (The second progress report may include a request to extend the duration of the Administration).
- 11.4** A final report will be issued at the end of the Administration.
- 11.5** Alternatively, if the Application to End the Administration is made, a report will be issued in the near future.

### **12 CONCLUSION AND RECOMMENDATIONS**

- 12.1** It is our recommendation that the secured creditor (and preferential creditors, if appropriate) sanction the proposals detailed at section 7 of this report.
- 12.2** Based upon present information, there is no prospect of a potential dividend to unsecured creditors other than by virtue of section 176A (2) (a) of the Insolvency Act 1986.

### **13 NOTICE OF NO MEETING OF CREDITORS PURSUANT TO PARAGRAPH 52 (1) (B) OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**


- 13.1** As we do not expect that there will be funds available to the unsecured creditors, other than by virtue of a Prescribed Part distribution as detailed above, a Meeting of Creditors will **not** be held pursuant to paragraph 52(1) (b) of the Insolvency Act 1986.

A request in the prescribed manner that we call a meeting of creditors, may be made by any single creditor, or a group of creditors of the Company, whose debt(s) amount to at least 10% of the total debts of the Company. Creditors wishing to submit such a request should complete and return to us, the attached Form 2.21B at Appendix G, within 8 business days from the date of us sending out this proposal (Rule 2.37(1)). Any meeting called under this Rule shall be conducted in accordance with Rule 2.35 of the Insolvency Rules 1986 (as amended).

- 13.2** A deposit of £750.00 plus VAT towards the costs of convening the meeting should be enclosed with the request pursuant to Rule 2.37(3) of the Insolvency Rules 1986 (as amended).

This concludes our proposal.

**For and on behalf of  
Sheffield Recycling Services Limited (In Administration)**

  
**Mark Beesley and Tracy Mary Clowry**  
**Joint Administrators**

\*The Administrators act as agents of the company and without personal liability

Licensed by the Association of Chartered Certified Accountants

IP Numbers 8739 & 9562

**Sheffield Recycling Services Limited – In Administration**  
**Statement of Affairs as at 4 March 2016**

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**As indicated Note 4.3 of the Proposal the Director has failed to provide a completed Statement of Affairs despite several requests for same.**

It is therefore not possible to provide a summary of same within this proposal and no statement has been filed at Companies House

We would however refer you to Section 3 of the Proposal for Commentary as to the Position Advised in the Run Up to Administration and Section 5 of the Proposal as to Events Following the Joint Administrators' Appointment

## SRS Recycling Ltd

## CASH FLOW FORECAST

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>RECEIPTS</b>													
Sales -Skip removal fees	60,000	84,000	84,000	78,000	78,000	72,000	84,000	78,000	78,000	54,000	54,000	60,000	864,000
	60,000	84,000	84,000	78,000	78,000	72,000	84,000	78,000	78,000	54,000	54,000	60,000	864,000
<b>PAYMENTS</b>													
Fees to tip waste at 3rd party sites	37,375	52,325	52,325	48,588	48,588	44,850	52,325	48,588	48,588	33,638	33,638	37,375	538,203
Hire of 3 skip wagons	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	69,552
Wages-drivers	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,400
Licence fee -administrator	3,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,400	2,400	61,800
Rates	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Site licence fee -dept of environment	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office staff	800	800	800	800	800	800	800	800	800	800	800	800	9,600
Telephone costs	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Vehicle fuel	6,000	8,400	8,400	7,800	7,800	7,200	8,400	7,800	7,800	5,400	5,400	6,000	86,400
VAT	-	2,849	-	-	11,584	-	-	10,759	-	-	9,108	-	34,300
	58,091	81,290	78,441	74,104	85,688	69,766	78,441	84,863	74,104	56,754	62,262	57,491	861,295
<b>NET CASH FLOW</b>	1,909	2,710	5,559	3,896	(7,688)	2,234	5,559	(6,863)	3,896	(2,754)	(8,262)	2,509	2,705
<b>OPENING BANK</b>	-	1,909	4,619	10,178	14,074	6,386	8,620	14,179	7,316	11,212	8,458	196	-
<b>CLOSING BANK</b>	1,909	4,619	10,178	14,074	6,386	8,620	14,179	7,316	11,212	8,458	196	2,705	2,705

## APPENDIX B

### SUMMARY OF ADMINISTRATORS' RECEIPTS & PAYMENTS ACCOUNT PRE-APPOINTMENT TO 4 MARCH 2016

RECEIPTS	£	£
Third Party Deposit for costs		<u>5,000 00</u>
<b>PAYMENTS</b>		
Beesley Corporate Solutions Travel costs		(45 90)
SAS Daniels Disbursements		<u>(114 00)</u>
<b>BALANCE IN HAND</b>		<u><b>4,840.10</b></u>

### SUMMARY OF ADMINISTRATORS' RECEIPTS & PAYMENTS ACCOUNT FROM APPOINTMENT 4 MARCH 2016 TO 27 APRIL 2016

RECEIPTS	£	£
		<u>NIL</u>
<b>PAYMENTS</b>		
The Legal & Public Advertising Agency		(82 20)
HM Land Registry Charges		(114 00)
DVLA Search Fees		<u>(55 00)</u>
		<u>(251 20)</u>
<b>BALANCE IN HAND</b>		<u><b>(251.20)</b></u>

#### Notes:

- 1 All the above amounts are inclusive of VAT, where appropriate
- 2 The outstanding costs of the Administrators, as noted at Appendix C of the proposal, and those of their advisors as noted at paragraph 4.4 of the proposal, are to be discharged
- 3 A third Party has provided funds of £5,000 00 towards the costs of Administration. Whilst further funds had been promised, these have not been forthcoming
- 4 The Administrators have incurred travel expenses of £170 50, these were charged at the HMRC approved rate per mile, and as such constitute a category 2 disbursement. The same will only be drawn if approval is duly given to the proposal



## APPENDIX C

### SUMMARY OF ADMINISTRATORS' PRE ADMINISTRATION TIME COSTS TO 4 MARCH 2016

	Director/IP (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Administrator (Hrs)	Administrator (Hrs)	Total (Hrs)	Time Costs (£)	Average Cost (£)
<b>Pre-Appointment Time</b>								
Admin & Planning								
Preparation for								
Administration	37 00	-	0 20	-	-	37 20	16,710 00	449 19
Negotiations re sale of business & Assets								
Investigations	-	-	-	-	-	-	-	-
Realisations of Assets								
Identifying, Securing assets, debt collection, ROT, property and business	2 40	-	-	-	-	2 40	1,080 00	450 00
Trading	-	-	-	-	-	-	-	-
Creditors								
communication with creditors, creditors claims	-	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>39 40</b>	<b>-</b>	<b>0 20</b>	<b>-</b>	<b>-</b>	<b>39 60</b>	<b>39 60</b>	<b>449 24</b>
<b>Total Fees</b>	<b>1,620 00</b>	<b>-</b>	<b>60 00</b>	<b>-</b>	<b>-</b>	<b>17,790 00</b>	<b>17,790 00</b>	

### SUMMARY OF ADMINISTRATORS' POST ADMINISTRATION TIME COSTS FROM 4 MARCH 2016 TO 27 APRIL 2016

	Director/IP (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Administrator (Hrs)	Administrator (Hrs)	Total (Hrs)	Time Costs (£)	Average Cost (£)
<b>Admin &amp; Planning</b>								
Preparation for								
Administration	22 90	-	70 20	-	4 50	97 60	28,755 00	294 62
Negotiations re sale of business & Assets								
Investigations	1 60	-	7 50	-	-	9 10	2,595 00	285 16
Realisations of Assets								
Identifying, Securing assets, debt collection, ROT, property and business	7 40	-	79 70	-	-	87 10	23,555 00	270 44
Trading	-	-	-	-	-	-	-	-
Creditors								
communication with creditors, creditors claims	4 10	-	1 70	-	0 10	5 90	2,286 50	387 54
<b>Total Hours</b>	<b>36 00</b>	<b>-</b>	<b>159 10</b>	<b>-</b>	<b>4 60</b>	<b>199 70</b>	<b>57,191 50</b>	<b>286 39</b>
<b>Total Fees</b>	<b>16,200 00</b>	<b>-</b>	<b>39,775 00</b>	<b>-</b>	<b>1,216 50</b>			

## ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF BEESLEY CORPORATE SOLUTIONS REGARDING FEES AND DISBURSEMENTS

The table below sets out the basis on which this office charges internal disbursements

Internal disbursements are charged, where appropriate by Beesley Corporate Solutions as follows -

Postage	Charged at actual cost (first class)
Photocopying and Fax	Recharged at 10p per sheet Recharged at 10p per sheet in the limited circumstances when deemed appropriate
Microfiche and Files	Recharged at actual cost
Storage	£60 per box for 6 years
Room hire	No charge for a meeting held at this office Any other venue at cost
Archiving Files on closure	Recharged at staff time costs
Travel	Motor vehicles at 45p per mile
Distribution costs	Cheque fee 65p and postage 41p

The table detailed below sets out the charge-out rates utilised by Beesley Corporate Solutions for charging staff time All rates are charges per hour Time is charged in units of 6 minutes

Job Title	Cost per hour
Director/IP	£450
Senior Manager	£300 - £325
Manager	£250
Senior Administrator	£180 - £200
Administrator	£125 - £165

It should be noted that the above rates increase from time to time over the period of the Administration of each insolvency case

### Professional Advisors

Details of any professional advisor(s) used are given in the report which accompanies this Guide Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity of otherwise of the assignment and their geographic location

Unless otherwise stated, all agents instructed are independent and have no connection to the insolvent party/(ies), the office holder(s) or Beesley Corporate Solutions

**NB:** A Statement of Insolvency Practice No 9 – “A Creditors’ Guide to Administrators’ Fees may be found at [www.beesley.co.uk/guides](http://www.beesley.co.uk/guides)

**Beesley Corporate Solutions  
Sheffield Recycling Services Limited  
B - Company Creditors**

Key	Name	Address	£
CA00	Aldermore Asset Finance	4th Floor Block D Apex Plaza, Forbury Road, Reading, RG1 1AX	0 00
CB00	Bosworth Leasing	Heywood House, Short Hill, Wilson Derbyshire, DE73 8AF	0 00
CB01	Boden & Davies Ltd	Minshulls Farm, Lower Green Lane, Astley, Manchester, M29 7JZ	6,723 18
CB02	Brooklebank (Demolition) Co Ltd	20 Bland Street, Sheffield, S4 8DG	6,110 00
CC00	Close Brothers Asset Finance	Unit D Telford Court, Chester Gates, Dunkirk, Nr Chester CH1 6LT	0 00
CC01	Cambridge Finance	Heywood House, Short Hill, Wilson Derbyshire, DE73 8AF	0 00
CC02	County Asset Finance Limited	11 Central Park, Leicester Road, Lutterworth, LE17 4PN	0 00
CC03	Centurion Plant & Demolition Ltd	Briar Rhydding, Otley Road, Baildon, Bradford, BD17 7JW	10,000 00
CC04	Chubb Fire & Security	No 1 The Beehive, Shadsworth Business Park, Lions Drive, Blackburn, BB1 2QS	1,680 31
CC05	Clarke Willmott LLP	1 Georges Square, Bath Street, Bristol, BS1 6BA	0 00
CD00	Derbyshire County Council	PO Box 2, County Hall, Matlock, DE4 3AG	28 00
CE00	Earthmover Tyre Solutions Ltd	Five Acre Lake, Mines Lane, North Cave E Yorks, HU15 2QP	1,200 00
CE01	Environment Agency	Income Department 311, PO Box 263, Peterborough, PE2 8YD	1,147 50
CE02	Experian	The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ	304 50
CE03	Environment Agency	Income Department 311, PO Box 263, Peterborough, PE2 8YD	786 50
CF00	FCC Recycling (UK) Ltd	6 Sidings Court, Doncaster, DN4 5NU	22,118 44
CF01	First Data	Janus House, Endeavour Drive, Basildon Essex, SS14 3WF	32 47
CF02	Fuel Card Services	Kingsway House, Kingsway, Burnley Lancs, BB11 1BJ	500 72
CH00	HM Revenue and Customs	Corporation Tax Services, BX9 1AX	71,997 86
CH01	Haydock Asset Finance Limited	Challenge House, Challenge Way, Greenbank Business Park, Blackburn, BB1 5QB	0 00
CI00	Rentokil Initial plc	Credit Control, PO Box 4975 Dudley, DY1 9FA	659 50
CL00	Lloyds Bank plc	2nd Floor, Bank House, Wine Street, Bristol, BS1 2AN	645,902 67
CM00	M&N Canvas Services Ltd	Butterthwaite Lane, Ecclesfield, Sheffield, S35 9WA	153 60
CN00	Ninehundred Communications Ltd	White Rose Way, Doncaster Carr, Doncaster, DN4 5JH	1,238 96
CN01	Northside Truck & Van Ltd	Legrams Lane, Bradford W Yorks, BD7 2HR	2,051 52
CP00	Park Farm	South Anston, Sheffield, S25 5AL	400 32
CP01	Private Commercial Finance Ltd	Pimmers Hall, 105-108 Old Broad Street, London, EC2N 1ER	0 00
CP02	Praetura Asset Finance Limited	Haydock House, Pleckgate Road, Blackburn, Lancs, BB1 8QW	0 00
CS00	Scientific Lubricants Ltd	Glendene Works, Outlane, Huddersfield, HD3 3YW	2,432 94
CS01	Sheffield City Council	National Non Domestic Rates, PO Box 1310, Sheffield, S1 1UY	2,157 00

Signature

**Beesley Corporate Solutions**  
**Sheffield Recycling Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CS02	Strutt Engineering Ltd	Dale Road North, Darley Dale, Matlock Derbyshire, DE4 2HX	577 08
CS03	Sheffield City Council	Resources (Rodent Control), Town Hall, Sheffield, S1 2HH	247 20
CS04	Sheffield City Council	C/O BDO LLP, 55 Baker Street, London, W1U 7EU	4,837 00
CS05	Shawbrook Bank Limited	Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood Essex, CM13 3BE	0 00
CV00	Victoria Asset Finance Limited	PO Box 256, Caerphilly, CF83 9FJ	0 00
CW00	Ward Recycling Limited	Griffon Road, Quarry Hill Industrial Estate, Ilkeston, DE7 4RF	7,140 59
CY00	Yorkshire Water	1 Midpoint, Midpoint Business Park, Thornbury, Bradford, BD3 7AY	0 00
CY01			0 00
CY02	Yellow Machinery Ltd	12 Ashland Road, Sheffield, S7 1RJ	96 00
RB00	Mr Scott Barker	[REDACTED]	0 00
RB01	Mrs Donna Barker	[REDACTED]	0 00
<b>41 Entries Totalling</b>			<b>790,523.86</b>

Signature \_\_\_\_\_

## Proof of Debt – General Form

SHEFFIELD RECYCLING SERVICES LIMITED		
Date of Administration: 4 MARCH 2016		
1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf _____	
	Name in BLOCK LETTERS _____	
	Position with or in relation to creditor _____ Address of person signing (if different from 2 above) _____	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

**Creditor's request for a meeting**

Name of Company  
Sheffield Recycling Services Limited

Company number  
04619438

In the High Court of Justice, Manchester District  
Registry [full name of court]

Court case number  
2205 of 2016

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

I (a)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

request a meeting of the creditors of (b)  
Sheffield Recycling Services Limited  
Astute House  
Wilmslow Road  
Handforth  
SK9 3HP

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

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

(d) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(e) Insert details of the  
purpose of the meeting

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

The purpose of the meeting is (e) \_\_\_\_\_  
\_\_\_\_\_

Signed \_\_\_\_\_

Dated \_\_\_\_\_

## **AP ADMINISTRATORS' PROPOSAL**

- AP.1** In accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986 we, Mark Beesley and Tracy Mary Clowry, the Administrators of the Company, make the following proposal for achieving the purposes of the Administration. As Administrators, we do not propose to call a meeting of creditors in this matter in accordance with Paragraph 52 (1) (b). The proposals are as follows -
- AP.2** That we, as Administrators, do all such things and generally exercise all of our powers as Administrators contained in Schedule 1 of the Insolvency Act 1986 (as amended) as we in our discretion consider desirable or expedient, in order to achieve the purposes of the Administration and to protect and preserve the assets of the Company and to maximise the realisation of those assets or for any purpose incidental to these proposals
- AP.3** That we, as Administrators continue our enquiries into the conduct of the Director(s) of the Company and assist any regulatory authorities with their investigation into the affairs of the Company
- AP.4** That we, as Administrators be authorised to agree the claims of the secured, (preferential) and unsecured creditors against the company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution.
- AP.5** Should there be sufficient funds to make a payment to preferential creditors if any such creditors come to light and, subject to the availability of such funds, we will make such a distribution in accordance with our powers contained in Schedule 1 of the Insolvency Act 1986 (as amended). No such creditors are however anticipated
- AP.6** On the basis of current information, it seems unlikely that there will be sufficient funds to make a payment or distribution to the unsecured non-preferential creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986 (ie the Prescribed Part for unsecured debts). We will give consideration as to which is the more appropriate method of making such distribution either under Administration or by filing the relevant documents to cause the Company to be placed into Creditors' Voluntary Liquidation. In the latter event we propose that we would be appointed as Joint Liquidators, by filing the requisite forms with the Registrar of Companies pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986

Whilst in the present circumstances, it is not possible to calculate the value of the Company's net assets or the prescribed part, it is anticipated that, the value of the prescribed part may ultimately be Nil. At this stage it is not anticipated that an application will be made under S176A(5) of the Insolvency Act 1986 (as amended)

- AP.7** In the event that a distribution is made under the Prescribed Part under the Administration, or if in the event there are insufficient funds to make a payment by way of distribution to the unsecured creditors, once all outstanding matters have been concluded, we will file the requisite forms with the Registrar of Companies to enable the Company to be dissolved pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986
- AP.8** In the event that none of the above exit routes are deemed appropriate by the Administrators, and it has not proven necessary to take the action at 7.20 below, it is proposed that we will present a petition to the Court for the compulsory winding-up of

the Company pursuant to paragraph 79 We will also seek our appointment as Joint Liquidators pursuant to section 140(1) of the Insolvency Act 1986 and will seek our release as Administrators from the Court pursuant to paragraph 98 (2) (b) of Schedule B1 to the Insolvency Act 1986

- AP.9** That if sufficient funds are available and a Liquidator(s) is appointed then the net funds held, after the provision for costs, be passed by us to the appointed Liquidator(s)
- AP.10** That in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors' Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of the Company
- AP.11** That if a Creditors' Committee is not appointed, the secured creditor of the Company shall be asked to fix the basis of our remuneration (Rule 2 106(5A)(a)), expenses and pre-appointment costs and expenses (See notes 7 12 – 7 16 and Section 10 generally below)
- AP.12** That we shall be remunerated on a time cost basis by reference to Beesley Corporate Solutions normal rates for time spent by the Administrators and their staff attending to matters arising in the Administration
- AP.13** That pursuant to Rule 2 67A the Administrators' pre-Administration costs, including disbursements and VAT thereon as detailed in Appendix C attached be approved and that the Administrators be authorised to draw their costs, plus VAT, from the Administration estate This is not part of the proposal subject to approval under paragraph 53 Further detail relating to the extent of our involvement is set out below
- This essentially involved assessing and advising on the Company's financial position, reviewing the Director's witness statement and gathering further information in relation to the company's affairs and the proposed course of action with regards to the continuation of the SRS licence, liaising extensively with solicitors, finance companies, and the accountant and representatives of both the Company and SRS, meeting with the various parties, including the Environment Agency, to discuss the position and proposed Administration to determine a way forward to maximise realisations
- AP.14** That the Administrators be authorised to recharge internal disbursements that include an element of allocated costs These are known as Category 2 costs and the basis of their calculation is detailed in Appendix D Other disbursements known as Category 1 costs comprise precise sums expended to third parties and no prior authorisation is required
- AP.15** Following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable the Administrators implement the most cost effective steps to formally conclude the Administration This may include the distribution of funds to unsecured creditors and then the dissolution of the Company or alternatively, seeking to put the Company into compulsory liquidation, or applying to court to end the Administration
- AP.16** That the Administrators, pursuant to paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986, be released from all liability in respect of their acts as Administrators, immediately upon their appointment as Administrators ceasing to have effect (In the event of no Creditors' Committee being appointed, the principles in note 7 11 will apply)



**AP.17** As indicated in section 5 above, discussions have been commenced with Lloyds with a view to obtaining the most cost effective and beneficial resolution with regards to the sites. It was not possible to approach the Bank with options in this regards until such time as we had been able to obtain quotes for the site clearance following SRS leaving the site at the end of March. Such information was gathered by the end of last week and a conference call organised with the Bank. Unfortunately, due to illness and the time scales involved, it has not been possible for the Bank's representative to fully review the various options proposed. Nor has not been possible to finalise discussions with Lloyds and implement a proposed course of action.

**AP.18** We therefore advise that, whilst these discussions continue with Lloyds, it is not feasible to confirm a defined proposed course of action under of the Administration.

**AP.19** That as it is not the intention of the Joint Administrators to call a meeting of Creditors pursuant to Paragraph 52 (1) (b) Schedule B1 of the Insolvency Act 1986, (please see Section 13 below), we propose to issue a revised proposal subject to Paragraph 54 Schedule B1 of the Insolvency Act 1986 & Rule 2.45 of The Insolvency Rules 1986 in due course, once our discussions with the Bank have been concluded.

**AP.20** That in the event that it is concluded, that the purpose of the Administration cannot be achieved and there will be no distributions to any class of creditor, we will apply to the Court to End the Administration accordingly, and release us from office.