

The Insolvency Act 1986

Administrators' progress report

Name of Company
Sheffield Recycling Services Limited – In Administration

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)

1/ We (a) Mark Beesley and Tracy Mary Clowry of Beesley Corporate Solutions, Astute House, Wilmslow Road, Handforth, Cheshire SK9 3HP

Joint Administrators of the above company attach our first progress report for the period

from

to

(b) 4 March 2016

(b) 3 September 2016

(b) Insert dates

Signed

Joint Administrators

Dated 27 September 2016

SATURDAY



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01/10/2016

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COMPANIES HOUSE

**Sheffield Recycling Services Limited
In Administration**

Company Registration No: 04619438

**In The High Court of Justice, Manchester District Registry
Reference No 2205 of 2016**

Joint Administrators' First Progress Report in accordance with

Rule 2.47 of The Insolvency Rules 1986 (as amended)

28 September 2016

ADMINISTRATORS:

**MARK BEESLEY & TRACY MARY CLOWRY
Beesley Corporate Solutions
Astute House
Wilmslow Road
Handforth
Cheshire
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info@beesley.co.uk**

**TO: THE REGISTRAR OF COMPANIES
THE COURT
ALL CREDITORS
ALL SHAREHOLDERS
ALL DIRECTORS**

SHEFFIELD RECYCLING SERVICES LIMITED – IN ADMINISTRATION

**FIRST PROGRESS REPORT IN ACCORDANCE WITH
RULE 2.47 OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

INTRODUCTION

1.1. Company Information:

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

- 1.2 We, Mark Beesley and Tracy Mary Clowry, were appointed as Joint Administrators of Sheffield Recycling Services Limited ("the Company") ("Sheffield"), on 4 March 2016
- 1.3 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, Scott Barrie Barker, Manor Works, Cricket Inn Road, Sheffield, South Yorkshire, S2 5AX.
- 1.4 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
- 1.5 As Insolvency Practitioners we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment
- 1.6 The Administration proceedings are under the jurisdiction of the High Court of Justice, Manchester District Registry under Court reference number 2205 of 2016
- 1.7 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
- 1.8 In accordance with the requirements of Rule 2.47 of The Insolvency Rules 1986 (as amended) ("the rules"), we are now submitting our first progress report to creditors. This report contains the information set out in the Rules and should be read in conjunction with our Proposal dated 27 April 2016, a further copy of which will be supplied, free of charge, upon request
- 1.9 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. Consequently, 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.

2 RECEIPTS AND PAYMENTS

- 2.1 Attached at Appendix 1 is a copy of the Joint Administrators' receipts and payments for the period from 4 March 2016 to 3 September 2016

3 PROGRESS AND REALISATION OF ASSETS

Creditors will recall that the Company owned the two sites located on opposite sides of the road at Manor Works, Cricket Inn Road, Sheffield, S Yorkshire, S2 5AX from which it traded. Whilst the Company had held two licences granted by The Environment Agency which authorised it to transport, process and store waste, as at the date of Administration it was in breach of the terms of the same and was required to reduce the quantity of waste held at the sites.

A licence to operate the skip hire element of the business had been granted by the Company on 17 December 2015 to an associated Company, SRS Recycling Limited, ("SRS"), (Company Number 09716800) which held 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) Under the terms of the licence it was agreed that SRS would pay a licence fee of £1,000 per month to the Company and use its surplus profits to fund the clearance of the sites, and bring them within the guidance issued by The Environment Agency Following our appointment however it became apparent that, SRS were not taking any steps to reduce the tonnage on the sites Additionally, the licence fee of £1,000 per month and the surplus income was not being paid into the Administration estate

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

As advised in our proposal of 27 April 2016, as it had become apparent that the proposed plan of SRS to utilise the surplus income from their trading of the skip business to clear the site, was not viable, as Administrators we had 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

Discussions with Lloyds had 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 had not been possible for the Bank's representative to fully review the various options proposed by the time we were required to issue our proposal Nor had not been possible to finalise discussions with Lloyds and implement a proposed course of action

We therefore advised that, whilst these discussions continued with Lloyds, it was not feasible to confirm a defined proposed course of action under of the Administration

Further to our proposal of 27 April 2016, the following progress has been made

- 3.1** The decision was made to enter into a further tendering process to enable a number of parties who had previously expressed an interest to re-tender together with the opportunity for new parties to tender These parties comprised of a combination of local businesses and blue chip companies
- 3.2** An initial invitation to tender was issued on 3 May 2016 The final date for submission of tenders was 13 May 2016 Prospective applicants were invited to tender for the clearance of either both sites together, or, just for one site. An open viewing was held on 11 May 2016 which was attended by several interest parties, to enable them to attempt to quantify the tonnage of waste held on the sites
- 3.3** Following the site visits a number of parties requested an extension to the final deadline for submission of tenders to ensure that the costings they provided were accurate An extension was therefore granted to 20 May 2016
- 3.4** The tenders received indicated that the tonnage of the sites varied greatly from that which had previously been provided prior to the Administration The main site, had

previously been estimated at between 600-1,000 tonnes, however the average tonnage provided on the tenders was in the region of 15,000 tonnes

- 3.5** The second site, on which no tonnage estimate had been previously provided was estimated to be in the region of 35,000 tonnes, and whilst the composition of the waste was unknown, the general consensus was that it contained non inert material, despite previous assertions to the contrary
- 3.6** Based upon the tenders received the average quote for clearance of the main site was £1,094,298 and the average quote to clear the second site was £2,087,587 The average quote received for clearance of the two sites was £2,741,995
- 3.7** The average time scale quoted for clearance was in the region of 6 to 9 months, however this could have increased dependent upon the composition of the waste
- 3.8** Following the receipt of the aforesaid tenders, we reverted to Lloyds and advised of the potential costs and timescale involved with a view to all parties obtaining a satisfactory resolution and clearance of the sites. Several discussions were held with various parties at Lloyds
- 3.9** Given the potential costs of clearance, the value of the land both "as is", and when cleared, together with, the anticipated shortfall due to arise to Lloyds under the terms of their charge, it proved uneconomical for Lloyds to consider funding the clearance Accordingly, on 9 June 2016, we were notified in writing that Lloyds intended to release their charges over the two sites and had sent discharge forms to the Land Registry to effect the same We can confirm that the charges were duly removed from the Land Registry titles on 20 June 2016
- 3.10** The Company's registered address for service at Land Registry was thereafter amended on 21 July 2016 to the Administrators' office, being the registered office address for the Company
- 3.11** Following the above enquiries were made to establish whether any parties would be interested in purchasing the site(s) Unfortunately, all respondents required payment to take on the sites, and no positive offers, even of a nominal value, were received. It was therefore obvious that neither the clearance nor disposal of the sites was a viable course of action
- 3.12** Throughout the period of the Administration, the Administrators have been in direct contact with both The Environment Agency & Sheffield City Council to ensure that the site remains secure and ensure that provisions are in place with The Fire & Rescue Department and Sheffield Traffic Management
- 3.13** As a result of the above conclusion, we arranged to meet with representatives of the Environment Agency and Sheffield Council to see if they could assist or suggest a means of resolving the position with regards to the sites The Council asked us to obtain quotes from three organisations they work with Although, approaches were made, two of the parties did not submit quote, and the party who quoted did so in line with the estimates already provided by the previous tenderers
- 3.14** In addition, the Council and the Environment Agency have made enquiries of a number of their partners and various avenues as to how to deal with the sites have been explored, which were discussed at a second meeting held with the Administrators on 9 August 2016 To date, however a resolution has not been found.

- 3.15** The continued monitoring of the site has resulted in a number of prosecutions being made by The Environment Agency/Sheffield City Council for fly tipping in the vicinity. Additionally, the Health & Safety Executive has advised that, they are happy with the measures taken during the course of the Administration.
- 3.16** As advised in our proposal, Bankruptcy Orders were made against Scott Barker and Donna Barker in their absence, on 11 April 2016, however, the County Court had revisited the matter and following a review, concluded that the service of the petitions was incorrect and retrospectively adjourned the hearings until 23 May 2016.
- 3.17** We advise that, bankruptcy orders were duly made against Mr & Mrs Scott on 23 May 2016. Correspondence has been undertaken with, initially the Official Receiver, and more latterly the Trustee in Bankruptcy appointed, but, to date, no information regarding potential assets of the Administration estate has been discovered/received.
- 3.18** We also advise that, on 23 May 2016 a winding up order was made against a potentially associated company, SRS (Sheffield) Ltd, a company of which both Scott and Donna Barker had previously acted as Directors. Correspondence has been undertaken with the Official Receiver regarding the Administration.
- 3.19** As previously advised in our proposal, a number of finance companies had contacted us with concerns over the location of assets owned subject to finance agreements. A number of agents have attended several sites/locations in order to identify these assets, however no recoveries have been made, to date.
- 3.20** During the period covered by this report, we have been advised that a number of finance companies have commenced recovery actions, and/or reported the items as stolen to The Police. Enquires in this regard are continuing.
- 3.21** We also received "hearsay" information of the location of a number of skips, which may have been subject to a finance agreement. On attendance of this secured site, a large number of skips which appeared to be those belonging to Sheffield were seen, however, no access could be gained.
- 3.22** The location of these skips was relayed back to the finance company however we were advised that these skips were not those which were subject to their finance agreement.
- 3.23** During the period of this report an action has been commenced which may result in recoveries becoming available to the Administration estate. A court hearing has been listed however we are advised at present for commercial reasons no further details should be disclosed. An update in this matter will be provided in due course.
- 3.24** It was stated in our proposal that the Company had instructed All Square Limited to commence action against Lloyds in respect of a complaint made in relation to two fixed rate loans made to Sheffield on 30 March 2006 and 24 September 2008 and that the complaint had been raised with The Financial Ombudsman Service. We can confirm that during the current reporting period, the Financial Ombudsman Service has advised that the Company does not have a valid complaint.
- 3.25** It has not proven possible to make any recoveries in relation to potential debtors on the basis of the Company records available to us.

3.26 Cash at Bank

A credit balance of £665 85 has been received in relation to the Company's HSBC Bank current account

3.27 Post Appointment VAT Refund

A post appointment period VAT refund in the amount of £2,098 70 has been received in the period covered by this report.

GENERAL

We advised in our Proposal of 27 April 2016, that as it was 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, as it was not expected that there would be funds available to the unsecured creditors, other than by virtue of a Prescribed Part Distribution

No request for a creditor's meeting was made by the creditors of the Company and accordingly, no Creditors' Committee was formed

Approval of the following matters was sought from the secured creditor of the Company

- 1 For the acceptance of the Joint Administrators proposals
- 2 For the acceptance of the Administrator's Pre-Administration costs and expenses as detailed in the Administrators Proposal
- 3 For the acceptance* that the Administrators' remuneration be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising prior to and during the Administration, calculated at the prevailing standard hourly charge out rates used by Beesley Corporate Solutions at the time when the work was carried out That such remuneration be drawn from the Administration estate, together with disbursements and VAT thereon
- 4 For the acceptance* that the Administrators be authorised to draw Category 2 disbursements from the Administration estate
- 5 For the acceptance* 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

The proposal including point 5 above was deemed approved on 11 May 2016, subject to modification by the secured creditor that the determination of the basis of the Joint Administrators remuneration be deferred

It was the intention of the Joint Administrators to issue a revised defined proposal subject to Paragraph 54 Schedule B1 of the Insolvency Act 1986 & Rule 2 45 of The Insolvency Rules 1986 once our discussions with the Bank had been concluded. As detailed above in this report, we are still not in a position to put forward a revised defined proposal.

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.

4 LIABILITIES

4.1 Secured creditors

The Company had 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.

The Company also granted a Debenture, incorporating a floating charge over the assets to Lloyds on 26 July 2005.

On 9 November 2005, the Company purchased two plots of land from which it was trading. This was funded by the creation of a charge over the land in favour of Lloyds.

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.

On 30 March 2006, Sheffield purchased an additional plot of land located opposite the trading premises 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 had a registered charge against the property at the Land Registry.

As detailed above, in the period covered by this report, correspondence was undertaken with Lloyds in relation to their security and the land charged, including the costs of clearing the sites, and the viability of same.

On 9 June 2016, Lloyds advised that they were discharging their security held over the two sites. The same have been removed from the registers at HM Land Registry.

Lloyds however retains its fixed and floating charge over the assets of the Company which is registered at Companies House.

A provisional claim has been received in the Administration from Lloyds in the amount of £645,902.67.

4.2 Preferential creditors

No preferential claims were anticipated to be received as all of the employees were transferred to SRS Recycling Limited ('SRS'), who had been assigned the skip hire element of the Company on 17 December 2015.

The position remains unchanged however should any claims of this nature be submitted, these will be subject to approval by the Redundancy Payments Service. It is not however envisaged there will be any such claims.

4.3 Unsecured creditors

As at the date of Administration, unsecured non-preferential creditors were estimated to have claims of £790,523 86

Claims of £902,454 30 in respect of this category of creditors have been received to date. Given the lack of information provided to date and the absence of a Statement of Affairs from the Director, we have been unable to verify the level of these claims.

Additionally, it is anticipated that a number of finance companies will submit claims in the Administration in respect of the shortfalls due to them under the terms of the agreements, however at this stage it is not possible to quantify these amounts.

Included in the above figure is a claim in the sum of £141,978 00 from the landlord of the site located next to the trading sites. This claim relates to the estimated costs of removal of waste which has fallen onto their land. Whilst this claim is disputed by the Administrators, it has been included at the full amount for the purposes of this report.

Also included in that figure are the claim of Lloyds in the sum of £645,902 6 referred to at note 4.1 above and a provisional claim of £71,991 86 from HM Revenue & Customs.

On the basis of information received from the Company's advisers pre-Administration, thirteen unsecured non-preferential creditors with total estimated claims of £33,161 92 have yet to submit claims in the Administration. A Proof of Debt is attached at Appendix 5 to enable those creditors who have yet to submit a claim in the Administration to do so should they wish.

4.4 General

All unsecured claims will be subject to agreement by the Administrators or any subsequently appointed Liquidator in due course (if applicable).

4.5 Dividend Prospects

Based upon current information, it is presently envisaged that no distributions will be payable to any class of creditor.

5 INVESTIGATIONS

5.1 An essential part of the Administrators' duties that we have undertaken is to make enquiries into the Company's past trading activities and the conduct of those individuals concerned in the management and operation of the Company.

The emphasis of these investigations is to ascertain full information on the whereabouts of the Company's assets whether disclosed in a verified statement of affairs or not and involves an examination of the books, records and correspondence in the Administrators' possession, correspondence received from creditors and personal interviews with the Company's officers.

This investigation work included an assessment into whether there were 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

We conducted a review of such of the Company's books and records as we have managed to recover, and we identified several matters that require further investigation. These investigations are continuing.

If creditors have any information that they feel we should be made aware of in relation to potential recoveries, please contact us with details.

We can also confirm that we have complied with our duties under the Company Directors Disqualification Act 1986 and submitted a return to the Insolvency Service. The content of all such reports/returns submitted by Insolvency Practitioners is however confidential.

6 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 6.1** A decision as to the basis of the Administrators' remuneration has been deferred until such point as the likelihood of any asset realisations could be clarified. It was the Administrators' intention to issue a revised proposal in order that the requisite fee approval be obtained, however as noted above, it has not been felt necessary to revise the proposal given the current position of the Administration.

The pre appointment time costs incurred to 4 March 2016 were £17,790.00 which represents a total of 39.50 hours at an average hourly rate of £449.24. To date, no fees have been drawn in respect of these time costs.

- 6.2** As at 3 September 2016, the total time costs incurred by the Joint Administrators and their staff were £90,829.00 plus VAT representing 317.80 hours. This equates to an average hourly rate of £285.81. No costs have been drawn by the Joint Administrators in this respect to date. (See note 6.1 above the decision regarding our fee basis has been deferred).

- 6.3** Creditors are advised that a significant amount of time has been spent in the period fulfilling statutory duties and regulatory requirements, the majority of which time has been spent in undertaking the investigations into the Company's affairs, the director's conduct, attempting to locate assets.

As detailed in section 3 above significant time has also been invested in attempting to resolve the present position in relation to the sites at Manor Works, Cricket Inn Road, Sheffield. This has included a number of tender processes, liaising with interested parties, Lloyds, our solicitor and Sheffield City Council and The Environment Agency. In addition, we have continued to monitor the sites and have attended two meetings with our solicitor at Sheffield City Council with the Environment Agency in an attempt to find a satisfactory resolution. We have also entered into correspondences with creditors, finance companies and the owners of the adjoining land.

We have liaised with various creditors and institutions regarding a number of issues and continue to do so. We have also been taking steps in an attempt to locate and realise assets.

- 6.4** In this regard, we enclose a summary of our time costs to date (Appendix 2i).

6.5 Additional Information in relation to Beesley Corporate Solutions' Policy Regarding Fees and Disbursements, which includes details of this firm's current charge out rates, can be found at Appendix 3

We advise that the following changes were made to this firm's charge out rates during the current reporting period

With effect from 13 May 2016 the Director/IP rate was changed to £375-500 per hour

With effect from 7 July 2016, the Senior Administrator rate was changed to £180-225 per hour

Please note, due to the complexity of this matter and the issues involved as highlighted above in this report, we have deemed it appropriate to undertake the majority of the work in this matter at the more senior levels

6.6 A Creditors' Guide to Administrators' Fees can be found at www.beesley.co.uk/guides

6.7 As detailed in our proposal, the following costs were incurred pre-Administration. 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

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

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.

In addition, travel expenses of £45 90 were incurred by the Administrators in attending a meeting with the Environment Agency. These travel costs and legal disbursements of £114 00 were met from third party funds pre-Administration.

6.8 Expenses have been incurred in the period as detailed below and at Appendix 1

Name of Professional Advisor	Service Provided	Cost
SAS Daniels LLP	Legal Advice	£23,400 00 & disbursements £189 00
Auctus Limited trading as Charles Taylor, Auctioneers and Valuers	Potential asset valuations/advice	£Nil to date £12,027 90
ADI	Security	
	Tracing Report	£440 00
Eddisons	Open Cover Public Liability Insurance	£958 50

Predator Alarms	CCTV Camera System	£804 80
Securecare Monitoring	Alarm Monitoring	£264 00
AUA Insolvency Risk Services Ltd (Recharge of same by Beesley Corporate Solutions)	Specific Penalty Bond	£950 40
BT Plc	Line Rental for Broadband	£304 12
HM Land Registry	Land Registry Title searches	£138 00
DVLA	Vehicle Search Fees	£62 50

The above figures are inclusive of VAT, where applicable

Our solicitors, SAS Daniels LLP have to date been paid £1,483 00 in respect of their disbursements incurred to date, £1,369 00 of which was discharged in the current period. SAS Daniels has agreed not to invoice the sums due in respect of the time costs incurred to date in providing legal advice, until realisations are made.

Auctus Limited trading as Cerberus Receivables Management have provided security for the sites, to date a fee of £10,023 25 plus VAT has been paid to them in respect of these services. Cerberus Receivables Management also provided initial valuations of a number of assets believed to be owned by the Company however to date no fee has been paid in this regard.

Predator Alarms and Securecare Monitoring have provided continued CCTV monitoring and alarm systems for the sites, the costs of these were paid at the commencement of the Administration.

An additional expense in respect of the recharge of the specific bond penalty with Insolvency Risk Services in the sum of £792 00 plus VAT has been incurred and paid during the period of this report.

BT Plc has provided line rental required to enable the CCTV system.

Travel expenses have been incurred in the period as follows: Mark Beesley £157 00 business mileage in travelling to meet with the director and his advisors; Tracy Clowry business mileage £59 50 incurred in travelling to meeting at Sheffield City Council together and a parking fee paid at face value £13 00; Train fares for travel to meeting at Sheffield City Council paid at face value: Tracy Clowry £21 30 and Gareth Hunt £18 50. Please note, business mileage is charged at the HMRC approved rate of 45p per mile and as such would constitute a category 2 disbursement. The decision as regards the drawing of Category 2 disbursements has been deferred. All travel expenses have been paid by an advance of funds from our office and no amounts have been drawn in these regards to date.

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.

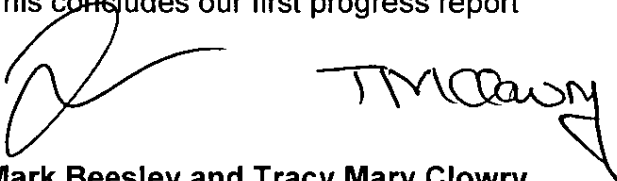
6.9 Details of our firms' policy regarding the choice of advisors and the basis of their fees are given in Appendix 3

- 6.10 All costs of the Administration to date, bar £2,764 55, 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.
- 6.11 The decision as regards the drawing of Category 2 disbursements has been deferred. We confirm, no such expenses have been drawn.
- 6.12 Creditors are entitled under Rule 2 48A to make a request in writing to the Administrators within 21 days of receipt of this report, for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc). Under Rule 2 109 any secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or the permission of court, may apply to the court, to challenge the Administrator's remuneration and expenses within 8 weeks of receipt of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question. Rules 2 48A and 2 109 are set out in Appendix 4.

7 CONCLUSION

- 7.1 As Administrators, we continue to deal with all aspects that include, but are not limited to, dealing with creditor correspondence, completing our statutory obligations and making further enquiries into various transactions as detailed in sections 3 and 5 above.
- 7.2 We will advise creditors further as soon as there is anything substantive to report.
- 7.3 Creditors are advised that it may be necessary to extend the period of the administration to enable us to continue certain enquiries and to ascertain whether further realisations can be made for the benefit of the administration estate. In that event, creditors will be asked to confirm their consent to any such extension, which may be for a period of up to twelve months.

This concludes our first progress report.



Mark Beesley and Tracy Mary Clowry
Joint Administrators

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

(Licensed by the Association of Chartered Certified Accountants IP No's 8739 & 9562)

APPENDIX 1

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

RECEIPTS	£	£
Third Party Deposit for Costs		5,000 00
		<u>5,000 00</u>
PAYMENTS		
Beesley Corporate Solutions Travel costs		(45 90)
SAS Daniels Disbursements		<u>(114 00)</u>
		(159 90)
BALANCE IN HAND		<u><u>4,840.10</u></u>

SUMMARY OF ADMINISTRATORS' RECEIPTS & PAYMENTS ACCOUNT FROM APPOINTMENT 4 MARCH 2016 TO 3 SEPTEMBER 2016

RECEIPTS	£	£
Cash at Bank		665 85
Post Appointment VAT Refund		<u>2,098 70</u>
		2,764 55
PAYMENTS		
Line Rental for Broadband on site		304 12
Site Security		12,027 90
Administrators Travel Expenses		269 80
HM Land Registry Fees		138 00
Tracing Agents Fees		440 00
Legal Fees and Disbursements		1,369 00
CCTV Costs		804 80
DVLA Search Fees		62 50
Statutory Advertisement		82 20
Specific Penalty Bond		<u>950 40</u>
		16,448 72
BALANCE IN HAND		<u><u>(13,684.17)</u></u>

Notes:

- (a) All the above amounts are inclusive of VAT, where appropriate
- (b) The outstanding costs of the Administrators, and those of their advisors, as detailed at section 6 of this report have yet to be discharged
- (c) 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
- (d) The Administrators have incurred travel expenses of £217 00, which 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

APPENDIX 2

SHEFFIELD RECYCLING SERVICES LIMITED – IN ADMINISTRATION

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 (£)
Pre-Appointment Time								
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,	2 40	-	-	-	-	2 40	1,080 00	450 00
ROT, property and								
business								
Trading	-	-	-	-	-	-	-	-
Creditors								
communication with	-	-	-	-	-	-	-	-
creditors, creditors								
claims								
Total Hours	39 40	-	0 20	-	-	39 60	39 60	449 24
Total Fees	1,620 00	-	60 00	-	-	17,790 00	17,790 00	

APPENDIX 2(1)

Time Entry - Detailed SIP9 Time & Cost Summary

BEE5019 - Sheffield Recycling Services Limited
From 04/03/2016 To 03/09/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
204 Case Planning	35 10	12 90	0 00	2 00	50 00	20,380 00	407 60
205 Administrative Set Up	1 50	52 00	0 00	4 70	58 20	13 777 50	236 73
206 Appointment Notification	0 00	0 00	0 00	4 30	4 30	860 00	200 00
207 Maintenance of Records	1 50	0 20	0 00	0 00	1 70	750 00	441 18
208 Statutory Reporting	2 80	6 70	0 00	0 00	9 50	2 990 00	314 74
Admin & Planning	40 90	71 80	0 00	11 00	123 70	38 757 50	313 32
219 Communication with Creditors	7 60	1 90	0 00	0 10	9 60	4 021 50	418 91
Creditors	7 60	1 90	0 00	0 10	9 60	4 021 50	418 91
209 SIP 2 Review	1 60	4 50	0 00	0 00	6 10	1 885 00	305 74
210 CDDA Reports	5 40	7 20	0 00	0 00	12 60	5 400 00	428 57
211 Investigating Antecedent Transactions	2 20	7 00	0 00	0 00	9 20	2 790 00	303 26
Investigations	9 20	18 70	0 00	0 00	27 90	10 055 00	360 39
212 Ident / Securing & Insuring	10 10	71 60	0 00	38 00	119 70	27 840 00	232 58
214 Debt Collection	0 30	1 20	0 00	0 00	1 50	435 00	290 00
215 Property, business and asset sales	3 90	24 50	0 00	7 00	35 40	9 720 00	274 58
Realisation of Assets	14 30	97 30	0 00	45 00	156 60	37 995 00	242 62
Total Hours	72 00	189 70	0 00	56 10	317 80	90,829 00	285 81
Total Fees Claimed						0 00	

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 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 currently utilised by Beesley Corporate Solutions for charging staff time (Such rates were effective from 7 July 2016) All rates are charges per hour Time is charged in units of 6 minutes

Job Title	Cost per hour
Director/IP	£375 - 500
Senior Manager	£300 - £325
Manager	£250
Senior Administrator	£180 - £225
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 will be given in the regular reports prepared in each type of insolvency appointment 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 or 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 or 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

2.47(1) ["Progress report"] "Progress report" means a report which includes –

- (a) details of the court where the proceedings are and the relevant court reference number,
- (b) full details of the company's name, address of registered office and registered number;
- (c) full details of the administrator's name and address, date of appointment and name and address of appointor, including any changes in office-holder, and, in the case of joint administrators, their functions as set out in the statement made for the purposes of paragraph 100(2),
- (d) details of any extensions to the initial period of appointment,
- (da) details of the basis fixed for the remuneration of the administrator under Rule 2 106 (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- (db) if the basis of remuneration has been fixed, a statement of –
 - (i) the remuneration charged by the administrator during the period of the report (subject to paragraph (2A)), and
 - (ii) where the report is the first to be made after the basis has been fixed, the remuneration charged by the administrator during the periods covered by the previous reports (subject to paragraph (2A)), together with a description of the things done by the administrator during those periods in respect of which the remuneration was charged,
 irrespective in either case of whether payment was made in respect of the remuneration during the period of the report,
- (dc) a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was made in respect of them during that period,
- (e) details of progress during the period of the report, including a receipts and payments account (as detailed in paragraph (2) below),
- (f) details of any assets that remain to be realised,
- (fa) a statement of the creditors' right to request information under Rule 2 48A and their right to challenge the administrator's remuneration and expenses under Rule 2 109, and
- (g) any other relevant information for the creditors

2.47(2) [Receipts and payments account] A receipts and payments account must be in the form of an abstract showing receipts and payments during the period of the report and, where the administrator has ceased to act, must also include a statement as to the amount paid to unsecured creditors by virtue of the application of section 176A

2.48A Creditors' request for further information

2.48A(1) [Duty of administrator] If –

- (b) within 21 days of receipt of a progress report under Rule 2 47 –

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (c) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

2.48A(2) [Compliance by administrator] The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that —
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

2.48A(3) [Application to court by creditor] Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

2.48A(4) [Power of court to extend period] Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

2.109 Creditors' claim that remuneration is or other expenses are excessive

2.109(1) [Which creditors may apply to court] Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

2.109A(1A) [Grounds for application] Application may be made on the grounds that —

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

2.109A(1B) [Time limit for application] The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("**the relevant report**")

2.109(2) [Power of court to dismiss etc.] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

2.109(3) [Notice to administrator] The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

2.109(4) [Court order if application well-founded] If the court considers the application to be well-founded, it must make one or more of the following orders –

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
- (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

2.109(5) [Costs of application] Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

Proof of Debt - General Form

Appendix 5

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 of the company went into Administration	£
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 nay 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 relation to creditor

FOR OFFICIAL USE ONLY

Admitted to vote for	Admitted for dividend (if appropriate) for
£	£
Date	Date
Administrator	Administrator