

The Insolvency Act 1986

Administrators' progress report

Name of Company Aylesford Newsprint Limited	Company number 02825694
In the High Court of Justice	Court case number 1379 of 2015

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

I/We (a)

Robert Andrew Croxen
KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Neil David Gostelow
KPMG LLP
Arlington Business Park
Theale
Reading
Berkshire
RG7 4SD

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates


from

to

(b) 2 July 2016

(b) 28 October 2016

Signed


Joint Administrator

Dated

24 November 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.

James Rivers
KPMG LLP
15 Canada Square
London E14 5GL
United Kingdom

Tel 020 73118091

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE



Joint
Administrators'
progress
report for the
period 2 July
2016 to 28
October 2016

Aylesford Newsprint Limited -
in Administration

11 November 2016

Notice to creditors

This progress report provides an update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in this progress report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, [http //www insolvency-kpmg co uk/case+KPMG+AF223A1449 html](http://www.insolvency-kpmg.co.uk/case+KPMG+AF223A1449.html) We hope this is helpful to you

Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

- This progress report covers the period from 2 July 2016 to 28 October 2016
- Please note that on 4 October 2016 an order was made in the High Court appointing Neil Gostelow as Joint Administrator of the Company in place of Allan Graham, following Allan Graham's resignation from KPMG. In accordance with the order, creditors were given notice of the replacement of Allan Graham as Joint Administrator by advertisement in the London Gazette
- We continue to progress the realisation of the freehold land and have recently submitted an outline planning application for ANL's freehold site (Section 2 – Progress to date)
- We remain in discussions with interested parties in respect of the sale of ANL's water abstraction licences (Section 2 - Progress to date)
- The secured creditor has been repaid in full (Section 3 - Dividend prospects)
- The preferential creditors will be paid in full (Section 3 - Dividend prospects)
- There will be a distribution to the unsecured creditors, but the quantum and timing is largely dependent on the sale of the Company's freehold land (Section 3 - Dividend prospects)
- The administration is currently due to end on 23 February 2017. However, this progress report supports an application to Court to consider a 36 month extension to 23 February 2020 (Section 5 – Future strategy)
- Please note you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+AF223A1449.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT



Rob Croxen
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Freehold land

The outline planning application has now been submitted to TMBC, we are hopeful of receiving a decision in the first quarter of 2017.

Together with our agents, LSH, we are finalising our marketing strategy for the site which we hope will begin in earnest in the near term. Although formal marketing is not yet active we continue to be in discussions with a number of interested parties.

Plant and machinery

The uplift of the plant and machinery is progressing, we are hopeful that the site demolition will be completed sometime during the summer of 2017.

Combined Heat and Powerstation (CHP)

The CHP plant continues to be marketed by our agents and we have had a number of enquiries and site visits. We are hopeful of securing a sale by the end of 2016.

Water abstraction licences

We have selected a preferred bidder for the licences and are hopeful of agreeing heads of terms in the first quarter of 2017. For commercial reasons we are unable to provide any further information at this time.

Permit surrenders

The paper making permit has been successfully surrendered, we are now working through the CHP permit process, which we hope to have concluded by the end of 2016.

Employees

We continue to retain eight employees, three full time and five part time. These employees will be retained until the uplift of the plant and machinery and demolition process is complete.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Supply of electricity to third parties

During this period we have realised £177,703 for providing electricity to third parties connected to the Company's electricity distribution system

As previously advised, a number of these third parties have installed independent connections to the national grid and have been disconnected. However, some third parties have requested extensions to the supply of electricity to allow the installation of an independent supply to be completed.

Having considered the plant and machinery uplift and demolition timetable the Company has agreed to an extension, subject to a final termination date at the end of this year.

Recharge of costs

As mentioned in our previous reports, the purchaser of the plant and machinery agreed to pay a proportion of the site running costs (until demolition is complete) as a condition of the sale.

In this period we have received £141,862 in this respect.

Other assets

Further realisations are detailed in the attached receipts and payments account at Appendix 2 and include amongst other, paper making permit refund, sundry debtors/receivables, rent and interest accrued on funds held in the administration estate.

2.3 Other issues

Water main works

Together with our agents we are in the final throws of negotiations with South East Water on the terms of the easement and associated compensation. We are hopeful of completing this matter by the end of 2016.

ANHL/ANSL share sale

As mentioned in our previous report, as part of a wider group transaction ANL will settle administration costs and creditor claims of ANHL. ANHL are in the process of calculating the amount required in this respect and ANL will pay this in the near term once the amount is agreed.

2.4 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Utilities

We have paid £312,639 during the period for utilities required for the decommissioning process. This includes payments for third party electricity usage, which we receive from the third parties in advance.

Agents' fees

We have paid agents' fees of £193,887 for costs in relation to dealing with the property, in particular planning and associated matters and the disposal of the Company's plant and machinery

A sum of £11,120 was also paid in the period specifically in connection to their assistance with the water abstraction licences

Operations and Decommissioning

In the period we have made payments of £207,786 for site operating costs

Salaries and PAYE & NIC

During the period we have made payments totalling £295,198 towards salaries, which includes £96,271 in respect of PAYE & NIC

Environmental / Licence fee

Payments of £83,470 have been made to the EA mainly in respect of water abstraction licence fees during the period

Other Property Expenses

During the period we submitted our planning application to TMBC. As part of the submission, we were required to make an application fee of £57,137

Other costs

Further costs are detailed in the attached receipts and payments account at Appendix 2 and include amongst others, consultant's fees, legal fees, telephone costs and bank charges

2.5 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3)

3 Dividend prospects

3.1 Secured creditors

As advised in our previous report to creditors, the secured creditor has been repaid in full

3.2 Preferential creditors

We estimate the amount of preferential claims to be £84,685

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

The quantum and timing of any dividend will be largely dependent upon the outcome on realisations from the freehold land.

4 Joint Administrators' remuneration and disbursements

During the administration the preferential and unsecured creditors previously provided approval that

- our remuneration will be drawn on the basis of time properly given by them and the various grades of their staff in attending to matters arising in the administration at their normal hourly rates of charging. This will include work undertaken in respect of, but not limited to, tax, VAT, employee, pensions and Health & Safety advice from KPMG LLP in-house specialists
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4

4.1 Fee basis from 1 August 2015

During the period covered by this report, the preferential and unsecured creditors have provided approval that the Joint Administrators' remuneration be modified as follows:

Percentage of realisations

- Property realisations – subject to percentage of realisations as set out in the table below,

Proposed fee basis for property realisations	
Realisation bands	% of realisation
Up to £50,000,000	2.25%
next £7,500,000	3.00%
next £7,500,000	4.00%
next £7,500,000	5.00%
next £7,500,000	6.00%
> £80,000,001	7.00%

- Other asset realisations – 5% of realisations from 1 August 2015,

Time costs

- Statutory and compliance work – time costs at prevailing charge out rates subject to 15% discount and cap of £362,100 up to 31 July 2019, and,

- All other administration matters – time costs at prevailing charge out rates subject to 15% discount

Time costs

From 2 July 2016 to 28 October 2016, we have incurred time costs of £390,293. These represent 918 hours at an average rate of £425 per hour.

From the date of our appointment to 28 October 2016, we have incurred time costs of £3,497,380. These represent 8,803 hours at an average rate of £397 per hour.

Please see detailed analysis of the time spent and a narrative description of the work performed (Appendix 4) and in our previous progress reports.

Remuneration

During the period, we have drawn floating charge remuneration of £1,044,129.

Disbursements

During the period, we have incurred disbursements of £2,616. We have also drawn disbursements of £40,076 in respect of our overall outstanding disbursements incurred during the administration.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 2 July 2016 to 28 October 2016. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

The sale of remaining assets, most significantly the freehold site at Aylesford, the water abstraction licences and CHP.

5.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

The administration is currently due to end on 23 February 2017.

However, this progress report accompanies an application to Court to consider a 36 month extension to 23 February 2020 as the following tasks, in addition to those mentioned in section 2.1, remain outstanding in the administration:

The main reasons as to why the Company needs to remain in administration (as opposed to liquidation) are that the water abstraction licences are very old (over 50 years) and we are concerned that they may terminate in a liquidation, we also continue to have employees whose contracts may also terminate in a liquidation. Ultimately we believe it will be more cost effective to continue in administration.

The timing of the sale of the freehold land is largely dependent on a successful planning application which we hope to secure in the first quarter of 2017, however if planning is refused and we either appeal or need to submit a revised application then the process could extend for a further 2 or 3 years.

I have therefore requested an extension of the administration for three years in order to avoid the additional costs which would be incurred in having to make a further extension application should a shorter time period be granted. In the event that it does not take the full three year period to complete all of the planning and other matters I have outlined relating to the freehold land and to agree a sale, such that the administration can be concluded in a shorter time period, the Administrators will take appropriate steps to bring the administration of the Company to an end at an earlier time.

We have engaged and consulted fully with the Company's largest creditor, the Pension Protection Fund, on this case (representing c80% of the creditors). We have held numerous meetings with them, including one site visit, and they are in full agreement with both our strategy and the need for this extension.

5.3 Future reporting

We intend to provide our next progress report within one month of 29 April 2017 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Aylesford Newsprint Limited
Date of incorporation	10 June 1993
Company registration number	02825694
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 1379 of 2015
Appointor	Directors
Date of appointment	24 February 2015
Joint Administrators' details	Rob Croxen and Neil Gostelow
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £25,000,000 The Prescribed Part is capped at the statutory maximum of £600,000 The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3 3)
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	23 February 2017

Appendix 2 Joint Administrators' receipts and payments account

Aylesford Newsprint Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 02/07/2016 To 28/10/2016 (£)	From 24/02/2015 To 28/10/2016 (£)
FIXED CHARGE ASSETS			
564,169 00	Carbon credits	NIL	NIL
30,000,000 00	Land	NIL	NIL
7,330,000 00	Receivables/debtors	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(12,022,740 00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
5,300,000 00	Plant & machinery	NIL	8,757,681 54
	Furniture & equipment	NIL	1,062 50
7,650,000 00	Paper stock	NIL	8,269,606 92
	Abstraction Licences	NIL	65,000 00
	Paper making permit refund	18,430 29	18,430 29
955,105 00	VAT refunds (pre-app'ent)	NIL	NIL
11,754 00	Cash at bank	NIL	9,363 33
	Rent	17,404 75	80,026 83
		35,835 04	17,201,171 41
OTHER REALISATIONS			
	Bank interest, gross	2,956 39	23,650 74
34,000 00	Sundry debtors/receivables	5,791 14	164,745 04
	Sundry refunds	NIL	422,783 45
	Recharge of costs	141,861 59	510,658 47
	Funds received on behalf of ANSL	NIL	123,913 57
129,308 00	Recycled fibre stocks	NIL	NIL
350,000 00	Sundry Stocks	NIL	NIL
	3rd party electricity supply	177,702 57	1,316,982 84
		328,311 69	2,562,734 11
COST OF REALISATIONS			
	Overpayment of electricity	(215 70)	(215 70)
	Subcontractor	(32,872 00)	(82,918 79)
	Operations and Decommissioning Costs	(207,785 70)	(1,769,641 68)

Aylesford Newsprint Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 02/07/2016 To 28/10/2016 (£)	From 24/02/2015 To 28/10/2016 (£)
Administrators' fees	(1,044,129 00)	(2,725,748 05)
Administrators' expenses	(40,075 80)	(40,075 80)
Room hire	NIL	(833 33)
Agents'/Valuers' fees	(193,887 46)	(1,184,927 01)
Agents Fees - Water Abstraction Licences	(11,120 00)	(35,620 00)
Legal fees	(9,090 00)	(423,217 00)
Funds returned to ANSL	NIL	(62,916 04)
Telephone/Telex/Fax	(3,082 94)	(23,358 76)
Stationery & postage	NIL	(621 10)
Utilities	(312,639 42)	(2,651,903 90)
Storage costs	(214 30)	(32,929 87)
Statutory advertising	NIL	(253 80)
Other property expenses	(57,137 00)	(57,137 00)
Insurance	NIL	(22,525 00)
Wages & salaries	(295,198 43)	(1,639,566 55)
PAYE & NIC	(96,270 51)	(694,463 14)
Bank charges	(280 00)	(81,531 05)
Licences	(83,470 30)	(607,954 62)
	(2,387,468 56)	(12,138,358 19)
FLOATING CHARGE CREDITORS		
Floating charge	NIL	(4,539,385 92)
	NIL	(4,539,385 92)
40,301,596 00	(2,023,321 83)	3,086,161 41
REPRESENTED BY		
Floating ch VAT rec'able		1,771,066 49
Current account		2,435,700 67
Floating ch VAT payable		(3,721,731 89)
Floating ch VAT control		2,601,326 14
		3,086,161 41

Appendix 3 Schedule of expenses

Schedule of expenses (02/07/2016 to 28/10/2016)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Subcontractor	32,872 00	1,843 20	34,715 20
Operations and Decommissioning Costs	207,785 70	0 00	207,785 70
Administrators' fees	0 00	390,292 50	390,292 50
Administrators' expenses	0 00	2,615 83	2,615 83
Agents'/Valuers' fees	193,887 46	0 00	193,887 46
Agents Fees - Water Abstraction Licences	11,120 00	0 00	11,120 00
Legal fees	9,090 00	0 00	9,090 00
Telephone/Telex/Fax	3,082 94	0 00	3,082 94
Utilities	312,639 42	0 00	312,639 42
Other property expenses	57,137 00	0 00	57,137 00
Wages & salaries	295,198 43	0 00	295,198 43
PAYE & NIC	96,270 51	0 00	96,270 51
Bank charges	280 00	0 00	280 00
Storage costs	214 30	0 00	214 30
Overpayment of electricity	215 70	0 00	215 70
Licences	83,470 30	0 00	83,470 30
TOTAL	1,303,263 76	394,751 53	1,698,015 29

Please note that there is a difference between the payments made during the period of £2,387,468 56 (per the receipts and payments account) and the expenses incurred and paid in the period of £1,303,263 76 (per the schedule of expenses)

This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant rules can be provided on request by writing to James Rivers at 15 Canada Square, Canary Wharf, London, E14 5GL

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact James Rivers on 020 73118091.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for Restructuring:	
Grade	From 01 Oct 2015 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Senior Administrator	280
Administrator	205
Support	125

Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) during the period 2 July 2016 to 28 October 2016:

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Courier & delivery costs	50 97		NIL		50 97
External printing	61 38		NIL		61 38
Meals	182 10		NIL		182 10
Mileage	NIL		1,547 20		1,547 20
Postage	659 69		NIL		659 69
Sundry	4 99		NIL		4 99
Travel	109 50		NIL		109 50
Total	1,068 63		1,547 20		2,615 83

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company

Narrative of work carried out for the period 2 July 2016 to 28 October 2016

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences, ■ posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same, ■ briefing of our staff on the administration strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ meeting with management to review and update strategy and monitor progress, ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews, ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of SFL regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks, ■ reviewing and processing employee expense requests, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ working on tax returns relating to the periods affected by the administration, ■ analysing VAT related transactions, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ responding to enquiries from shareholders regarding the administration, ■ providing copies of statutory reports to the shareholders
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ drawing remuneration in accordance with the basis which has been approved by the unsecured creditors, ■ dealing with the ongoing storage of the Company's books and records
Wind down	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position, ■ attending to supplier and customer queries and correspondence, ■ raising, approving and monitoring purchase orders and setting up control systems for trading, ■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support, ■ securing petty cash on site and monitoring spend, ■ dealing with issues in relation to stock and other assets, ■ ensuring ongoing provision of emergency and other essential services to site
Asset realisations	<ul style="list-style-type: none"> ■ liaising with agents regarding the sale of assets, ■ reviewing outstanding debtors and management of debt collection strategy, ■ preparing and processing vouchers for the receipt of post-appointment invoices,

	<ul style="list-style-type: none"> ■ liaising with the Company credit control staff and communicating with debtors, ■ reviewing the inter-company debtor position between the Company and other group companies
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases, ■ communicating with tenants regarding rent, property occupation and other issues
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with, ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets, ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment, ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments, ■ holding employee briefing meetings to update employees on progress in the administration and our strategy, ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns, ■ communicating and corresponding with HM Revenue and Customs, ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees, ■ ensuring security of assets held by employees
Creditors and claims	<ul style="list-style-type: none"> ■ monitoring and updating the list of unsecured creditors, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits, ■ drafting our progress report

Time costs

SIP 9 – Time costs analysis (02/07/2016 to 28/10/2016)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
General (Cashiering)		23 40		28 70	52 10	17,445 50	334 85
Reconciliations (& IPS accounting reviews)		0 30		1 70	2 00	470 00	235 00
General							
Books and records				1 60	1 60	448 00	280 00
Fees and WIP		18 90		2 20	21 10	8,318 50	394 24
Statutory and compliance							
Appointment and related formalities		1 50			1 50	607 50	405 00
Checklist & reviews		55 10		6 80	61 90	24,379 50	393 85
Statutory receipts and payments accounts				0 50	0 50	102 50	205 00

SIP 9 – Time costs analysis (02/07/2016 to 28/10/2016)							
	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Strategy documents	5 30	17 40			22 70	10,200 50	449 36
Tax							
Post appointment corporation tax	4 00	7 30			11 30	5,096 50	451 02
Post appointment VAT		11 00	34 60		45 60	13,343 50	292 62
Creditors							
Creditors and claims							
General correspondence		0 10	7 60		7 70	2,168 50	281 62
Legal claims		3 00			3 00	1,455 00	485 00
Statutory reports		30 20	21 10		51 30	18,515 00	360 92
Employees							
Correspondence			14 60		14 60	4,088 00	280 00
DTI redundancy payments service			2 50		2 50	700 00	280 00
Realisation of assets							
Asset Realisation							
Debtors			4 40		4 40	1,232 00	280 00
Freehold property	12 60	189 75	0 30		202 65	91,869 75	453 34
Health & safety		96 00	12 75		108 75	49,173 75	452 17
Leasehold property		8 00			8 00	3,240 00	405 00
Open cover insurance		2 80			2 80	1,134 00	405 00
Other assets		192 90			192 90	90,124 50	467 21
Plant and machinery		63 00			63 00	30,555 00	485 00
Trading							
Purchases and trading costs		35 40	0 60		36 00	15,625 00	434 03
Total in period	21 90	756 05	139 95	0 00	917 90	390,292 50	425 20
Brought forward time (appointment date to SIP 9 period start date)					7,884 97	3,107,087 85	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					917 90	390,292 50	
Carry forward time (appointment date to SIP 9 period end date)					8,802 87	3,497,380 35	

Appendix 5 Glossary

ANHL	Aylesford Newsprint Holdings Limited - in Administration
ANL/Company	Aylesford Newsprint Limited - in Administration
ANSL	Aylesford Newsprint Services Limited
CHP	Combined heat and power station
EA	Environment Agency
Group	ANL together with, ANHL ANSL
Joint Administrators/we/our/us	Allan Graham and Rob Croxen
KPMG	KPMG LLP
LSH	Lambert Smith Hampton
SFL/Secured creditor	Sitara Finance Limited
TMBC	Tonbridge and Malling Borough Council
VAT	Value Added Tax

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively

Appendix 6 Notice About this report

This report has been prepared by Rob Croxen and Neil Gostelow, the Joint Administrators of Aylesford Newsprint Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Robert Andrew Croxen and Neil David Gostelow are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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