

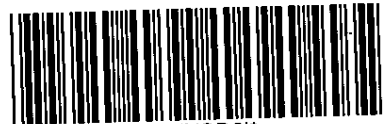
# AM10

## Notice of administrator's progress report



Companies House

For further information, please  
refer to our guidance at



\*A6JXQD6I\*

A06

25/11/2017

#240

COMPANIES HOUSE

SATURDAY

### 1 Company details

Company number 0 2 8 2 5 6 9 4

Company name in full Aylesford Newsprint Limited

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Robert Andrew

Surname Croxen

### 3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

### 4 Administrator's name ①

Full forename(s) Neil David

Surname Gostelow

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Arlington Business Park

Street Theale

Post town Reading

County/Region Berkshire

Postcode R G 7 4 S D

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

|           |                   |                   |                   |                   |                   |                   |                   |                   |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| From date | <sup>d</sup><br>2 | <sup>d</sup><br>9 | <sup>m</sup><br>0 | <sup>m</sup><br>4 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>1 | <sup>y</sup><br>7 |
| To date   | <sup>d</sup><br>2 | <sup>d</sup><br>8 | <sup>m</sup><br>1 | <sup>m</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>1 | <sup>y</sup><br>7 |

### 7 Progress report


☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

|                |                   |                   |                   |                   |                   |                   |                   |                   |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Signature date | <sup>d</sup><br>2 | <sup>d</sup><br>3 | <sup>m</sup><br>1 | <sup>m</sup><br>1 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>1 | <sup>y</sup><br>7 |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

# AM10

## Notice of administrator's progress report



### Presenter information

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

|               |                                  |
|---------------|----------------------------------|
| Contact name  | James Rivers                     |
| Company name  | KPMG LLP                         |
| Address       | 15 Canada Square<br>Canary Wharf |
| Post town     | London                           |
| County/Region |                                  |
| Postcode      | E 1 4 5 G L                      |
| Country       |                                  |
| DX            |                                  |
| Telephone     | Tel +44 (0) 20 7311 1000         |



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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



### Important information

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



### Where to send

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

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



Joint  
Administrators'  
progress  
report for the  
period 29 April  
2017 to 28  
October 2017

Aylesford Newsprint Limited -  
in Administration

23 November 2017

# 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>. 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 29 April 2017 to 28 October 2017.
- We continue to progress the sale of the freehold land and currently expect to receive the outcome of our revised planning application by the end of March 2018. (Section 2 - Progress to date).
- The secured creditor has been paid in full. (Section 3 - Dividend prospects).
- The preferential creditors are expected to 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 August 2018.
- 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**

#### Strategy

##### Freehold land

A revised planning permission application has now been submitted to TMBC and a decision is expected by March 2018.

The site continues to operate under CDM regulations.

As previously advised, planning permission for the demolition of the site was received and the substantial demolition works remain ongoing.

##### Water abstraction licences

With the assistance of a number of specialists in this field, our detailed negotiations are continuing with the preferred bidder for the licences and a further update will be provided to creditors in our next report.

##### Water main works

Following agreement of the final easement terms with South East Water, we have now received the compensation consideration of £400,000 plus £75,000 towards our legal and professional costs in this matter.

#### **Employees**

We no longer retain any employees on site.

### **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 the period we have received payments totalling £4,111 for providing electricity to third parties connected to the Company's electricity distribution system.

We are winding down the supply of electricity to third parties and as such no further realisations are expected from this source.

#### Other assets

Further realisations are detailed in the attached receipts and payments account at Appendix 2 and include amongst other, sundry debtors/receivables, a credit from the environment agency, rent and interest accrued on funds held in the administration bank account.

### **2.3 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.

#### Consultancy fees

We have paid consultancy fees of £111,024 for costs in relation to assistance with the sale of the site, planning and associated matters, and advice in connection to the property and ongoing demolition works.

#### Utilities

We have paid £103,232 during the period for utilities provided to the site.

#### Agents' fees

We have paid agents' fees of £121,965 for costs in relation to dealing with the property, in particular planning and associated matters.

A sum of £41,000 was also paid in the period specifically in connection to ongoing advice regarding the negotiations for a sale of the water abstraction licences.

#### Operations and Decommissioning

In the period we have made payments of £171,411 for site operating costs.

#### Legal fees

We have paid £50,029 to our solicitors, who are assisting us with ongoing issues in connection to the property and general matters that arise during the course of the administration.

#### Insurance

We are required by law to insure the freehold land and certain matters relating to the demolition of the site. The costs paid in the period relating to insurance amounted to £133,114.

#### Salaries and PAYE & NIC

During the period we have made final payments totalling £16,645 towards salaries, which includes £6,135 in respect of PAYE & NIC.

As advised earlier in the report, we no longer retain any employees.

#### Environmental / Licence fee

Payments of £40,465 have been made to the EA mainly in respect of water abstraction licence fees during the period.

#### Other property expenses

During the period we paid additional fees of £3,330 in respect of our ongoing planning application to TMBC.

#### Other costs

Further costs are detailed in the attached receipts and payments account at Appendix 2 and include amongst other, telephone costs and bank charges.

### **2.4 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 reports to creditors, the secured creditor has been repaid in full.

### **3.2 Preferential creditors**

We estimate the amount of preferential claims to be £86,166.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of this 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 to the unsecured creditors will be largely dependent upon the outcome on realisations from the freehold land.

## **4 Joint Administrators' remuneration and disbursements**

#### Time costs

From 29 April 2017 to 28 October 2017, we have incurred time costs of £494,495. These represent 1,185 hours at an average rate of £417 per hour.

## Disbursements

During the period, we have incurred disbursements of £5,554. None of these have yet been paid.

## 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 29 April 2017 to 28 October 2017. 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 the remaining assets, most significantly the freehold site at Aylesford;
- Payment of the costs of the administration, including the Joint Administrators' remuneration and expenses;
- Paying a dividend on the agreed claims of the preferential creditors;
- Agreeing the claims of the unsecured creditors and distributions of the prescribed part;
- VAT and tax returns, including obtaining tax clearance; and
- Statutory and compliance matters.

## 5.2 Future reporting

We will provide a further progress report within one month of 29 April 2018 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 £28,000,000. The Prescribed Part is capped at the statutory maximum of £600,000.<br>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.<br>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 August 2018   |

## Appendix 2 Joint Administrators' receipts and payments account

| Aylesford Newsprint Limited - in Administration |                                    |                                      |                                      |
|---|------------------------------------|--------------------------------------|--------------------------------------|
| Abstract of receipts & payments                 |                                    |                                      |                                      |
| Statement of affairs (£)                        |                                    | From 29/04/2017<br>To 28/10/2017 (£) | From 24/02/2015<br>To 28/10/2017 (£) |
| 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                                  |
|   |                                    | <hr/> NIL                            | <hr/> NIL                            |
| FIXED CHARGE CREDITORS                          |                                    |                                      |                                      |
| (12,022,740.00)                                 | Fixed charge creditor              | NIL                                  | NIL                                  |
|   |                                    | <hr/> NIL                            | <hr/> NIL                            |
| ASSET REALISATIONS                              |                                    |                                      |                                      |
| 5,300,000.00                                    | Plant & machinery                  | NIL                                  | 9,057,681.54                         |
|   | Furniture & equipment              | NIL                                  | 1,062.50                             |
| 7,650,000.00                                    | Paper stock                        | NIL                                  | 8,269,606.92                         |
|   | Abstraction licences               | 7,202.82                             | 72,202.82                            |
|   | Paper making permit refund         | NIL                                  | 18,430.29                            |
|   | SEW pipeline easement compensation | 400,000.00                           | 400,000.00                           |
|   | Contribution towards costs         | 75,000.00                            | 75,000.00                            |
| 955,105.00                                      | VAT refunds (pre-app'ent)          | NIL                                  | NIL                                  |
| 11,754.00                                       | Cash at bank                       | NIL                                  | 9,363.33                             |
|   | Rent                               | 17,901.94                            | 109,032.45                           |
|   |                                    | <hr/> 500,104.76                     | <hr/> 18,012,379.85                  |
| OTHER REALISATIONS                              |                                    |                                      |                                      |
|   | Bank interest, gross               | 471.24                               | 26,824.65                            |
| 34,000.00                                       | Sundry debtors/receivables         | 2,700.14                             | 202,395.17                           |
|   | Sundry refunds                     | 2,333.17                             | 425,116.62                           |
|   | Recharge of costs                  | NIL                                  | 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       | 4,110.56                             | 1,561,108.54                         |
|   |                                    | <hr/> 9,615.11                       | <hr/> 2,850,017.02                   |
| COST OF REALISATIONS                            |                                    |                                      |                                      |
|   | Indemnity payment to ANHL          | NIL                                  | (258,184.00)                         |
|   | Overpayment of electricity         | NIL                                  | (215.70)                             |

**Aylesford Newsprint Limited - in Administration**

**Abstract of receipts & payments**

| Statement of affairs (£)                 | From 29/04/2017<br>To 28/10/2017 (£) | From 24/02/2015<br>To 28/10/2017 (£) |
|--|--------------------------------------|--------------------------------------|
| Subcontractor                            | NIL                                  | (86,655.19)                          |
| Operations and Decommissioning Costs     | (171,411.19)                         | (2,391,520.57)                       |
| Administrators' fees                     | NIL                                  | (2,689,296.86)                       |
| Administrators' expenses                 | NIL                                  | (40,075.80)                          |
| Room hire                                | NIL                                  | (833.33)                             |
| Agents'/Valuers' fees                    | (121,965.00)                         | (1,532,499.82)                       |
| Agents Fees - Water Abstraction Licences | (41,000.00)                          | (81,620.00)                          |
| Legal fees                               | (50,029.02)                          | (479,987.22)                         |
| Consultancy fees                         | (111,024.06)                         | (707,302.85)                         |
| Funds returned to ANSL                   | NIL                                  | (62,916.04)                          |
| Telephone/IT                             | (2,120.46)                           | (31,425.01)                          |
| Stationery & postage                     | NIL                                  | (621.10)                             |
| Utilities                                | (103,231.54)                         | (3,041,153.33)                       |
| Storage costs                            | NIL                                  | (33,064.87)                          |
| Statutory advertising                    | NIL                                  | (253.80)                             |
| Other property expenses                  | (3,330.00)                           | (65,574.50)                          |
| Insurance                                | (133,113.91)                         | (155,638.91)                         |
| Wages & salaries                         | (10,510.17)                          | (1,721,922.61)                       |
| PAYE & NIC                               | (6,134.51)                           | (723,612.79)                         |
| Bank charges                             | (125.00)                             | (82,661.05)                          |
| Licences                                 | (40,465.15)                          | (729,350.07)                         |
|  | (794,460.01)                         | (14,916,385.42)                      |
| <b>FLOATING CHARGE CREDITORS</b>         |                                      |                                      |
| Floating charge                          | NIL                                  | (4,539,385.92)                       |
|  | NIL                                  | (4,539,385.92)                       |
| <b>40,301,596.00</b>                     | <b>(284,740.14)</b>                  | <b>1,406,625.53</b>                  |
| <b>REPRESENTED BY</b>                    |                                      |                                      |
| Floating ch. VAT rec'able                |                                      | 1,931,165.90                         |
| Current account                          |                                      | 1,478,367.39                         |
| Floating ch. VAT payable                 |                                      | (3,878,954.17)                       |
| Floating ch. VAT control                 |                                      | 1,876,046.41                         |
|  |                                      | <b>1,406,625.53</b>                  |

## Appendix 3      Schedule of expenses

| Schedule of expenses (29/04/2017 to 28/10/2017) |   |   |                     |
|---|---|---|---------------------|
| Expenses (£)                                    | Incurred and paid<br>in the period<br>(£) | Incurred in the<br>period not yet paid<br>(£) | Total (£)           |
| <b>Cost of realisations</b>                     |   |   |                     |
| Operations and Decommissioning Costs            | 171,411.19                                | 0.00  | <b>171,411.19</b>   |
| Joint Administrators' remuneration              | 0.00                                      | 494,494.75                                    | <b>494,494.75</b>   |
| Joint Administrators' disbursements             | 0.00                                      | 5,554.23                                      | <b>5,554.23</b>     |
| Agents'/Valuers' fees                           | 121,965.00                                | 0.00  | <b>121,965.00</b>   |
| Agents Fees - Water Abstraction Licences        | 41,000.00                                 | 0.00  | <b>41,000.00</b>    |
| Legal fees                                      | 50,029.02                                 | 0.00  | <b>50,029.02</b>    |
| Consultancy fees                                | 111,024.06                                | 0.00  | <b>111,024.06</b>   |
| Telephone/Telex/Fax                             | 2,120.46                                  | 0.00  | <b>2,120.46</b>     |
| Utilities                                       | 103,231.54                                | 0.00  | <b>103,231.54</b>   |
| Other property expenses                         | 3,330.00                                  | 0.00  | <b>3,330.00</b>     |
| Wages & salaries                                | 10,510.17                                 | 0.00  | <b>10,510.17</b>    |
| PAYE & NIC                                      | 6,134.51                                  | 0.00  | <b>6,134.51</b>     |
| Bank charges                                    | 125.00                                    | 0.00  | <b>125.00</b>       |
| Licences  | 40,465.15                                 | 0.00  | <b>40,465.15</b>    |
| <b>TOTAL</b>                                    | <b>661,346.10</b>                         | <b>500,048.98</b>                             | <b>1,161,395.08</b> |

### 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 Nov 2016 £/hr |
|----------------------|-----------------------|
| Partner              | 625                   |
| Director             | 560                   |
| Senior Manager       | 510                   |
| Manager              | 425                   |
| Senior Administrator | 295                   |
| Administrator        | 215                   |
| Support              | 131                   |

### 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 29 April 2017 to 28 October 2017.

| SIP 9 - Disbursements    |            |                 |            |                 |                 |
|--------------------------|------------|-----------------|------------|-----------------|-----------------|
| Disbursements            | Category 1 |                 | Category 2 |                 | Totals (£)      |
|                          | Paid (£)   | Unpaid (£)      | Paid (£)   | Unpaid (£)      |                 |
| Accommodation            |            | 126.90          |            | NIL             | 126.90          |
| Courier & delivery costs |            | 25.49           |            | NIL             | 25.49           |
| External printing        |            | 12.20           |            | NIL             | 12.20           |
| Meals                    |            | 365.40          |            | NIL             | 365.40          |
| Mileage                  |            | NIL             |            | 1,080.00        | 1,080.00        |
| Postage                  |            | 249.92          |            | NIL             | 249.92          |
| Sundry                   |            | 31.50           |            | NIL             | 31.50           |
| Travel                   |            | 3,662.82        |            | NIL             | 3,662.82        |
| <b>Total</b>             |            | <b>4,474.23</b> |            | <b>1,080.00</b> | <b>5,554.23</b> |

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 29 April 2017 to 28 October 2017

The key areas of work have been:

|   |   |
|---|---|
| Asset realisations                        | <ul style="list-style-type: none"> <li>■ liaising with agents, legal advisors and third party consultants regarding the sale of assets;</li> <li>■ liaising with consultants regarding the proposed sale of the water abstraction licences;</li> <li>■ reviewing and monitoring the ongoing process of the site demolition;</li> <li>■ communicating with tenants regarding rent, property occupation and other issues.</li> </ul>  |
| Health and safety                         | <ul style="list-style-type: none"> <li>■ liaising with health and safety specialists and legal advisors in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with;</li> <li>■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.</li> </ul>   |
| Trading                                   | <ul style="list-style-type: none"> <li>■ updating cash flow statements to monitor the cash position;</li> <li>■ attending to supplier and customer queries and correspondence;</li> <li>■ raising, approving and monitoring purchase orders and maintaining control systems for trading;</li> <li>■ 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;</li> <li>■ dealing with issues in relation to other assets required for trading, including ongoing site maintenance and site HSE;</li> <li>■ ensuring ongoing provision of emergency and other essential services to site.</li> </ul>  |
| Statutory and compliance                  | <ul style="list-style-type: none"> <li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;</li> <li>■ posting information on a dedicated web page;</li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li> </ul>  |
| Strategy documents, Checklist and reviews | <ul style="list-style-type: none"> <li>■ monitoring and reviewing the administration strategy;</li> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ meeting with management and our consultants to review and update strategy and monitor progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointment;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various ongoing instructions;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul> |
| Cashiering                                | <ul style="list-style-type: none"> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks;</li> <li>■ reviewing and processing employee expense requests;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>  |
| Tax                                       | <ul style="list-style-type: none"> <li>■ working on tax returns relating to the periods affected by the administration;</li> <li>■ analysing VAT related transactions;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>  |
| General                                   | <ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ dealing with the ongoing storage of the Company's books and records.</li> </ul>   |
| Open cover insurance                      | <ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Company's business and assets;</li> <li>■ liaising with the post-appointment insurance brokers to provide information and undertaking periodic site risk assessments to help ensure appropriate cover remains in place;</li> <li>■ assessing the appropriateness of the level of insurance premiums.</li> </ul>  |
| Employees                                 | <ul style="list-style-type: none"> <li>■ dealing with queries from employees regarding various matters relating to the administration and their employment;</li> </ul>  |

|                      |  |
|----------------------|--|
|                      | <ul style="list-style-type: none"> <li>■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</li> <li>■ holding employee briefing meetings to update employees on progress in the administration and our strategy;</li> <li>■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns;</li> <li>■ communicating and corresponding with HM Revenue and Customs;</li> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;</li> <li>■ managing claims from employees;</li> <li>■ ensuring security of assets held by employees.</li> </ul> |
| Creditors and claims | <ul style="list-style-type: none"> <li>■ monitoring and updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ drafting our progress report.</li> </ul>   |

## Time costs

### SIP 9 – Time costs analysis (29/04/2017 to 28/10/2017)

|  | Hours              |         |               |         | Time Cost (£) | Average Hourly Rate (£) |        |
|--|--------------------|---------|---------------|---------|---------------|-------------------------|--------|
|  | Partner / Director | Manager | Administrator | Support |               |                         | Total  |
| Administration & planning                  |                    |         |               |         |               |                         |        |
| Cashiering                                 |                    |         |               |         |               |                         |        |
| Fund management                            |                    |         | 1.80          |         | 1.80          | 531.00                  | 295.00 |
| General (Cashiering)                       |                    | 32.20   | 40.90         |         | 73.10         | 25,502.50               | 348.87 |
| Reconciliations (& IPS accounting reviews) |                    | 0.40    | 1.60          |         | 2.00          | 594.00                  | 297.00 |
| General                                    |                    |         |               |         |               |                         |        |
| Books and records                          |                    | 1.00    | 1.40          |         | 2.40          | 838.00                  | 349.17 |
| Fees and WIP                               | 0.20               | 2.00    | 4.40          |         | 6.60          | 2,273.00                | 344.39 |
| Purchases and trading costs                |                    | 14.40   | 15.20         |         | 29.60         | 10,508.00               | 355.00 |
| Statutory and compliance                   |                    |         |               |         |               |                         |        |
| Checklist & reviews                        | 0.30               | 0.60    | 7.40          |         | 8.30          | 2,625.50                | 316.33 |
| Statutory receipts and payments accounts   |                    |         | 0.20          |         | 0.20          | 59.00                   | 295.00 |
| Strategy documents                         |                    | 5.20    |               |         | 5.20          | 2,210.00                | 425.00 |
| Tax  |                    |         |               |         |               |                         |        |
| Post appointment corporation tax           |                    | 4.60    | 1.20          |         | 5.80          | 2,309.00                | 398.10 |
| Post appointment VAT                       |                    | 24.70   | 22.80         |         | 47.50         | 18,583.50               | 391.23 |
| Creditors                                  |                    |         |               |         |               |                         |        |
| Creditors and claims                       |                    |         |               |         |               |                         |        |
| Agreement of preferential claims           |                    |         | 57.40         |         | 57.40         | 16,933.00               | 295.00 |
| Agreement of unsecured                     |                    |         | 1.40          |         | 1.40          | 413.00                  | 295.00 |

**SIP 9 – Time costs analysis (29/04/2017 to 28/10/2017)**

|                                 | Hours              |               |               |             | Time Cost (£)   | Average Hourly Rate (£) |
|---------------------------------|--------------------|---------------|---------------|-------------|-----------------|-------------------------|
|                                 | Partner / Director | Manager       | Administrator | Support     |                 |                         |
| <b>Total</b>                    |                    |               |               |             |                 |                         |
| claims                          |                    |               |               |             |                 |                         |
| General correspondence          |                    | 1.40          | 7.70          |             | 9.10            | 2,866.50                |
| Legal claims                    |                    | 1.20          |               |             | 1.20            | 510.00                  |
| Payment of dividends            |                    |               | 0.30          |             | 0.30            | 88.50                   |
| Statutory reports               | 1.50               | 50.10         | 10.20         |             | 61.80           | 28,979.00               |
| Employees                       |                    |               |               |             |                 |                         |
| Agreeing employee claims        |                    | 0.40          |               |             | 0.40            | 170.00                  |
| Correspondence                  |                    | 2.40          | 5.00          |             | 7.40            | 2,495.00                |
| DTI redundancy payments service |                    |               | 0.90          |             | 0.90            | 265.50                  |
| <b>Realisation of assets</b>    |                    |               |               |             |                 |                         |
| <b>Asset Realisation</b>        |                    |               |               |             |                 |                         |
| Cash and investments            |                    |               | 0.20          |             | 0.20            | 59.00                   |
| Debtors                         |                    | 0.80          | 15.30         |             | 16.10           | 4,725.50                |
| Freehold property               | 2.50               | 335.10        | 1.50          |             | 339.10          | 150,712.50              |
| Health & safety                 | 1.00               | 216.45        | 22.75         |             | 240.20          | 103,092.50              |
| Insurance                       |                    | 4.10          | 13.90         |             | 18.00           | 5,843.00                |
| Leasehold property              |                    | 26.75         | 0.20          |             | 26.95           | 11,427.75               |
| Other assets                    | 0.50               | 221.40        | 0.20          |             | 222.10          | 99,821.50               |
| Vehicles                        |                    |               | 0.20          |             | 0.20            | 59.00                   |
| <b>Total in period</b>          | <b>6.00</b>        | <b>945.20</b> | <b>234.05</b> | <b>0.00</b> | <b>1,185.25</b> | <b>494,494.75</b>       |

Brought forward time (appointment date to SIP 9 period start date) 9,995.42 4,042,200.10

SIP 9 period time (SIP 9 period start date to SIP 9 period end date) 1,185.25 494,494.75

Carry forward time (appointment date to SIP 9 period end date) 11,180.67 4,536,694.85

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

All time shown in the above analysis is charged in units of six minutes.

## Appendix 5      Glossary

|                                       |   |
|---------------------------------------|---|
| <b>ANL/Company</b>                    | Aylesford Newsprint Limited – in administration |
| <b>EA</b>                             | Environment Agency                              |
| <b>HSE</b>                            | Health and Safety                               |
| <b>Joint Administrators/we/our/us</b> | Rob Croxen and Neil Gostelow                    |
| <b>KPMG</b>                           | KPMG LLP  |
| <b>SFL/Secured creditor</b>           | Sitara Finance Limited                          |
| <b>TMBC</b>                           | Tonbridge and Malling Borough Council           |
| <b>VAT</b>                            | Value Added Tax                                 |

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 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.

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.

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