

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Eco Plastics Limited

Company number

03948149

In the  
High Court of Justice, Birmingham District  
Registry, Chancery Division

(full name of court)

Court case number  
8472 of 2014(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I (a)  
Joseph P McLean  
Grant Thornton UK LLP  
Earl Grey House  
75-85 Grey Street  
Newcastle Upon Tyne  
NE1 6EF

administrator of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 11 June 2015

(b) 29 September 2015

Signed

Administrator

Dated

16 October 2015

**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

Joseph P McLean  
Grant Thornton UK LLP  
Earl Grey House  
75-85 Grey Street  
Newcastle Upon Tyne  
NE1 6EF

DX Number

0113 245 5514  
DX Exchange

Companies House receipt date barcode



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COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

THURSDAY



Our Ref JPM/PAM/RJJ/EZF/E48149/

To the creditors

19 October 2015

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester M3 3EB

T +44 (0)161 953 6900  
F +44 (0)161 953 6317  
www.grantthornton.co.uk

**Eco Plastics Limited**

**In liquidation and formerly in Administration (the Company)**  
**High Court of Justice, Birmingham District Registry,**  
**Chancery Division**  
**No 8472 of 2014**

**1 Introduction**

1.1 Following my appointment as administrator of the above Company by the directors on 11 December 2014, I am now in a position to conclude the administration. This is my final progress report, including

- Appendix A an account of my receipts and payments for the period ended 29 September 2015 in accordance with Rule 2.47 of the Insolvency Rules 1986
- Appendix B a statement of the remuneration charged by the administrator in the period 11 June 2015 to 29 September 2015 and a statement of expenses incurred in the period
- Appendix C an analysis of my firm's time costs as required by Statement of Insolvency Practice 9
- Appendix D an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration and expenses, if excessive (Rule 2.109)
- Form 2.25B voting form for a resolution that the administrator be discharged from liability in accordance with paragraph 98 of Schedule B1 of the Insolvency Act 1986 with effect from 14 days after the final progress report is sent to creditors

**2 Statutory information**

2.1 The Company's statutory details are as follows

Registered number 03948149

Registered office c/o Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

**Chartered Accountants**

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No.OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address. Please see www.grantthornton.co.uk for further details.

### **3 Pre-appointment expenses**

3 1 At a meeting of creditors held on 18 February 2015, creditors approved a resolution that the pre-administration costs be paid as an expense of the administration. The following pre-appointment expenses were incurred and paid during the administration period:

- Grant Thornton UK LLP time costs totalling £40,765 plus VAT
- Addleshaw Goddard incurred fees of £50,021 plus VAT relating to legal advice in respect of the sale of the business and assets
- Edward Symmons Group capped its fee at £3,090 plus VAT in relation to a formal valuation of the assets

### **4 Receipts and payments account**

4 1 I attach my receipts and payments account at Appendix A. You will note that no amounts have been paid to the unsecured creditors by virtue of the application of section 176A of the Insolvency Act 1986 (prescribed part).

### **5 Report and outcome of administration**

#### **Assets**

5 1 As previously advised, immediately following my appointment, the business and assets of the Company were sold to Plastics Eco Limited (PEL) via a pre-packaged sale. Since my last report PEL has changed its name to Ecoplastics Recycling Limited (EPL). However, for the purpose of this report I will continue to refer to the purchaser as PEL.

#### **Close Leasing Limited (CLL) and Close Brothers Invoice Finance Limited (CBIF)**

5 2 On appointment the Company's hire purchase agreements with CLL (in respect of the majority of the Company's plant and equipment) were terminated. PEL paid c£7.9 million to CLL to acquire these assets, which were financed through a new HP facility provided by CLL to PEL.

5 3 The debt due to CBIF at appointment totalled £2.96 million and cash consideration of the same was paid directly to CBIF which owned the Company's book debts. The transaction is reflected in the receipts and payments account for information purposes only.

#### **Floating charge stock and plant and machinery**

5 4 As part of the wider restructuring of the Company debt and administration process I agreed a disposal of the Company's unencumbered stock and plant and machinery with PEL totalling £600,000 apportioned as shown in the receipts and payments at Appendix A.

#### **Intercompany debtor position**

5 5 As previously advised, the Company's liability to Coca Cola Enterprises of c£6.5 million was written off and restructured in PEL with PEL effectively assuming the entire debt.

5 6 It has been agreed with PEL that the intercompany debtor of c£3.9 million due from the Company's JV partner, Continuum Recycling Limited (CRL) would be written off.

5 7 I am in the process of finalising the debt waiver agreement with PEL effectively waiving the Company's right to pursue the intercompany debt and expect this to be finalised shortly.

### **Property**

- 5 8 In order to fully deliver a sale to PEL it was necessary to grant a licence to occupy the leasehold trading premises for a period of up to six months. During this time PEL has paid to the administration an amount equal to the monthly rent which has been paid directly to the landlord.
- 5 9 I can confirm that the three remaining property leases have all been assigned to PEL.

### **Other asset realisations**

- 5 10 Following my appointment I instructed Exacta plc (Exacta) to audit the Company's business rates liability in relation to the various units it previously occupied in Lincolnshire.
- 5 11 Following this audit Exacta was able to identify errors in the historical billing process and as a result secured a refund of £25,798 which has been received in full.

## **6 Liabilities**

### **Secured creditors**

#### **Close Leasing Limited (CLL) and Close Brothers Invoice Finance Limited (CBIF)**

- 6 1 As noted above PEL paid c£7.9 million to CLL to acquire these assets, which has been financed through a new HP facility provided by CLL to PEL.
- 6 2 The debt due to CBIF has been repaid in full.

#### **Accelerating Growth Fund Limited ('WRAP')**

- 6 3 At the date of my appointment I understand there was a secured liability due to WRAP of c£1.6 million.
- 6 4 I understand that, as part of the transaction with PEL, that WRAP restructured its debt taking an equity stake in the new entity (the terms of which the administrator was not party). As a result WRAP's security was formally waived and the administrator has acknowledged that, subject to the relevant insolvency legislation, WRAP will have a right to claim as an unsecured creditor.

### **Preferential creditors**

- 6 5 There are no preferential creditors in this case.

### **Unsecured creditors**

- 6 6 In light of the above, Section 176A of the Insolvency Act 1986 will not apply and as there are funds available after the costs of the administration these will be made available to permit a dividend to the unsecured creditors.
- 6 7 As per the directors' statement of affairs, unsecured creditors are estimated at £14.3 million.
- 6 8 The amount available to the unsecured creditors will be dependent on future liquidation costs and the level of claims agreed, but current calculations estimate a dividend of c 2p per £.

- 6 9 I enclose a creditors' claim form. Please provide details of any amounts owing and return marked for my attention to Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

## **7 Administrator's remuneration and expenses**

- 7 1 On 18 February 2015 the creditors resolved that I draw my firm's remuneration by reference to my firm's time costs. You will note from the SIP 9 table attached at Appendix C that my firm's time costs to date are £119,597 and from the receipts and payments account attached at Appendix A that I have yet to draw fees. Time costs incurred in the period but not drawn as remuneration to date are disclosed in Appendix B
- 7 2 Background information regarding the fees of administrators can be found at [https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_Fees\\_Nov2011.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.pdf). Alternatively, I will supply this information by post on request. Time is charged in units of 6 minutes

## **8 Outcome of the administration and discharge from liability**

- 8 1 The objective of the administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up
- 8 2 This objective has been achieved by the sale of the business and assets to PEL
- 8 3 As disclosed in the administrators' proposals, it was proposed that the administration would end by the Company entering creditors' voluntary liquidation
- 8 4 On 29 September 2015 I filed Form 2 34B – notice of move from administration to creditors' voluntary liquidation at the Registrar of Companies. The administration ended and I was appointed liquidator
- 8 5 As administrator, I require my discharge from liability from the Company's creditors. As such, I enclose an appropriate resolution on Form 2 25B and should be grateful if you would return it by 12 00 noon on 11 November 2015 to Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB for your vote to be valid
- 8 6 The resolution to be considered is as follows
- 'The administrator be discharged from liability in accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986 with effect from 14 days after he sends his progress report to creditors.'

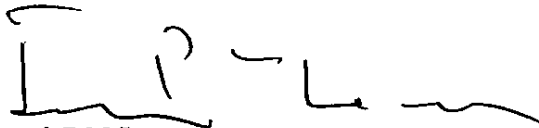
## **9 Other expenses incurred by the administrator**

- 9 1 Exacta was paid a total of £5,805 in respect of the work carried out in order to realise the business rates refund
- 9 2 JLT Specialty Limited was paid £557 in respect of insurance cover over four properties

## **10 Contact**

- 10.1 Should you have any questions regarding the content of this report, please contact Andrew Andow on 0161 953 6361

Yours faithfully  
for and on behalf of Eco Plastics Limited

A handwritten signature in black ink, appearing to read 'J P McLean', with a long horizontal flourish extending to the right.

Joseph P McLean  
Liquidator and Former Administrator

Enc

Eco Plastics Limited - in administration  
Summary of receipts and payments  
from 11 December 2014 to 29 September 2015

Statement of Affairs £	From 11-Dec-14 to 10-Jun-15 £	From 11-Jun-15 to 29-Sep-15 £	Total £
<b>Receipts</b>			
Miscellaneous Income	1,640 44	25,798 40	27,438 84
Goodwill	1 00	0 00	1 00
Intellectual Property	1 00	0 00	1 00
Book Debts	2,959,089 00	2,959,089 36	2,959,089 36
Continuum JV shares	1 00	0 00	1 00
Plant & Machinery	20,000 00	20,000 00	20,000 00
Stock/WIP	580,000 00	579,993 00	579,993 00
Business name and rights	2 00	0 00	2 00
Customer contracts	1 00	0 00	1 00
Licence fee received	625,790 04	0 00	625,790 04
Transferred records	1 00	0 00	1 00
Misc Float Receipts	1,759 55	0 00	1,759 55
Bank/ISA InterestGross	509 32	531 66	1,040 98
Misc Refunds	12,399 10	0 00	12,399 10
Vat on Sales	118,247 29	0 00	118,247 29
HMRC - VAT received/paid	0 00	16,998 91	16,998 91
	<b>4,319,435 10</b>	<b>43,328.97</b>	<b>4,362,764 07</b>
<b>Payments</b>			
Close Brothers Invoice Finance	2,959,089 36	0 00	2,959,089 36
Agents/Valuers Fees (1)	3,090 00	0 00	3,090 00
Legal Fees (1)	50,021 40	0 00	50,021 40
Professional Fees	28,159 31	5,804 64	33,963 95
Pre Appointment fees	0 00	40,765 00	40,765 00
Statutory Advertising	169 20	0 00	169 20
Insurance of Assets	2,014 00	556 50	2,570 50
Licence Fees	618,058 51	0 00	618,058 51
Bank Charges	30 00	0 00	30 00
Vat on Purchases	134,085 27	9,313 93	143,399 20
	<b>3,794,717 05</b>	<b>56,440 07</b>	<b>3,851,157 12</b>
<b>Net Receipts/(Payments)</b>	<b>524,718 05</b>	<b>-13,111.10</b>	<b>511,606 95</b>
<b>Made up as follows</b>			
Floaing Current Account - NIB 23 09 15	524,718 05	-13,111 10	511,606 95
	<b>524,718 05</b>	<b>-13,111 10</b>	<b>511,606 95</b>

The Insolvency Act 1986

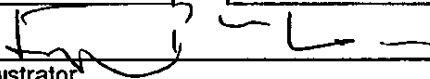
**Administrator's progress report**

Name of Company Eco Plastics Limited	Company number 03948149
In the High Court of Justice, Birmingham District Registry, Chancery Division (full name of court)	Court case number 8472 of 2014

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

I (a)  
Joseph P McLean  
Grant Thornton UK LLP  
Earl Grey House  
75-85 Grey Street  
Newcastle Upon Tyne  
NE1 6EF

administrator of the above company attach a progress report for the period

From	To
(b) 11 June 2015	(b) 29 September 2015
Signed	
	Administrator
Dated	16 October 2015



**B Remuneration charged and expenses incurred by the administrator in the period**

	Charged/incurred in period 11/06/2015 to 29/09/2015	Cumulative charged to 29/09/2015	Of which paid to 29/09/2015
	£		£
<b>Administrator's pre- appointment fees</b>	40,765	40,765	40,765
<b>Administrator's fees:</b>	17,602	119,597	0
Time costs			
Expenses	0	1,137	0
<b>Professional fees</b>			
Ansarada Pty Limited	0	1,042	1,042
Gateley LLP	0	4,031	4,031
Addleshaw Goddard	0	73,106	73,106
<b>Agents/valuers</b>			
ES Group	0	3,090	3,090
<b>Statutory Advertising</b>			
Courts Advertising Limited	0	169	169
<b>Insurance</b>			
JLT	556	2,570	2,570

## C SIP 9 information

### Introduction

The following information is provided in connection with the administrator's remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

### Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

	From 01/07/12	From 01/07/13	From 01/07/14 to date
	£	£	£
Partners up to	580	600	740
Managers up to	440	455	470
Administrators up to	310	320	345
Assistants and support staff up to	210	220	230

### Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary

# Eco Plastics Limited - In Administration - E20548149 - SIP 9 TIME COST ANALYSIS

Transaction period All transactions

Standard	Partner		Manager		Executive		Administrator		Total		Avg Hry Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	37 00	18,315 00	69 90	28,862 00	25 52	5,967 15	79 95	10,310 25	212 37	63,454 40	298 79
Creditors			19 00	8,070 00	5 50	1,375 00	66 65	10,016 00	91 15	19,461 00	213 51
Hiatus period											
Investigations			5 85	2,557 50	0 75	187 50	6 00	880 00	12 60	3,625 00	287 70
Realisation of Assets			71 75	30,852 50	3 25	812 50	8 70	1,392 00	83 70	33,057 00	394 95
Trading											
Total	37 00	18,315 00	166 50	70,342 00	35 02	8,342 15	161 30	22,598 25	399 82	119,597 40	299 13

Total fees billed to date (Time) : £

**D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator**

Rule 2 48A

- (1) If
  - (a) 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
  - (b) 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) 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
- (3) 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
- (4) 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

**E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive**

Rule 2 109

- (1) 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)
- (1A) 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
- (1B) 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) The court may, if it thinks that no 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
- (3) 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
- (4) 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
- (5) 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

## Rule 2.48

## Notice of conduct of business by correspondence

Name of Company

Eco Plastics Limited

Company number

03948149

In the  
High Court of Justice, Birmingham District  
Registry, Chancery Division

(full name of court)

Court case number  
8472 of 2014(a) Insert full name(s)  
and address(es) of  
administrator(s)

Notice is hereby given by (a)  
Joseph P McLean  
Grant Thornton UK LLP  
Earl Grey House  
75-85 Grey Street  
Newcastle Upon Tyne  
NE1 6EF

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

to the creditors of (b) Eco Plastics Limited, c/o Grant Thornton UK LLP, 4 Hardman Square  
Spinningfields, Manchester, M3 3EB

(c) Insert number of  
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c)  
one resolution for your consideration Please indicate below whether you are in favour or  
against each resolution

(d) Insert address to  
which form is to be  
delivered

This form must be received at (d)  
Grant Thornton UK LLP, 4 Hardman Square Spinningfields, Manchester, M3 3EB

(e) Insert closing date

by 12 00 hours on (e) 11 November 2015 in order to be counted  
It must be accompanied by details in writing of your claim unless those details have already  
been submitted for the purpose of a meeting of creditors Failure to do so  
will lead to your vote(s) being disregarded

Repeat as necessary for  
the number of resolutions  
attached

Resolution (1) That the administrator be  
discharged from liability in accordance with  
paragraph 98 of Schedule B1 to the  
Insolvency Act 1986 with effect from 14 days  
after they send their progress report to  
creditors'

I am \*in Favour / Against

\*Delete as appropriate

TO BE COMPLETED BY CREDITOR  
WHEN RETURNING FORM

Name of creditor

Signature of creditor  
(If signing on behalf of creditor, state  
capacity e.g director/solicitor)

If you require any further details or clarification prior to returning your votes, please  
contact me/us at the address above

Signed



Liquidator and former administrator

Dated

16 October 2015