Rule 26A/1 54 The Insolvency Act 1986

Notice to Registrar of Companies of Supervisor's Progress Report

Pursuant to Rule 26A(4)(a) or Rule 1 54 of the Insolvency Rules 1986

To the Registrar of Companies

Name of Company

Wyre Waste Recycling Ltd

To

Alan Brian Coleman
The Copper Room
Deva Centre
Trinity Way
Manchester
M3 7BG

Roderick Michael Withnshaw
The Copper Room
Deva Centre
Trinity Way
Manchester
M3 7BG

supervisor(s) of a voluntary arrangement taking effect on

29 November 2011

Attach my progress report for the period

29 November 2011

to

28 November 2012

Number of continuation sheets (if any) attached

Signed [Signature]

Date 29/1/2012

Royce Peeling Green Limited
The Copper Room
Deva Centre
Trinity Way
Manchester
M3 7BG

Ref WY501/ABC/RMW/GCS/DAB

Software Supplied by Turnkey Computer Technology Limited Glasgow
Supervisors’ Annual Progress Report to Creditors

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Manchester
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Wyre Waste Recycling Limited
- Company Voluntary Arrangement
25 January 2013
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3 Supervisors Comments
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5 Variations to the Proposal
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B Time Analysis for the period from 29 November 2011 to 28 November 2012
C Additional Information in relation to Supervisors fees pursuant to Statement of Insolvency Practice No 9
Introduction and Statutory Information

RM Withinshaw and I were appointed Joint Supervisors of the Company Voluntary Arrangement of Wyre Waste Recycling Limited ("the Company") on 29 November 2011. This report provides an update on the progress in the Arrangement for the year ended 28 November 2012.

Receipts and Payments

Attached at Appendix A is our Receipts and Payments Account for the period from 29 November 2011 to 28 November 2012.

The Proposal, as modified, provided that the Company make monthly payments of not less than £3,500 during the first 12 months of the Arrangement. In addition, an associated company, JAP UK Limited, was to repay the sum of £40,000 against its loan account liability within 30 days of approval of the Arrangement. I confirm that these payments have been received.

As described in the Proposal, the sum of £3,000 plus VAT has been paid to Jones Harris, Chartered Accountants for their assistance in producing the Cash Flow forecasts and other financial information included in the Proposal.

The Supervisors have paid the sum of £2,100 plus VAT to Kennedys Law LLP, solicitors, for their assistance with the Proposal.

Supervisors' Comments on Progress in the Arrangement

Future Contributions

The Proposal stipulates that monthly contributions would increase to £13,000 per month from month 13 (December 2012) which was based on the assumption that a 'clean energy' plant would be operational at the Company's site by December 2012, which would create the additional income for the Company from January 2013. It is now apparent that a clean energy plant will not be operational, and that the Company has insufficient resources from its present income to meet the increased monthly contributions.
**Sale of Waste Transfer Station**

3.2 On 2 August 2012 the Company entered into a contract for the sale of its leasehold interest in the Waste Transfer Station at Jameson Road, Fleetwood, Lancashire. The purchaser is Reform Energy plc, and the Joint Supervisors are a party to the contract for the purpose of protecting creditors' interests. Reform Energy plc is not connected with the directors or shareholders of the Company.

3.3 The contract price is £1.8 million. An initial deposit has been paid in the sum of £10,000, and a further deposit of £80,000 is due to be paid by 31 January 2013, with completion due on or before 31 March 2013.

3.4 The contract is subject to certain pre-conditions which must be met prior to completion. These relate to obtaining the agreement of National Westminster Bank plc to the terms of the sale, and the consent of the landlord to an assignment of the lease. At the present time these conditions have not been satisfied, and the contract has been subject to two supplemental deeds to allow further time to meet these conditions. If the conditions are not satisfied, either party can terminate the contract. It is also evident that the purchaser has to meet certain criteria to raise funding for the project.

3.5 Paragraph 71 to the Standard Conditions for the Arrangement requires that any tax liability arising on the disposal of any asset subject to the Proposal shall be paid from the sale proceeds. The original Proposal excluded this asset and therefore any tax liability arising from a sale will be paid by the Company, and not the joint supervisors.

3.6 Based on the Company's Statement of Affairs at 1 November 2011, a sale of the leasehold land for £1.8 million should provide sufficient funds to discharge creditors claims. This is subject to the sum required to discharge the secured creditor, National Westminster Bank plc, the settlement of the capital gains tax liability arising on the sale, and the agreement of creditors claims.

3.7 In view of the Company's failure to adhere to several terms of the Arrangement, creditors are entitled to require the Supervisors to present a petition for the winding-up of the Company. However, we consider that such action would likely jeopardise a sale of the Company's leasehold interest, and be detrimental to creditors' interests.

**Post-CVA Liabilities**

3.8 HM Revenue and Customs have informed me that the Company is in arrears with its payments on VAT and PAYE. The extent of these liabilities has yet to be quantified. However, HM Revenue and Customs have confirmed that they did not want the Joint
Supervisors to fail the Arrangement, or petition to wind-up the Company, pending the sale of
the land

Trading accounts and Annual Review

3 9 I have yet to be provided with any trading accounts for the period during the first year of the
Arrangement, and as such have been unable to undertake a financial review of the Company
I have recently met with the directors, who inform me that they are in the process of producing
the information I have requested, which should be available to me within the next few weeks

4 Creditors

Secured Creditors

4 1 National Westminster Bank plc holds a fixed and floating charge over the Company’s assets
At the date of the approval of the Arrangement, the indebtedness to the Bank was estimated
at £422,481 The actual liability to the Bank has yet to be confirmed

Preferential Creditors

4 2 Preferential creditors are estimated at £Nil

Unsecured Creditors

4 3 I have received only one claim to date, in the sum of £3,525 I am aware that the Company
has yet to submit certain outstanding pre-CVA tax returns, thereby preventing HM Revenue
and Customs from finalising its claim

4 4 Unsecured creditors claims were estimated to amount to £743,831, which includes Directors
Loan accounts of £165,796

5 Variations to the Proposal

5 1 As explained at paragraph 3 2 above, it is now apparent that the Proposal as originally
constituted cannot succeed Without the operational clean energy plant, there is no prospect
of the Company increasing its monthly contributions to £13,000

5 2 A contract for the sale of the Company’s lease has been exchanged, and is due to complete
on or before 31 March 2013 A further deposit sum of £80,000 is due to be paid before 31
January 2013  The successful completion of this sale should generate sufficient funds to pay the claims of all creditors. However, due to the contractual pre-conditions, and the purchaser’s funding requirements, it is by no means certain that the sale will proceed to completion.

5.3 The directors are satisfied that the sale will proceed to completion. In the circumstances they propose that the following Variations to the Proposal be put to a meeting of creditors:

1. That the Company continues to pay contributions at the rate of £3,500 per month

2. If the sale of the Company’s leasehold land is not completed by 30 April 2013, at a price sufficient to pay the claims of all creditors in full, the Supervisors will present a petition for the Compulsory winding-up of the Company.

3. That any unpaid liabilities arising since the approval of the Arrangement be included with other unsecured creditors claims, to be discharged *pro and passu* with such creditors claims, and will be discharged by the Company.

4. That the Joint Supervisors fees for the 1st year of the Arrangement be agreed at £6,500, to reflect the additional unforeseen costs that have been incurred in being a party to the sale of the land. These costs have been incurred for the benefit of creditors.

5. That the Joint Supervisors be entitled to a fixed fee of £1,500 in respect of convening the variation meeting. This is in accordance with the original proposal.

5.4 Notice is hereby given that a meeting to vote upon these Variations will be held at The Copper Room, Deva Centre, Trinity Way, Manchester M3 7BG on 19 February 2013. A proxy form is attached which must be lodged at these offices, together with a Statement of Claim form, to entitle a creditor to vote at the meeting. The majority required to pass a resolution approving the Variations is in excess of 75% in value of the creditors present in person or by proxy and voting on the resolution.

6. **Nominees’ and Supervisors’ Remuneration**

6.1 In accordance with the Proposal, the Joint Nominees have been paid £15,000 plus VAT in respect of preparing the Proposal, together with £500 plus VAT in respect of one adjourned meeting.

6.2 The Proposal further states that the Supervisors are to be remunerated on the basis of their time costs, which had been estimated to be £3,000 plus VAT per annum, together with their disbursements. We attach at Appendix B a summary of our time costs for the period from 29
November 2011 to 28 November 2012, which amount to £6,778 40. We have drawn the sum of £3,000 against these costs. We propose to draw a further sum of £3,500 in respect of the first year of the Arrangement in respect of the additional costs which were unforeseen at the time of the Proposal, and relate to the sale of the Company’s land. These additional costs have been for the benefit of creditors. Since January 2012, VAT has not been payable on Supervisors’ fees.

6.3 We have drawn the sum of £5 95 in respect of postage and stationery disbursements.

6.4 We have also paid the sum of £4,632 plus VAT to JMW Solicitors LLP for their assistance with the agreement for the sale of the Company’s leasehold interest. A further sum of £2,507 plus VAT is outstanding to JMW Solicitors LLP.

6.5 Additional information regarding Supervisors remuneration in a Voluntary Arrangement is attached at Appendix C.

7 Conclusion

7.1 As explained at paragraph 5.4 above, a meeting has been convened for 19 February 2013 to consider Variations to the Proposal. If you would like to discuss the contents of this report, or the implications of the proposed Variations, please contact me.

Yours faithfully,

[Signature]

AB Coleman
Joint Supervisor

Enc
## Joint Supervisors Receipts and Payments for the period 29 November 2011 - 28 November 2012

<table>
<thead>
<tr>
<th></th>
<th>£</th>
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<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly contributions</td>
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</tr>
<tr>
<td>JAP UK Limited</td>
<td>40,000 00</td>
</tr>
<tr>
<td>Sundry receipt</td>
<td>372 18</td>
</tr>
<tr>
<td>Bank interest</td>
<td>26 94</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>82,399 12</td>
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<table>
<thead>
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</thead>
<tbody>
<tr>
<td><strong>Payments</strong></td>
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</tr>
<tr>
<td>Nominees' fees</td>
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</tr>
<tr>
<td>Supervisors' fees</td>
<td>3,000 00</td>
</tr>
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<td>Supervisors' bonding</td>
<td>370 00</td>
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<td>Solicitors fees - Proposal</td>
<td>2,100 00</td>
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<td>Solicitors fees - asset sale</td>
<td>4,632 00</td>
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<tr>
<td>Accountancy fees</td>
<td>3,000 00</td>
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<td>Irrecoverable VAT</td>
<td>5,214 40</td>
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<td><strong>Total Payments</strong></td>
<td>33,816 40</td>
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**Funds in hand at 28 November 2012** 48,582 72
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<tr>
<th>Plant</th>
<th>Outline 0.5X</th>
<th>Outline 0.75X</th>
<th>4X</th>
<th>10</th>
<th>20</th>
<th>40</th>
<th>60</th>
<th>90</th>
<th>190</th>
<th>1992</th>
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<tbody>
<tr>
<td>101</td>
<td>3.706 50</td>
<td>4.40 50</td>
<td>4.40 0 20</td>
<td>4.132 70</td>
<td>4.18 66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102</td>
<td>3.706 50</td>
<td>4.40 50</td>
<td>4.40 0 20</td>
<td>4.132 70</td>
<td>4.18 66</td>
<td></td>
<td></td>
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<tr>
<td>103</td>
<td>3.706 50</td>
<td>4.40 50</td>
<td>4.40 0 20</td>
<td>4.132 70</td>
<td>4.18 66</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### Time Analysis for the Period from 29 November 2011 to 28 November 2012

Consolidated Time Summary by Staff Grade

(Also Company Voluntary Arrangement)

**WYRE WASTE RECYCLING LIMITED**

Appendix B
VOLUNTARY ARRANGEMENTS

A CREDITORS GUIDE TO INSOLVENCY PRACTITIONERS' FEES

STATEMENT OF INSOLVENCY PRACTICE 9

1 INTRODUCTION

1.1 In a Voluntary Arrangement, as in other types of Insolvency, the amount of money available for creditors is likely to be affected by the level of costs, including the remuneration of the Insolvency Practitioner appointed to implement the arrangement. This guide explains how fees are fixed in voluntary arrangements, how the creditors can affect the level of fees, and the information which should be made available to them regarding fees.

2 THE VOLUNTARY ARRANGEMENT PROCEDURE

2.1 Voluntary arrangements are available to both companies and individual debtors. Company voluntary arrangements are often referred to as CVAs, and individual voluntary arrangements as IVAs.

2.2 The procedure is similar for both CVAs and IVAs and enables the company or individual to put a proposal to their creditors for a composition in satisfaction of their debts or a scheme of arrangement of their affairs. A composition is an agreement under which creditors agree to accept a certain sum of money in settlement of the debts due to them. A CVA may be used as a stand-alone procedure or as an exit route from an administration. It may also be used where a company is in liquidation, but this is extremely rare. The proposal will be made by the directors, the administrator or the liquidator, depending on the circumstances. A proposal for an IVA may be made by a debtor whether or not he is already subject to bankruptcy proceedings. The proposal will be considered by creditors at a meeting convened for that purpose. The procedure is extremely flexible and the form which the voluntary arrangement takes will depend on the terms of the proposal agreed by the creditors. In both CVAs and IVAs the proposal must provide for an Insolvency Practitioner to supervise the implementation of the arrangement. Until the proposal is approved by the creditors, the Practitioner is known as the Nominee. If the proposal is approved, the Nominee (or if the creditors choose to replace him, his replacement) becomes the Supervisor.


3.1 The fees, costs, charges and expenses which may be incurred for the purpose of a voluntary arrangement are set out in the Insolvency Rules 1986 (Rule 1.28 for CVAs and Rule 5.28 for IVAs). They are:

any disbursements made by the Nominee prior to the approval of the arrangement, and any remuneration for his service agreed between himself and the company (or the administrator or liquidator, as the case may be) or the debtor (or the official receiver or trustee, where the debtor is subject to bankruptcy proceedings),

any fees, costs, charges or expenses which:

- are sanctioned by the terms of the arrangement (see below), or
- would be payable or correspond to those which would be payable, in an administration, winding up or bankruptcy (as the case may be)

VOLUNTARY ARRANGEMENTS – A CREDITORS GUIDE TO INSOLVENCY PRACTITIONERS’ FEES

(continued)

3.2 The rules also require the following matters to be stated or otherwise dealt with in the proposal (Rule 1.3 for CVAs and Rule 5.3 for IVAs)
The amount proposed to be paid to the Nominee (as such) by way of remuneration and expenses, and the manner in which it is proposed that the Supervisor of the arrangement should be remunerated and his expenses defrayed

4 The Role of the Creditors

4.1 It is for the creditors' meeting to decide whether to agree the terms relating to remuneration along with the other provisions of the proposal. The creditors' meeting has the power to modify any of the terms of the proposal (with the consent of the debtor in the case of an IVA), including those relating to the fixing of remuneration. The Nominee should be prepared to disclose the basis of his fees to the meeting if called upon to do so. Although there are no further statutory provisions relating to remuneration in voluntary arrangements, the terms of the proposal may provide for the establishment of a committee of creditors and may include among its functions the fixing of the Supervisor's remuneration.

5 What Information should the Creditors Receive?

5.1 Whether the basis of the Supervisor's remuneration is determined at the meeting which approves the arrangement or by a committee of creditors, the Supervisor, or proposed Supervisor should provide details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.11 Staff are currently charged out at an hourly rate, details of which are as follows:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officer Holder (Appointment Taker)</td>
<td>201</td>
</tr>
<tr>
<td>Manager</td>
<td>155</td>
</tr>
<tr>
<td>Administrator</td>
<td>60-100</td>
</tr>
<tr>
<td>Support Staff</td>
<td>57-62</td>
</tr>
</tbody>
</table>

5.2 Where the Supervisor's fees are to be agreed by a committee of creditors during the course of the arrangement, the Supervisor should provide sufficient supporting information to enable the committee to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case, and should always provide an up to date receipts and payments account. Where the fee is to be charged on a time basis the Supervisor should disclose the amount of time spent on the case and the charge out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case and the functions conferred on the Supervisor under the terms of the arrangement. The additional information should comprise a sufficient explanation of what the Supervisor has achieved and how it was achieved to enable the value of the exercise to be assessed and to establish that the time has been properly spent on the case.

VOLUNTARY ARRANGEMENTS — A CREDITORS GUIDE TO INSOLVENCY PRACTITIONERS' FEES (continued)

5.3 Where the basis of the remuneration of the Supervisor as set out in the proposal does not require any further approvals by the creditors or any committee of creditors, the Supervisor should specify the amount of remuneration he has drawn in accordance with the provisions of the proposal in his subsequent reports to creditors on the progress of the arrangement. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the arrangement was approved. He should also provide such additional information as may be required in accordance with paragraph 5.2.
5.4 Where the Supervisor proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Supervisor's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

5.41 The current level of costs charged are detailed below:

<table>
<thead>
<tr>
<th>Room Hire</th>
<th>Nil*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postage (Dependent on weight)</td>
<td>Prevailing postal rates</td>
</tr>
<tr>
<td>Reporting to Creditors</td>
<td>£0.10</td>
</tr>
<tr>
<td>Stationery (photocopying per sheet)</td>
<td>£0.40</td>
</tr>
<tr>
<td>Mileage (per mile)</td>
<td>£0.28</td>
</tr>
<tr>
<td>Storage of Archive Boxes (per month per box)</td>
<td>£2.50</td>
</tr>
<tr>
<td>Destruction of Archive Boxes</td>
<td>£4.00</td>
</tr>
<tr>
<td>Company Searches</td>
<td>£7.00</td>
</tr>
<tr>
<td>Swear Fee</td>
<td>£3.00</td>
</tr>
<tr>
<td>Land Registry Searches</td>
<td></td>
</tr>
</tbody>
</table>

*If meetings are not held at the offices of Royce Peeling Green Limited the actual charge of the Room Hire will be levied on the case.

6. Provision of Information – Additional Requirements

6.1 In any case where the nominee or supervisor is appointed on or after 1 April 2005 he must provide certain information about the time spent on the case, free of charge, upon request by specified persons. The persons entitled to ask for this information are:

- any creditor in the case,
- where the arrangement relates to a company, any director or contributory of that company,
- where the arrangement relates to an individual, that individual.

The information which must be provided is:

- the total number of hours spent on the case by the insolvency practitioner or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

6.2 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the nominee's or supervisor's appointment, or where he has vacated office, the date that he vacated office.