

## **Suppliers and Creditors further information and FAQ's**

### **What has happened?**

**Zelf Hussain, Rob Lewis and Rachael Wilkinson of PwC were appointed as Joint Administrators of the Company on 28 January 2021.**

Following their appointment, the Joint Administrators are pleased to announce the sale of certain business and assets to Aspen Phoenix Newco Limited, the Purchaser.

### **I am owed money; what notification will I receive?**

The officeholder will write to all known creditors of the Company (per the creditor list obtained from the Company's books and records) to formally notify them of the administration appointment. This will be accompanied by a general website notice informing creditors that most future documents for creditors will be **posted to a website** rather than being delivered by post.

### **Administration**

The Joint Administrators will produce a report to all known creditors and members **within 1 week of the appointment**. This report is known as the administrators' proposals and will outline steps taken by the Joint Administrators to date and the strategy going forwards. This report will be delivered via upload to the website following the issue of the website notice with the initial creditors letter.

The administrators are also required to provide a written update on the administrations to all known creditors every 6 months. This report will be sent within one month of every 6 month anniversary or earlier if an administrator vacates office or an extension to the administration is granted.

### **Delivery methods**

In accordance with the general website notice circulated to creditors with the initial letter to creditors dated 29 January 2021, we will be posting the proposals to the website [www.pwc.co.uk/paperchase](http://www.pwc.co.uk/paperchase) prior to 5pm on Wednesday 3rd February 2021. **If you have not received the initial creditors letter by Wednesday 3rd February 2021, please email [uk\\_paperchase\\_suppliers@pwc.com](mailto:uk_paperchase_suppliers@pwc.com) and a copy will be provided.**

### **Opting Out**

Creditors have the right to elect to opt out of receiving certain documents about insolvency proceedings. Any election to opt out will not affect a creditor's entitlement to receive dividends, should any be paid to creditors. **Further details on opting**

**out will be provided by the office holder in their initial communications with creditors.**

### **When will I get paid?**

- Any monies owed for the period prior to the administration will rank as an unsecured claim. You can submit a claim with the administrators for the amount you were owed prior to their appointment. **If there are funds available, you may receive a dividend payment in due course, although at this time we cannot estimate what this will be.**
- We will shortly be providing guidance on how to submit a claim via an online creditor portal. Our preferred method for creditors to submit claims and supporting documents is via the **Turnkey (IPS) online portal**, as this is the most efficient and cost effective way for us to deal with your claim and also allows you to better track its status, so we recommend the use of the online portal for claim submission. **Your unique login details will be sent to you separately, we anticipate these details will be provided to you 6-8 weeks from appointment.** Due to the Firm's risk procedures we are unable to provide login details electronically. Please let us know if you have not received these (or no longer have these details).
- If your claim includes VAT, you may be able to obtain VAT bad debt relief six months after your supply. Your local VAT office can help you with this.

### **I have goods on site - can I get them back?**

If you believe you have a Retention of Title claim over goods that you have supplied please refer to the ROT section of this site.

### **Am I required to continue providing service or supplies?**

The Joint Administrators may request that you continue to supply goods and services to the Company during the administration. You will be contacted if this is the case.

### **How do I know what kind of creditor I am?**

There are three main types of creditor:

- **Secured** (*split into security via fixed/standard and floating charges*);
- **Preferential**; and
- **Unsecured**

**Secured creditors** have security registered at Companies House. When they have a **fixed/standard** charge over an asset, the secured creditor will be paid out of the realisations from that specific asset, after the costs of realisation have been deducted. When they have a **floating charge** over an asset, the **secured creditor** will be paid out of the realisations from those assets, **after** the costs of **realisation** and other expenses of the insolvency procedure, the **preferential creditors** (see below) have been paid in full and the **prescribed part** (see below) has been set aside.

**Preferential creditors** primarily consist of employees for arrears of wages, accrued holiday pay, unpaid contributions to occupational pension schemes and state scheme premiums, all within certain limits. As of December 2020 this will also include certain aspects of HMRC's claim, these claims will rank as secondary preferential claims (paid after the employees claims) and consist of the VAT, PAYE and NIC deductions. Preferential creditors rank ahead of all other creditors when realisations are achieved from assets where there is no fixed charge registered.

**Unsecured creditors** are all other unsecured and non-preferential creditors (with the exception of shareholders/members). These are usually the normal **“trade” creditors**. They rank **below** preferential and secured creditors, with the exception of when the prescribed part is applicable (see below).

**Shareholders / members** will be the last class of creditor to receive a distribution and they will only receive a distribution after everyone else has been paid in full.

### What is the prescribed part?

When a secured creditor has a floating charge registered after 15 September 2003, a proportion of the funds available to them is **set aside** for distribution to unsecured creditors. This is the prescribed part. *(Please note there are some insolvencies where there are pre 15 September 2003 floating charges and consequently NO prescribed part.)*

Insolvency legislation sets out how the prescribed part is calculated and if it is applicable further details will be provided in the officeholders' reports to creditors.

### Estimated timeframe for reviewing my claim and paying a dividend?

The administration and liquidation process is complex and it takes time to assess the Companies' position and provide an estimate of the quantum or timing for reviewing claims and making a distribution. **The officeholders will include an update of**

**dividend prospects and, if possible, a timeframe in their proposals and reports.**

### **Will you refund the costs incurred in preparing a claim?**

**We are unable to refund the costs in preparing a claim.** Consequently, we cannot refund any expenses incurred in obtaining information necessary to make a claim.

### **Other Queries**

Please contact [uk\\_paperchase\\_suppliers@pwc.com](mailto:uk_paperchase_suppliers@pwc.com) if your query is not covered in the above. **Please do not submit claims via this email, the claims will be processed via the IPS portal.**