

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company
ABS Realisations Limited (Formerly Arthur Brett & Sons Limited)

Company number
251583

In the High Court of Justice (full name of court)

Court case number 1894 of 2008

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

I/We (a) Angus Matthew Martin
Deloitte LLP
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF24 0TS

Julia Elizabeth Branson
Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

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

having been appointed administrator(s) of (b) ABS Realisations Limited (Formerly
Arthur Brett & Sons Limited) Hellesdon Park Road Drayton High Road Norwich NR6 5DR

(c) Insert date of
appointment

on (c) 5 March, 2008

(d) insert name of
appointor/applicant
(e) Insert name(s)
and address(es) of
liquidator(s)

by (d) High Court of Justice

hereby give notice that:

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that (e) Richard Michael Hawes
will be the liquidator(s) of the company (IP No(s) 008954)

We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

28/2/2009

Contact Details:

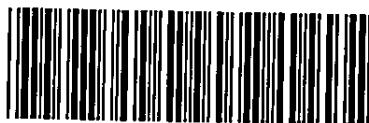
You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
form.

The contact information that you give
will be visible to searchers of the
public register

Richard Michael Hawes
Deloitte LLP
Blenheim House
Fitzalan Court
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CF24 0TS

DX Number

Tel: 029 20481111
DX Exchange



A84

27/02/2009

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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

**ABS REALISATIONS LIMITED (FORMERLY ARTHUR BRETT & SONS LIMITED)
– IN ADMINISTRATION ("the Company")**

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION CASE No. 1894 OF 2008

**FINAL ADMINISTRATORS' PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.110 AND 2.117 OF THE INSOLVENCY RULES 1986**

REPORT DATED 24 FEBRUARY 2009

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any other purpose, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Company without personal liability.

**Angus Martin, Julia Branson and Richard Hawes
Administrators of ABS Realisations Limited
Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD**

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"Act"	Insolvency Act 1986 (as amended)
"the Administrators"	Angus Martin, Julia Branson and Richard Hawes
"Deloitte"	Deloitte LLP
"the Company"	ABS Realisations Limited (formerly Arthur Brett & Sons Limited)
"the Bank"	Lloyds TSB Bank Plc
"Globrite"	Globrite Limited

1. INTRODUCTION

Introduction

This is the Administrators' final report on the outcome of the Company's Administration.

Given the information provided in our previous reports, we have not included detailed background information. Copies of these reports, which include the Administrators' statement of proposals and steps taken in the Administration, can be obtained free of charge by writing to the Administrators' at the address on the front of this report.

The statutory information the Administrators' are obliged to provide is included at Appendix 1 of this report.

Details of the Appointment of Administrators

On 5 March 2008, Angus Martin, Julia Branson and Richard Hawes of Deloitte LLP were appointed Joint Administrators of the Company. The appointment was made by the directors of the Company, under paragraph 22 of Schedule B1, Insolvency Act 1986. This followed confirmation from the secured creditor that it had no objection to the directors making this application.

The Administration proceedings are in the High Court of Justice Chancery Division (Case No. 1894 of 2008).

For the purposes of paragraph 100 of Schedule B1 of the Act the Administrators' confirm that they are authorised to carry out all functions, duties and powers by either of them, jointly or severally.

2. THE ADMINISTRATORS PROPOSALS

As previously reported to creditors in the Administrators' statement of proposals, the Administrators concluded that the first prescribe objective under Paragraph 3(1)(a) of Schedule B1 of the Act namely "rescuing the company (the legal entity) as a going concern" was not achievable in respect of the Company.

Consequently, the Administrators have performed their functions in relation to the Company with the objective set out in Paragraph 3(1)(b) of Schedule B1 of the Act which is "to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)".

The Administrators' proposals to achieve a better result for the creditors as a whole than would be likely if the Company was wound up are as follows:

1. the Administrators continue to manage the affairs and assets of the Company including realising assets and the settlement of all administration expenses;
2. the Administrators collect the Company's outstanding debtor balances where it is deemed economical to do so;
3. the Administrators be authorised to compromise any debtor balances where applicable;
4. the Administrators continue to realise the remaining assets of the Company, including the freehold property.
5. the Administrators continue with their enquiries into the conduct of the directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company;
6. the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors of the Company (where applicable);
7. the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed (where applicable);
8. that the creditors may, at the meeting of creditors, appoint a Creditors' Committee in the Administration comprising of not more than five and not less than three creditors;
9. that the Creditors' Committee, or if one is not appointed, the creditors, agree that the Administrators' fees be fixed by reference to the time given in attending to matters arising in the Administration, calculated at the prevailing hourly charge out rates of Deloitte LLP;
10. the Administrators' fees and expenses for the period to 12 April 2008 as set out in Appendix 4 and discussed in section 6 above, be approved for payment;
11. the Administrators' fees and expenses in respect of the period from 13 April 2008 be approved by the Creditors' Committee should one be appointed but failing that the Administrators be authorised by the creditors to draw remuneration and expenses based on their time costs on a monthly basis;
12. the Administrators be discharged from liability in respect of any action of theirs as Administrators on vacation of office (whether because they vacate office by reason of resignation, death or otherwise, because they are removed from office or because their appointment ceases to have effect) in accordance with Schedule B1 paragraphs 98 & 99 of the Insolvency Act 1986.

3 FINAL ADMINISTRATION RECEIPTS AND PAYMENTS

Introduction

Our previous reports provided creditors with information regarding the operations of the Company and asset realisations achieved.

Since our last report further realisations have been achieved and attached, at Appendix 2, is a summary of our final receipts and payments account as at 24 February 2009.

In this section, we summarise the key assets realisations during the Administration.

Sale of the Business and Assets to Globrite

As detailed in our report dated 12 April 2008, the sale of the business and assets was completed with Globrite Limited on 28 March 2008.

The offer included the purchase of stock, fixed assets, transfer of employees under TUPE, Chelsea and Pimlico shop leases and a licence to occupy the Norwich premises for three months. We discussed the offer with our agents, King Sturge, who advised that it should be accepted as the offer was in excess of their estimated restricted realisation values.

Freehold Property

The Company owns a freehold property in Norwich. The property comprises a 42,000 sq ft factory and office space in 2.63 acres of land.

Our joint agents King Sturge and Savills are marketing the freehold property. For the purpose of the estimated outcome statement, we have shown the estimated to realisable value at £1.5m.

Leasehold Properties

As part of the sale of the business and assets, the two shop leases in London (Chelsea and Pimlico) were assigned to Globrite.

Assets Subject to Chattel Mortgage

Our agents have attributed £60k to the assets subject the Bank's chattel mortgage.

Plant and Machinery, Furniture and Equipment

We have realised £40k in respect of plant and machinery, office furniture and equipment not subject to the Bank's chattel mortgage

Plant and Machinery (Subject to Hire Purchase)

The Company had certain items of plant and machinery subject to hire purchase and lease agreements. Our agents confirmed that no equity existed in these leases.

Debtors

As at the date of appointment the Company's debtors ledger was £127k of which we have collected £70k.

Administrators' Trading

A small trading loss of £3k was incurred during the Administrators trading period.

Stock

The level of stock (raw material, WIP and finished goods) held by the Company at the date of appointment was approximately £1.3m. Creditors should note that these figures do not take account of any Retention of Title claims, which have been submitted by suppliers.

4. CREDITORS

Secured Creditors

The amount due to the Bank at the date of our appointment, as set out in their letter of demand, dated 5 March 2008, totalled £1,532k.

This amount will be subject to post appointment interest.

Preferential Creditors

Preferential creditors (arrears of wages and holiday pay) are estimated to be £50k and will be paid in full.

Unsecured Creditors

We have circulated all known creditors advising them of our appointment. The directors estimate the level of unsecured creditors at this stage to be £4.3m (including employees' claims for redundancy and pay in lieu of notice).

We do not anticipate a dividend to be paid to unsecured creditors.

5. ASSETS TO BE DEALT WITH IN THE LIQUIDATION

As detailed in the final receipts and payments account, all assets have now been realised with the only remaining asset to be realised is the Company's freehold property.

This asset will be dealt with by the Liquidators.

6. ESTIMATED OUTCOME / DISTRIBUTION TO CREDITORS

Attached at Appendix 3 is an Estimated Outcome Statement showing that after costs no dividend will be available to unsecured creditors.

7. ADMINISTRATORS' FEES AND EXPENSES

Administrators' fees

At appendix 4, we have summarised the Administrators' time costs which shows the time categorised into various task heading and sub categories. The time attributable to these categories can be explained as follows:

The Administrators' time costs, for the period from the date of the Administration to 24 February 2009 total £257k. A detailed analysis of the time spent, is attached at Appendix 4.

Administration and Planning includes administration strategy, administration and filing, arranging banking facilities and daily bankings, cashiering and voucher preparation and authorisation, insurance and bordereau, standard letters, notices and directors' questionnaires, compliance, supervision and management of the Administration.

Trading includes arranging continued supply and undertakings, employee issues and payroll, meetings with Company and staff, cash flow forecasts and monitoring, landlord issues.

Realisation of Assets includes stock, debtors (review and collection), dealing with agents, litigation and claims, sale of business, securing and reviewing other assets and VAT/Taxation.

Creditors include creditors and third parties queries, reservation of title and proprietary creditors, employee issues.

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Administrators' expenses

We confirm that disbursements incurred in the Administration to date total £9k as detailed in Appendix 4.

Other professional costs

The time costs and expenses of the Administrators legal advisors and agents have been reviewed and paid from the case funds in the normal manner.

8 OTHER INFORMATION TO ASSIST CREDITORS

Exit Routes from Administration

Under the Enterprise Act 2002, all administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors.

Otherwise, and unless it is proposed that a Company in Administration should be placed into CVL, the appointment of Administrators ceases on the following:

- An application to Court (in the event of a Court appointment);
- Filing a notice in Court and with the Registrar of Companies confirming that the purpose of the Administration has been sufficiently achieved;
- In the event that the Company has no property the Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Administrator ceases and three months following the date the Company is deemed to be dissolved.

EC Regulations

As stated in the Administration Orders in relation to the Companies Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

Appendix 1

ABS Realisations Limited In Administration

Statutory Information

Appendix 1

Statutory Information

Company name	ABS Realisations Limited (formerly Arthur Brett & Sons Limited)	
Company registration number	0251583	
Incorporation date	24 October 1930	
Registered office	Deloitte LLP Blenheim House Fitzalan Court Newport Road Cardiff CF24 0TS	
Issued and called up share capital	14,415 ordinary of £1 each 900,000 preferential at £1 each	
Shareholders	Amber Holding Establishment 13,415 ordinary shares held 900,000 preferential shares held	
Directors	Appointed	Resigned
Charles Edward Francis Brett	30/08/1991	-
Ruth Jane Weanie	01/05/2002	-
Philip Ernest Davis	01/02/2006	-
Mohamed Sami Boraie	27/01/2006	-
Khaled El Sadek	27/01/2006	-
Ayman El Dessouki	27/01/2006	-
Company secretary	Ruth Jane Weanie	

Appendix 2

ABS Realisations Limited In Administration

Receipts and Payments

ABS Realisations Plc - In Administration

Receipts and Payments Account 5 March 2008 to 24 February 2009

	Fixed Charge £	Floating Charge £	Total £
Receipts			
Stock	0	530,401	530,401
Plant and Machinery	60,000	40,000	100,000
Debtors	0	70,298	70,298
Funds from Shareholder	0	50,000	50,000
Sales	0	82,093	82,093
Bank Interest	0	8,594	8,594
VAT Refund	0	28,171	28,171
VAT Payable	0	14,325	14,325
	<u>60,000</u>	<u>823,882</u>	<u>883,882</u>
Payments			
Purchases	0	10,674	10,674
Subcontractors	0	75	75
Wages	0	47,951	47,951
Rents	0	17,017	17,017
Heat and Light	0	250	250
Travel	0	2,122	2,122
Telephone	0	1,020	1,020
Carriage	0	4,422	4,422
Hire Charges	0	657	657
Refuse	0	86	86
Sales Commission	0	1,290	1,290
Advertising - sale of business	0	1,890	1,890
Distribution to Debenture Holder	0	200,000	200,000
Administrators' Fees	70,000	187,000	257,000
Administrators' Expenses	1,000	8,000	9,000
Property Agents' Fees	11,534	0	11,534
Plant and Equipment Agents' Fees	2,000	13,064	15,064
Solicitors' Fees	0	70,677	70,677
Property Expenses	11,903	0	11,903
Postage	0	624	624
Statutory Advertising	0	303	303
Insurance	3,000	3,823	6,823
Bank Charges	0	6,241	6,241
Sundry	0	500	500
VAT Receivable	0	69,275	69,275
	<u>99,437</u>	<u>646,961</u>	<u>746,398</u>
Balance at Bank	<u>-39,437</u>	<u>176,921</u>	<u>137,484</u>

Appendix 3

ABS Realisations Limited In Administration Estimated Outcome Statement

ABS Realisations Plc - In Administration

Estimated Outcome Statement as at 24 February 2009

	Book Value 08/03/2008 £	Realised To Date £	Future Realisations/ Payments £	Estimated To Realise £
Assets subject to Fixed Charges				
Freehold Properties				
Property - Norwich	1,747,000	-	1,500,000	1,500,000
Plant and Machinery subject to Chattels Mortgage	40,000	60,000	-	60,000
Total fixed charge realisations	1,787,000	60,000	1,500,000	1,560,000
Less Realisation Costs	-	(99,437)	(70,000)	(169,437)
	-	(99,437)	(70,000)	1,390,563
Amount owed to Debenture Holder - Lloyds TSB Bank Plc	(1,532,000)	(1,597,868)	(1,597,868)	(1,597,868)
Amount owed to Lloyds TSB Bank Plc - credit card chargebacks	-	(60,000)	(60,000)	(60,000)
Surplus (Deficit) after Debenture Holder before post-appointment interest	-	-	-	(267,305)
Estimated post appointment interest to Debenture Holder	-	-	-	-
Surplus (Deficit) to the Debenture Holder after post-appointment interest	(1,532,000)	(1,757,305)	(1,727,868)	(267,305)
Assets subject to Floating Charges				
Stock	1,339,000	530,401	-	530,401
Plant and Machinery	60,000	40,000	-	40,000
Debtors	127,000	70,298	-	70,298
Bank Interest	-	8,594	-	8,594
	1,526,000	649,293	-	649,293
Preferential Creditors				
Employee wages and holiday pay - estimated	-	(50,000)	-	(50,000)
	-	599,293	-	599,293
Less Realisation Costs	-	(292,122)	(1,000)	(293,122)
Less Trading Deficit	-	(3,471)	-	(3,471)
	-	303,700	(1,000)	302,700
Less Prescribed Part	-	-	-	(63,540)
	-	-	-	239,160
Deficit to Debenture Holder from above	-	-	-	(267,305)
Deficit to Debenture Holder	-	-	-	(28,145)
Estimated liquidation Costs	-	-	-	(63,540)
Add Prescribed Part	-	-	-	63,540
Amount available to Unsecured Creditors	-	-	-	-
Unsecured Creditors				
Unconnected trade creditors	(1,118,435)	-	-	(1,118,435)
Sheik Faisal Adham	(2,794,968)	-	-	(2,794,968)
Stat redundancies and notice	(400,000)	-	-	(400,000)
Total unsecured creditors	(4,313,403)	-	-	(4,313,403)
	(4,313,403)	-	-	(4,010,703)

0.0%

Dividend to Unsecured Creditors

£

Appendix 4

ABS Realisations Limited In Administration Administrators' Time Cost Analysis

ARTHUR BRETT & SONS LIMITED - IN ADMINISTRATION

ADMINISTRATORS TIME COST ANALYSIS FOR THE PERIOD 5 MARCH 2008 TO 24 FEBRUARY 2009

A summary of the Administrators time charges and charge our rates for the separate categories of staff are summarised below:

Grade	£ per hour
Partner	388
Director	388
Assistant Directors	280
Manager	175
Assistant Managers	175
Assistants	110

Fees approved £257k

Classification of Work Function	Partner & Director Hours	Assistant Directors Hours	Manager & Assistant Managers	Assistants	Total Hours
Reporting to the Chargeholder	8.0	34.0	7.0	0.0	49.0
Realisation of Assets	42.0	198.0	120.0	30.0	390.0
Trading	17.0	50.0	182.0	94.0	343.0
Debtor Collections	0.0	4.0	23.0	29.0	56.0
Creditors	1.0	6.0	22.0	65.0	94.0
Statutory Duties	22.0	27.0	48.0	35.0	132.0
Employee matters	1.0	11.0	57.0	33.0	102.0
Accounting and Administration	29.0	44.0	32.0	39.0	144.0
Other Matters- PR	4.0	5.0	0.0	0.0	9.0
Total	124.0	379.0	491.0	325.0	1,319.0
Timecost (£)	48,112	106,120	85,925	35,750	275,907
Average hourly rate (£)	388	280	175	110	

Administrators' Expenses

The Administrators' direct expenses submitted to date total £9k and relate to travel, accommodation and telephone calls. A summary analysis of our expenses is set out below.

Expense Breakdown 5 March to 24 February 2009

	£'000
Mileage / Parking	1
Accommodation	4
Telephone / Subsistence	1
Travel - Taxi / Train	3
	<hr/>
	9

Appendix 5

ABS Realisations Limited In Administration

A Creditors' Guide to Administrators' Fees

A Creditors' Guide To Administrators' Fees

England and Wales

Creditors or their representatives are required to approve the remuneration of Administrators. This guide is designed to assist creditors of businesses where members or directors of Deloitte LLP have been appointed Administrators. Apart from the final three paragraphs the main text has been prepared by the Association of Business Recovery Professionals. If you need any assistance on the matters set out below, please feel free to contact us.

1. Introduction

1.1 When a company goes into Administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the Administrators' fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2. The Nature of Administration

Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in Administration,

or, if the Administrators think neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3. The Creditors' Committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the Administrators' remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the Administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the Administrator decides s/he needs to hold one. The committee has power to summon the Administrators to attend before it and provide such information about the exercise of his functions.

4. Fixing the Administrators' Fees

4.1 The basis for fixing the Administrators' remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that the remuneration shall be fixed either:

- as a percentage of the value of the property which the Administrator has to deal with, or
- by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:-

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;

- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the Administrators.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of -

- each secured creditor of the company; or
- if the Administrators have made or intend to make a distribution to preferential creditors -
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5. What Information should be provided by the Administrators?

5.1 When seeking fee approval

5.1.1. When seeking agreement to his fees the Administrators should provide sufficient supporting information to enable the committee or the creditors to form a judgment as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the Administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2. Where, at any creditors' or committee meeting, the Administrators seek agreement to the terms on which s/he is to be remunerated, s/he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3. Where the Administrators seek agreement to his fees during the course of the Administration, s/he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs, the Administrators should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation for what the Administrators have achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the Administrators must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out, it may be necessary for the administrator to prove an analysis of the time spent on the case by type of activity and grade of staff. The degree

of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to the insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent.

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case specific matters.

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff.

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the Administrators wish to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4. Where the fee is charged on a percentage basis the Administrators should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an Administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before s/he has substantially completed his functions, the Administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration s/he has drawn in accordance with the resolution. Where the fee is based on time costs, s/he should also provide details of the time spent and the charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. S/he should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the Administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the Administrator 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 Administrators' 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.

6. What if a Creditor is Dissatisfied?

6.1 If a creditor believes that the Administrators' remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the Court for an order that it be reduced. If the Court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the Court orders otherwise, the costs must be paid by the applicant and not as an expense of the Administration.

7. What if the Administrators are Dissatisfied?

If the Administrators consider that the remuneration fixed by the creditors' committee is insufficient s/he may request that it be increased by resolution of the creditors. If s/he considers that the remuneration fixed by the committee or the creditors is insufficient, s/he may apply to the Court for it to be increased. If s/he decides to apply to the Court s/he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the Administrators' notice of his application must be sent to such of the creditors as the Court may direct, and they may nominate one or more of their number to appear or be represented. The Court may order the costs to be paid out as an expense of the Administration.

8. Other Matters Relating to Fees

8.1 Where there are joint Administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the Court, the creditors' committee or a meeting of creditors.

8.2 If the Administrator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the Court.

9. Provision of information - additional requirements.

In any case where the Administrators are appointed on or after 1 April 2005 s/he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is -

- The total number of hours spent on the case by the Administrators 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.

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 Administrators' appointment, or where s/he has vacated office, the date that s/he vacated office.

The information must be provided within 28 days of receipt of the request by the Administrators, and requests must be made within two years from vacation of office.

10. Commissions and Discounts

As a major purchaser of services, Deloitte & Touche LLP as a whole is occasionally able to negotiate enhanced services with preferred suppliers in relation to travel, advertising and other costs. The use of these suppliers may sometimes result in annual commissions being paid to Deloitte LLP. The reallocation of such commissions to each case is impracticable and this is not done.

10. What if you are Dissatisfied with the Conduct of the Administration Generally?

We hope that you will not have cause to complain about the way our partners and staff conduct their work on what are generally sensitive and emotive issues for creditors affected by the insolvency. Occasionally misunderstandings arise and mistakes are made. Should you have cause to complain or if you would like to discuss how our service could be improved, please let us know by telephoning the person appointed as Administrator. We undertake to look into any complaint carefully and promptly and to do all we reasonably can to explain the position to you. If you are still not satisfied with the

explanations given, you can refer the matter to the RS National Compliance & Risk Partner responsible for investigating any complaints made against our partners and staff. The RS National Compliance & Risk Partner is located in our office at Athene Place, 66 Shoe Lane, London, EC4A 3BQ. If the RS National Compliance & Risk Partner is unable to resolve matters to your satisfaction then you can refer the matters to:

The Professional Standards Office, Institute of Chartered Accountants in England & Wales, Silbury Court, 412-416 Silbury Boulevard, Milton Keynes MK9 2AF in the case of appointment takers licensed by the Institute of Chartered Accountants in England & Wales. A list of the partners and appointment taking directors and their licensing bodies is available from the RS National Compliance & Risk Partner.

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