

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

Thermal Engineering International Limited

Company number

00929417

In the
High Court of Justice, Chancery Division
Leeds District RegistryCourt case number
703 of 2005(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
Ian Brown, Adrian Berry & Trevor Birch
Deloitte & Touche LLP
1 City Square
Leeds
LS1 2AL

administrators of the above company attach a final progress report for the period

From

To

(b) Insert date

(b) 26 May 2006

(b) 23 November 2006

Signed

Joint Administrator

Dated

27-11-2006

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.

David Elliott
Deloitte & Touche LLP
1 City Square
Leeds
LS1 2AL

DX Number DX: 10064

DX Exchange



ANYMOLRT

A11 29/12/2006 176
COMPANIES HOUSE

COMPANIES HOUSE 14/12/2006

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

TO ALL CREDITORS

23 November 2006

Our Ref RS/IB/DE/LR

Dear Sirs

Thermal Engineering International Limited ("the Company") In Administration

Introduction

In accordance with Rule 2.47 of the Insolvency Rules ("IR 1986"), I write to provide my final report as Administrator on the progress of the above Administration. Where appropriate, I do not intend to repeat information which has been included in previous reports.

Liquidation of Company

With the exception of some possible retentions being recovered, the Company's assets have been realised. After the costs of realisation, I consider there will be some £2.171m, to distribute amongst the preferential and the unsecured creditors of the Company.

As you may be aware, as an Administrator I am not empowered to make a distribution to the Company's unsecured creditors other than with the permission of the Court.

I have discussed, the various exit routes available to me with the creditors committee, who have directed me to apply to the Court to end the administration and to exit the administration into Creditors Voluntary Liquidation ("CVL").

At the meeting of the creditors of the Company held on 6 September 2005, creditors authorised me to exit the administration into CVL, and in such circumstances, creditors approved that Adrian Berry, my fellow Joint Administrator, and I should be appointed as the Joint Liquidators of the Company.

I confirm that I agree with the creditors wish that I apply to end the administration of the Company and to exit the administration into CVL. I believe that the purpose of the administration has been achieved in relation to the Company and that CVL is the quickest and most efficient way in which I can make a distribution to the Company's unsecured creditors.

Audit. Tax. Consulting. Corporate Finance.

Member of
Deloitte Touche Tohmatsu

IMPORTANT NOTICE: Partners and Directors acting as receivers and administrators contract without personal liability. Unless otherwise shown all appointment taking Partners and Directors are authorised by The Institute of Chartered Accountants in England and Wales. Deloitte & Touche LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR, United Kingdom.

Deloitte & Touche LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu ("DTT"), a Swiss Verein whose member firms are separate and independent legal entities. Neither DTT nor any of its member firms has any liability for each other's acts or omissions. Services are provided by member firms or their subsidiaries and not by DTT.

I have therefore instructed my solicitors to apply to Court to bring the administration to an end and to obtain the Administrators' discharge from liability upon registration of the notice that I will send to the Registrar of Companies to exit the administration into CVL.

Creditors will be notified when we have been appointed Liquidators to the Company.

The remainder of this report concentrates on the progress of the Administration since my last report.

Please find attached the following appendices:

- Appendix I Estimated Outcome Statement as at 23 November 2006,
- Appendix II Receipts and Payments Account for the period to 23 November 2006,
- Appendix III Formal information in accordance with Rule 2.47 IR 1986.

The Administrators' proposals

As previously reported to creditors, the Administrators concluded that the first prescribed object under Rule 3(1)(a) namely, "rescuing the company (the legal entity) as a going concern" was not achievable in Administration given the level of debt, lack of finance and insufficient time available to restructure the company.

Consequently, the Administrators have performed their functions with the objective set out in Rule 3(1)(b) 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".

For your convenience, the Administrators proposals, which were agreed at the first meeting of creditors, are replicated below followed by a summary of the current status of each proposal:

1. the Administrators continue to manage the affairs and assets of the Company including the collection of debts due to the Company, completion of the sale of the assets of the Company and the settlement of all administration expenses;
2. the Administrators continue with their enquiries into the conduct of the directors of the Company over the past three years and continue to assist any regulatory authorities with their investigation into the affairs of the Company;
3. the Administrators be authorised to agree the claims of the unsecured creditors of the Company unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution;

4. the Administrators be authorised to apply to court
 - for leave to distribute funds to the unsecured creditors and members (if appropriate) as and when claims are agreed and funds permit; and /or, if such leave is not granted
 - for leave to apply to court for authority to end the Administration by means of Creditors Voluntary Liquidation of the Company on completion of the realisation of assets and distribution of funds to creditors other than unsecured creditors and as quickly and efficiently as is reasonably practicable. Under such an application it is proposed that the Administrators (or their successors in title) be appointed as liquidators of the Company or such different persons as the creditors may nominate, provided that the nomination is made after the receipt of the proposals and before the proposals are approved. In the event that such authority is not granted or the Administrators deem that, in respect of the Company, it is in appropriate to make such an application the Administrators be authorised to select the most appropriate and cost effective route to agree claims to be agreed and realisations to be distributed to all creditors, with the assistance of the Creditors' Committee if one is appointed;
5. that in the event the creditors of the company so determine, at the meetings of creditors, appoint a Creditors' Committee comprising of not more than five and not less than three creditors of each company;
6. that in respect of the Creditors' Committee or if one is not appointed the creditors agree that the Administrators' fees and expenses be fixed by reference to the time given in attending to matters arising in the Administration;
7. the Administrators' fees for the period to 31 July 2005 as set out in section 5 of the Administrator's report, be approved for payment by the creditors;
8. the Administrators' fees in respect of the period from 31 July 2005 be approved in relation to 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; and
9. subject to the matters set out in paragraph 4 above, on completion of the realisation of assets and distribution of funds to creditors, and as quickly and as efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration.

A Creditors' Committee was established and current members are:

Member	Representing
P Houghton	The Pension Protection Fund
A Lyon	TEI Japan
S Chaplin	HM Revenue & Customs

The current status of each proposal is set out below:

Proposal	Current Position
1	With the exception of retentions all Company assets realised.
2	Directors' return submitted to Department of Trade and Industry and investigations are still ongoing.
3	All claims still in the process of being agreed.
4	Application to court for Company to be placed into Liquidation with I Brown and A P Berry being appointed Joint Liquidators.
5	Creditors' Committee established.
6	Remuneration agreed on time basis by Creditors' Committee.
7	Fees to 31 July 2005 approved by creditors and Creditors' Committee.
8	Ongoing fees on time basis and expenses approved by Creditors' Committee.
9	Company to enter into CVL.

Assets Realisations

Since I last reported the following has occurred:

Book Debt Realisations

Realisations from debts due to the Company at the date of my appointment total £637,000, with £60,000 being received since I last reported.

Trading

Trading continued until the end of September 2005 and all Administrators' debts have been collected and liabilities are almost settled. I estimate that the Company's work in progress realised £610,000.

Monies due from TEI Overseas Limited and Frank Ellis

In accordance with the agreement reached with TEI Overseas Limited and Frank Ellis, all monies were received on the due dates. Realisations totalled £420,000 as follows:

Debtor	Amount £000s
Frank Ellis	120
TEI Overseas Limited – agreed settlement	300
Total	420

Dividend Prospects

Attached at appendix I is an Estimated Outcome statement as at 23 November 2006, which discloses the following for each class of creditor:

Preferential Creditors

The estimated claims of the preferential creditors total £55,000 as follows:

Preferential Creditor	Amount £000
Employees - Outstanding Holiday Pay	28
Employees - Outstanding Pension Deductions	27
	55

Whilst these claims are not yet agreed, based on current information, this class of creditor will be paid in full.

Unsecured Creditors

I am currently estimating that unsecured creditors may receive a dividend of between 11p & 12p in the £, which is in line with my previous report. This estimated dividend is subject to the costs of the liquidation. Claims are still being agreed and based on Company records I currently estimate that unsecured creditor claims will total some £16.8m, including a pension fund shortfall currently estimated at £11.7m.

Estimated Unsecured Creditor Claims	£000
Trade Creditors and Accruals	3,905
Inland Revenue	306
HM Customs and Excise	662
Contract Creditors	238
Potential Pension Fund Shortfall	11,700
	<u>16,811</u>

The dividend to unsecured creditors is based upon the agreement of the above claims and realisations being in line with expectations. Any variance from these will be reflected in the dividend available to creditors.

Creditor claims are still being agreed and I would urge any creditor of the Company to submit their claim if they have yet to do so. I cannot make any distributions until all claims are agreed and the Company is in Liquidation.

If you wish to register a claim in this matter, would you please be good enough to let me have full details on the enclosed proof of debt form as soon as possible. These details should include copy invoices and any relevant correspondence. If you have no claim would you please advise me.

Realisation Costs

I summarise below the realisation costs:

Professional Costs	To date £000	Future £000	Total £000
Administrators' Remuneration	400	150	550
Solicitors Fees including Counsel	101	9	110
Agents Fees	55	-	55
Costs of selling Plant and Machinery including rent for October	83	-	83
Insurance	25	-	25
Advertising	3	-	3
Sundry	-	10	10
	<u>667</u>	<u>169</u>	<u>836</u>

The Administrators' time costs for the period from the making of the Administration Order to 20 November 2006 total £566,000 and represents 2,845 hours. As you are aware, the basis of Administrators' remuneration and expenses has been approved by the Creditors Committee on a time costs basis. To date remuneration of £400,000 has been drawn. A detailed breakdown of the hours and time costs is available from the Administrators, and creditors requiring a copy should write to me requesting a copy.

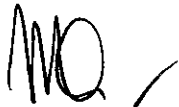
In accordance with SIP9 the Creditors Committee have been, and will continue to be, furnished with full details of time costs incurred to date. I have agreed with the Creditors Committee that I will restrict my remuneration in the Administration to £550,000.

Other Matters

A statement of the Company's Affairs as at 1 July 2005 has not been received from Mr Triessman, the sole director of the Company. Whilst I have complied with my duties required of me under the Company Directors Disqualification Act 1986 I am still making enquiries into certain transactions, which took place prior to my appointment.

Should you wish to discuss any matter please contact David Elliott on 0113 292 1505.

Yours Faithfully
For and on behalf of
Thermal Engineering International Limited

A handwritten signature in black ink, appearing to be 'I Brown', with a checkmark at the end.

I Brown
Joint Administrator

Thermal Engineering International Limited
Estimated Outcome Statement
23 November 2006

	Realised to Date £000s	to be realised £000s	Total Realisations £000s
Assets subject to distraint			
Plant and Machinery, Fixtures, Works Transport	751	-	751
Costs of Realisation	(138)	-	(138)
Amount due to Landlord			0
Surplus	<u>613</u>	<u>0</u>	<u>613</u>
Unencumbered Assets			
Surplus from settlement of Distraint	613	-	613
Book Debts and Prepayments	605	20	625
Cash at Bank	365	-	365
Work in Progress	641	(31)	610
Amount due from F Ellis	120	-	120
Amount due from TEI Overseas Limited	300	-	300
TEI Limited	32	-	32
Bank Interest Received	76	-	76
Sale of IPR	120	-	120
Sundry Income	<u>7</u>	<u>-</u>	<u>7</u>
	2,879	(11)	2,868
Less estimated realisation costs	<u>(529)</u>	<u>(169)</u>	<u>(698)</u>
	2,350	(180)	2,170
Less Preferential Creditors			
Employees Outstanding Holiday Pay	(27)		(27)
Employees Pension Contributions	<u>(28)</u>		<u>(28)</u>
Surplus Available to Creditors	2,295	(180)	2,115
Unsecured Creditors			
Trade Creditors	(2,528)		(2,528)
Accruals	(1,377)		(1,377)
HM Customs and Excise (VAT)	(662)		(662)
Inland Revenue (PAYE/NIC)	(306)		(306)
Contract Creditor	(238)		(238)
Potential Pension Fund Deficit	<u>(11,700)</u>		<u>(11,700)</u>
	<u>(16,811)</u>		<u>(16,811)</u>
Dividend to creditors (see note 2)			<u>0.125</u>

Notes

1. Assets are still being realised and claims from creditors still being agreed. Therefore the actual outcome may vary from that shown above.
2. The estimated dividend is subject to the costs of the the Liquidation.

Thermal Engineering Limited
Receipts and Payments account
for the period 1 July 2005 to 23 November 2006

	Movement 27 May 06 to 23 Nov 06	Cumulative 1 Jul 05 to 23 Nov 06	Future	Estimated Outcome
Receipts	£	£	£	£
Book debts - Trade	60,201	637,486	20,000	657,486
Book debts - sale of TEI Overseas / Shares	0	120,499		120,499
Book debts - TEI Overseas	300,000	300,000		300,000
Sale of Plant and Machinery	0	751,172		751,172
Sale of IPR	0	120,000		120,000
Administrators' Sales	40,304	1,266,312		1,266,312
Cash at Bank	0	365,244		365,244
Bank Interest	53,017	76,042		76,042
Sundry income	6,583	7,018		7,018
	<u>460,105</u>	<u>3,643,773</u>	<u>20,000</u>	<u>3,663,773</u>
Third Party Monies	(2,641)	18,377		18,377
Vat Repayment	32,790	60,668	28,323	88,991
Vat Output	7,054	317,523	3,500	321,023
	<u>497,308</u>	<u>4,040,341</u>	<u>51,823</u>	<u>4,092,164</u>
Payments				
Purchases	38	106,294	31,500	137,794
Rates	0	2,907		2,907
Services	0	29,824		29,824
Carriage	0	13,188		13,188
Hire of Equipment	0	1,306		1,306
Sundry Expenses	0	2,812	10,000	12,812
Repairs and Renewals	70	1,967		1,967
Commission Paid	0	4,730		4,730
Warranties	0	2,527		2,527
Waste Removal	0	2,334		2,334
Bank Charges	1,870	9,451		9,451
Postage and Stationery	0	74		74
Rent	0	166,583		166,583
Service Charges	0	22,813		22,813
Wages and Salaries	2,374	303,865		303,865
Property Expenses	0	1,637		1,637
Statutory Advertising	0	3,319		3,319
Insurance	0	24,958		24,958
Administrators' Remuneration	0	399,502	150,000	549,502
Agent's fees including advertising and marketing	0	91,788		91,788
Solicitors Fees	0	100,663	8,600	109,263
	<u>4,352</u>	<u>1,292,542</u>	<u>200,100</u>	<u>1,492,642</u>
Third Part Monies		18,377		
VAT Input	5	165,146	29,505	194,651
VAT Payment	0	215,363		215,363
	<u>4,357</u>	<u>1,673,051</u>	<u>247,982</u>	<u>1,921,033</u>
	0			0
	0			0
Bank Balance	<u>492,951</u>	<u>2,367,290</u>	<u>(196,159)</u>	<u>2,171,131</u>

Note: The director has not furnished the Administrators' with a copy of the statement of affairs of the Company at the date of the appointment.

Registered Office	1 City Square Leeds LS2 2AL
Company number	00929417
Court	High Court of Justice Leeds
Reference	703 of 2005
Administrators	Ian Brown, Trevor Birch and Adrian Berry Deloitte & Touche LLP 1 City Square Leeds LS1 2AL
Administrators' Appointment	The Administrators were appointed on 1 July 2005 by the Court, in accordance with Paragraph 13 (1) (a) of schedule B1 of the Insolvency Act 1986, following an application made by a creditor of the Company
Joint Administrators' functions	The Administrators are authorised to carry out all functions, duties and powers by either of them jointly or severally
Extension of Administration	At a creditors meeting held by correspondence a resolution was passed extending the Administration by 6 months to 31 December 2006.

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

Thermal Engineering International Limited

Company number

00929417

In the

High Court of Justice, Chancery Division
Leeds District Registry

Court case number

703 of 2005

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

We (a)

Ian Brown, Adrian Berry & Trevor Birch
Deloitte & Touche LLP
1 City Square
Leeds
LS1 2AL

administrators of the above company attach a final progress report for the period

From

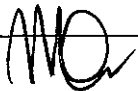
(b) 26 May 2006

To

(b) 23 November 2006

(b) Insert date

Signed


Joint Administrator

Dated

27-11-2006

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

David Elliott
Deloitte & Touche LLP
1 City Square
Leeds
LS1 2AL

DX Number DX: 10064

DX Exchange

Companies House receipt date barcode

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

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

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 determine the basis of the administrator's 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

- 2.1** 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 administrator thinks 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 administrator's remuneration. The committee is normally 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 he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

- 4.1** The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it 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 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 administrator.

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, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends 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 administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement 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 administrator seeks agreement to the terms on which he is to be remunerated, 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 administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator 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 of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator 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 provide 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 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 administrator wishes 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 administrator 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 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 he has drawn in accordance with the resolution. 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 resolution was first passed. 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 administrator'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.

6 What if a creditor is dissatisfied?

- 6.1** If a creditor believes that the administrator's 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 administrator is dissatisfied?

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court 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 on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's 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 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 arising 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 on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9. Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 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 administrator 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 administrator's appointment, or where he has vacated office, the date that he vacated office.

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