

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company Abbey Stone Products Limited	Company number 02750887
In the High Court of Justice, Chancery Division Leeds District Registry (full name of court)	Court case number 328 of 2011

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

We (a)  
Paul Andrew Whitwam  
BWC Business Solutions Limited  
8 Park Place  
Leeds  
LS1 2RU

Gary Edgar Blackburn  
BWC Business Solutions Limited  
8 Park Place  
Leeds  
LS1 2RU

\*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 19 April 2011

Signed

  
Joint Administrators

Dated

19 April 2011

**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 researchers of the public record

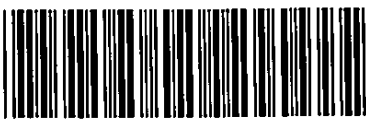
Paul Andrew Whitwam  
BWC Business Solutions Limited  
8 Park Place  
Leeds  
LS1 2RU

DX Number

0113 243 3434  
DX Exchange

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

THURSDAY



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21/04/2011

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COMPANIES HOUSE

# **Abbey Stone Products Limited**

## **- In Administration**

### **Report and Proposals of the Administrators under the Provisions of Paragraph 49 of Schedule B1 to the Insolvency Act 1986**

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## **1. PREFACE**

<b>Expression</b>	<b>Meaning</b>
“the Company”	Abbey Stone Products Limited - In Administration
“the Administration”	The appointment of Administrators under Schedule B1 of the Insolvency Act 1986 on 2 March 2011
“the Administrators”	Paul Andrew Whitwam and Gary Edgar Blackburn of BWC Business Solutions Limited, 8 Park Place, Leeds, LS1 2RU
“the Act”	The Insolvency Act 1986, as amended
“the Rules”	The Insolvency Rules 1986, as amended
“the creditors”	All preferential creditors and all unsecured creditors
“preferential creditor”	Any creditor of the Company whose claim is preferential within Section 386 of the Insolvency Act 1986 as at 2 March 2011 being the date the Company entered administration
“unsecured creditor”	Any person (other than a preferential creditor) who has, or claims to have, any claim against the Company (whether the claim be present, future or contingent or prospective and whether liquidated or for damages and whether arising in contract or tort or otherwise) in connection with or arising from any matter occurring prior to 2 March 2011
“pre-administration costs”	Fees charged and expenses incurred by the administrator, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so

## **2. STATUTORY INFORMATION**

**Date of Incorporation:** 25 September 1992

**Company Registered Number:** 02750887

**Registered Office:** C/O BWC Business Solutions Limited, 8 Park Place,  
Leeds, LS1 2RU

**Trading Addresses:** Abbey House  
Pitt Street  
Keighley  
West Yorkshire  
BD21 4PF

**Principal Business Activities:** Manufacture of Building Materials

**Trading & Domain Names:** None

**Directors:** Mr Steven Phelps  
Mr Michael Moore (Resigned 19 October 2010)

**Company Secretary:** Mr Steven Narey

**Share Capital:** Mr Steven Phelps 47 £1 ordinary shares  
Mr Michael Moore 5 £1 ordinary shares

### 3. DETAILS OF THE APPOINTMENT OF THE ADMINISTRATORS

- Name of Administrators:** Paul Andrew Whitwam and Gary Edgar Blackburn, Licensed Insolvency Practitioners of BWC Business Solutions Limited, 8 Park Place, Leeds, LS1 2RU. The Administrators are licensed by the Insolvency Practitioners Association
- Date of Appointment:** 2 March 2011
- Court:** High Court of Justice Leeds District Registry Chancery Division Number 328 of 2011
- Person Making Application:** Reward Capital Limited – Qualifying Floating Chargeholder
- Acts of the Administrators:** The Administrators act as officers of the Court and as agent of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
- EC Regulation on Insolvency:** The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are ‘main proceedings’ within the meaning of the Regulation
- Purpose of Administration:** The purpose of administration is set out at paragraph 3 of Schedule B1 to the Act as follows
1. The Administrator of a Company must perform his functions with the objective of
    - a. rescuing the Company as a going concern, or
    - b. achieving 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), or
    - c. realising property in order to make a distribution to one or more secured or preferential creditors
  2. Subject to subparagraph (4), the Administrator of a Company must perform his functions in the interests of the Company’s creditors as a whole
  3. The Administrator must perform his functions with the objective specified in subparagraph (1)(a) unless he thinks either
    - a. that it is not reasonably practicable to achieve that objective, or
    - b. that the objective specified in subparagraph (1)(b) would achieve a better result for the Company’s creditors as a whole
  4. The Administrator may perform his functions with the objective specified in subparagraph (1)(c) only if
    - a. he thinks that it is not reasonably practicable to achieve either of the objectives specified in subparagraph (1)(a) and (b), and
    - b. he does not unnecessarily harm the interests of the creditors of the Company as a whole”

#### **4. PURPOSE OF THE ADMINISTRATORS' REPORT AND PROPOSALS**

- 4.1 Under the provisions of the Insolvency Act 1986, the Administrators are required to send to the creditors a statement of their proposals for achieving the purpose set out in the Administration Order
- 4.2 The purpose of this report is to fulfil these requirements and to advise creditors generally on the progress of the Administration. A statement of the Administrators' proposals is contained within this report
- 4.3 In preparing this report, the Administrators have relied on information provided by the directors, management and others. The Administrators' investigations are continuing and, accordingly, it has not been possible to verify all such information. Therefore, the Administrators take no responsibility for the completeness or accuracy of such information or otherwise

#### **5. BACKGROUND TO THE APPOINTMENT OF ADMINISTRATORS**

##### **History of Company and Reasons for Failure**

Steven Phelps is the sole director of the Company ("the Director"). The Director has provided the following statement. The Director is solely responsible for the accuracy or otherwise of this statement

*"During a period working seven days a week in my own newsagents business, I had a local friend who offered some part time work making moulds for his concrete company. This escalated into mould making for two different companies in 1988 and working full time though self employed until 1992 when having found a salesman we set up a business in partnership in small premises in Keighley*

*Business went well and after 12 months, the business moved to larger premises in Keighley. In 1996, the partnership moved to the current property, Worth Valley Works, and purchased the property with a mortgage from Yorkshire Bank PLC*

*Business remained good, turnover doubling year on year until the decision was made to change trading status to a limited company in 2000. The Company employed a workforce of 50 employees at this time*

*In 2002, the Director's partner decided, for personal reasons, to leave the Company and move to France. Negotiations regarding the acquisition of his shares were protracted but eventually a deal was agreed after 12 months*

*Due to these ongoing negotiations the Company was trading considerably less efficiently and made a very low profit*

*The Director's partner was released from his obligations and other members of staff took on a share of the mortgage liability in respect of the partnership, in differing values. Advice was taken as to whether the Company could move forward from this difficult position. The customer base and order book looked good and the Director decided to continue trading.*

*In the period 2004 to 2007, business and profits increased and staff levels were increased to nearly 80. In late 2008, orders faltered but there was still optimism in the sector and it was decided to go through to mid 2009 with unchanged staff levels.*

*Unfortunately, orders dropped substantially in 2009. Sale prices became more competitive and at the same time raw material prices increased. Staff levels were decreased to 47, although with hindsight this was probably six months too late.*

*Although the 2009 accounts disclosed a loss of £160,000, orders were proving buoyant by Spring 2010. A further mortgage against Mr and Mrs Phelps home of £60,000 was taken out in 2009 and paid into the Company account to help fund cashflow.*

*In October 2010, a salesman/director with 18 year's service resigned with no notice and went to work for a competitor. The Company's internal accountant also left at this time with no notice given.*

*The Company's largest customer also began to have cashflow difficulties. This debtor owed £132,000, representing approximately 40% of the whole debtor balance, and was unable to make payment.*

*In November 2010, the Company's Bank became concerned and instructed Investigating Accountants to review the Company's viability.*

*Adverse weather conditions in December 2010 and January 2011 made deliveries difficult and order "call-offs" were delayed by customers as they were unable to work in the conditions.*

*As part of a viability review, a valuation of the premises was carried out by an out of the area business which was hugely lower to that carried out by a local company in July 2009. Given that the Banks lending was mostly supported on the valuation of the property, owned by the Director and others, the Bank advised that it was unable to continue supporting the Company at existing levels."*

*On 22 February 2011, the Director met with BWC Business Solutions Limited to discuss the future of the Company.*

### **Transactions with Associates Prior to Administration**

The Director has confirmed to us that, to the best of his knowledge and belief, no transactions took place between the Company and any person associated with it (within the meaning of Section 435 of the Insolvency Act 1986) in the two-year period prior to the administration order. Neither the Joint Administrators, BWC or any director or employee

of any of them have advised or acted in any capacity in relation to any of the above transactions

#### **Director's Loan Account**

The Company operated a loan account with the Director, Steven Phelps. The Director has advised that, at the date of Administrators' appointment, the Company owed him £52,940. A summary of the loan account for the last two years has not yet been made available.

## **6. ADMINISTRATORS' ACTIONS TO DATE**

### **Administrators' Actions to Date**

6.1 Upon their appointment, the Administrators took control of the business and assets of the Company with a view to establishing a strategy to meet the prioritised objectives of the administration process:

- a. Rescue the Company as a going concern, or
- b. Achieve a better result for creditors as a whole than would be likely if the Company were wound up (without first being in administration), or
- c. Realise property in order to make a distribution to one or more secured or preferential creditors

6.2 The Administrators concluded that objectives 6.1a and 6.1b were not capable of being achieved but that objective 6.1c was capable of being achieved.

6.3 The Company occupied leased premises at Worth Valley Works, Pitt Street, Keighley. The Director, members of his family, the former director Mr M A Moore and the Company Secretary, Mr S Narey own the property. The property represented security to the Bank in respect of its lending to the Company.

6.4 Upon their appointment, the Joint Administrators appointed Fox Lloyd Jones, Chartered Surveyors based in Leeds ("the Agents") as agents with regard to the marketing and sale of the Company's business and assets.

6.5 On 2 March 2011, the Agents issued a marketing mail shot with details of Company's business and assets to 70 businesses within the same market sector. The mailshot offered for sale the Company's business and unencumbered assets.

6.6 Four parties requested further information and one interested party visited the Company's premises to inspect the assets. All interested parties were requested to advise the Agents of their interest by 12.00 noon on 8 March 2011.



- 6 7 On 8 March 2011, the Agents advised that an offer for the unencumbered plant and equipment of £28,000 had been received from Abbey Art Stone Limited. No other offers were received
- 6 8 Abbey Art Stone Limited is connected to the company because its directors, Ms Kim Phelps and Mr Timothy Phelps, are the children of Mr Steven Phelps
- 6 9 The Agents confirmed that this offer was in excess of their ex-situ valuation and recommended that it should be accepted. In accordance with the Agents' recommendation, the offer of £28,000 plus VAT from Abbey Art Stone Limited was accepted on 8 March 2011
- 6 10 The Administrators instructed their solicitors to prepare a sale contract. The terms of the sale agreement dated 10 March 2011 were an initial payment of £16,800 payable on completion, and six monthly payments of £2,800. The first monthly payment was due on 7 April 2011, and the final payment is due on 7 September 2011. The first payment due on 7 April 2011 has been received. Mr Steven Phelps has personally guaranteed the sale agreement.
- 6 11 Prior to the appointment of the Administrators, the Company's book debt ledger of £311,293, was sold to Reward Capital Limited ("Reward") for £125,000. The ledger balance includes a disputed debt of £96,123
- 6 12 The funds paid by Reward were utilised to reduce the Company's overdraft with Clydesdale Bank Plc ("the Bank") pursuant to its fixed and floating charge over the assets of the Company. The Company's borrowing from the Bank was reduced from £299,242 to £184,242. On 2 March 2011, as part of the deal with Reward, the Bank signed a Deed of Release in respect of their security. The balance outstanding will represent an unsecured claim against the Company.
- 6 13 Once matters are finalised, and assuming that there will be no funds to distribute to unsecured creditors, other than the possibility of a dividend from the prescribed part calculated pursuant to Section 176A of The Insolvency Act 1986, the Administrators will file a notice of ceasing to act confirming that the purpose of the administration has been achieved. In the unlikely event that funds are available, the Administrators propose to place the Company into Creditors' Voluntary Liquidation to enable a dividend to be paid to the Company's unsecured creditors
- 6.14 A summary of the Administrators' receipts and payments for the period to 19 April 2011 is attached at Appendix II

#### **Transactions with Associates During Administration**

Except as stated above, the Company in Administration has entered into no other transactions with persons associated with it

## **7. ADMINISTRATORS' PROPOSALS**

- 7.1 The Administrators propose to continue to realise the assets and undertaking of the Company in such a manner as they consider appropriate with a view to achieving the purpose set out in Paragraph 3(1)(a/b/c) of Schedule B1 to the Insolvency Act 1986
- 7.2 The Administrators propose in the interim to take all necessary actions to preserve the value of the Company's assets.
- 7.3 Once the administration is complete, and on the assumption that there are no funds available for distribution to unsecured creditors (other than the possibility of a dividend payable from the "Prescribed Part" payable pursuant to Section 176A (2) Insolvency Act 1986) the Administrators propose to file a notice pursuant to paragraph 84 of Schedule B1 to the Act, together with a final progress report to the Court and the Registrar of Companies for the dissolution of the Company. The Administrators shall send copies of these documents to the Company and the creditors. In these circumstances, the appointment will end following the registration of the notice by the registrar of companies. Thereafter the Company will be dissolved.
- 7.4 As detailed above, in the unlikely event that there are surplus funds available to enable a dividend to be paid to unsecured creditors, it is proposed that the Administrators will place the Company into Creditors' Voluntary Liquidation, in accordance with Paragraph 83 of Schedule B1 of the Insolvency Act 1986, and be appointed as Joint Liquidators of the Company. In addition, it is proposed that any act required or authorised under any enactment by the Joint Liquidators is to be done by any one of them.
- 7.5 In the event that no funds are available for distribution to unsecured creditors, (other than the possibility of a dividend from the prescribed part calculated pursuant to Section 176A of the Insolvency Act 1986), the Administrators propose to file a notice pursuant to paragraph 84 of Schedule B1 to the Act, together with a final progress report to the Court and the Registrar for the dissolution of the Company.
- 7.6 If appropriate, the Administrators propose to either obtain creditors' consent or apply to Court under the provisions of Paragraph 76(2) of Schedule B1 to the Insolvency Act 1986 for an order that their term of office be extended.
- 7.7 It is proposed that the remuneration of the Administrators be fixed by reference to time properly given by them and their staff in attending to matters arising from the Company's administration, in accordance with the Statement of Insolvency Practice number 9 and that they be authorised to draw remuneration and disbursements as and when funds are available. A creditors' guide to administrators' fees is attached at Appendix III.

- 7.8 It is further proposed that the Joint Administrators be authorised to draw expenses necessarily incurred in the conduct of the Administration in accordance with the Firm's policy note as detailed in the creditors guide to fees attached at Appendix III. In particular, the Administrators be authorised to draw category 2 expenses in respect of internal meeting room usage, storage of company records and mileage claims at the rates set out in the creditors guide to fees.
- 7.9 It is proposed that the Joint Administrators be authorised to pay pre-administration costs as set out in Section 8 of this report.
- 7.10 It is proposed that the Joint Administrators be discharged from liability pursuant to Paragraph 98 Schedule B1 Insolvency Act 1986 14 days after the appointment of the Administrators ceases to have effect.
- 7.11 An analysis of the time spent by BWC Business Solutions Limited and the Administrators for the period from the date of their appointment to 31 March 2011 is attached at Appendix IV.

## **8. STATEMENT OF PRE – ADMINISTRATION COSTS**

- 8.1 Pre-administration costs are defined in the Insolvency Rules and this definition is quoted in the Preface to this report (Section 1).
- 8.2 BWC Business Solutions Limited ("BWC") was first approached by the Company on 22 February 2011.
- 8.3 The Director resolved to invite Reward Capital Limited to appoint Administrators to the Company, pursuant to its floating charge, on 2 March 2011. The Joint Administrators, who are both directors of BWC, were appointed by Reward on 2 March 2011. BWC will receive no fee for work undertaken as proposed administrators in the period 22 February 2011 to 2 March 2011.
- 8.5 As time was of the essence, Solicitors Clarion LLP and Chartered Surveyors, Fox Lloyd Jones, were initially instructed verbally on 23 February 2011, but both wrote to BWC to formalise their instructions in written letters of engagement as soon as practicable thereafter. These letters were dated 10 March 2011 and 1 March 2011 respectively. These letters of engagement, which were accepted by the proposed administrators, set out the bases of remuneration of the proposed administrators' advisors.
- 8.6 Clarions Solicitors incurred costs of circa £1,000 and disbursements of £10 in dealing with the formalities surrounding the appointment of the Joint Administrators by Reward. The Joint Administrators are hereby seeking the consent of creditors under Rule 2.67A Insolvency Rules 1986 to pay these fees out of the assets of the Company as an expense of the Administration.

8 7 Fox Lloyd Jones have pre appointment fees of £750 for their valuation report and disbursements of approximately £200, which are unpaid The Joint Administrators are seeking the consent of creditors under Rule 2 67A Insolvency Rules 1986 to pay these costs out of the assets of the Company as an expense of the Administration

8 8 As far as the Administrators are aware, no other person qualified to act as an insolvency practitioner has incurred charges in respect of the Company with a view to it entering into administration prior to the making of the administration order

## **9. STATEMENT OF AFFAIRS**

The Directors' Statement of Affairs is attached at Appendix II The Administrators concur with the Statement of Affairs other than there has been no provision for costs and expenses of the Administration

## **10. AMOUNTS DUE TO SECURED CREDITORS**

<i>Secured Creditors</i>	<b>£</b>
Reward Capital Limited created on 2 March 2011 and registered on 10 March 2011	10 000

## **11. SHARE OF ASSETS FOR UNSECURED CREDITORS**

In accordance with Section 176A of the Insolvency Act 1986 where the Company has granted a floating charge after 15 September 2003, a proportion of the funds subject to the floating charge are set aside for the benefit of the unsecured creditors.

This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims

There is expected to be no "Prescribed Part" available to unsecured creditors pursuant to Section 176A (2) Insolvency Act 1986 after deducting costs of realisation and preferential creditor claims.

## **12. AMOUNTS DUE TO PREFERENTIAL CREDITORS**

The Joint Administrators made the Company's employees redundant on 2 March 2011.

The Company's preferential claims are estimated at £28,696 and comprise arrears of wages and holiday pay

### 13. SUMMARY

Once all the Company's assets have been realised and the Administration is complete, it is proposed that the Administrators file a notice pursuant to paragraph 84 of Schedule B1 to the Act, together with a final progress report at the Court and with the Registrar of Companies for the dissolution of the Company. The Administrators shall send copies of these documents to the Company and the creditors.

In the unlikely event that there are surplus funds available to enable a dividend to be paid to unsecured creditors, it is proposed that the Administrators will place the Company into Creditors' Voluntary Liquidation, in accordance with Paragraph 83 of Schedule B1 of the Insolvency Act 1986, and be appointed as Joint Liquidators of the Company.

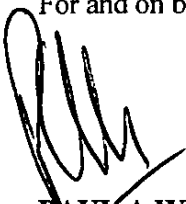
An initial meeting of the Company's creditors is not being convened because the Administrators do not think that there will be sufficient property (other than the possibility of a dividend payment from the prescribed part as calculated pursuant to Section 176A of The Insolvency Act 1986) to enable a distribution to be paid to the Company's unsecured creditors.

The Administrators are required to hold an initial creditors meeting if 10% in value of the Company's creditors request it by completing and returning Form 2.21b (attached at Appendix V to this report) within 12 days. The expenses of convening any such creditors meeting will be borne by the creditor requesting it unless it is resolved at the meeting that the expenses should be payable out of the assets of the Company.

Also attached at Appendix VI to this report is Form 2.25b which seeks creditors' approval to the Administrators' proposals and specifically the basis upon which the Administrators will be remunerated for work undertaken both prior to and after the Administration. The Administrators should be grateful if you would complete this form and return by 9 May 2011. In the absence of a meeting being called, the Proposals detailed in this report will be deemed to be accepted within 14 days from the date of this report.

If you require any further information, please contact the manager dealing with this case, Sue Bell.

For and on behalf of Abbey Stone Products Limited



**PAUL A WHITWAM**

Joint Administrator

19 April 2011

**APPENDIX I**

**ABBNEY STONE PRODUCTS LIMITED - IN ADMINISTRATION**

**ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AS AT 19 APRIL  
2011**

**Abbey Stone Products Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments**

	Statement of affairs £	From 02/03/2011 To 19/04/2011 £	From 02/03/2011 To 19/04/2011 £
<b>RECEIPTS</b>			
Plant, Machinery, Equipment & Motors	28,000 00	16,333 33	16,333 33
Vat Payable		3,266 67	3,266 67
		<u>19,600 00</u>	<u>19,600 00</u>
<b>PAYMENTS</b>			
Legal Fees		2,000 00	2,000 00
Pre Appointment Legal Disbursements		10 00	10 00
Pre Appointment Legal Fees		1,000 00	1,000 00
Statutory Advertising		69 75	69 75
Insurance of Assets		254 40	254 40
Vat Receivable		613 95	613 95
		<u>3,948 10</u>	<u>3,948 10</u>
<b>BALANCE - 19 April 2011</b>			<u><b>15,651 90</b></u>
<b>MADE UP AS FOLLOWS</b>			
Bank 2 Current			15,651 90
			<u><u>15,651 90</u></u>

**APPENDIX II**

**ABBHEY STONE PRODUCTS LIMITED - IN ADMINISTRATION**

**STATEMENT OF AFFAIRS**



**STATEMENT OF AFFAIRS**

Name of Company

Abbey Stone Products Limited

Company Number

02750887

In the

High Court of Justice, Chancery Division

Court case number

328 / 2011

Statement as to the affairs of

Abbey Stone Products Limited

c/o BWC Business Solutions Limited

8 Park Place

Leeds

on the 2 March 2011, the date that the company entered administration

**Statement of Truth**

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 2 March 2011 the date that the company entered administration

Full Name

STEVEN JOHN PHILIPS

Signed



Dated

19.4.2011

Abbey Stone Products Limited  
Statement Of Affairs as at 2 March 2011

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
Encumbered Motor Vehicles	27,500 00	26,000 00
Clydesdale Bank Plc Asset Finance		<u>(27,492 00)</u>
Deficiency c/d		<u><u>(1,492 00)</u></u>
<b>Assets subject to floating charge:</b>		
Plant, Machinery, Equipment & Motors	48,700 00	28,000 00
<b>Uncharged assets:</b>		
<b>Estimated total assets available for preferential creditors</b>		<u>28,000 00</u>

Signature



Date

19. 4. 2011 .

Abbey Stone Products Limited  
Statement Of Affairs as at 2 March 2011

A1 - Summary of Liabilities

	Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>	28,000 00
<b>Liabilities</b>	
Preferential Creditors -	
Arrears of Wages & Holiday Pay	28,696 00
	<u>28,696 00</u>
<b>Estimated deficiency/surplus as regards preferential creditors</b>	(696 00)
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	<u>NIL</u>
	(696 00)
Estimated prescribed part of net property where applicable (to carry forward)	<u>NIL</u>
<b>Estimated total assets available for floating charge holders</b>	(696 00)
Debts secured by floating charges post 15 September 2003	
Reward Capital Limited	10,000 00
	<u>10,000 00</u>
<b>Estimated deficiency/surplus of assets after floating charges</b>	<u>(10,696 00)</u>
Estimated prescribed part of net property where applicable (brought down)	<u>NIL</u>
<b>Total assets available to unsecured creditors</b>	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Deficiency b/d	1,492 00
Shortfall to preferential creditors/F C's pre 15 Sept 2003 (brought down)	696 00
Trade & Expense Creditors	125,920 00
Pay In Lieu of Notice & Redundancy Pay	213,830 00
Directors Loan Account - Mr S Phelps	52,940 00
Clydesdale Bank Plc	187,577 00
H M Revenue & Customs - PAYE/NIC	96,241 00
H M Revenue & Customs - VAT	140,914 00
	<u>819,610 00</u>
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>	(819,610 00)
Shortfall in respect of F C's post 14 September 2003 (brought down)	10,000 00
<b>Estimated deficiency/surplus as regards creditors</b>	<u>(829,610 00)</u>
Issued and called up capital	
Ordinary Shareholders	52 00
	<u>52 00</u>
<b>Estimated total deficiency/surplus as regards members</b>	<u>(829,662 00)</u>

Signature

Date

19.4.2011

**BWC Business Solutions Limited**  
**Abbey Stone Products Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Airedale Pest Control Limited	20 Breakmoor Avenue, Silsden, Near Keighley, BD20 9PW	99 88
CA01	Arco Limited	PO BOX 21, Waverley Street, Hull, HU1 2SJ	90 48
CA02	Arena Group Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	368 98
CA03	Auker Rhodes Limited	Devonshire House, 32-34 North Parade, Bradford, BD1 3HZ	3,000 00
CA04	Associated Waste Management Limited	Victoria Works, Barnard Road, Bradford, BD4 7DY	2,395 39
CB00	Banson Tool Hire Limited	125 Pellon Lane, Halifax, HX1 5QN	177 30
CB01	Bathgate Silica Sand Limited	Arcold Quarry, Congleton Road, Sandbach, Cheshire, CW11 4SN	9,882 69
CB02	Bayford Oil Limited	Tryst House, Glenbervic Business Park, Larbert, FK5 4RB	1,044 30
CB04	Boge Compressors Limited	Rastrick Common, Brighouse, HD6 3DR	685 24
CB05	Border Aggregates Limited	Scotland Road, Carnforth, Lancashire, LA5 9JZ	1,778 66
CB06	Bradford Metropolitan District Council	Business Rates, Hall Ings, Bradford, BD1 1HX	2,929 00
CB07	Brian Feather Limited	New Works, Parkwood Street, Keighley, BD21 4PN	3,691 95
CB08	L A Brook Limited	Royds House, Royds Mill, Ossett, WF5 9YA	213 17
CB09	BSCP Limited	Smeaton House, Holt Park District Centre, Leeds, LS16 7SR	3,290 00
CB0A	BDO LLP	1 Bridgewater Place, Water Lane, Leeds, LS11 5RU	2,880 00
CB0B	Ian Bentley	56 Brockholes Lane, Brockholes, Holmfirth, HD9 7EB	5,457 86
CC00	City Electrical Factors Limited	Nelson Division, 3B Audax Close, Clifton Moor, York, YO30 4RA	260 23
CC01	Cement Composites Technology Limited	13 Yewdale, Shevington, Wigan, WN6 8DE	849 60
CC02	Christeysn UK Limited	Rutland Street, Bradford, BD4 7EA	1,290 24
CC03	Colins Reinforcement Limited	Unit 5, Dobson Park Industrial Estate, Manchester Road, Wigan, WN2 2DY	1,251 38
CC04	Charles Products Limited	Charles House, 13 Windermere Drive, Goole, DN14 6JW	3,976 76
CC05	Clydesdale Bank Asset Finance	Stirling House, Blair Court, Clydebank Business Park, Clydebank, G81 2NT	27,494 00
CC06	Clydesdale Bank Plc	For the attention of Michelle Ingram, 20 Merrion Way, Leeds, LS2 8NZ	187,577 00
CD00	Daisy Communications Limited	Daisy House, Lindred Business Park, Nelson, BB9 5SR	353 14
CD01	Derek Lambert Polythene Limited	1 Keighley Road, Bingley, BD16 2RD	1,914 55
CD02	David Peel Auto Electricians Limited	Valley Road, Keighley, BD21 4LZ	170 85
CD03	Dragon Timber & Plywood Limited	Pickup Business Park, Grangefield Road, Stanningley, Leeds, LS28 6JP	3,041 38
CD04	Drury PSM Limited	Ashfield House, Stewart Close, Eccleshill, Bradford, BD2 2EE	0 00
CE00	ECA Supplies (Coventry) Limited	Unit 14, Henley Park Industrial Estate, Henley Road, Coventry, CV2 1ST	78 73
CE01	Energas Limited	Accounts, Westmorland Street, Hull, HU2 0HX	76 14

Signature

 19.4.2011

**BWC Business Solutions Limited**  
**Abbey Stone Products Limited**  
**B - Company Creditors**

Key	Name	Address	£
CE02	Euro Accessories Limited	11 Millbuck Way, Springvale Industrial Estate, Elworth, Sandbach, Cheshire, CW11 3HY	1,482 24
CE03	Euro-Tran Despatch Limited	Enterprise Way, Airedale Business Park, Skipton, BD23 2TZ	51 88
CF00	Mr Richard Fearnley	Fern Bank, Holme Lane, Sutton in Craven, BD20 7LN	211 50
CG00	G A Fabrications Limited	20 Whin Knoll Avenue, Keighley, BD21 2HX	4,644 20
CG01	G A Fixings Limited	Unit 34 Claycliffe Business Park, Cannon Way, Barugh Green, Barnsley, S75 1JU	7,134 05
CG02	Gazechim Composites Limited	Unit 5 Thames Park, Lester Way, Wallingford, Oxon, OX10 9TA	739 19
CG03	Mr George Gatwathuk	2 Kelburn Grove, Oakworth, Keighley, BD22 7SJ	400 00
CG04	Grace Construction Products Limited	Attn Accounts Receivable Dept, 635-637 Ajax Avenue, Slough, Berkshire, SL1 4BH	66 00
CH00	Hanson Plywood Limited	Drakes Industrial Estate, Shay Lane, Ovenden, Halifax, HX3 6RL	409 44
CH01	Howarth Industrial Saws Limited	12 Hebden Road, Howarth, Keighley, BD22 8RQ	217 26
CH02	Humac Associates Supplies Limited	Unit 14a Calder Wharf Mills, Huddersfield Road, Ravensthorpe, Dewsbury, WF13 3JW	148 05
CH03	H M Revenue & Customs	For the attention of Mr G Spence, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	96,241 00
CH04	H M Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	140,914 00
CI00	Illingworth Supplies Limited	Fountain Works, Rear of 72 Otley Road, Guiseley, LS20 8BH	955 23
CI01	Imprint Limited	Victory House, Dalton Lane, Keighley, BD21 4JH	525 60
CJ00	J A Bailey (Plumbing & Heating)	Moorcroft, Moorhouse Lane, Oxenhope, Keighley, BD22 9LD	310 00
CJ01	Jemco Properties Limited	Petros Textiles, Valley Mills, Valley Road, Bradford, BD1 4RU	2,172 52
CJ02	John Burn	74 Albert Road, Stechford, Birmingham, B33 9AJ	106 70
CJ03	John Feather Limited	Cherry St Wks, Cherry Street, Off Dalton Lane, Keighley, BD21 4JX	210 20
CJ04	J H Accountancy	Unit 14, Station Works, Cononley, BD20 8LN	954 00
CK00	K B Packaging & Insulation Limited	The Warehouse, Foggathorpe, Selby, YO8 6PR	1,597 93
CK01	Keighley Trade Supplies Limited	Fastner House, Queens Road, Keighley, BD21 1ES	312 52
CK02	NRS Holdings Limited T/A Keighley Tyres	King Street Mills, King Street, Keighley, BD21 1DJ	4,331 52
CK03	Keim Mineral Paints Limited	Santok Building, Deer Park Way, Donnington Wood, Telford, TF2 7NA	1,195 00
CK04	Keighley Timber Limited	Goulbourne House, Goulbourne Street, Keighley, BD21 1PG	108 08
CL00	Lathams Limited	Unit 3 Swallow Park, Finway Road, Hemel Hempstead, Hertfordshire, HP2 7QU	529 91
CL01	John W Laycock Limited	Rear North Street, Keighley, BD21 3SG	758 95
CL02	Longcliffe Quarries Limited	Brassington, Matlock, Derbyshire, DE4 4BZ	1,295 02
CL03	Longthornes of Hebden	The Garage, Hebden, Skipton, BD23 5DE	2,477 79


Signature

19 4 2011

**BWC Business Solutions Limited**  
**Abbey Stone Products Limited**  
**B - Company Creditors**

Key	Name	Address	£
CM00	Mansfield Sand Co Limited	Sandhurst Avenue, Mansfield, Nottingham, NG18 4BE	485 36
CM01	RBS Invoice Finance RE Matrix Limited	Smith House, PO BOX 50, Elmwood Avenue, Feltham, Middlesex, TW13 7QD	30 36
CN00	Nelson's Keighley Limited	Crown Sawmills, Great Northern Road, Keighley, BD21 5AP	251 40
CN01	NPower Limited	Bridge House, 200 Clough Road, Hull, HU5 1SN	1,323 08
CO00	Telefonica O2 UK Limited	SME Debt Recovery, Suite X-Y Arlington Business Centre, Millshaw Park Lane, Leeds, LS11 0NE	567 07
CO01	Opal Limited	PO BOX 136, Birchwood, Warrington, Cheshire, WA3 7WU	156 62
CP00	Paragon Materials Limited	Bardon Hill, Coalville, Leicestershire, LE67 1TL	17,215 77
CP01	E J Parkinson & Sons Limited	Domestic Street, Industrial Estate, Leeds, LS11 9RR	502 31
CP02	Pickard Hardware Limited	Airedale Road, Keighley, BD21 4LW	20 39
CP03	P J Colours Limited	Excelsior Works Castle Park, Flint, Flintshire, CH6 5NT	691 28
CP04	Preston Fuels Limited	Hainworth Croft Farm, Hainworth, Keighley, BD21 5QH	2,390 85
CP05	Pitney Bowes Limited - Purchase Power	Elizabeth Way, Harlow, Essex, CM19 5BD	0 00
CP06	Premium Credit Limited	PO BOX 350, Epsom, KT17 1WP	0 00
CP07	Pitney Bowes Finance Limited	P O Box 6569, Harlow, Essex, CM20 2FQ	0 00
CP08	Mr S Phelps	45 Heatherland Avenue, Denholme, Bradford, BD13 4LF	52,940 00
CR00	R McDowell Haulage & Distribution Limited	Thunderbird Works, Valley Road, Keighley, BD21 4LZ	970 59
CR01	Reinforce Reinforcements Limited	Staveley Lane, Eckington, Sheffield, S43 3YQ	1,956 38
CR02	Reward Capital Limited	64 Wellington Street, Leeds, LS1 2EE	10,000 00
CS00	Richard Speak & Company Limited	3-11 Lawkholme Crescent, Keighley, BD21 3NR	82 34
CS01	Sage (UK) Limited	North Park, Newcastle upon Tyne, NE13 9AA	28 80
CS02	S E Fabrications Limited	Unit 2, Horace Green Business Centre, Station Works, Cononley, Keighley, BD20 8LN	660 00
CS03	Shell Gas Direct Limited	PO BOX 219, 11 Adam Street, London, WC2N 6QA	1,852 84
CS04	S J Electrical Contractors	13 Fell Crescent, Keighley, BD22 6LE	110 00
CS05	Springfield Garage Limited	Oakworth Road, Keighley, BD21 1QQ	1,230 40
CS06	Styrene Packaging & Insulation Limited	Morley Carr Business Centre, Morley Carr Road, Low Moor, Bradford, BD12 0RA	513 00
CS07	Swift Pallet Services Limited	One Stop Shop, 247/249 Spen Lane, Gomersal, BD19 4LT	3,055 00
CS08	Siemens VDO Trading Limited	36 Gravelly Industrial Park, Birmingham, B24 8TA	0 00
CT00	Tachograph Data Limited	34 Marsh Lane, Shepley, Huddersfield, HD8 8AQ	57 08
CT01	Tennants Distribution Limited	Hazelbottom Road, Cheetham, Manchester, M8 0GR	469 26

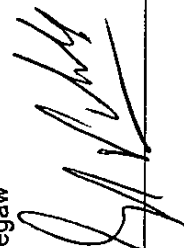
Signature

 19. 4. 2011

**BWC Business Solutions Limited**  
**Abbey Stone Products Limited**  
**B - Company Creditors**


Key	Name	Address	£
CT02	Tomrods Limited	Hambleton Steelworks, York Road, Thirsk, YO7 3BT	3,327 92
CT03	Towler & Staines Limited	Calor Gas Centre, 85 Bradford Road, Keighley, BD21 4BL	708 50
CT05	Travis Perkins		752 88
CU00	Uriah Woodhead & Sons Limited	Valley House, Valley Road, Bradford, BD1 4RT	433 02
CU01	Unipart Automotive Limited	2100 The Crescent, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7YE	0 00
CV00	David Verdeyen	18 Hallows Grove, Cullingworth, Bradford, BD13 5AT	58 75
CV01	Office Deopt International (UK) Ltd t/a Viking Dir	501 Beaumont Leys Lane, Leicester, LE4 2BN	221 99
CW00	Wurth UK Limited	I Centuron Way, Enth, Kent, DA18 4AF	75 92
CY00	Yorkshire Water Services Limited	Commercial Unit, Number 1 Midpoint, Thornbury, Bradford, BD3 7AY	1,200 00
EB00	Mr A Bailey	C/- 9 Aire Street, Haworth, Nr Keighley, BD22 8LX	0 00
EB01	Mr J Banks	68 Aireworth Grove, Stockbridge, Keighley, West Yorkshire BD21 4DL	0 00
EB02	Mr S Bedford	4 Hyde Street, Thackley, Bradford, BD10 8LB	0 00
EB03	Mr Alan Bailey	549 Leeds Road, Thackley, Bradford, BD10 8JT	0 00
EB04	Mr K Brown	35 Sleningford Rise, Crossflatts, Bingley, West Yorkshire BD16 2SQ	0 00
EC00	Mr M Croft	10 West Bank, West Lane, Keighley, BD22 6HA	0 00
EE00	Mr S A Eastwood	25 Weston Street, Wheathead Lane, Keighley, BD22 6NS	0 00
EE01	Mr D P Ewbank	35 Spring Bank Rise, Keighley, BD21 5DL	0 00
EF00	Mr S Fenton	5 Linton Avenue, Silsden, Nr Keighley, BD20 9LE	0 00
EG00	Mr R Garnett	17 Marion Street, Bingley, BD16 4NQ	0 00
EG01	Mr S Grayston	28 Cliffe Terrace, Spring Bank, Keighley, BD21 5DP	0 00
EG02	Mr K Green	70 Braithwaite Avenue, Keighley, BD22 6HS	0 00
EJ00	Mr G Jowett	267 Broad Lane, Bramley, Leeds, LS13 2EY	0 00
EK00	Mr D S Knight	27 Grove Street, Earby, Lancashire, BB18 6PT	0 00
EL00	Mr G Lee	10 The Drive, Crossflatts, Bingley, BD16 2EY	0 00
EL01	Mr M Labiak	7 Spring Park Rise, Keighley, BD21 5DL	0 00
EL02	Mr R Lambert	35 Coronation Street, Braithwaite, Keighley, BD22 6HE	0 00
EM00	Mr S A Meggitt	1 Manywells Crescent, Cullingworth, Bradford, BD13 5DY	0 00
EM01	Mr S J Marklew	6 South View, Crosshills, Keighley, BD20 7LD	0 00
EM02	Mr S Mitchell	12 Heathfield Street, Elland, HX5 9AU	0 00
EM03	Mr P Megaw	58 Coach Road, Baildon, Shipley, BD17 5HR	0 00

Signature

 19.4.2011

**BWC Business Solutions Limited  
Abbey Stone Products Limited  
B - Company Creditors**

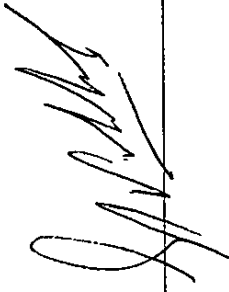
Key	Name	Address	£
EM04	Mr M A Moore	4 Woodridge, Off Moorhouse Lane, Oxenhope, Keighley, BD22 9RG	0 00
EN00	Mr S Narey	10 Kelham Lane, Utley, Keighley, West Yorkshire	0 00
EO00	Mr M Ormesher	27 Jubilee Close, Skipton, North Yorkshire, BD23 1SY	0 00
EP00	Mr D M Pitt	15 Carlisle Street, Parkwood, Keighley, BD21 4PX	0 00
EP01	Mr L Purdey	21 Halifax Road, Cullingworth, Bradford, BD13 5DD	0 00
EP02	Miss K Phelps	166 Harrogate Road, Eccleshill, Bradford, BD2 3RH	0 00
EP03	Mrs S Phelps	45 Heatherlands Avenue, Denholme, Bradford, BD13 4LF	0 00
EP04	Mr M K Parker	Stonybrook, Main Street, Stainforth, Nr Settle, BD24 9PE	0 00
EP05	Mr M Pitt	14 Fell Lane, Keighley, BD22 6EN	0 00
EP06	Mr S J Phelps	45 Heatherlands Avenue, Denholme, Bradford, BD13 4LF	0 00
EP07	Mr T Phelps	4 Beech Avenue, Denholme, Bradford BD13 4LX	0 00
ES00	Miss C Spencer	7 Spring Bank Rise, Keighley, BD21 5DL	0 00
ES01	Mr D Smith	3 Higher Springhead, Oakworth, Keighley, BD22 7LS	0 00
ES02	Miss C B Sweet	14 Nile Road, Ilkley, LS29 8HJ	0 00
ES03	Mr R Spencer	9 Hall Close, Sutton in Craven, BD20 7NW	0 00
ES04	Mr I Smith	1 Newlands Drive, Crosshills, Nr Keighley, BD20 7DH	0 00
ES05	Mr K A Smith	25 Weston Street, Whitehead Lane, Keighley, BD22 6NS	0 00
ES06	Mr J Sharp	2 Thornton Road, Rastrick, Brighouse, HD6 3JB	0 00
ES07	Mr A J Scargill	37 Primrose Bank, Gilstead, Bingley, BD16 4RG	0 00
ES08	Mr R Summerscales	28 Bracken Bank Avenue, Keighley, BD22 7AA	0 00
ET00	Mr L Tinkler	30 Staveley Road, Keighley, BD22 7BX	0 00
ET01	Mr S Temple	29 Raynham Crescent, Keighley, BD21 2TP	0 00
EW00	Mr S Warrington	1 Strong Close Way, Dalton Lane, Keighley, BD21 4JT	0 00
EW01	Mr C White	3 Bramley Close, Oakworth, Keighley, BD22 7SS	0 00
EW02	Mr R Whiteoak	15 Carlisle Street, Keighley, BD21 4PX	0 00
<b>143 Entries Totalling</b>			<b>641,157.84</b>

Signature  19.4.2011.



**BWC Business Solutions Limited**  
**Abbey Stone Products Limited**  
**C - Shareholders**

Key	Name	Address	Pref	Ord	Other	Total
HM00	Mr M Moore	4 Woodridge, Moorhouse Lane, Oxenhope, Keighley, BD22 9RG	0	5	0	5
HP00	Mr S Phelps	45 Heatherlands Avenue, Denholme, Bradford, BD13 4LF	0	47	0	47
2 Entries Totalling						52

Signature  19.4.2011

## APPENDIX III

### ABBEY STONE PRODUCTS LIMITED - IN ADMINISTRATION

#### CREDITORS' GUIDE TO FEES & STATEMENT OF CREDITORS' RIGHTS

##### 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 and how creditors can seek information about expenses incurred by the Administrator and challenge those they consider to be excessive.

##### 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 established at the meeting of creditors which the administrator is required to hold within 3 months of the administration order to consider his proposals. The administrator must call the first meeting of the committee within 3 months 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, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by an administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is as a fixed percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. 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 (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors, having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors, as described above, and in any case not later than 18 months after his appointment.

- 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% of the total debts of the company

- 4.4 A resolution of creditors may be obtained by correspondence

## **5 Review of remuneration**

- 5.1 Where there has been a material and substantial change in circumstances since the bases of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval

## **6 Approval of pre-administration costs**

- 6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals

- 6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration

- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination

## **7 What information should be provided by the administrator?**

### **7.1 When seeking fee approval**

- 7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a 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

- 7.1.2 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

- 7.1.3 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

- 7.1.4 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

Details of the charge out rates of staff employed by BWC Business Solutions Limited with effect from 1 April 2009 are as follows

STAFF GRADE	CHARGE OUT RATE £ PER HOUR
Partner	310
Manager	200
Assistant Manager	175
Senior	150
Case Administrator	150
Cashiering	150
Clerical	75

## 7.2 After remuneration 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 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

## 7.3 Disbursements and other expenses

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.

## 8 Progress reports and requests for further information

- 8.1 The administrator is required to send a progress report to creditors at 6 monthly intervals

The report must include

- Details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, steps taken during the period of the report to fix it.
- If the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period, (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- If the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- A statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- The date of approval of any pre-administration costs and the amount approved,
- A statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses

8.2 Within 21 days of receipt of a progress report, a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditors or an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court

8.3 The administrator must provide the requested information within 14 days, unless he considers that

- The time and cost involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- The administrator is subject to an obligation of confidentiality in relation to the information requested

In which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

## 9 Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by a 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

## 10 What if a creditor is dissatisfied?

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive, he may, provided certain conditions are met, apply to the court.

10.2 Application may be made to the court by any unsecured creditor, or by any unsecured creditor provided at least 10% in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expense in question is first reported (see paragraph 8.1 above). 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.

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration

## 11 What if the administrator is dissatisfied?

11.1 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.

## **12 Other matters relating to remuneration**

- 12.1 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.
- 12.2 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.
- 12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination or court order is made.
- 12.4 Where the basis of remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

## **13 Policy for Re-Charging Expenses Incurred by Office Holders in Respect of the Administration of Insolvent Estates**

- 13.1 This note applies where the administrator seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by him. Best practice guidance<sup>(1)</sup> requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.
- 13.2 Best practice guidance classifies expenses into two broad categories:
- Category 1 expenses (approval not required) – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
  - Category 2 expenses (approval required) – all other items of expenditure which cannot, or cannot easily be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or where the cost of the expense incurred is an estimated, unincurred cost with the estimate based on external costs or opportunity cost.
- 13.3 Category 1 expenses (approval not required) – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred.
- 13.4 Category 2 expenses (approval required) – the following items of expenditure are re-charged as described:
- Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 per meeting,
  - Car mileage is re-charged at the rate of 40 pence per mile,
  - Storage of books and records (when not rechargeable as a Category 1 expense) is recharged at the rate of £3 per archive box per year or part thereof,

In respect of category 2 expenses, a re-charge will be made without specific approval, where the precise cost to the case can be determined because the item satisfies the test of a category 1 expense.

In respect of the above three items of expenditure it is anticipated that the cost to the case can be precisely determined and accordingly, the item satisfies the test of a category 1 expense and hence will be charged without requiring specific approval.

The following items of expenditure will normally be treated as general office overheads not subject to a re-charge:

- Telephone and facsimile
- Stationery
- IT licences and software
- Postage

## **14 Effective date**

This guide applies where a company enters administration on or after 6 April 2010, except where:

- The application for an administration order was made before that date, or
- Where the administration was preceded by a liquidation which commenced before that date.

# APPENDIX IV

## ABBEY STONE PRODUCTS LIMITED - IN ADMINISTRATION

### ADMINISTRATORS' TIME COSTS AS AT 31 MARCH 2011

Notes		Partner Hours £310	Manager Hours £200	Admin Hours £75-£150	Total Hours	Average cost per hour £	Total Cost £
1	Admin & Compliance	3 00	5 50	26 50	35 00	155 50	5,442 50
2	Planning & Control	5 00			5 00	310 00	1,550 00
3	Fixed Charge Assets						
4	Floating Charge Assets	6 00	7 00	4 25	17 25	225 94	3,897 50
5	Trading						
6	Debt Collection						
7	Creditors		8 25	13 75	22 00	168 75	3,712 50
8	Employees			20 75	20 75	146 39	3,037 50
9	Meetings & Statutory Duties		6 50		6 50	200 00	1,300 00
10	Reports & Statutory Returns	4 00	8 50		12 50	235 20	2,940 00
11	Investigations						
	<b>Total Post Appointment Time</b>	<b>18.00</b>	<b>35.75</b>	<b>65.25</b>	<b>119.00</b>	<b>183.87</b>	<b>21,880.00</b>

Notes		
1	Admin & Compliance	Includes Maintenance of cash and estate records, general correspondence, compliance, review of case files
2	Planning & Control	Includes Case planning/strategy/trading strategy
3	Fixed Charge Assets	Includes Dealing with various actions effecting the disposal of charged assets including sales pack, meetings with potential purchasers
4	Floating Charge Assets	Includes Dealing with various actions affecting the motor vehicles, plant, machinery and office equipment
5	Trading	Includes Disposal of work in progress/ stock and general continuation of the business
6	Debt Collection	Includes Correspondence with debtors, collection of outstanding debts, maintaining debtor records
7	Creditors	Includes Dealing with preferential and unsecured creditors claims
8	Employees	Includes Employee claims (preferential and unsecured), pension matters
9	Meetings & Statutory Duties	Includes Appointment formalities, meetings of creditors
10	Reports & Statutory Returns	Preparation of creditors reports, directors conduct reports, statutory returns submitted to Companies House
11	Investigations	Includes Investigation work

**APPENDIX V**

**ABBAY STONE PRODUCTS LIMITED - IN ADMINISTRATION**

**FORM 2.21B – CREDITORS REQUEST FOR A MEETING**



## Rule 2.37

## Creditor's Request for a Meeting

Name of Company

ABBEY STONE PRODUCTS LIMITED

Company Number

02750887

In the High Court of Justice  
Leeds District Registry

(full name of Court)

Court Case Number  
328 OF 2011(a) Insert full name and  
address of the creditor  
making the request

I (a)

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

request a meeting of the creditors of (b)

BWC Business Solutions Limited  
8 Park Place  
Leeds  
LS1 2RU

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's  
claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

**APPENDIX VI**

**ABBEY STONE PRODUCTS LIMITED - IN ADMINISTRATION**

**FORM 2.25B – NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE**

## Rule 2.48

## Notice of conduct of business by correspondence

Name of Company  
**ABBEY STONE PRODUCTS LIMITED**

Company Number  
02750887

In the  
Leeds District Registry  
(full name of court)

Court Case Number  
328 of 2011

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

Notice is hereby given by (a)

BWC Business Solutions Limited  
8 Park Place  
Leeds LS1 2RU

BWC Business Solutions Limited  
8 Park Place  
Leeds LS1 2RU

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

to the creditors of (b)  
BWC Business Solutions Limited  
8 Park Place  
Leeds, LS1 2RU

(c) Insert number of  
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) 3  
resolutions for your consideration Please indicate below whether you are in favour or  
against each resolution

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

This form must be received at (d)  
BWC Business Solutions Limited  
8 Park Place Leeds  
LS1 2RU

(e) Insert closing date

by 12 00 hours on (e) 9 May 2011 in order to be counted It must be accompanied by details  
in writing of your claim Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary for

Resolution (1) That the Administrators'  
proposals detailed in Section 7 of the report  
dated 19 April 2011 be approved

**I am \*In Favour / Against**

the number of resolutions

Resolution (2) That the Administrators'  
remuneration pursuant to paragraph 7 6 of  
the report dated 19 April 2011 be approved

**I am \*In Favour / Against**

attached

Resolution (3) That the 'Category 2'  
disbursements pursuant to paragraph 7 7  
and pre administration costs pursuant to  
paragraph 7 9 of the report dated 19 April  
2011 be approved

**I am \*In Favour / Against**

\*Delete as appropriate

### TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

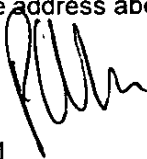
**(1) Name of creditor**

**(2) Signature of creditor**

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

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

Signed  
Joint Administrators  
Dated 19 April 2011




**APPENDIX VII**

**ABBHEY STONE PRODUCTS LIMITED - IN ADMINISTRATION**

**PROOF OF DEBT CLAIM FORM**