

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company <b>AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)</b>	Company number <b>02979356</b>
In the <b>BIRMINGHAM DISTRICT REGISTRY</b>	Court case number <b>8159 OF 2011</b>

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

I/ We (a)

**SIMON FRANKLIN PLANT AND DANIEL PLANT**  
**9 ENSIGN HOUSE**  
**ADMIRALS WAY**  
**MARSH WALL**  
**LONDON**  
**E14 9XQ**

\* Delete as applicable

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

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

(b) Insert date

(b) 14/4/11

Signed

Joint Administrator(s)

Dated

14 14 11

**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.

S F P, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ

Tel 0207 538 2222

DX Number

DX Exchange

FRIDAY



\*AN5S2TB0\*

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15/04/2011

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors and  
Statement of Proposals  
Pursuant to Paragraph 49(1) of  
Schedule B1 to the Insolvency Act 1986**

**Simon Franklin Plant  
MIPA MABRP**

**Daniel Plant  
MIPA MABRP**

**SFP  
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Admirals Way  
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E14 9XQ**

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**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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<b>1 Executive Summary</b>	<b>SECTION/APP REFERENCE</b>
<b>1.1</b> The Company was placed into Administration on 4 April 2011. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration was therefore to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).	<b>Section 5</b>
<b>1.2</b> The Company was incorporated on 14 October 1994 and traded as a provider of scaffolding services. Its registered office is situated at Forward House, Leyton Industrial Village, Argall Avenue, London E10 7QP. The Company traded from premises at Cedar Depot, Church Manor Way, Enth, Kent ("the Enth Premises") and Unit 10 Albion Parade, Gravesend, Kent ("the Gravesend Premises").	<b>Section 4 and Appendix I</b>
<b>1.3</b> In October 1994, after having worked as managing director for a scaffolding firm, Andrew Green incorporated the Company to begin trading his own business. In order to generate interest the Company undertook a marketing campaign to secure new work. It had the desired effect and the Company enjoyed many successful years trading, working on high profile projects. However, in 2010 the Company began to suffer from the general economic downturn. In addition to this, the job margins were decreasing and Andrew Green fell ill, which meant he spent less time attending to the business. With cash flow problems mounting, the Company sought professional advice and subsequently, the directors took the decision to place it in to administration. As a holder of a qualifying floating charge, the directors served notice of their intention to do so upon Lloyds Bank Plc, whom subsequently consented to the appointment of Simon Plant and Daniel Plant of SFP as Joint Administrators.	<b>Section 4 And Appendix II</b>
<b>1.4</b> It was envisaged that the primary purpose of the Administration would be achieved by the sale of the business and assets on a going concern basis. Given the lack of funding available, continued trading of the business was not an option. The Joint Administrators have since completed a sale of the Company's business and assets.	<b>Section 6</b>
<b>1.5</b> The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes collecting the deferred sale consideration, effecting realisations in respect of debtor recoveries and continued investigations into the Company's affairs. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being. However, they require the option of placing it into Creditors' Voluntary Liquidation for distribution purposes in the unlikely event that there are sufficient realisations in the Administration for a dividend to unsecured creditors. Alternatively, the Joint Administrators will file notice of dissolution of the Company at Companies House should they take the view that the Company has no property which might permit a distribution to its creditors, unless they believe that they should present a winding up petition at court, so that a liquidator can be appointed to further investigate the Company's affairs. It is not proposed to convene a meeting of creditors.	<b>Sections 7, 12 and 13</b>
<b>1.6</b> There has been a limited response to the questionnaire that was sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.	<b>Section 14</b>

## **2 Introduction**

- 2.1** This Report and Statement of Proposals ("the Report") is prepared pursuant to Schedule B1, Paragraph 49 of the Insolvency Act 1986, ("the Act") in relation to AGS Scaffolding Limited (in Administration) ("the Company"), the purpose of which is to provide creditors with a full update as to the present position and seek creditors approval of the next stage of proceedings
- 2.2** The Report also includes information required to be provided to creditors pursuant to Rule 2.33 of the Insolvency Rules 1986 ("the Rules") All statutory information pertaining to the Company is set out in **Appendix I**

## **3 The Joint Administrators' Appointment**

- 3.1** On 29 March 2011, a Notice of Intention to Appoint an Administrator by Company or Director(s) ("the Notice of Intention") was presented to the Birmingham District Registry by Solicitors Clarke Willmott LLP ("Clarke Willmott") and endorsed with case number 8159 of 2011 It was subsequently served upon Lloyds Bank Plc ("Lloyds"), on behalf of the directors of the Company
- 3.2** On 1 April 2011 Lloyds signed the Notice of Intention to confirm it consented to the appointment of administrators in accordance with the details of the notice Accordingly, a Notice of Appointment of an Administrator by Company or Director ("the Notice of Appointment") was filed at the Birmingham District Registry on 4 April 2011, by Clarke Willmott on behalf of the directors
- 3.3** On the same day, the Notice of Appointment was endorsed with case number 8159 of 2011 Both Simon Franklin Plant and Daniel Plant of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London E14 9XQ were appointed Joint Administrators ("the Joint Administrators") Pursuant to Schedule B1, Paragraph 100(2) of the Act, the Joint Administrators act jointly and severally

## **4 Company History, Events Leading to the Administration Order and Pre-Planning Work**

### **Company History and Events Leading to the Administration Order**

- 4.1** albeit that statutory information is contained in **Appendix I**, this report provides brief details in relation to the Company's history
- 4.2** The Company was incorporated on 14 October 1994 to trade as a provider of scaffolding services At the time of the Administration, the Company's registered office was situated at Forward House, Leyton Industrial Village, Argall Avenue, London E10 7QP, although the Joint Administrators have since been informed that the Company has vacated this site
- 4.3** The Company's trading premises at the time of the Administration were located at Cedar Depot, Church Manor Way, Erith, Kent ("the Erith Premises") and Unit 10 Albion Parade, Gravesend, Kent ("the Gravesend Premises")
- 4.4** As at the date of the placing of the Company into Administration, Andrew Thomas Green ("Mr Green") and Stephen Brackley ("Mr Brackley") were the Company's appointed directors There was no Company Secretary registered A full list of historic company appointments is scheduled at **Appendix I**
- 4.5** The directors have advised that the Company operated its banking facilities with Lloyds and details of the account balance were requested by the Joint Administrators Banking statements have now been received from Lloyds showing a debit balance of circa £25,000

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- 4 6** Prior to Mr Green setting up the Company, he was a managing director of another scaffolding firm. During his time at this firm he gained an understanding of the industry and built up a number of business relationships. Following what is understood to have been a breakdown in relations between certain employees, Mr Green set up in business himself in 1994.
- 4 7** In 1997 the Company obtained finance from both Lloyds (now Lloyds Banking Group Plc) and Alex Lawne Receivables Financing Limited (now Lloyds TSB Commercial Finance Limited) ("LTSBCF"). By way of security, the Company initially granted a deposit agreement to Lloyds and a charge over book debts, to LTSBCF.
- 4 8** In addition to the above, in 2004 the Company granted a fixed and floating charge debenture to Lloyds as security in relation to an overdraft facility.
- 4.9** The Company enjoyed a sustained period of growth and secured a number of high profile projects over the years, including the Savoy Hotel and St Pancras railway station. By 2010 it had a turnover of circa £6m.
- 4 10** However, in 2010 a number of issues impacted upon the viability of the Company, which led to Mr Green and Mr Brackley seeking professional advice. Firstly, the general economic climate began to take hold which had the combined effect of reducing the client base and narrowing profit margins.
- 4 11** In addition, certain jobs incurred additional costs which could not be re-charged to the client, leaving the Company having to absorb unforeseen overheads. To compound matters, Mr Green was taken ill which meant he was unable to devote as much time as was needed to deal with the surfacing issues.
- 4 12** Following various meetings with professional advisers, Mr Green and Mr Brackley considered a number of options and in the end, decided upon placing the Company into Administration.
- 4.13** LTSBCF had previously introduced SFP to the Company and subsequently, Simon Plant and Daniel Plant of SFP consented to act as joint administrators. Given the requirement for the directors to serve formal notice of their intention to appoint administrators upon any qualifying charge holder, this process was undertaken.
- 4 14** Accordingly, on 4 April 2011, Clarke Willmott filed the Notice of Appointment documentation at the Birmingham District Registry on behalf of the directors. This was subsequently endorsed with case number 8195 of 2011, appointing Simon Plant and Daniel Plant as Joint Administrators, at 11am on the same day.
- 4 15** At **Appendix II** is an Estimated Statement of Affairs as at the date that the Company was placed into Administration ("the Statement of Affairs"). The Statement of Affairs indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £686,202.

**Pre Planning Work**

- 4 16** The partners of SFP have undertaken pre-appointment work in respect of this matter. This work includes printing and reviewing company searches, attending to various meetings with the appointer, discussing the position with Lloyds and LTSBCF and holding internal meetings and dealing with appointment documentation.

**5 The Purpose of the Administration**

- 5 1** The purposes of an Administration are set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of

**5.1.1** rescuing the Company as a going concern, or

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- 5.1.2 achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
- 5.1.3 realising assets in order to make a distribution to one or more secured or preferential creditors
- 5.2 The purposes are therefore a hierarchy of objectives. The rescue of a company is the priority. Next is to instead achieve a better return to the creditors as a whole. In the event that this cannot be achieved then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 5.3 In light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a company voluntary arrangement. This was not considered to be achievable, although it appeared that the second purpose was a viable option. Full details concerning progress in respect of this purpose are set out in Section 7.

## **6 Events Following the Joint Administrators' Appointment Leading to Initial Strategy**

- 6.1 As a rescue of the Company was not possible, the primary purpose of the Administration was to obtain a better result for the creditors as a whole than would be achieved if the Company was simply wound up (without first being in Administration). This would potentially be achieved with the assistance of a statutory moratorium, which protects a company when it is placed into Administration. The moratorium effectively prevents all creditors' actions being taken or progressed without leave of the Court or the Administrator's consent, thereby providing a company with breathing space in which a strategy can be invoked to maximise realisations.
- 6.2 Upon appointment, members of SFP's Administration department and debt recovery division, SFP Recoveries Limited ("SFP Recoveries") (collectively, "the Administration Team") attended the Erith Premises. Further, chattel asset valuers, Edward Symmons LLP ("Edward Symmons") were instructed to attend in order to compile a valuation and inventory of the Company's business and assets.
- 6.3 Mr Brackley explained that Mr Green was convalescing at home following an operation and accordingly, arrangements were made to attend upon him at his home, later that day.
- 6.4 In the meantime, the Administration Team obtained details of the Company's history and held a meeting with Mr Brackley to establish its current circumstances. The team also provided a list of then company information that would be required, which was gleaned during the course of the day. Meanwhile, a representative from SFP Recoveries collated all debtor information in order to reconstruct debtor files to assist with the recovery of book debts.
- 6.5 The ongoing strategy was considered by the Administration Team and Edward Symmons. Edward Symmons concurred with the general view that trading the business during Administration would not be possible given the lack of available funding. Edward Symmons advised that they considered attempts should be made to effect a sale to an associated party, given the lack of time within which to complete a sale and on the basis that they did not consider that a better price could be achieved from a third party.
- 6.6 Accordingly, one of the Administration Team together with a partner from Edward Symmons and Mr Brackley, travelled to Mr Green's home on the afternoon of the day of appointment to discuss a restructuring of the business and whether or not they would be interested in making an offer for the business and assets.
- 6.7 Mr Green and Mr Brackley confirmed that they would be interested in making an offer for the business and assets. Further, that they were directors of a company called AGS Scaffolding (S E) Limited ("ASE") which could be used as the purchasing vehicle.

**7 General Progress In Relation to the Administration**

**Sale of the Company's Business and Assets**

- 7.1** Once Edward Symmons had completed its valuation, discussions were entered into with Mr Green and Mr Brackley concerning the structure and price for a purchase of the Company's business and assets
- 7.2** Mr Green explained that he believed ASE could make the business work now that he was in the process of recovering from his ill health, but that it was only willing to offer £100,000 in the first instance, payable over a period in excess of twelve months
- 7.3** Edward Symmons explained that the offer was too low and went on to demonstrate why the business should attract a higher offer. Despite Mr Green's reluctance ASE was nevertheless prepared to increase the offer. After several hours of negotiating, an offer of £175,000 was finally elicited by the Joint Administrators and Edward Symmons, whom confirmed that it represented an excellent realisation and should be accepted
- 7.4** Payment of the consideration was permitted to be made over a period of ten months and a personal guarantee for the full deferred amount was obtained from Mr Green. In addition to the personal guarantee, ASE agreed to grant a debenture to the Company
- 7.5** Clarke Willmott were instructed to draft a sale and purchase agreement ("SPA") and a debenture. As part of the deal it was agreed that ASE should assist with the collection of the Company's debts and accordingly, an agency agreement was included within the SPA confirming this and providing the mechanics of how the agreement would work
- 7.6** A commission structure in relation to the collection of the debt has also been agreed. It provides for a payment of 10% for the first £100,000 collected and 15% of all remaining collections, following repayment in full of LTSBCF's indebtedness
- 7.7** The commission structure has been agreed to act as an incentive, given that a number of the outstanding debtors are subject to dispute which is likely to require ASE to address the matter in greater detail. Since entering into the SPA, LTSBCF and SFP Recoveries have reviewed the sales ledger and advised that there are a number of problematic debts. Accordingly, it is unclear to what extent the entirety of the ledger is collectable and therefore, there is a possibility that no commission payments will be made to ASE
- 7.8** Following some minor amendments to the SPA, it was signed and completed on 6 April 2011. Further, the debenture was completed and passed to Companies House for registration. A deed of release has also been obtained from Lloyds

**Statement of Insolvency Practice 13 ("SIP 13")**

- 7.9** SIP 13 provides that the Joint Administrators should provide certain details concerning the sale of a business as a going concern to connected parties. Given that ASE is a connected party, creditors are entitled to be provided with the following information
- 7.9.1** the consideration for the purchase of the Company's business and assets was £175,000 to be payable over ten months, being £10,000 on or before 30 April, £12,000 on or before 31 May, £14,000 on or before 30 June, £16,000 on or before 31 July, £18,000 on or before 31 August, £20,000 on or before 30 September, £22,000 on or before 31 October, £24,000 on or before 30 November, £26,000 on or before 31 December and £13,000 on or before 31 January 12,
- 7.9.2** the Joint Administrators afforded ASE the opportunity to seek legal advice in respect of the sale of the business and assets. The company did not do so. In relation to his personal guarantee,



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Mr Green also signed a letter acknowledging that he had been provided the opportunity to seek legal advice, but declined to do so,

- 7 9 3** the sale had to be completed as quickly as possible given that continued trading was not viable. Accordingly, the sale took place without consultation to the Company's creditors, and
- 7 9 4** the sale consideration has not yet been paid in full and has been permitted to be paid over ten months. No payment was taken on completion

**Debtors**

- 7 10** As at the date of the placing of the Company into Administration, it is understood that its ledger was £854,397 with LTSBCF's outstanding commitment at £365,825
- 7 11** The Joint Administrators have been informed that circa £382,000 may be collected according to terms but that the remainder will be subject to varying degrees of dispute and / or litigation
- 7.12** As a result of the contractual nature of the debt, ASE is appointed as collection agent on behalf of LTSBCF. It will however, be monitored by SFP Recoveries and LTSBCF, whom are both entitled to terminate the agency agreement at any time
- 7 13** As previously outlined (**paragraph 7 7**), since the entering into of the agency agreement SFP Recoveries have conducted further reviews and it looks to be a possibility that no commission payments will be made, on the basis of insufficient debtor payments
- 7 14** Over the initial weeks following completion, meetings will also be held between SFP Recoveries and ASE in order to discuss the progress of collections
- 7 15** In the event of LTSBCF being repaid in full, SFP Recoveries shall seek to have the sales ledger reassigned and attempt to recover any outstanding balances for the benefit of the Administration

**The Company's Trading Premises**

- 7 15** A company associated with the Joint Administrators firm, SFP Property Limited ("SFP Property") has been instructed to assist with property related matters. The Joint Administrators have been advised by Mr Brackley that there are no formal agreements to be dealt with and accordingly, SFP Property will review the position to ensure that this is the case
- 7 16** An update in relation to this matter will be provided in the Joint Administrators progress report, in due course

**Investigation into the Company's Affairs Prior to the Administration**

- 7 17** Investigations into the Company's affairs prior to it being placed into Administration are being undertaken by another entity associated with the Joint Administrators' firm, SFP Forensic Limited ("SFP Forensic") and are presently ongoing
- 7 18** SFP Forensic has identified various areas of concern in relation to the Company's trading activities prior to it being placed into Administration. These are currently being investigated. However, the Joint Administrator does not wish to divulge any further information in relation to this at this stage since it may hamper enquiries / future recoveries

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**Miscellaneous**

- 7 19 Certain of the Company's books and records have been recovered from the Erith Premises and the Gravesend Premises by another entity associated with the Joint Administrators' firm, SFP Datastore Limited ("SFP Datastore")
- 7 20 Additional records held by the Company's accountant have also been requested. An inventory of the records will be prepared soon and the records will continue to be stored by them

**8 The Statement of Affairs and the Outcome for Creditors**

- 8 1 Based upon current information, it is unlikely that there will be a dividend to unsecured creditors. At **Appendix II** is an Estimated Statement of Affairs as at the date that the Company was placed into Administration, completed by the Joint Administrators. A statement of affairs has been requested from each of the Company's directors. To date, these forms have not been returned
- 8 2 In addition to this is a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators system and does not mean that the claim has been rejected or agreed
- 8.3 Attached at **Appendix III** is the Joint Administrators Income and Expenditure Account for the period 4 April 2011 to 8 April 2011

**9 Statement of Pre-Appointment Cost**

- 9 1 Attached at **Appendix IV** are schedules of the Joint Administrators' time costs associated with the pre-appointment period (as defined by Rule 2.33(2A)), which total £6,905. The Joint Administrators are proposing resolutions to authorise these costs to be paid in full, plus VAT and disbursements, in accordance with Rule 2.67A(3) and draw their costs from funds held in the insolvent estate. These costs are to be approved by the creditors or by a Creditors' Committee should one be established, as detailed in **section 10**.
- 9 2 The work undertaken prior to the Joint Administrators' appointment is outlined in paragraph 4.16

**10 The Joint Administrators' Costs**

- 10 1 Given that there may not be a surplus available for the unsecured creditors, it looks to be the case that the third purpose only of the administration (**paragraph 5.1.3**) will be achievable
- 10 2 From the outset the Joint Administrators arranged for members of their team to be present at the Erith Premises in order to react to any immediate issues. In addition, the Joint Administrators have undertaken, inter alia, the following actions:
- 10 2.1 undertaking initial review of the trading position and ascertaining the feasibility of continued trading,
- 10.2.2 liaising with the staff and directors in order to deal with immediate issues,
- 10.2.3 liaising with Edward Symmons concerning the sale of the Company's business and assets,
- 10 2.4 liaising with SFP Property concerning the Erith and the Gravesend Premises,
- 10 2.5 dealing with employees through verbal and written communication,

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- 10.2.6 reviewing the Company's books and records for creditor information and employee details,
- 10.2.7 attending numerous discussions with directors to determine the Company's position as at the date of Administration,
- 10.2.8 liaising with SFP Recoveries and LTSBCF regarding the sales ledger,
- 10.2.9 liaising with SFP Forensic regarding investigation into the affairs of the Company, and
- 10.2.10 undertaking all statutory measures including updating creditors, advertising and filing requisite documents and forms at Companies House and Court
- 10.3 At Appendix IV is a breakdown of the time that has been incurred by SFP to date At Appendix XI is a Guide to Administrators Fees, being Statement of Insolvency Practice 9 ("SIP 9")
- 10.4 At Appendix V is a breakdown of the time that has been incurred by SFP Property to date
- 10.5 At Appendix VI is a breakdown of the time that has been incurred by SFP Recoveries to date
- 10.6 At Appendix VII is a breakdown of the time that has been incurred by SFP Datastore to date
- 10.7 At Appendix VIII is a breakdown of the time that has been incurred by SFP Forensic to date
- 10.8 At Appendix IX is a guide to SFP and its associated entities charge out rates and disbursement rates
- 10.9 Section 13 sets out the Joint Administrators' proposals The Joint Administrators do not anticipate a distribution to unsecured creditors as detailed in Section 12 On this basis, Rule 2.106(5A) provides that in a case where the administrator has made a statement under paragraph 52(1)(b), if there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed (in accordance with paragraph (2)) by the approval of
  - 10.9.1 each secured creditor of the company, or
  - 10.9.2 if the administrator has made or intends to make a distribution to preferential creditors,
    - 10.9.2.1 each secured creditor of the company, and
    - 10.9.2.2 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
- 10.10 The Joint Administrators propose that their remuneration be on a time cost basis, being the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration under Rule 2.106(2) of the Rules Further, that pre-planning costs are to be paid in full in accordance with Rule 2.67A(3), from funds held in the insolvent estate
- 10.11 In accordance with the above, each secured creditor has been provided with a copy of these proposals In addition and for the sake of good order, authority from the unsecured creditors is also being sought Unless any objection to the proposed basis of remuneration is notified to the Joint Administrators within 8 business days from the date on which the proposals are sent out, the Joint Administrators will deem the basis of their remuneration to have been approved by both the secured creditors and the unsecured creditors
- 10.12 Disbursements and specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval Such expenditure is made, if

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funds are available from the insolvent estate. If funds are not available the payment is made from this firm's office account and this firm is reimbursed from the insolvent estate if and when funds become available.

- 10.13** Payments made out of a firm's office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the expenses and Disbursements heading in the Guide to Administrators **Appendix XI**. There have been no Category 1 Disbursements incurred to date.
- 10.14** Expenditure incidental to the administration of the insolvent case, which by its nature includes an element of shared or allocated costs are recoverable with creditor approval. These payments are defined as 'Category 2 Disbursements' and, once again, this disbursement is explained further in the Guide to Administrators fees at **Appendix XI**. The following Category 2 Disbursements have been incurred by the Joint Administrators to date and not yet re-charged to the estate:
- |         |   |       |
|---------|---|-------|
| Postage | £ | 71.78 |
|---------|---|-------|
- 10.15** The fees incurred by chattel asset valuers Edward Symmons, SFP Forensic, SFP Recoveries, SFP Property and solicitors Clarke Willmott are on a time cost basis.
- 10.16** An Administration will continue for a period up to one year, at which point it will either be extended by creditors' consent or Court Order, be moved into Liquidation or the company will be dissolved.
- 10.17** Regulation 3A of The Insolvency Regulations 1994 states that the Administrator of a company which has been dissolved may, at any time after the expiration of a period of one year from the date of dissolution, destroy the records of the company.
- 10.18** In this case, it is not anticipated that the Administration will be concluded much earlier than the maximum one year period. Consequently, the minimum period that the Joint Administrators anticipate holding the Company's books and records for will be two years.
- 10.19** SFP Datastore's fees are calculated on a fixed fee basis for storage, retrieval and destruction of books and records and an hourly rate for any further work carried out. SFP Datastore will be responsible for holding the Company's books and records for the required period, and for arranging for the destruction of these records when applicable.
- 10.20** It is proposed that the charges for the minimum period of two years storage and destruction of the records / permanent box removal of £20.80 and £9 per box respectively, will be charged to the case upfront, shortly following appointment.
- 10.21** In the event that the Administration is concluded early, the Company is dissolved early and the records are held for less than the anticipated two year period, any fees billed and paid in advance will be credited and the funds repaid to the estate as necessary.
- 10.22** In the event that the Administration is extended, any additional charges incurred by SFP Datastore will be paid as they are incurred.
- 10.23** SFP Forensic, SFP Recoveries, SFP Property and SFP Datastore are entities which are associated with the Joint Administrators firm, SFP ("the Associated Entities"). Pursuant to SIP 9 payments made to outside parties in which the office holder or his firm or any associate has an interest should be treated as a Category 2 Disbursement. In accordance with SIP 9 the following information is provided concerning the Associated Entities:
- 10.23.1** the Associated Entities have been established by SFP to perform functions to which either the office holder or outside agencies could undertake. It is considered that by

**AGS Scaffolding Limited (in Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

virtue of their specialist nature and close proximity to SFP they will achieve better results than the office holder, his team or any outside agencies would be able to accomplish

- 10 23 2** the Associated Entities remuneration is on an hourly time cost basis, divided into 6 minute units and calculated as follows

Entity	Basis of Remuneration	Staff Charge Out Rates
SFP Forensic	Time Cost	£75 - £450*
SFP Property	Time Cost	£75 - £275*
SFP Recoveries	Time Cost	£75 - £450*
SFP Datastore	Fixed Fee and Time Cost	£25-£75*

\*The charge out rates detail the bands that will be applied dependent upon the grading of staff required to deal with any one specific assignment Please note that these may fluctuate/alter during the course of the Administration or the placing of the Company into a subsequent insolvency regime

- 10 23 3** the proposals to creditors seek the approval of the payment of SIP 9 Category 2 Disbursements Approval will entitle the office holder to settle these as and when deemed necessary without the need for any further authorisation

#### **11 Additional Points Required to Be Made Pursuant to the Rules**

- 11 1** For creditors' general information, the EC Regulations on insolvency proceedings do apply in this case, and these proceedings are the main proceedings
- 11.2** Pursuant to Schedule B1, Paragraph 47(1) of the Act, the Joint Administrators may request one or more relevant persons to provide a Statement of Affairs of the Company The Joint Administrators requested a Statement of Affairs to be completed by Mr Green and Mr Brackley These forms are due to be submitted to the Joint Administrators by 15 April 2011
- 11.3** The Joint Administrators do not consider that the prescribed part defined under section 176A of the Act will be payable

#### **12 The Dispensing Of A Meeting of Creditors**

- 12 1** Pursuant to Schedule B1, Paragraph 51(1) a copy of the Administrator's statement of proposals must be accompanied by an invitation to a creditors meeting However, this requirement may be dispensed with in circumstances where there is likely to be nothing of substance that the creditors meeting could decide
- 12 2** These circumstances are set out in Paragraph 52(1) which provides that the need to convene a meeting shall not apply where the statement of proposals states that the Administrator thinks that
- 12 2 1** the company has sufficient property to enable each creditor of the company to be paid in full,
- 12 2 2** the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of payment through the prescribed element of floating charge realisations, or
- 12.2.3** the only objective of the Administration which the Administrator thinks is capable of achievement is realising property in order to make a distribution to one or more secured or preferential creditors
- 12 3** In this instance the Joint Administrators are of the view that **12 2 3** will apply in relation to the Company

**AGS Scaffolding Limited (in Administration)**  
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- 12.4** Notwithstanding this, the Joint Administrators shall be required to summon a meeting of creditors if it is requested by the Company's creditors whose debts amount to at least 10% of the total debts of the Company, by way of service of a Form 2.21B, within 8 business days from the date on which the proposals are sent out
- 12.5** If such meeting is requested it must be held within 28 days of the request being received by the Joint Administrators. Security must be given for the expenses of summoning and holding the meeting. At **Appendix XII** is a copy of the Form 2.21B should any creditor wish to request a meeting. If no meeting is requested the proposals will be deemed to be accepted pursuant to Rule 2.33(5) of the Rules

**13 The Joint Administrators' Proposal**

- 13.1** The administration has enabled the Company to have breathing space in which to achieve a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration)
- 13.2** The prescribed time limit for an Administration is 12 months. In the event that an Administration lasts in excess of 12 months, the Joint Administrators have to obtain creditors approval or make an application to Court to extend its length
- 13.3** It is a requirement, notwithstanding the fact that a company is left in Administration for the Joint Administrators to investigate the company's affairs and submit the appropriate D form to the Department of Business Innovation and Skills concerning the director's conduct
- 13.4** In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors Voluntary Liquidation in order to effect a distribution. In such circumstances they will be looking to take the appointment as Liquidators. In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2.117(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved. As an alternative, and should there be no likely funds to distribute to unsecured creditors, that the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate
- 13.5** It is proposed that the Creditors' Voluntary Liquidation would commence from the date of acknowledgement by the Registrar of Companies that the relevant notice has been filed at Companies House. This procedure, which is permitted by the Act would circumvent the need for an additional creditors meeting and keep costs to a minimum
- 13.6** In light of the above, and in accordance with Schedule B1, Paragraph 49(1) of the Act, it is proposed by the Joint Administrators that
- 13.6.1** the Administration of the Company continue in order to collect the outstanding sale consideration, effect outstanding realisations of the Company's assets and debtors and finalise any additional matters which require the assistance of the moratorium,
- 13.6.2** the Joint Administrators' time costs associated with the pre-appointment period of £6,905 be paid in full in accordance with Rule 2.67A(3), from funds held in the insolvent estate,
- 13.6.3** the Joint Administrators' remuneration be fixed by the time properly spent by them and their staff in attending to matters arising out of the Administration in accordance with Statement of Insolvency Practice 9 and that the Joint Administrators be authorised to draw remuneration as and when funds become available,

**AGS Scaffolding Limited (in Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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- 13 6 4** the Joint Administrators be authorised to recover all disbursements including category 2 disbursements as defined by the Statement of Insolvency Practice 9,
- 13 6 5** in the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they shall be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
- 13 6 6** in the event of a potential distribution being available to unsecured creditors, the Joint Administrators be appointed Joint Liquidators of the Company pursuant to paragraph 83 of Schedule B1 to the Act without further recourse to the creditors with the purpose of making a distribution to unsecured creditors and to continue investigation into the Company's affairs,
- 13 6 7** as an alternative to paragraphs **13 6 5** and **13 6 6** the Joint Administrators be able to seek to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that only a Liquidator is permitted to bring pursuant to the Act,
- 13 6 8** upon the placing of the Company into Liquidation under paragraph **13 6 6** or **13 6 7** or the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, paragraph 98 of the Act, and
- 13 6 9** upon the placing of the Company into Liquidation, the Joint Liquidators' be authorised to act in a joint and several capacity

**14 Ancillary**

***Creditors Questionnaires***

- 14 1** The response that has been forthcoming from the questionnaire provided to creditors has proved to be helpful in relation to the events that transpired up to the date that the Company was placed into Administration
- 14 2** As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assist with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience

***Directors Conduct***

- 14 3** Pursuant to the Company Directors Disqualification Act 1986, it is the Joint Administrators and any subsequently appointed Liquidator's duty to submit a requisite report/form to the Department for Business Innovation and Skills concerning the directors' conduct
- 14 4** The report/form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Responses to creditors' questionnaires may prove extremely helpful concerning this

If any creditor has any queries in relation to the above, please do not hesitate to contact either the Joint Administrators or the Manager dealing with this matter, David Kemp on 020 7538 2222

Dated this 14th day of April 2011

  
Simon Grant  
Joint Administrator

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX I**

- **Statutory Information**
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**AGS Scaffolding Limited – In Administration**

**Statutory Information As Reflected At Companies House**

<b>Company Number</b>	02979356		
<b>Date of Incorporation:</b>	14/10/1994		
<b>Previous Names:</b>	None registered at Companies House		
<b>Nature of Business</b>	Other special trades construction		
<b>Issued Share Capital</b>	Andrew Thomas Green – 50,000 Ordinary £1 shares		
	<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
<b>Director(s)</b>	Stephen Brackley	01/11/2008	-
	Andrew Thomas Green	14/10/1994	-
	Kevin Thomas Brown	14/10/1994	14/10/1994
	Patricia Ann Christina Green	01/01/1997	18/08/2009
	Feargal John McEneaney	14/10/1994	30/10/1997
	Kenneth John Stevenson	14/10/1994	31/10/1996
<b>Company Secretary</b>	Colin Dawson	30/10/1997	30/11/2010
	Feargal John McEneaney	14/10/1994	30/10/1997
	Debbie Moore	14/10/1994	14/10/1994
<b>Current Registered Office</b>	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ		
<b>Previous Registered Office:</b>	Forward House Leyton Industrial Village Argall Avenue London E10 7QP		
<b>Trading Addresses</b>	Cedar Depot Church Manor Way Erith Kent DA8 1DE		
<b>Accountants</b>	Simmons Gainsford 7/10 Chandos Street London W1G 9DQ		

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**Schedule of Outstanding Mortgages or Charges**

<b>Name</b>	<b>Type of Charge</b>	<b>Registered</b>	<b>Satisfied</b>
Lloyds Bank PLC	Deposit Agreement	18/07/1997	-
Alex Lawrie Receivables Financing Ltd	Charge	22/07/1997	-
Lloyds TSB Bank PLC	Debenture	19/05/2004	-

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX II**

- **Estimated Statement of Affairs as at 4 April 2011 / Creditors Details**

AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

ESTIMATED STATEMENT OF AFFAIRS AS AT 4 APRIL 2011

	Notes	Book Value £	Estimated to realise £
<b>Assets (specifically pledged)</b>			
Sale of business and assets	1	25,000	25,000
Less Lloyds TSB Bank PLC	2	<u>-25,000</u>	<u>-25,000</u>
Estimated deficiency c/d		<u>0</u>	<u>0</u>
Debtors	3	854,397	365,825
Less Lloyds TSB Commercial Finance Limited	3	<u>-365,825</u>	<u>-365,825</u>
Estimated surplus		488,572	0
<b>Assets (not specifically pledged)</b>			
Sale of business and assets	1	150,000	<u>150,000</u>
Estimated total surplus available to creditors		<u>638,572</u>	150,000
<b>LIABILITIES</b>			
<b>UNSECURED CREDITORS</b>			
HM Revenue & Customs - PAYE/NIC & VAT	4	-300,000	
Trade & expense	5	<u>-536,202</u>	<u>-836,202</u>
 <b>Estimated deficiency as regards to creditors</b>			<u><u>-686,202</u></u>

NB Subject to the costs and expenses of the Administration

**AGS Scaffolding Limited (in Administration) ("the Company")**  
**Notes To Estimated Statement of Affairs as at 4 April 2011**

1. The Joint Administrators have completed a sale of the Company's business and assets to AGS Scaffolding (S E) Limited for £175,000. The apportionment of the sale proceeds has been estimated at this stage and confirmation of the split will be provided by Edward Symmons in due course.
2. There is an overdrawn balance on the Company's account with Lloyds TSB Bank PLC ("Lloyds") of circa £25,000. Lloyds hold a debenture over the Company containing fixed and floating charge.
3. The Company operated a finance facility with Alex Lawrie Receivables Financing Limited (now Lloyds TSB Commercial Finance Limited). SFP Recoveries Limited has reviewed the sales ledger and initial indications suggest it is unclear whether Alex Lawrie will recover its commitment in full. Accordingly, a large bad debt provision has been accounted for.
4. The Crown has lost its preferential status.
5. The figure stated in the Statement of Affairs has been taken from the Company's records.

**S F P**  
**AGS Scaffolding Limited**

Key	Name	Address	£
C100	1ST CALL WINDSCREENS	12 MARRYATT COURT, GREEN VALE, EALING, LONDON, W5 3AU	661 76
CA00	ATS EUROMASTER LTD	PAYMENTS CENTRE, HEAVENS WALK, DONCASTER CARR, DONCASTER, SOUTH YORKSHIRE, DN4 5HZ	525 14
CA01	A B S LTD	26 GUARDIAN AVENUE, NORTH STIFFORD, GRAYS, ESSEX, RM16 5US	1,244 51
CA02	A & A TYRE CARE LTD	23 NORTH STREET, ROCHFORD, ESSEX, SS4 1AB	2,598 09
CA03	ADVANCED SCAFFOLD DESIGNS LTD	109 BRAMBLEWOOD CLOSE, CARSHALTON, SURREY, SM5 1PH	1,758 94
CA04	ARMADA INVESTMENTS LTD	ARMADA HOUSE, OLDHAMS WHARF, TOPSHAM, EXETER, EX3 0PB	29,267 84
CA05	AGS HOARDING & FENCING LTD	UNIT 22 APEX BUSINESS PARK, QUEENS FARM ROAD, LOWER SHORNE, GRAVESEND, KENT DA12 3HU	15,238 42
CA06	ANGEL SPRINGS	TOMS HILL ESTATE, ALDBURY, TRING, HP23 5SD	170 32
CB00	BRITISH TELECOM	B T PAYMENT CENTRE, DURHAM, DH98 1BT	472 97
CB01	BEAVER 84 LIMITED	HILLSBOROUGH WORKS, LANGSETT ROAD, HILLSBOROUGH, SHEFFIELD, S6 2LW	11,557 10
CB02	BUSINESS TO BUSINESS	377 CAMDEN ROAD, LONDON, N7 0SH	410 07
CB03	BRITANNIA FORK TRUCKS LTD	THE GREEN BARN, BRIDGEND FARM, HURSTFORD LANE, CHARING, ASHFORD, KENT TN27 0ER	279 47
CB04	BAM PLANT LTD	RIXON ROAD, FINEDON RD IND EST , WELLINGBOROUGH, NORTHANTS, NN8 4BB	22,624 65
CB05	Barclaycard Commercial	PO Box 3000, Teesdale Business Park, Stockton - on - Tees, TS17 6TG	0 00
CC00	CVS	OAKLAND HOUSE, TALBOT ROAD, OLD TRAFFORD, MANCHESTER, M16 0PQ	296 42

CC01	CITY SPRINT	2ND FLOOR, TDK HOUSE, 5-7 QUEENSWAY, REDHILL, SURREY RH1 1YB	89 71
CC02	CONSTRUCTION IND TRAINING BOARD	BIRCHAM NEWTON, KINGS LYNN, NORFOLK, PE31 6RH	10,151 00
CC03	CRABTREE CONSULTANTS & MANAGEMENT	32 WHITEFIELDS CRESCENT, SOLIHULL, WEST MIDLANDS, B91 3NU	468 00
CC04	CHINGFORD AUDI	CORK TREE WAY, HALL LANE, CHINGFORD, LONDON, E4 8JA	524 62
CC05	CHARLES WILSON ENGINEERS LTD	10 SUGAR HOUSE LANE, STRATFORD, LONDON, E15 2QS	150 00
CD00	DELTA FIRE PROTECTIONN	18 SPRING GARDENS, WOODFORD GREEN, ESSEX, IG8 7DD	133 36
CD01	DECAFF LTD	7 LINKS WAY, EDEN PARK, BECKENHAM, KENT, BR3 3DG	370 13
CD02	D F AUTO SERVICES	ALBION PARADE, CANAL BASIN, GRAVESEND, KENT, SA12 2RR	639 68
CE00	EUROTEC GROUP LTD	UNIT 5, MAYFAIR IND ESTATE, MALDON ROAD, LATCHINGDON, ESSEX CM3 6LF	94 00
CE01	EDF ENERGY NETWORKS LTD	NTR FINANCE, 329 PORTLAND ROAD, HOVE, EAST SUSSEX BN3 5SU	57 93
CE02	ESSO PETROLEUM LTD	THE CORNERSTONE, P O BOX 269, WOKING, GU21 5AN	4,920 22
CE03	E ON	P O BOX 123, NOTTINGHAM, NG1 6HD	699 09
CF00	FUTURE PROTECTIVE COATING	COUNTY FARM, RANDS ROAD,HIGH RODING, DUNMOW, ESSEX, CM6 1NH	498 24
CF01	FREIGHT TRANSPORT ASSOC	HERMES HOUSE, ST JOHNS ROAD, TUNBRIDGE WELLS, KENT, TN4 9UZ	666 72
CF02	FOREST RECYCLING PROJECT	2C BAKERS AVENUE, WALTHAMSTOW, LONDON, E17 9AW	122 79
CF03	FAIRVIEW LIFTING GEAR SERVICES	UNIT D3,STAR BUSINESS CENTRE, MARSH WAY, FAIRVIEW INDUSTRIAL PARK, RAINHAM, ESSEX RM13 8UP	202 28
CF04	FEABREX LTD	ALBION PARADE, GRAVESEND, KENT, DA12 2RN	13,000 00
CF05	FTA RECOVERY SERVICE	Revenue Services, Upper Ground, Fanum House, Basingstoke, RG21 4EA	394 85
CG00	GILRAY PLANT LIMITED	CEDAR DEPOT, CHURCH MANORWAY, ERITH, KENT, DA8 1DE	7,006 85
CG01	GILRAY PLANT HIRE LIMITED	CEDAR DEPOT, CHURCH MANORWAY, ERITH, KENT, DA8 1DE	51,506 09
CG02	G R GENERAL SERVICES LTD	SHANGRI-LA-FARM, TODDS GREEN, STEVENAGE, HERTS, SG1 2JE	10,031 12
CG03	GB ACCESS LTD	10 NENE VALLEY BUSINESS PARK, OUNDLE, PETERBOROUGH, PE8 4HN	13,442 06
CG04	GRAVESHAM BOROUGH COUNCIL	CIVIC CENTRE, GRAVESEND, KENT, DA12 1AU	6,720 00
CH00	HM Revenue & Customs	Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0.00
CH01	HM Revenue & Customs	Dumington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS	0.00
CH02	HM Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	0 00
CH03	HM Revenue & Customs	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0.00
CH04	HILTI (GT BRITAIN) LTD	1 TRAFFORD WHARF ROAD, TRAFFORD PARK, MANCHESTER, M17 1BY	1,792 30

CH05	HOWARTH TIMBER LTD	1 BRUCE GROVE, TOTTENHAM, LONDON, N17 6RA	720 20
CH06	HILLS GARAGES (WOODFORD)	536-564 HIGH ROAD, WOODFORD GREEN, ESSEX, IG8 0PR	236 71
CH07	HUNTER VEHICLES LTD	CROWN WORKS, SOUTHBURY ROAD, ENFIELD, MIDDLESEX, EN1 1UD	11,295 58
CH08	HYDRAULIC FLEET SOLUTIONS	UNIT 4, HANOVER WEST IND ESTATE, PARK ROYAL, LONDON, NW10 7NB	104 70
CH09	HOULIHAN ASSOCIATES LTD	37 MAYLANDS AVENUE, ELM PARK, HORNCHURCH, ESSEX, RM12 5BB	250 00
CH0A	TRAD Hire & Sales Limited	Trad House, Cromwell Road, Bredbury, Stockport, SK6 2RF	0 00
CI00	ING LEASE UK LTD	60 HIGH STREET, REDHILL, SURREY, RH1 1NY	720 36
CI01	INVESTEC ASSET FINANCE PLC	WINDRUSH COURT, BLACKLANDS WAY, ABINGDON, OXFORDSHIRE, OX14 1SY	301 49
CI02	ING LEASE AG55 CAF	Broadmead House, New Hythe Business Park, Bellingham Way, Larkfield, Aylesford, Kent, ME20 6XS	37,534 69
CK00	KIER SOUTHERN		60 00
CL00	Lloyds TSB Bank Plc	Newcastle Securities Centre, PO Box 1YB, Scottish Life House, Archbold Terrace, Sandyford Road, Newcastle Upon Tyne, NE99 1YB	0 00
CL01	Alex Lawrie Receivables Financing Limited	Lloyds TSB Commercial Finance Limited, The Little Green, Richmond, TW9 1QE	0 00
CL02	LEYLAND PAINT STOCKISTS	BENTLEY HOUSE, 2-26 BENTLEY ROAD, LONDON, N1 4BY	2,097 37
CL03	LEACH'S	BEACON PLACE, 1 BEACON ROAD, ROTHERWAS IND ESTATE, HEREFORD, HR2 6JF	964 41
CL04	LEA VALLEY PACKAGING LTD	4-5 THE FAIRWAYS, NEW RIVER INDUSTRIAL ESTATE, CHESHUNT, HERTS, EN8 0NJ	1,305 10
CL05	LEA CAR SERVICE	370 LEA BRIDGE ROAD, LEYTON, LONDON, E10 7HU	205 63
CL06	L&G FOREST PRODUCTS LTD	UNIT 3, AERODROME ESTATE, DETLING, MAIDSTONE, KENT, ME14 3HU	7,280 18
CL07	LONDON BORO OF WALTHAM FOREST	C/O SUREWAY PARKING LTD, PARKING CONTROL OFFICE, P O BOX 4306, LONDON, SW1H 9BD	33,260 18
CL08	Linton Fuel Oils Limited	Osiers Road, Wandsworth, London, SW18 1NR	0 00
CM00	M LAURIER & SONS LTD	UNIT10, TRIUMPH TRADING ESTATE, TARIFF ROAD, LONDON, N17 0EB	7,762 57
CM01	MENTOR FLT TRAINING LTD	BURLEY CLOSE, TURNOAKS BUSINESS PARK, CHESTERFIELD, DERBYSHIRE, S40 2UB	247 20
CM02	MEDWAY SKIP HIRE	APEX BUSINESS PARK, QUEENS FARM ROAD, LOWER SHORNE, GRAVESEND, KENT DA12 3HU	926 25
CO00	O2	260 Bath Road, Slough, Berkshire, SL1 4DX	336 52



CO01	OPAL TELECOM	P B BOX 136, BIRCHWOOD, WARRINGTON, WA3 7WU	175 43
CO02	ONLINE LUBRICANTS LTD	THE 10 CENTRE, RIVER ROAD, BARKING, IG11 0DR	346 63
CP00	PLANTIRE	36-38 FELTHAM ROAD, ASHFORD, MIDDLESEX, TW15 1DH	4,666 85
CP01	PERMANEX SECURITY LIMITED	ACCESS HOUSE, 63 WEIR ROAD, LONDON, SW19 8UG	15,919 59
CP02	PREMIUM CREDIT LTD	PREMIUM CREDIT HOUSE, 60 EAST STREET, EPSOM, SURREY, KT17 1HB	52,758 96
CP03	PARKER MERCHANTING	PO Box 474, Maple House, Potters Bar, Herts, EN6 9EQ	160 99
CP04	PURFLEET COMMERCIALS (WITHAM) LTD	PARKER HOUSE ESTATE, MANOR ROAD, WEST THURROCK, ESSEX, RM20 4EH	8,728 44
CP05	PRIME SCAFFOLD DESIGNS LTD	ABBEY BUSINESS CENTRE, ABBEY HOUSE, 25 CLARENDON ROAD, REDHILL, SURREY RH1 1QZ	1,128 00
CP06	PANTHERA GROUP	The Old Pump House, 5a Lombard Road, London, SW19 3TZ	3,123 78
CR00	RAC AUTO WINDSCREENS	BRITTANIA HOUSE, STORFORTH LANE, CHESTERFIELD, S40 2UZ	159 36
CR01	RENDRIVE HAULAGE LTD	PIONEER WORKS, CRABTREE MANORWAY SOUTH, BELVEDERE, KENT, DA17 6AH	6,036 24
CS00	S J BEDWELL	UNIT 23, ROXWELL TRADING PARK, ARGALL AVENUE, LEYTON, LONDON E10 7QP	0 03
CS01	SAGE GROUP PLC	SAGE HOUSE, BENTON PARK ROAD, NEWCASTLE-UPON-TYNE, NE7 7LZ	2,561 48
CS02	SOUTHERN COUNTIES (FJ04 CUK)	107 FORE STREET, HERTFORD, HERTS, SG14 1AS	50 00
CS03	SOUTHERN COUNTIES FINANCE LTD (K7 AG	107 FORE STREET, HERTFORD, HERTS, SG14 1AS	3,572 33
CS04	SOUTHERN COUNTIES (FN58 LWW)	107 FORE STREET, HERTFORD, HERTS, SG14 1AS	1,740 64
CS05	SOUTHERN COUNTIES (FE58 ZVN)	107 FORE STREET, HERTFORD, HERTS, SG14 1AS	1,616 80
CS06	SOUTHERN COUNTIES (FE58 ZWW)	107 FORE STREET, HERTFORD, HERTS, SG14 1AS	1,616 80
CS07	SITE ACCESS SOLUTIONS LTD	TECHNOPOLE, KINGSTON CRESCENT, PORTSMOUTH, PO2 8PA	2,292 66
CS08	SAFECONTRACTOR	Brecon House, Caerphilly Business Park, Caerphilly, CF83 3GG	440 63
CS09	SDS ALARMS LTD	Vulcan House, Restmore Way, Hackbridge, Surrey, SM6 7AH	420 00
CS0A	SIMMONS GAINSFORD	7/10 CHANDOS STREET, CAVENDISH SQUARE, LONDON, W1M 9DE	12,877 02
CS0B	SCREWFIX DIRECT	MEAD AVENUE, HOUNDSTONE BUSINESS PARK, YEOVIL, BA22 8RT	198 10
CS0C	SIMMONS GAINSFORD INS SOL	7-10 CHANDOS STREET, CAVENDISH SQUARE, LONDON, W1G 9DQ	911 40
CS0D	SCAFFOLD DESIGN COMPANY	105 STATION ROAD, CHINGFORD, LONDON, E4 7BU	3,840 00
CS0E	SOLAR SELF DRIVE	16-18 RIVER ROAD, BARKING, ESSEX, IG11 0DH	1,067 25
CT00	TOTAL OFFICE	UNIT7, DORMERS COURT, 18-36 THOMAS ROAD, LONDON, E14 7BJ	654 24
CT01	TRAD HIRE & SALES LTD	TRAD HOUSE, CROMWELL ROAD, BREDBURY, STOCKPORT, SK6 2RF	52,677 48
CT02	THAMES WATER	P O BOX 234, SWINDON, SN38 3TW	224 61

CT03	TRANSPORT FOR LONDON	PO Box 4555, BN13 1XY	1,307 34
CT04	TAVERN HIRE LTD	THE CAUSEWAY, MALDON, ESSEX, CM9 4LJ	61 75
CT05	THOMAS SCAFFOLDING LTD	APEX BUSINESS PARK, QUEENS FARM ROAD, LOWER SHORNE, GRAVESEND, KENT DA12 3HU	11,671 96
CT06	THAMESIDE LABOUR HIRE (LONDON) LTD	UNIT 14, TELFORDS YARD, 6-8 THE HIGHWAY, LONDON, E1W 2BS	10,943 91
CT07	Toyota Matenal Handling UK Ltd	706 Sterling Road, Slough Trading Estate, Slough, Berkshire, SL1 4SY	0 00
CV00	VIKING DIRECT	P O BOX 279, LEICESTER, LE4 1FZ	106 03
CW00	WORKSPACE MANAGEMENT LTD	MAGENTA HOUSE, 85 WHITECHAPEL ROAD, LONDON, E1 1DU	15,749 76
EB00	Jamie BANKS		0 00
EB01	Kenneth BRACKLEY		0 00
EB02	Stephen BRACKLEY		0 00
EB03	Mark BROCK		0 00
EC00	Lenny CHEESEMAN		0 00
EC01	Terry CHEESEMAN		0 00
EC02	Justin CHESHAM		0 00
EC03	Simone CHUNG A ON		0 00
EC04	Alexander Clare		0 00
EC05	James CONWAY		0 00
EC06	Pedro COSTA		0 00
EF00	Ashley FOSTER		0 00
EF01	Linda Fenton		0 00
EG00	Patricia GREEN		0 00
EG01	Andy GREEN		0 00
EH00	Andy HOLLEY		0 00
EH01	Barry HOLLOWAY		0 00
EJ00	David JONES		0 00
EJ01	Adam James JONES		0 00
EL00	Sam LATHAM		0 00
EL01	James LIDDLE		0 00
EM00	James MCGUINNESS		0 00

EM01	Ian MURPHY	0.00
EO00	Avni ORFORD	0.00
ER00	Mark RILEY	0.00
ER01	Trevor ROACH	0.00
ES00	Stephen SELL	0.00
ET00	Daniel THOMSON	0.00
EV00	Doug VERWYST	0.00
EW00	Richard WELLINGS	0.00
EW01	Nicole WHITE	0.00
EW02	Joseph WILDES	0.00
RB00	Mr Stephen Brackley	0.00
RG00	Mr Andrew Thomas Green	0.00
		536,202.37

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX III**

- **Joint Administrators Income and Expenditure Account to 8 April 2011**

**AGS Scaffolding Limited**  
**(In Administration)**

**INCOME AND EXPENDITURE ACCOUNT**

	Statement of affairs £	From 04/04/2011 To 08/04/2011 £
<b>RECEIPTS</b>		
Debt secured by factoring agreement		1,254 44
Sale of Business and Assets	175,000 00	0 00
		1,254 44
<b>PAYMENTS</b>		
Monies sent to Factor		1,254 44
		1,254 44
<b>BALANCE - 8 April 2011</b>		<b>0.00</b>

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX IV**

- **Breakdown of Administrators Fees / Activity Codes**

SFP



## AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PRE APPOINTMENT TO 3 APRIL 2011

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	13 50	-	-	-	2 00	-	2 20	17 70
Investigation	-	-	-	-	-	-	-	-
Realisation of assets	-	-	-	-	-	-	-	0 00
Trading	-	-	-	-	-	-	-	0 00
Creditors	-	-	-	-	-	-	-	0 00
<b>Total hours</b>	13 50	-	-	-	2 00	-	2 20	17 70
<b>Average rate £ per hour</b>	450 00	-	-	-	250 00	-	150 00	390 11
<b>Total costs £</b>	6,075 00	-	-	-	500 00	-	330 00	6,905 00

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff

AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 4 APRIL 2011 TO 8 APRIL 2011

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total			
Administration and Planning	-	-	-	-	22 60	-	1 70	33 90	-	8 90	67 10
Investigation	-	-	-	-	-	-	-	-	-	-	-
Realisation of assets	-	-	-	-	7 30	0 30	-	1 00	-	-	8 60
Trading	-	-	-	-	0 70	-	-	-	-	-	0 70
Creditors	-	-	-	-	-	11 40	-	2 20	4 60	1 80	20 00
Total hours	-	-	-	-	30 60	11 70	1 70	37 10	4 60	10 70	96 40
Average rate £ per hour	-	-	-	-	250 00	225 00	200 00	150 00	100 00	75 00	181 02
Total costs £	-	-	-	-	7,650 00	2,632 50	340 00	5,565 00	460 00	802 50	17,450 00

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff



## SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment and notification Maintenance of records Statutory reporting Estate accounting Schedule company books and records
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection – pre and post appointment Property, business and asset sales Communication and negotiations with secured creditors
Trading	Planning Management of operation Communication/negotiation with suppliers Communication/negotiation with landlord Communication/negotiation with third parties Monitor goods outward/inwards Stock take On-going employee issues Travel
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)

**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX V**

- **Breakdown of SFP Property Limited Fees**

SFP



PROPERTY

AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 4 APRIL 2011 TO 8 APRIL 2011

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Property Issues	2 90	-	-	-	-	0 10	0 50
							3 50
Total hours	2 90	-	-	-	-	0 10	0 50
Average rate £ per hour	275 00	-	-	-	-	90 00	75 00
							241 14
Total costs £	797 50	-	-	-	-	9 00	37 50
							844 00
Remuneration drawn on account							0 00

See Appendix for Summary Charge Out Rates for staff

**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VI**

- **Breakdown of SFP Recoveries Limited Fees**



AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 4 APRIL 2011 TO 8 APRIL 2011

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Debt Collection	-	-	-	2 70	19 50	0 60	22 80
<hr/>							
Total hours	-	-	-	2 70	19 50	0 60	22 80
Average rate £ per hour	-	-	-	250 00	200 00	150 00	204 61
Total costs £	-	-	-	675 00	3,900 00	90 00	4,665 00

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VII**

- **Breakdown of SFP Datastore Limited Fees**

SFP



DATASTORE

AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 4 APRIL 2011 TO 8 APRIL 2011

CLASSIFICATION OF WORK FUNCTION

	Storage Tasks Staff Costs	Inventorising Staff Costs	Total
Boxing Up / Collection / Inventorising of Records			
	18 80	7 60	26 40
<hr/>			
Total hours	18 80	7 60	26 40
Average rate £ per hour	25 00	75 00	39 39
Total costs £	470 00	570 00	1040 00
<hr/>			
Remuneration and disbursements drawn on account			0 00

See Appendix for Summary Charge Out Rates for staff

	Disbursements incurred
Mileage 0 miles @ £1.10 per mile	0 00
<hr/>	
Disbursements incurred	0 00
Disbursements drawn on account	0 00
<hr/>	

**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VIII**

- **Breakdown of SFP Forensic Limited Fees**



AGS SCAFFOLDING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 4 APRIL 2011 TO 8 APRIL 2011

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Investigation	-	-	-	-	1 00	1 30	2 30
<hr/>							
Total hours	-	-	-	-	1 00	1 30	2 30
Average rate £ per hour	-	-	-	-	150 00	75 00	107 61
Total costs £	-	-	-	-	150 00	97 50	247 50

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX IX**

- **Charge out Rates for SFP main practice and associates entities**

SFP



### Charge out Rates for SFP main practice and associated entities

Main Practice		SFP Forensic Limited		SFP Property Limited		SFP Recoveries Limited	
Grade	Rate p/hr	Grade	Rate p/hr	Grade	Rate p/hr	Grade	Rate p/hr
Managing Partner	450	Managing Director	450	Managing Director	275	Managing Director	450
Partner 2	400	Senior Manager 2	325	Senior Manager 2	325	Senior Manager 2	325
Partner 1	350	Senior Manager 1	300	Senior Manager 1	225	Senior Manager 1	300
Senior Manager 2	325	Manager 2	275	Manager 2	275	Manager 2	275
Senior Manager 1	300	Manager 1	250	Manager 1	175	Manager 1	250
Manager 2	275	Senior Administrator 2	225	Senior Administrator 2	150	Senior Administrator 2	225
Manager 1	250	Senior Administrator 1	200	Senior Administrator 1	130	Senior Administrator 1	200
Senior Administrator 2	225	Administrator 2	150	Administrator 2	110	Administrator 2	150
Senior Administrator 1	200	Administrator 1	100	Administrator 1	90	Administrator 1	100
Administrator 2	150	Assistant	75	Assistant	75	Assistant	75
Administrator 1	100						
Assistant	75						

SFP Datastore Limited	
Grade	Rate p/hr
Storage Tasks (Retrieval and Collection)	
Staff Costs	25
Inventorising and Additional	
Staff Costs	75
Retrieval Rates Guide	
Box Storage	18p / box / week
A4	21p / box / week
A3	6p / box / week
Transit Cases	£1 10 per mile
Retrieval costs from site	£22 50
Same Day Delivery (up to 10 items)	£15 00
Next Day Delivery (up to 10 items)	£25 00
Delivery to third party offices (up to 10 items / £1 50 per item thereafter)	

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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX X**

- **Proof of Debt form**

## PROOF OF DEBT - GENERAL FORM

**In the matter of AGS Scaffolding Limited (in Administration)  
and in the matter of the Insolvency Act 1986**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration	£
4	Details of any document by reference to which the debt can be substantiated [Note the administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX XI**

- **Guide to Administrators Fees**

## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

## 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, explain 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 objectives:

- 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 remuneration

- 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:

- as a percentage of the value of the property which the administrator has to deal with 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 the 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 fixed as a 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:

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April 2010

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 remuneration 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 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.

- 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 proposals, 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 the 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:

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- 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 the 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 requested 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 Review of remuneration

- 5.1 Where there has been a material and substantial change in circumstances since the basis 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

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April 2010

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.

## 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 (see further paragraph 8.1 below). 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, but there is provision for the creditors to challenge them as described below. 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, the 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.

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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 creditor or by 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 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.

#### 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 secured creditor or by any unsecured creditor provided at least 10 per cent 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 expenses 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 or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate he may apply to the court for the amount or rate to be increased or the basis changed. 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 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.

- 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, resolution or court order is made.

- 12.4 Where the basis of the 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 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.



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**AGS Scaffolding Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX XII**

- **Form 2 21B**

## Creditor's request for a meeting

Name of Company  
**AGS SCAFFOLDING LIMITED (IN  
ADMINISTRATION)**

Company number  
**02979356**

In the  
**BIRMINGHAM DISTRICT REGISTRY**

Court case number  
**8159 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) \_\_\_\_\_  
\_\_\_\_\_

(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 \_\_\_\_\_