

The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company Boothville Roofing Limited	Company number 03165997
In the Chancery Division, Companies Court, London [full name of court]	Court case number 8945 of 2011

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

I / We (a) Stephen Blandford Ryman and Anthony Peter Davidson, both of Shipleys LLP, 10 Orange Street, Haymarket, London, WC2H 7DQ

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from  
(b) 24 April 2012

to

(b) 22 October 2012

Signed

Joint / Administrator(s)

Dated

26 October 2012

**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.

Stephen Ryman	
Shipleys LLP, 10 Orange Street Haymarket London, WC2H 7DQ	
	Tel 0207 766 8560
DX Number	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



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27/10/2012

#170

COMPANIES HOUSE

SATURDAY

## **BOOTHVILLE ROOFING LIMITED (IN ADMINISTRATION)**

**Registered Number: 03165997**

**Registered Office PO Box 60317, 10 Orange Street, London, WC2H 7WR**

**Court Name: High Court of Justice, Chancery Division, London**

**Court Number: 8945 of 2011**

### **1. INTRODUCTION**

- 1 1 I refer to the appointment of Robert Smailes and Conrad Beighton as Joint Administrators of the above named Company on 24 October 2011

The Administrators were appointed by the Directors pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986

For the purposes of Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, both Robert Smailes and Conrad Beighton acted jointly and concurrently in respect of all actions taken

I give notice that with effect from 24 July 2012 Anthony Davidson and myself Stephen Ryman have been appointed Joint Administrators in place of the previous Joint Administrators, Robert Smailes and Conrad Beighton. The appointments were made in accordance with an Order of the Court dated 24 July 2012 made in the High Court of Justice, a copy of which can be viewed at the following weblink  
<http://www.shipleys.com/cr/block-transfer-court-order>

- 1 2 The purpose of the Administration has been achieved and the Administration has been moved to Creditors' Voluntary Liquidation

This is a final progress report to the creditors of the Company pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 for the period from 24 April 2012 to 22 October 2012. This report should be read in conjunction with the Joint Administrators' last progress report to creditors dated 18 May 2012 and the report to creditors dated 30 November 2011 which outlined the proposals for the Administration

### **2. RECEIPTS AND PAYMENTS ACCOUNT**

Please find enclosed a receipts and payments account for the period 24 October 2011 to 22 October 2012 which outlines the asset realisations during the Administration and since the date of the Joint Administrators' last progress report for the six month period to 23 April 2012

While the information contained on the receipts and payments account is largely self explanatory I would comment specifically as follows

#### **2 1 Asset Realisations**

**Sale of the Business (Goodwill, Stock in Trade, Vehicles, Work in Progress and Debts, Office Furniture & Equipment, Fixtures & Fittings and Small Tools)**

As creditors are aware, the business and assets of the Company were sold to Boothville Roofing and Construction Limited ("BRCL") on 26 October 2011 for £571,500

There was an initial payment of £30,000 due to be paid to Ellis Taylor within 7 days of completion. The remaining £541,500 was to be received by way of deferred consideration. £45,125 was due to be received monthly for 12 months with the first payment to be received by 21 November 2011 and the final payment due on 22 October 2012.

As you will note from the attached receipts and payments account £220,908.30 has been received to date, the remaining balance due is £350,591.70.

As you are aware a meeting was held with directors from BRCL on 20 February 2012 to discuss the outstanding deferred consideration payments as demands for payments did not result in the payments being brought up to date.

A repayment plan was requested at that meeting but was never provided, despite numerous requests for it.

As a result of that and continued non payment solicitors were instructed. A formal demand was sent to the Company for the balance due under the sale and purchase agreement.

The sums of £39,000 and £7,595.16, in respect of two of the contracts were realised, with the assistance of quantity surveyors, Acasta Consulting Limited, and the net funds have been allocated against the outstanding sale consideration.

It was agreed mid way through this year that BRCL would pay £5,000 a week to repay the outstanding sale consideration. The payments were being received on time and are continuing to be closely monitored.

A further meeting was held on 17 August 2012 with directors from BRCL to discuss the outstanding deferred consideration payments further and cash flow forecasts were provided.

The provided cash flows anticipated that an increase would occur in October 2012, whereby £10,000 will be paid weekly into the estate until the sale consideration is repaid in full. On that basis, it is expected that the full sale consideration will be received by the end of July 2013.

SJB Consultants UK Ltd have also, I believe, been instructed by BRCL to assist them with the collection of the book debts and retentions. BRCL advised at the meeting that they would make additional payments as and when realisations are made in respect of the purchased book debts and retentions, therefore, reducing the repayment time accordingly.

Liquidation could affect the collectability of the retentions and reduce recovery of the book debts and retentions, therefore, affecting the realisation of the sale consideration.

I therefore proposed an extension of the Administration at the meeting in order to collect in the retentions which would potentially reduce the time that the balance is payable over which would benefit creditors as a whole.

A creditors' committee meeting was convened for 9 October 2012, but at the request of one of the committee members was adjourned until 16 October 2012. The

resolution for a six month extension to the Administration was rejected and the Company was therefore, placed into Creditors' Voluntary Liquidation

#### **Pension Contribution Refund**

The Company offered stakeholder schemes to employees. An overpayment was made resulting in a refund of £5,125.03 being received.

#### **Bank Interest Gross**

The only other realisation to date was that of bank interest gross totalling £55.73

### **2.2 Details of any assets that remain to be realised**

I therefore anticipate that the following assets should be realised in the subsequent Liquidation

	£
Balance transferred from Administration	112,168.42
Outstanding Sale Consideration	350,591.70
<b>Total</b>	<b>462,760.12</b>

### **3 PAYMENTS**

Following is a summary of the professional fees and other expenses which have been paid during the Administration and since the last progress report. I would specifically comment as follows:

#### **Professional Advisors**

<b>Name</b>	<b>Nature of Work</b>	<b>Basis of Fee Arrangement</b>
James Owen & Co	Valuation of the Business and Assets	Fixed Fee
Acasta Consulting Ltd	Book Debts/Retentions	Time Costs
Ellis Taylor Solicitors	Sale of the Business & Assets, General Matters	Time Costs

The Joint Administrators' choice was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

The Joint Administrators have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case.

#### **VAT received on behalf of BRCL**

A sum of £2,300 was received and paid in the period under review in respect of VAT. As mentioned above, two of the contracts were realised, with the assistance of quantity surveyors, Acasta Consulting Limited. Their fee was deducted from the realisations and the VAT element allocated against the outstanding sale consideration.

## **Insurance of Assets**

A sum of £106 was paid to Willis Ltd for the insurance of assets, between when the Company was placed into Administration to the sale of the business and assets

## **4. CREDITORS' CLAIMS**

### **4 1 Secured Creditors**

4 1 1 National Westminster Bank Plc ("Natwest") have a debenture over the Company which was created on 17 November 2010 and duly registered at Companies House on 20 November 2010

4 1 2 As at the date of appointment, they were owed approximately £204,000

4 1 3 Distributions totalling £46,508 09 have been made by the Administrators to Natwest under their debenture Based on present information, Natwest will be repaid in full

### **4 2 Preferential Creditors**

4 2 1 It was not anticipated that there would be any preferential creditor claims arising in the Administration This is a result of all of employees of the Company at the time of the Administration being subject to the Transfer of Undertakings (Protection of Employment) ("TUPE") Regulations 2006 following the sale of the Company's assets to BRCL

4 2 2 However, a potential preferential claim has been submitted by one of the employees An Employment Tribunal is ongoing and to date no claims have been awarded against the Company

### **4 3 Unsecured Creditors**

4 3 1 I can advise that claims have been received from HM Revenue & Customs totalling £111,989 01 which includes VAT, PAYE, NIC and CT Claims received from trade creditors amount to £1,322,658 10

4 3 2 Based on current information I would anticipate that there will be sufficient funds to enable a distribution to be made to unsecured creditors in addition to the prescribed part payment mentioned below

### **4 4 Amounts available to creditors in respect of the prescribed part**

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must report on the amount of funds distributed to unsecured creditors in respect of the prescribed part This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003 and where it is estimated that the Company will have, after discharging the costs of the Administration and preferential creditors claims, net property exceeding £10,000

Natwest hold a floating charge over the Company Based on present information the prescribed part will be approximately £108,500, before costs It has increased primarily as a result of the pension contribution refund which was realised

It is however anticipated that Natwest will be repaid in full

## **5. INVESTIGATIONS**

In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am unable to disclose the contents

## **6. CREDITORS' COMMITTEE**

The creditors' meeting on 15 December 2011 voted to form a creditors' committee consisting of the following members

- 1 Stephen Massey (BDO LLP representing Icopal Limited)
- 2 Mathew Headland (PWC representing HCL Safety Limited)
- 3 Tony Pez, The Knightsbridge Roofing Consultancy Ltd

There have been a number changes in representatives since the creditors' committee was first formed

The Joint Administrators are continuing to liaise with the creditors' committee to discuss issues and outline key decisions. The Joint Administrators last met with the committee on 17 October 2012

## **8. JOINT ADMINISTRATORS' REMUNERATION & DISBURSEMENTS**

### **8.1 Pre Appointment Costs**

Approval of the Joint Administrators' pre appointment costs totalling £14,620.55 and set out in the report to creditors containing the Proposals dated 11 November 2011 was obtained on 15 December 2011 at a creditors' meeting, which were ratified by the creditors' committee at a meeting held by correspondence on 23 January 2012

Natwest agreed that £1,279.30 could be drawn from fixed charge realisations

All pre appointment costs have been drawn in full

### **8.2 Post Appointment Remuneration**

Pursuant to the Insolvency Rules 1986, the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either

- (1) as a percentage of the value of the property with which he has to deal, or
- (2) by reference to the time properly given by the insolvency practitioner (as Administrator) and his staff in attending to matters arising in the Administration, or
- (3) as a set amount, and/or
- (4) as a combination of the above

The Joint Administrators' remuneration was approved on the basis of time properly spent in dealing with issues in the Administration in accordance with the Joint Administrators' proposals that were approved by creditors at a meeting of creditors held on 15 December 2011

As you are aware, the creditors' committee ratified the Joint Administrators' fees at a meeting held by correspondence on 23 January 2012

To 22 October 2012, the Joint Administrators have drawn £5,743 57 in respect of remuneration as shown on the enclosed Receipts and Payments account

I attach at a schedule analysing the timecosts since my last progress report which records the work undertaken Timecosts totalling £25,906 11 have been incurred which represents a total of 108 41 hours at an average charge out rate of £238 96 per hour

I further attach a schedule analysing the time costs for the whole period of the Administration Time costs totalling £61,995 54 have been incurred which represents a total of 289 73 hours at an average charge out rate of £213 98 per hour Please note that timecosts totalling £56,251 97 have been incurred but not yet drawn

For guidance, I enclose "A Creditors' Guide to Administrators' Fees", together with a document that outlines the policy of Shipleys LLP in respect of fees and disbursements Since the approval of my remuneration, please note that the charge out rates of myself and my staff have changed I would draw the attention of creditors to the historic charge out rate information contained in the policy document attached for further details

### 8 3 Post Appointment Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised These are known as category 1 disbursements We therefore report that the sum of £2,901 34 has been incurred in respect of category 1 disbursements as follows

Disbursement	Amount incurred since last report £	Total amount incurred to end of Administration £
Fares & Parking	-	360 89
Advertising	-	153 00
Insurance	20 00	470 00
Postage & Couriers	123 16	660 96
Storage	39 00	1,011 49
Search Fees	-	95 00
External Room Hire	-	150 00
<b>Total</b>	<b>182 16</b>	<b>2,901 34</b>

Administrators may charge expenses for example photocopying and facsimile charges, mileage and internal room hire Such expenses, which are attributable to

cases, require the approval of the creditors before they can be drawn and these are known as category 2 disbursements. I can confirm that during the Administration category 2 disbursement expenses totalling £334 50, having previously been approved on 15 December 2011, which the creditors' committee ratified at a meeting held by correspondence on 23 January 2012 have been drawn as follows

<b>Disbursement</b>	<b>Amount incurred since last report £</b>	<b>Total amount incurred to end of Administration £</b>
Photocopying	47 25	334 50
<b>Total</b>	47 25	334 50

As you will note from the attached receipts and payments account disbursements totalling £3,006 43 have been drawn. The balance will be drawn in the Liquidation.

I provide at the end of this report extracts from the Insolvency Rules 1986 setting out the rights of creditors to request further information under Rule 2.48A and/or challenge the remuneration and expenses within the Administration under Rule 2.109.

## **9. SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS**

The Joint Administrators circulated their proposals for achieving the purpose of the Administration to creditors on 30 November 2011.

The following proposals were approved by creditors without modification at a meeting held on 15 December 2011.



- 1) Continue to manage the affairs of the Company and do all such things in order to achieve Objectives 2 and 3 of the statutory purpose for the Administration, being the achieving of a better result for the Company's Creditors as a whole that would be likely if the Company were wound up and realising property in order to make a distribution to the secured creditor,
- 2) The Joint Administrators take all steps necessary to settle the outstanding Administration costs and place the company into Liquidation,
- 3) To move the Company to Creditors' Voluntary Liquidation in accordance with Paragraph 83 of Schedule B1 of the Insolvency Act 1986,
- 4) If the Company is placed into Creditors' Voluntary Liquidation then R D Smales and C A Beighton of Shipleys LLP, 10 Orange Street, Haymarket, London, WC2H 7DQ will be appointed as Joint Liquidators,
- 5) Upon the appointment of R D Smales and C A Beighton as Joint Administrators of the Company ceasing to have effect, they will be discharged from all liability in respect of any actions as Joint Administrators,
- 6) The basis of the Joint Administrators Pre Appointment time costs of £14,620 55 be considered, if appropriate, agreed by creditors at the meeting held on 16 December 2011 to be settled in full from the funds held in the estate account,
- 7) The basis of the Joint Administrators' Post Appointment remuneration be considered and, if appropriate agreed by the creditors at the meeting held on 16 December 2011 be agreed by reference to the time spent by them and their staff in the conduct of the Administration in accordance with the Shipleys LLP "Creditors Guide to Fees",
- 8) The Joint Administrators be authorised to draw all outstanding disbursements, as well as future disbursements (including those as categorised in the revised Statement of Insolvency Practice 9, Category 2), in accordance with the rates of charge as detailed in the Shipleys LLP "Creditors Guide to Fees"

As mentioned above, with effect from 24 July 2012 Anthony Davidson and myself Stephen Ryman have been appointed Joint Administrators in place of the previous Joint Administrators, Robert Smales and Conrad Beighton. The appointments were made in accordance with an Order of the Court dated 24 July 2012 made in the High Court of Justice.

As such Anthony Davidson and I were appointed Joint Liquidators

## 10. CONCLUSION

- 10.1 In accordance with the resolutions above and pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators have moved the Administration to Creditors' Voluntary Liquidation by filing Form 2.34B "Notice of Move from Administration to Creditors' Voluntary Liquidation" at Companies House. A copy of this form is attached for information purposes and was registered at Companies House on 22 October 2012. Stephen Ryman and Anthony Davidson have therefore been appointed Joint Liquidators with effect from 22 October 2012.
- 10.2 The outcome of the Administration has been the realisation of Objectives 2 and 3 of the purposes of Administration.

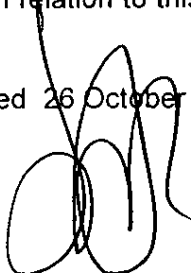
The second objective is to achieve a better result for the creditors than would be obtained through the winding up of the Company. The third objective is realising property in order to make a distribution to one or more secured or preferential creditors.

In this instance objective 2 has been achieved as the sale of the business and assets to BRCL resulted in a substantially greater asset realisation than would have been achieved should the assets have been sold on a break up basis.

Objective 3 has also been achieved as distributions have been made to Natwest under their debenture.

- 10.3 The matters which remain outstanding and to be dealt with in the Liquidation are the realising of the outstanding sale consideration and paying dividends to the different classes of creditors.
- 10.4 Should you have any queries in relation to this matter please contact Alex Bellamy of this office.

Dated 26 October 2012



**Stephen Ryman**  
**Joint Administrator**

In accordance with Paragraph 45 of Schedule B1 of the Insolvency Act 1986 ("the Act"), I give notice that the affairs, business and property of the Company are being managed by the Joint Administrators. Pursuant to Paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators act as agents of the Company and without personal liability.

Anthony Davidson and Robert Smailes are licensed by the Insolvency Practitioners Association and Stephen Ryman is licensed to act as an insolvency practitioner by the Association of Chartered Certified Accountants.

**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses'-**

**Rule 2.48A Creditors' request for further information**

- (1) If
  - (a) within 21 days of receipt of a progress report under Rule 2.47 -
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,  
makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
  - (a) providing all of the information asked for, or
  - (b) so far as the administrator considers that -
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
    - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
  - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),  
and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

**Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
  - (a) the remuneration charged by the administrator,
  - (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
  - (c) expenses incurred by the administrator, is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued):-**

**Rule 2.109 (continued)**

- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
  - (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration,
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

The Insolvency Act 1986

# **Notice of move from administration to creditors' voluntary liquidation**

Name of Company  
Boothville Roofing Limited - In Administration

Company number  
03165997

In the High Court, Chancery Division, Companies Court  
[full name of court]

Court case number  
8945 of 2011

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

I / We (a) Stephen Blandford Ryman and Anthony Peter Davidson of Shipleys LLP, 10 Orange Street,  
London, WC2H 7DQ

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

having been appointed administrators of (b) Boothville Roofing Limited, PO Box 60317, 10 Orange Street,  
London, WC2H 7WR

(c) Insert date of  
appointment

on (c) 24 July 2012 by (d) an order of the Court\*

(d) Insert name of applicant /  
appointor

hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

(e) Insert name(s) and  
address(es) of liquidator(s)

and it is proposed that (e) Stephen Blandford Ryman and Anthony Peter Davidson of Shipleys LLP, 10  
Orange Street, London, WC2H 7DQ

will be the liquidators of the company (IP No(s) 4731 and 11730)

Signed

Joint Administrator(s)

Dated

17/10/2012

\*Please note that Robert Derek Smales and Conrad Alan Beighton were originally appointed as Joint Administrators on 24 October 2011 by the Directors. This appointment was amended by an order of the court dated 24 July 2012 and Stephen Blandford Ryman and Anthony Peter Davidson were appointed as replacement Joint Administrators

## **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.

Alex Bellamy, Shipleys LLP, 10 Orange Street, London, WC2H 7DQ

Tel 0207 766 8560

DX Number 40001

DX Exchange Covent Garden

**Boothville Roofing Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 24/04/2012 To 22/10/2012	From 24/10/2011 To 22/10/2012
	<b>SECURED ASSETS</b>		
50,000 00	Goodwill	NIL	50,000 00
		NIL	50,000 00
	<b>COSTS OF REALISATION</b>		
	Pre Appointment Remuneration	NIL	1,279 30
	Legal Fees	NIL	1,531 25
	Agents/Valuers Fees	NIL	681 36
		NIL	(3,491 91)
	<b>SECURED CREDITORS</b>		
(204,000 00)	National Westminster Bank Plc	NIL	46,508 09
		NIL	(46,508 09)
	<b>ASSET REALISATIONS</b>		
3,000 00	Stock in Trade	693 85	991 27
26,000 00	Vehicles	5,969 50	8,528 32
480,000 00	Work in Progress and Debts	110,106 81	157,298 87
	Pension Contribution Refund	NIL	5,125 03
	Bank Interest Gross	37 47	55 73
1,000 00	Office Furniture & Equipment	227 30	324 73
1,500 00	Fixtures & Fittings	346 92	495 63
10,000 00	Small Tools	2,284 92	3,269 48
		119,666 77	176,089 06
	<b>COST OF REALISATIONS</b>		
	Pre Appointment Remuneration	NIL	13,341 25
	Pre Appointment Disbursements	NIL	4 00
	Joint Administrators' Remuneration	5,743 57	5,743 57
	Joint Administrators' Disbursements	3,006 43	3,006 43
	Agents/Valuers Fees	3,620 33	15,318 64
	Agents/Valuers Expenses	NIL	287 00
	Legal Fees	7,845 00	23,813 75
	VAT received on behalf of BRCL	2,300 00	2,300 00
	Insurance of Assets	106 00	106 00
	Transfer to Liquidation	112,168 42	112,168 42
		(134,789 75)	(176,089 06)
	<b>FLOATING CHARGE CREDITORS</b>		
(154,000 00)	National Westminster Bank Plc	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(1,308,299 34)	Trade Creditors	NIL	NIL
(748 00)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(16,000 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(1,111,547 34)</b>		<b>(15,122.98)</b>	<b>0 00</b>

REPRESENTED BY

Case - Boothville Roofing Limited

Liquidators' time costs for the period 24/04/2012 to 22/10/2012

SCHEDULE 1

	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Assistant		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost
Administration and Planning	0.70	£336.00	1.30	£390.00	0.00	£0.00	0.00	£0.00	19.27	£3,275.90	0.00	£0.00	21.27	£4,001.90
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.25	£42.50	0.00	£0.00	0.25	£42.50
	2.72	£1,305.60	0.00	£0.00	0.00	£0.00	1.15	£146.50	3.34	£537.80	12.38	£1,426.86	19.59	£3,416.76
	1.50	£600.00	2.40	£720.00	0.00	£0.00	0.00	£0.00	12.98	£1,955.35	0.00	£0.00	16.88	£3,275.35
Realisation of Assets	0.87	£377.60	0.00	£0.00	0.00	£0.00	0.00	£0.00	15.93	£2,708.10	0.00	£0.00	16.80	£3,085.70
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	1.75	£840.00	1.30	£390.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	3.05	£1,230.00
	13.05	£5,784.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	13.05	£5,784.00
Creditors	7.00	£2,800.00	0.30	£90.00	0.00	£0.00	0.00	£0.00	6.50	£1,105.00	0.00	£0.00	13.80	£3,995.00
	1.25	£500.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	1.65	£280.50	0.00	£0.00	2.90	£780.50
Investigations	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.50	£240.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.50	£240.00
Trading	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.32	£54.40	0.00	£0.00	0.00	£54.40
Tax	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Average hourly charge out rate														
		29.34			£435.69			£12,783.20			£300.00			£3,000.00
		£435.69			£12,783.20			£300.00			£3,000.00			£3,000.00
		108.41			£25,906.11			£25,906.11			£25,906.11			£25,906.11
		£			238.96			238.96			238.96			238.96

Total Hours  
Total Cost  
Average

	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Assistant		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost
Administration and Planning	3.30	£1 512.50	8.40	£2 307.00	0.00	£0.00	0.00	£0.00	83.37	£13 486.10	0.00	£0.00	95.07	£17 285.60
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	1.23	£190.65	1.25	£125.00	2.48	£315.65
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.91	£144.80
	3.12	£1 369.60	0.30	£81.00	0.00	£0.00	1.80	£394.00	6.53	£917.70	23.85	£2 523.94	35.60	£5 286.24
	8.60	£3 866.00	7.40	£2 125.00	0.00	£0.00	0.25	£50.00	22.77	£3 435.55	0.00	£0.00	39.02	£9 476.55
Realisation of Assets	0.87	£377.60	0.00	£0.00	0.00	£0.00	0.00	£0.00	32.86	£5 487.70	0.00	£0.00	33.73	£5 845.30
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	2.95	£1 392.00	1.30	£390.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	4.25	£1 782.00
	16.75	£7 486.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	16.75	£7 486.00
Creditors	7.50	£3 060.00	9.60	£2 676.00	0.00	£0.00	0.00	£0.00	21.87	£3 592.50	0.00	£0.00	38.97	£9 328.50
	2.55	£1 098.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	8.14	£1 335.65	0.00	£0.00	10.69	£2 433.65
Investigations	1.30	£598.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	7.08	£1 198.65	0.00	£0.00	8.38	£1 796.65
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	1.74	£295.80	0.00	£0.00	1.74	£295.80
	0.50	£240.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.33	£56.10	0.00	£0.00	0.83	£296.10
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Trading	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	1.31	£222.70	0.00	£0.00	1.31	£222.70
Tax	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Average hourly charge out rate														
<div> <div>47.44</div> <div>£20 999.70</div> <div>27.00</div> <div>£7 579.00</div> <div>0.00</div> <div>£0.00</div> <div>2.05</div> <div>£444.00</div> <div>188.14</div> <div>£30 323.90</div> <div>25.10</div> <div>£2 648.94</div> <div>0.00</div> <div>£0.00</div> </div>														
<div> <div>£442.65</div> <div>289.73</div> <div>£61 995.54</div> <div>£213.98</div> <div>£105.54</div> </div>														
<div> <div>Total Hours</div> <div>Total Cost</div> <div>Average</div> </div>														



**Shipleys LLP**  
**10 Orange Street, Haymarket, London WC2H 7DQ**

**CREDITORS' GUIDE TO FEES**  
**EFFECTIVE FROM 1 AUGUST 2012**  
**CHARGE-OUT RATES**

**Staff Allocation and Support Staff**

An objective and practical approach is taken to each case which includes active Principal involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Set out below are the relevant charge-out rates per hour worked for the grades of all staff. Time is charged by reference to actual work carried out on each assignment. There has been no allocation of any general or overhead costs.

<b>Grade</b>	<b>Charge-out rate (£ per hour) plus VAT where applicable</b>
<b>Principal*</b>	400 - 480
<b>Manager</b>	230 - 325
<b>Senior Administrator</b>	210 - 230
<b>Administrator</b>	125 - 170
<b>Assistant &amp; Cashier</b>	100 - 250

\* or equivalent

NB Time costs are calculated at 6 minute units

The time of support staff is not charged to a case except when the initial set up is being performed and appointment documentation is prepared. Support staff will also occasionally charge their time when performing a sizeable administrative task within the case. Support staff charge their time at the £100/hr Assistant rate shown on the preceding table.

Specialist departments with the firm such as Tax and VAT may sometimes charge their time if and when the Office Holders may require their expert advice. The figures below provide details of the charge-out rates per hour worked for typical staff involved in this way.

<b>Grade</b>	<b>Charge-out rate (£ per hour) plus VAT where applicable</b>
<b>Tax Principal*</b>	300-395
<b>Tax Manager</b>	250
<b>Tax Practitioner</b>	200
<b>Tax Assistant</b>	145

Details of historic charge out rates in respect of the London office are provided at the end of this guide. Should any creditor wish to receive details of the charge out rates for the London office in force prior to those shown, these can be provided upon request.

## **DISBURSEMENTS**

### **Category 1 Disbursements**

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. Examples of equivalent costs that may be reimbursed to the office holders without uplift and do not require prior approval are given below.

<b>Category</b>	<b>Basis of Charge</b>
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage	Charge at actual cost incurred for storage (and retrieval, when appropriate) of records
Other	At actual cost charged

### **Category 2 Disbursements**

These are costs that are directly referable to the appointment in question but not to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. In the event of charging for Category 2 disbursements the following items of expenditure are recharged on the basis specified.

<b>Category</b>	<b>Basis of Charge</b>
Business Mileage	Motor vehicle at 40p per mile
Internal Room Hire	Held at Shipleys LLP, 10 Orange Street, Haymarket, London WC2H 7DQ £50
Photocopying	Specific calculation of 25 pence per sheet x number of creditors
Facsimiles	£1 for 1 <sup>st</sup> page and 10 pence for each additional page

### **Subcontractors**

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

### **Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**LONDON OFFICE - HISTORIC CHARGE OUT RATES - 1 APRIL 2007 ONWARDS**

	01/04/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09	01/01/10-31/12/10	01/01/11-31/12/11	01/01/12-31/01/12
	Charge-out rate (£ per hour) plus VAT where applicable					
Principal*	360-370	375	395	395-445	410-460	460
Director	n/a	340	355	375-400	n/a	n/a
Manager	285-300	300	300	245-270	280	300-325
Assistant Manager	200-220	222	180-228	180-250	260	n/a
Senior Administrator	160-210	175-210	140-190	175-220	200-225	210-230
Administrator	110-155	127-165	100-165	75-155	85-160	125-170
Assistant & Cashier	50-95	50-100	50-215	50-240	99-245	100-245

	01/02/12-30/04/12	01/05/12-31/07/12		
	Charge-out rate (£ per hour) plus VAT where applicable			
Principal*	460	400-480		
Director	n/a	n/a		
Manager	300-325	300-325		
Assistant Manager	n/a	n/a		
Senior Administrator	210-230	210-230		
Administrator	125-170	125-170		
Assistant & Cashier	100-250	100-250		

\* or equivalent

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## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

### ENGLAND AND WALES

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#### 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, 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 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:

- 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 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 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 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

## 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,
- 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