

Rule 2.118

Form 2.35B

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company A-Plas Limited	Company number 03718736
In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]	Court case number 569 of 2010

(a) Insert name(s) and
address(es) of administrator(s)We (a) Paul Stanley and Jason Dean Greenhalgh of Begbies Traynor (Central) LLP, 340 Deansgate,
Manchester, M3 4LY(b) Insert name and address of
registered office of companyhaving been appointed administrator(s) of (b) A-Plas Limited, Unit 9 Fowler Industrial Estate, Chorley
New Road, Horwich, Bolton

(c) Insert date of appointment

on (c) 26 February 2010 by (d) The Board of Directors

(d) Insert name of
applicant / appointorhereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

23 August 2010

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.

Begbies Traynor (Central) LLP	
340 Deansgate, Manchester, M3 4LY,	
	Tel Number 0161 837 1700
Fax Number 0161 837 1762	DX Number

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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A12

24/08/2010

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COMPANIES HOUSE

TUESDAY

Paul Stanley and Jason Dean Greenhalgh appointed joint administrators on 26 February 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

A-Plas Limited (In Administration)

Final Progress Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986

Period: 26 February 2010 to 25 August 2010

Contents

- ☐ Interpretation
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- ☐ Appendices
 - 1 Joint administrators' account of receipts and payments, showing the outcome for creditors and comparing it to that originally estimated
 - 2 Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3 Joint administrators' time costs and expenses

TUESDAY

A12

24/08/2010
COMPANIES HOUSE

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we would require for this investigation. In April 2010 we began our review of these documents and of the director's questionnaires. I can confirm that our report was submitted on 4 May 2010.

On appointment the debtor ledger totalled £56,870.51. To date we have collected £7,743.59, we have written off £45,646.47 for disputes which is made up of £1,070.99 Contras, £24,226.23 Insolvent Companies, £604 Disputes and £19,745.25 bad debt. This leaves a remainder of £3,000 from one outstanding debtor (G&T Ainsworth). I have requested payment of this amount from the outstanding debtor however they are not yet in a position to make payment. As this was one of the only issues preventing the closure of the administration, and as any amount realised would be utilised to settle the Administrators outstanding time costs, this balance has been assigned to Begbies Traynor in settlement of fees. When, or if, payment is received from the debtor, the funds will be used to settle part of the Administrators outstanding time costs. The receipts and payment account now states that we have received the £7,743.59 plus the assignment of £3,000 totalling £10,743.59. As there is no dividend to unsecured creditors and there are crown debts, it was not cost effective to pursue a VAT bad debt claim.

We have continued to respond to creditor queries when received and we have ensured that our records have been updated with any new claims.

We have ensured that our case files are kept up to date and we have carried out our three and six monthly reviews when requested.

INCOME – ASSET REALISATIONS

A sale agreement was drawn up and dated 26 February 2010. The agreement was between A-Plas Limited, The Administrators, A-Plas (UK) Limited and Shaun O'Connor. Total assets sold in the agreement totals £11,500. This was paid by two instalments, £5,750 on 2 March 2010 and the second instalment of £5,750 on 15 March 2010.

Please see breakdown below.

Plant and Machinery

The sale agreement detailed Plant and Machinery for £10,000.

Motor Vehicles

The sale agreement detailed Motor Vehicles for £1,000.

Goodwill

The sale agreement detailed Goodwill for £1.00.

Stock / WIP

The sale agreement detailed Stock / WIP for £497.

Business Records

The sale agreement detailed Business Records for £1.00.

Customer Contracts

The sale agreement detailed Customer Contracts for £1.00.

Book Debts

This has been previously reported in this report at the top of this page.

Vehicle Compensation

We have received to date £16.57 from HMCS Greater Manchester in relation to compensation for a vehicle accident which happened prior to our appointment. We are expected to receive £357.89 in total for the compensation which leaves £341.32 outstanding still to recover. Again as this was one of the only issues preventing the closure of the administration, and as any amount realised would be utilised to settle the Administrators outstanding time costs, this balance has been assigned to Begbies Traynor in settlement of fees. When, or if, payment is received from the debtor, the funds will be used to settle part of the Administrators outstanding time costs. The total receipts and payment account now states that we have received the £16.57 plus the assignment of £341.32 totalling £357.89.

Rates Refund

We have received £379 50 from Bolton Council in relation to a rates refund. The funds were received on 23 March 2010.

Bank Interest Gross

Bank interest of £5 40 has been earned during the period.

EXPENDITURE

Preparation of Statement of Affairs

The payment of £2,600 was paid to Jackson Stephen LLP for their assistance in the preparation of the Statement of Affairs. This was paid to them on 12 April 2010.

Administrators Fees

The total administrator's fees amount to the sum of £18,834 68. This is made up of £15,493 36 paid to date in respect of time spent on the Administration of the Company as per the time costs agreed in the proposals, and £3,341 32 for the assignment of fees. We have assigned £3,341 32 to Begbies Traynor in respect of the outstanding amounts due from the outstanding debtor and the vehicle compensation.

Agents Fees

£915 was paid to Wignall Brownlow in accordance with the work on the valuation of the assets. This was paid to Wignall Brownlow on 19 March 2010, and no further payments are outstanding.

Professional Fees

A sum of £400 was paid to Jackson Stephen LLP on 12 April 2010. This was in relation to the payroll information the accountants provided us with on appointment.

Photocopying Charges

On occasions when there are a large amount of creditors in a case, we will outsource the printing. The sum of £85 50 has been paid to a local firm for the photocopying of the reports set to creditors so far.

Statutory Advertising

A payment of £151 20 was paid to Courts Advertising Limited. The payment was for the advertisement of appointment in the London Gazette.

5. ADMINISTRATOR'S PROPOSALS

Attached at Appendix 2 is a summary of the joint administrators' approved proposals.

The proposals were issued to creditors on 31 March 2010. The meeting was held by correspondence with the closing date for votes being 14 April 2010. On 13 April 2010 we received a voting form from David Syddall, one of the largest creditors which approved each resolution proposed. The result of the meeting by correspondence was reported to creditors on 14 April 2010.

6. OTHER RELEVANT INFORMATION

Dividends

Secured Creditors

There is no fixed or floating charge creditors.

Preferential Creditors

As the purchaser retained the employers, there are no preferential claims for wages and holiday pay. Due to the level of cash in the Administration there are insufficient funds to pay a preferential dividend should a claim have been received.

Unsecured Creditors

Due to the level of realisations, and the costs of the administration, there will be insufficient funds available to enable a distribution to the unsecured creditors

Pre Pack Sale

Creditors received notification and information required under SIP 16 of the pre pack sale to A-Plas (UK) Limited in the initial letter to creditors issued on 1 March 2010, and also the same information has been provided in the Joint Administration proposals

Purpose of the Administration

Paragraph 3 of Schedule B1 to the Act provides as follows

- "3 (1) The administrator of a company must perform his functions with the objective of
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to subparagraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in subparagraph (1)(a) unless he thinks either
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in subparagraph (1)(b) would achieve a better result for the company's creditors as a whole
- (4) The administrator may perform his functions with the objective specified in subparagraph (1)(c) only if
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in subparagraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

For the reasons set out in our report, we presently consider that it is not reasonably practicable to achieve the objective specified in subparagraph 3(1)(a). This is due to the fact that the company was unable to trade through the quiet periods, and without backing from the bank, there was no possibility of recovering from the debts that had been incurred. It was also likely to be impossible, with the economic climate, that the company would be able to generate sufficient funds to enable them to pay their arrears.

Consequently it is not reasonably practicable to achieve the objective specified in subparagraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in subparagraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

This is the purpose the joint administrators feel is the most appropriate as the employees have retained employment, and therefore protected the Company and the Redundancy Payments office from significant claims for notice and redundancy pay. The customers will continue to receive warranty cover to correct any problems, and any minor repairs have been done to protect the debtor ledger from further write off.

have already been experienced. The landlord has retained a tenant and suppliers have retained a customer. Any HP Companies will also continue to receive ongoing payments and therefore minimise their losses.

Although it appears that there will not be a dividends to preferential and unsecured creditors, the Joint Administrators believe that the sale of the business has resulted in a better outcome for creditors than would have been if the Company had ceased to trade and been placed into Liquidation. The realisation of the assets has been enhanced by the sale via Administration and the continuity of trade.

Joint Administrators Remuneration

As previously reported the joint administrators' remuneration is fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*.

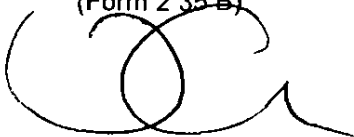
Total remuneration drawn to date amounts to £18,834. Total time spent to date on this assignment amounts to 136.70 hours at an average composite rate of £153.65 per hour resulting in total time costs to date of £21,005. As a result the time written off totals £2,171. Should the debtor receipt not be received and the vehicle compensation debt is not paid the write off will be increased by £3,341. The following further information as regards time costs and expenses is set out at Appendix 3.

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred

7. OUTCOME

As the Notice accompanying this report confirms, we think that the purpose of the administration has been sufficiently achieved and the administration is therefore concluded (Form 2.32 B).

Once registered by Companies House (which we anticipate shortly), our appointment as joint administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed dissolved at the end of the period of three months from the date of registration of the notice (Form 2.35 B).



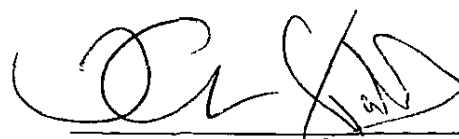
Jason Greenhalgh
Joint Administrator

Dated 23 August 2010

JOINT ADMINISTRATORS' ACCOUNT OF
RECEIPTS AND PAYMENTS, SHOWING THE
OUTCOME FOR CREDITORS AND
COMPARING IT TO THAT ORIGINALLY
ESTIMATED

A-Plas Limited
(In Administration)
Joint Administratorss' Abstract of Receipts & Payments

Statement of Affairs		From 26/02/2010 To 23/08/2010	From 26/02/2010 To 23/08/2010
ASSET REALISATIONS			
10,000 00	Plant & Machinery	10,000 00	10,000 00
1,000 00	Motor Vehicles	1,000 00	1,000 00
	Goodwill	1 00	1 00
497 00	Stock/WIP	497 00	497 00
20,387 00	Book Debts	10,743 59	10,743 59
	Business Records	1 00	1 00
	Vehicle Compensation	357 89	357 89
	Customer Contracts	1 00	1 00
	Rates Refund	379 50	379 50
	Bank Interest Gross	5 40	5 40
		<u>22,986 38</u>	<u>22,986 38</u>
COST OF REALISATIONS			
	Preparation of S of A	2,600 00	2,600 00
	Administrators Fees	18,834 68	18,834 68
	Agent Fees	915 00	915 00
	Professional Fees	400 00	400 00
	Photocopying Charges	85 50	85 50
	Statutory Advertising	151 20	151 20
		<u>(22,986 38)</u>	<u>(22,986 38)</u>
UNSECURED CREDITORS			
(149,953 00)	Trade & Expense Creditors	NIL	NIL
(23,295 00)	Barclays Bank PLC - Current Account	NIL	NIL
(28,293 00)	HM Revenue and Customs - PAYE	NIL	NIL
(18,118 00)	HM Revenue and Customs - VAT	NIL	NIL
(31,000 00)	Directors Loan Account - Shaun O'Con	NIL	NIL
(31,641 00)	Directors Loan Account - David Syddal	NIL	NIL
(21,558 00)	Alan and Patricia Jones - Shareholders	NIL	NIL
(10,830 00)	Redundancy Claim	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(282,904 00)		<u>0 00</u>	<u>0 00</u>
REPRESENTED BY			
	Vat Control Account		1,546 07
	(G&T Ainsworth) Debtor Suspense		3,000 00
	Vehicle Comp Suspense		341 32
	Suspense Account		(4,887 39)
			<u>(0.00)</u>



Paul Stanley
Joint Administrators
23 August 2010 11 08

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals approved by secured and preferential creditors.

- 1 "That the joint administrators be and they are hereby discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect² "
2. That the joint Administrators' proposals for achieving the purpose of the administration, as set out in the document entitled *The Statement of Proposals of the Joint Administrators for Achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*, be and hereby are approved
- 3 That the joint administrators' remuneration be fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration
4. That the joint administrators be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2 33 of the Insolvency Rules 1986*
5. The Administration comes to an automatic end after 12 months, being 26 February 2011. However, should we consider that we are not in a position to finalise the Administration in this timescale, the Joint Administrators are authorised Pursuant to Paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986 and Rule 2 112 of The Insolvency Rules 1986) to seek consent of creditors to extend the Administration. Therefore, if necessary -

- "The administrators' term of office be extended for a further 6 months following the anniversary of their appointment

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of [£100] (London [£150]) per meeting,
- Car mileage is charged at the rate of [40] pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows

	Standard
	1 July 2008 –
	until further notice
	Regional
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Support	100

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

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

ENGLAND AND WALES

1 Introduction

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

2 The nature of administration

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

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

or, if the administrator thinks neither of these objectives is reasonably practicable

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

3 The creditors' committee

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

4 Fixing the administrator's fees

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

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

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

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

- 4.2** If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.
- 4.3** There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

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

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

having regard to the same matters as the committee would

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

- 4.4** A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

- 5.1.1** When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on
- the nature of the approval being sought,
 - the stage during the administration of the case at which it is being sought, and
 - the size and complexity of the case.
- 5.1.2** Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.
- 5.1.3** Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on

this subject The guidance suggests the following areas of activity as a basis for the analysis of time spent

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

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

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

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

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

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

- 5 1 4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

5 2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5 1 3 Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5 1 4 above regarding work which has been sub-contracted out

5 3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for

approving his remuneration. Such expenses must be directly incurred by the administrator and must be paid to a reasonable method of calculation and allocation. (Guidance on Liquidators' Fees (E&W))

6 What if a creditor is dissatisfied?

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

7 What if the administrator is dissatisfied?

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

8 Other matters relating to fees

- 8.1** Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2** If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9 Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

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

This guide is contained within Appendix C of Statement of Insolvency Practice 9 – Remuneration of Insolvency Holders (SIP 9) effective April 2007

A-Plas Limited

Hours

Administration and planning

Investigations

Realisation of assets

Trading

Creditors

Other matters

Total hours by staff grade

Total fees drawn to date

Total fees drawn to date