

The Insolvency Act 1986

Administrator's progress report

Name of Company

2000 Construction Limited

Company number

04167966

In the
Colchester County Court

(full name of court)

Court case number
307 of 2012(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
Lee De'ath
Chantrey Vellacott DFK LLP
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Richard Toone
Chantrey Vellacott DFK
Russell Square House
10 – 12 Russell Square
London
WC1B 5LF

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

From

To

(b) Insert date

(b) 26 November 2012

(b) 25 May 2013

Signed


Joint Administrators

Dated

12/06/2013

Contact Details

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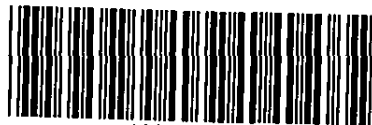
The contact information that you give will be visible to searchers of the

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DX Exchange

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IN THE COLCHESTER COUNTY COURT

NO 307 OF 2012

IN THE MATTER OF
2000 CONSTRUCTION LIMITED
IN ADMINISTRATION
("THE COMPANY")

REPORT OF THE JOINT ADMINISTRATORS
PURSUANT TO
RULE 2.47 OF THE INSOLVENCY RULES 1986 (AS AMENDED)

Chantrey Vellacott DFK LLP

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Essex
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2000 CONSTRUCTION LIMITED – IN ADMINISTRATION

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2000 CONSTRUCTION LIMITED – IN ADMINISTRATION**PROGRESS REPORT OF THE JOINT ADMINISTRATORS****12 JUNE 2013****INTRODUCTION**

I, Lee De'ath, of Chantrey Vellacott DFK LLP, Town Wall House, Balmerne Hill, Colchester, Essex, CO3 3AD, together with my partner, Richard Toone, was appointed Joint Administrator of the Company on 26 November 2012

In accordance with Rule 2 47 of The Insolvency Rules 1986 (as amended) I am pleased to present my report on the progress of the Administration

I would advise creditors that the business and assets of the Company were sold immediately following our appointment to an associated company, 2000 Plant Limited

RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Joint Administrators' Receipts and Payments for the period concerned is attached at Appendix 2

PURPOSE OF THE ADMINISTRATION

I refer to my report dated 24 December 2012 in which I set out my formal proposals for achieving the purpose of the Administration, namely realising property in order to make a distribution to one or more secured or preferential creditors

These proposals were deemed to have been approved in accordance with Insolvency Rule 2 33(5) on 9 January 2013

Set out below are details of asset realisations to date which I consider are in line with the original proposals

ASSET REALISATIONS

Details of asset recoveries to date, which should be read in conjunction with the Administrators' Receipts and Payments account at Appendix 2 are set out below

Sale of Business

The business and assets of 2000 Construction Limited were sold to 2000 Plant Limited ("2000 Plant") on a going concern basis. Full details of the terms of the sale were given in my previous reports to creditors dated 4 and 24 December 2012. The total consideration payable under the sale and purchase agreement was £70,000, split as follows

	£
Goodwill	50,000
Plant and Machinery	8,500
Furniture and Equipment	800
Stock	750
Company Vehicles	9,950
Total Consideration	<u>70,000</u>

As previously reported, full payment in respect of Goodwill was conditional on 2000 Plant obtaining the necessary novations of certain Customer contracts. Unfortunately, it was not possible to agree a novation with the two largest contractors. Therefore, under the terms of the sales contract, the Goodwill element of the consideration was reduced to £33,078, reducing the total consideration to £53,078 payable in seven monthly instalments of £7,582 55.

I can confirm that the first three instalments have been received totalling £22,748. Payment of the subsequent three instalments was due but partly offset against agreed commissions due to 2000 Plant in respect of book debt recoveries, with the net balance to be payable by 2000 Plant to the Company. Invoices have been submitted by 2000 Plant in respect of commissions due, however these have been miscalculated. Credit notes have been requested together with proposals to bring the consideration payments up to date, which is currently £12,647 in arrears, after deduction of the actual commissions due and a payment received on account.

The Administrators' Receipts and Payments account in Appendix 2 includes a receipt of £2,517 which relates to a net payment received from 2000 Plant on account of the outstanding consideration. This has been included in a Suspense Account, pending resolution of the position regarding commission payments and outstanding consideration payments.

Novated Contracts

It was agreed that existing contracts would be novated to 2000 Plant, subject to the agreement of the contractors concerned. As detailed above, it was not possible to agree a novation of the largest two contracts; however, I can report that the sum of £52,705 has been realised in relation to the novation of other contracts. No further realisations are anticipated in this regard.

Contract debts and Retentions

Acasta Consulting Limited ("Acasta") has been instructed to assist in the collection of outstanding contract debts and retentions, which were excluded from the sale of the business and other assets to 2000 Plant.

2000 Plant have also assisted in the collection of book debts, retentions and proceeds from an existing insurance claim.

Realisations of £55,109 (net of VAT) have been made to date in respect of the Company's contract debts. The remaining debts continue to be pursued by 2000 Plant and Acasta. It has been agreed that 2000 Plant's involvement in the collection of contract debts and retentions will cease from mid-June at which time the Administrators will pursue debt collection with the assistance of Acasta. A number of the remaining debtors are withholding payment claiming defect liabilities and/or right of set off which the Administrators and their agents are trying to resolve. Whilst the Administrators and their agents will make every effort to recover all sums due to the Company, based on a recent review of the ledger we anticipate further recoveries on the ledger will be between £9,000 and £37,000.

Insurance Claims

The Company has two outstanding insurance claims relating to defective work on a contract by sub contractors. These total £58,000. The director is assisting the Administrators in pursuing these claims. The claims are being reviewed and assessed by the Loss Adjustors. We anticipate that a payment on account should be made within the next three months, but this is to be confirmed. It is currently estimated that these will realise between £40,000 to £10,000 on best and worst case scenarios respectively.

Bank Interest Gross

Gross interest of £49 has been received in respect of funds held in the Joint Administrators' bank account.

DIVIDEND PROSPECTS

Secured Creditors

Barclays Bank Plc ("Barclays") has a legal charge over the director's property. This charge was registered on 6 January 2007. However, we are advised that there are no outstanding balances due to Barclays.

National Westminster Bank Plc ("Nat West") hold a Fixed and Floating charge over the Company's assets created on 14 July 2007. Based on current information there is an estimated total amount outstanding to Nat West of £99,754, before interest and charges are applied.

A Debenture was granted to FE Loan Management Limited ("FE Loan") in relation to a loan of £97,500. The charge was created on 17 August 2012 and registered on 30 August 2012. This relates to a Fixed and Floating charge over the Company's assets. There is currently an outstanding balance of £96,153 due to FE Loan, before application of interest and charges.

In the absence of a deed of priority, the order under which distribution will be made between the charges held by Nat West and FE Loan is currently being reviewed and legal advice is being sought in this regard. This could potentially impact on the allocation of potential recoveries to both secured creditors. The recoveries for both Nat West and FE Loan will be dependent on the level of realisations achieved on the collection of remaining contract debts and retentions and recoveries on the insurance

claims. However, based on present information there is no likelihood of full recovery to both creditors.

Preferential Creditors

To date preferential claims of £1,176 have been received in respect of holiday pay due to four employees. Preferential creditors' claims will be settled in full. A dividend of 100p in the pound has been declared to Preferential creditors. Payment will be forwarded to Preferential creditors under separate cover. The claims of Preferential creditors fall to be paid in full in priority to the claims of floating charge creditors and other unsecured creditors.

Prescribed Part

Pursuant to Section 176A of The Insolvency Act 1986 (as amended), a Prescribed Part of the Company's net assets should be set aside for the benefit of unsecured creditors. This reduces the funds that would otherwise be made available to any secured creditor under Floating Charges created after 15 September 2003.

In accordance with the Estimated Outcome Statement included at Appendix 3, I estimate that the net property of the Company will be between £109,000 to £62,000, subject to the best and worst case scenarios.

The Prescribed Part to be set aside for unsecured creditors is therefore currently estimated to be between £24,800 and £15,400, calculated on the following bases:

Net Property		Best Case Prescribed Part £	Worst case Prescribed Part £
50%	up to £10,000	5,000	5,000
20%	up to £600,000	19,800	10,400
		<u>24,800</u>	<u>15,400</u>

The sums available for distribution to unsecured creditors under the Prescribed Part will be subject to the costs of both adjudicating creditors' claims and dealing with the distribution itself.

Unsecured Creditors

According to the Company's books and records, unsecured creditors' claims against the Company are estimated to be £652,430. To date we have received claims totalling £404,666.

On the basis of current information, unsecured creditors will receive a distribution from Prescribed Part funds, estimated at between £24,800 and £15,400 which equates to 3.8 pence to 2.3 pence in the pound. I am unable to comment on the

likely timing as this will be dependent upon contract debt and retention collections and realisations achieved on outstanding insurance claims

COSTS OF REALISATION

Statutory advertising

Statutory advertising costs have been paid in the sum of £67

Other Costs

Isadore Goldman solicitors have been retained as legal advisors in view of their general experience and expertise in these matters. They have assisted the director in dealing with the formalities of appointment of Administrators. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Fees of £640 plus VAT have been paid during the period of this report.

In addition, Barker Gotelee solicitors have been retained as legal advisors in view of their general experience and expertise in these matters. They are advising the Administrators in relation to the order of priority between the charges held by Nat West and FE Loan. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. No fees have been paid during the period of this report. It is anticipated that their fees for an initial review of the position and advice will be in the region of £1,500 plus VAT.

Acasta Consulting Limited has been retained as agents to assist the Administrators in the collection of contract debts and retentions. The basis of their fees has been agreed on the basis of their standard commission rates, plus disbursements and VAT. To date fees of £5,000 plus VAT have been paid to Acasta in this regard.

2000 Plant have been instructed to assist with novations and the collection of contract debts and retentions in addition to assisting with the collection of the outstanding insurance claims. I have agreed their costs at 10% plus VAT of the net recoveries on novations, book debts and the insurance claims and 20% plus VAT of the net recoveries on retentions collected.

To date commission of £5,271 has been paid to 2000 Plant in respect of novations achieved. 2000 Plant have submitted further invoices totalling £16,859 plus VAT in respect of commission on contract debt and retention realisations to date. As detailed above, on reviewing the invoices received it has been noted that the commission rates charged have been misstated. Credit notes have been requested in the sum of £10,539 plus VAT in order to rectify the miscalculation.

It may be necessary in due course to employ solicitors to assist Acasta in resolving any contract disputes and/or collection of sums due.

Ashwells Nationwide Services Limited were instructed to carry out a valuation of the Company's tangible assets in order to achieve a sale of these assets at the current market rate. Fees of £2,000 plus VAT have been paid to Ashwells in this regard.

JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Authority for remuneration

As noted in my previous report, in the absence of a creditors' meeting being requisitioned and a committee formed, the Joint Administrators will seek a written resolution from the secured creditors in respect of their remuneration. We are in the process of writing to those creditors to propose that the Joint Administrators' remuneration be fixed on the basis of time properly spent by our staff and us in dealing with matters arising in respect of the Administration.

Summary of time costs and remuneration drawn

A tabulation of total time spent analysed by grade of staff is attached with this report at Appendix 4.

The Joint Administrators' total time costs up to 25 May 2013 are evaluated at £26,606 representing 120.9 hours, equating to an average hourly rate of £220.07. Disbursements totalling £258.36 (including Category 2 disbursements) have been incurred.

For the purposes of the EOS the Joint Administrators have estimated their remuneration at £40,000.

The work carried out is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature. It has been performed by the Joint Administrators, by the assignment managers and administrators. Their work has been supported by secretarial staff and the cashiers. All personnel were charged directly to the assignment for all of the time relating to the case.

No fees have been drawn in respect of the Joint Administrators' time costs to date. As referred to above, the Administrators are in the process of obtaining the required resolution in respect of remuneration.

In accordance with the Statement of Insolvency Practice 9, an explanation of Chantrey Vellacott DFK's charging and disbursement recovery policies is enclosed at Appendix 5.

A Creditors' Guide to Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at the website of the Association of Business Recovery Professionals at

<http://www.r3.org.uk/index.cfm?page=1210>

Alternatively, I can provide you with a copy on written request.

I would draw your attention to Rule 2.48A and Rule 2.109 of The Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix 6. These Rules set out the circumstances under which creditors may request further information in

relation to the Joint Administrators' remuneration and expenses and their right to challenge the Joint Administrators' remuneration and expenses

Pre Administration costs

In addition, approval will be sought from the Secured creditors for the Joint Administrators' unpaid pre administration costs being paid as an expense of the Administration. As detailed in our previous report to creditors, our total time costs incurred were £6,051 together with a Court filing fee of £30. We intend to seek the creditors' agreement to the payment of those costs.

INVESTIGATIONS

I confirm that the Joint Administrators have complied with our statutory duty in relation to the Director's conduct report which has been submitted to the Department for Business, Innovation and Skills, in accordance with the Company Directors Disqualification Act 1986. The report is confidential and accordingly I cannot disclose its content to the creditors.

As previously requested, if creditors have any information they believe should be brought to the Joint Administrators' attention, please send such details in writing.

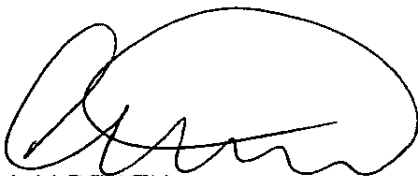
EXIT STRATEGY

As it is intended that there will be a distribution to unsecured creditors, the exit route will be via Creditors' Voluntary Liquidation in order to facilitate the distribution. In the event that asset realisations are less than anticipated or if the costs are more than anticipated resulting in no available funds for distribution to unsecured creditors, then the exit route will be via dissolution of the Company.

CONCLUSION

This report sets out the basis upon which the Joint Administrators have carried out their duties to achieve the purposes of the Administration.

Should you require any further information, in addition to that already given, please contact Julian Purser at this office on 01206 578004.



L M DEATH

Joint Administrator

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

STATUTORY INFORMATION
AND
FORM 2.24B

**2000 CONSTRUCTION LIMITED
IN ADMINISTRATION**

STATUTORY INFORMATION

i) Registered Office

The Registered Office of the Company is situated at

Town Wall House, Balcerne Hill, Colchester, Essex, CO3 3AD

Prior to the appointment of the Administrators, the Registered Office was

The Barns, Gresham Farm, Great Bromley, Colchester, Essex, CO7 7UH

ii) Company Number

The Company's registered number is 04167966

iii) Date of Incorporation

The Company was incorporated on 26 February 2001

iv) Court Proceedings

Colchester County Court No 307 of 2012

v) Other

The proceedings constitute Main Proceedings as defined in Article 3 of the EC Regulations

vi) Statement for the purpose of paragraph 100(2) of Schedule B1 to the Insolvency Act

All functions, powers and duties of the Administrators may be exercised by either of them acting jointly and severally

vii) Joint Administrators

Lee De'ath
Chantrey Vellacott DFK
Town Wall House
Balcerne Hill
Colchester
Essex
CO3 3AD

Richard Toone
Chantrey Vellacott DFK
Russell Square House
10 – 12 Russell Square
London
WC1B 5LF

Date of Appointment 26 November 2012

Details of Appointer The Director of the Company

viii) **Summary of Outstanding Registered Charges and Debentures**

Barclays Bank plc

Type	Legal Charge
Created	05/01/2007
Registered	11/01/2007
Satisfied	n/a
Detail	Freehold property known as Greshams Farm, Chapel Lane, Great Bromley, Colchester, Essex CO7 7UJ

National Westminster Bank plc

Type	Debenture
Created	14/07/2008
Registered	18/07/2008
Satisfied	n/a
Detail	Fixed and Floating charge over the undertaking and all property and assets present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery

FE Loan Management Limited

Type	Debenture
Created	17/08/2012
Registered	04/09/2012
Satisfied	n/a
Detail	Any Freehold and Leasehold property, first fixed charge all present and future plant and machinery all fixed and moveable plant and machinery tools vehicles computers office and other equipment

ix) **Details of extensions to the initial period of appointment**

No extensions have been applied for at this time

The Insolvency Act 1986

Administrator's progress report

Name of Company

2000 Construction Limited

Company number

04167966

In the
Colchester County Court

(full name of court)

Court case number
307 of 2012(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
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administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 26 November 2012

(b) 25 May 2013

Signed


Joint Administrators

Dated

12/06/2013

Contact Details

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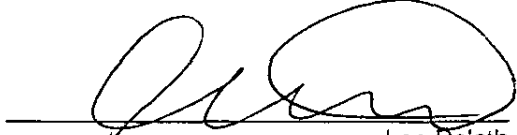
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17/06/2013
COMPANIES HOUSE

#125

2000 Construction Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

	From 26/11/2012 To 25/05/2013	From 26/11/2012 To 25/05/2013
ASSET REALISATIONS		
Goodwill	14,176 26	14,176 26
Plant & Machinery	3,642 84	3,642 84
Furniture & Equipment	342 87	342 87
Applications - Novated Contracts	52,705 39	52,705 39
Applications - Completed Contracts	55,108 55	55,108 55
Stock/WIP	321 42	321 42
Insurance Refund	NIL	NIL
Company Vehicles	4,264 26	4,264 26
Bank Interest Gross	49 06	49 06
	<u>130,610 65</u>	<u>130,610 65</u>
COST OF REALISATIONS		
Office Holders Fees	NIL	NIL
Office Holders' disbursements	NIL	NIL
Agents/Valuers Fees (1)	(7,000 00)	(7,000 00)
Agents/Valuers Fees (2)	NIL	NIL
Legal Fees (1)	(640 00)	(640 00)
Agents Commission	(5,270 54)	(5,270 54)
Statutory Advertising	(67 50)	(67 50)
	<u>(12,978 04)</u>	<u>(12,978 04)</u>
	<u><u>117,632 61</u></u>	<u><u>117,632 61</u></u>
REPRESENTED BY		
Vat Receivable		127 00
Bank 1 Current		120,023 00
Suspense Account		(2,517 39)
		<u><u>117,632 61</u></u>


 Lee De'ath
 Joint Administrator

APPENDIX 3

ESTIMATED OUTCOME STATEMENT

2000 CONSTRUCTION LIMITED

Estimated outcome statement as at 24 May 2013

		BOOK VALUE	BEST CASE		WORST CASE	
			(including realisations to date)		(including realisations to date)	
ASSETS	Notes	£ 000	£'000	£'000	£'000	£'000
Assets subject to fixed charge						
Goodwill		Nil	33		33	
Less NatWest			(83)		(83)	
Deficiency c/d			(50)		(50)	
Asset Subject to Floating Charge						
Insurance claims		58	40		10	
Applications - novated contracts		112	53		53	
Retentions and Applications -completed contracts		205	92		64	
Plant, Machinery and Equipment		84	19		19	
Stock	uncertain		1		1	
			205		147	
COST OF REALISATIONS						
Administrators' / Liquidators' remuneration			40		40	
Administrators' / Liquidators' disbursements			2		2	
Legal fees and disbursements			4		4	
Surveyors fees and debt collection			44		33	
Chattel Asset Agents			2		2	
General provision			2		2	
			(94)		(83)	
LIABILITIES						
Assets available for preferential creditors			111		64	
Preferential creditors						
Employees holiday pay			2		2	
			(2)		(2)	
Surplus as regards preferential creditors			109		62	
Less Prescribed part			(25)		(15)	
			84		47	
Floating charge creditors						
NatWest			50		50	
F E Loan Management			96		96	
			(146)		(146)	
Deficiency as regards floating charge creditors			(62)		(99)	
Prescribed Part			25		15	
Assets available for unsecured creditors			25		15	
Unsecured creditors						
Trade and expense			430		430	
HMRC - VAT			29		29	
HMRC PAYE			35		35	
Employee claims - Notice pay			16		16	
Redundancy wages			25		25	
Director's loan account			Nil		Nil	
			117		117	
			(652)		(652)	
Deficiency as regards unsecured creditors			(627)		(637)	
Deficiency as regards floating charge creditors			(62)		(99)	
Total deficiency as regards creditors			(689)		(736)	

APPENDIX 4

**SUMMARY OF JOINT ADMINISTRATORS'
TIME COSTS AND DISBURSEMENTS**

2000 CONSTRUCTION LTD ADM - 200057155

Time and Chargeout Summary for the period 26/11/2012 to 25/05/2013							
Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	9 10	3 60	11 60	11 50	35 80	7,068 50	197 44
Investigations	0 50	0 30	3 90	0 00	4 70	791 50	168 40
Realisation of Assets	4 80	11 70	9 50	0 00	26 00	6,472 50	248 94
Creditors	6 70	17 60	22 60	1 10	48 00	10,762 50	224 22
Case Specific Matters	0 00	3 60	1 30	0 00	4 90	1,135 50	231 73
Fixed Charge Matters	0 50	0 40	0 60	0 00	1 50	376 00	250 67
Total Hours	21 60	37 20	49 50	12 60	120 90	26,606 50	220 07
Total fees Claimed	7,560 00	11,000 00	6,673 50	1,373 00	26,606 50		

Category 1 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Postage	51 16
Statutory Bonding	200 00
	251 16

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Mileage	7 20
	7 20

APPENDIX 5

**CHARGE OUT RATES AND DISBURSEMENT
RECOVERY POLICIES**

CHANTREY VELLACOTT DFK LLP

CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 1 August 2011 £ per hour
Partners / Office Holders	350 - 450
Consultants	350 - 450
Directors	325 - 340
Senior Manager	300 - 315
Managers	280 - 295
Assistant Managers	260 - 275
Senior Executive	220 - 250
Executive	125 - 175
Analyst	100 - 105
Cashier	120 - 160
Secretaries and office admin support	80 - 110

Chargeout rates are normally reviewed annually on 1 July when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, storage, online reporting facilities, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate

Circulars to creditors

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT is levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

Chantrey Vellacott DFK LLP

Effective 1 August 2012

Chantrey Vellacott DFK is a limited liability partnership registered in England and Wales (NoOC313147) whose registered office is at Russell Square House, 10-12 Russell Square, London, WC1B 5LF. The term "partner" denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.

**RULE 2.48A AND 2.109
OF
THE INSOLVENCY RULES 1986 (AS AMENDED)**

2 48A and 2 109 of The Insolvency Rules 1986

2.48A Creditors' request for further information

2.48A(1) [Duty of Administrator] 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 48A(2) [Compliance by administrator] 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

2.48A(3) [Application to court by creditor] 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

2 48A(4) [Power of court to extend period] 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

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

2.109(1) [Which creditors may apply to court] 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)

2.109(1A) [Grounds for application] An 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,
- (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

2 109(1B) [Time limit for application] 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")

2.109(2) [Power of court to dismiss etc] 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

2 109(3) [Notice to administrator] 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

2.109(4) [Court order if application well-founded] 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

2.109(5) [Costs of application] 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