

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company

AAA Securities Limited

Company number

04480945

In the High Court of Justice, Chancery Division
Leeds District Registry

(full name of court)

Court case number
1446 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)

We, John Twizell
Geoffrey Martin & Co
St Andrew House
119-121 The Headrow
Leeds
LS1 5JW

James Sleight
Geoffrey Martin & Co
St Andrew House
119-121 The Headrow
Leeds
LS1 5JW

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

having been appointed administrators of AAA Securities Limited, St Andrew House, 119-121 The
Headrow, Leeds LS1 5JW

(c) Insert date of
appointment


on 4 October 2011 by Bank of Ireland UK

(d) Insert name of
applicant/appointor

hereby 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

Dated

28 March 2014

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

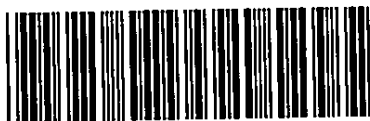
John Twizell
Geoffrey Martin & Co
St Andrew House
119-121 The Headrow
Leeds
LS1 5JW

DX Number

0113 2445141
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

SATURDAY



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29/03/2014

#355

COMPANIES HOUSE

**AAA Securities Limited
(In Administration)**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 04/10/2013 To 28/03/2014 £	From 04/10/2011 To 28/03/2014 £
RECEIPTS			
Funds from LPA Receiver		0 00	175,765 14
Bank Interest		51 84	72 19
		<u>51 84</u>	<u>175,837 33</u>
PAYMENTS			
Bank of Ireland - on Account		131,544 20	131,544 20
Specific Bond		38 00	38 00
Pre-Administration costs		0 00	1,650 00
Disbursements - Pre-Administration		4 00	4 00
Joint Administrators' Fees		10,000 00	40,000 00
Disbursements		36 20	36 20
Category 2 Disbursements		243 00	243 00
Legal Fees		2,165 00	2,165 00
Corporation Tax		17 18	17 18
VAT Irrecoverable		70 00	70 00
Statutory Advertising		69 75	69 75
		<u>144,187 33</u>	<u>175,837 33</u>
Net Receipts/(Payments)		<u>(144,135 49)</u>	<u>0 00</u>
MADE UP AS FOLLOWS			
Fixed Current A/c		(137,805 49)	0 00
VAT Receivable / (Payable)		(6,330 00)	0 00
		<u>(144,135 49)</u>	<u>0 00</u>

John Twizell
Joint Administrator



28 March 2014

To All Creditors and Members

Dear Sirs

AAA Securities Limited ("the Company") (In Administration)

I am writing to provide creditors with my final progress report following my appointment as Joint Administrator on 4 October 2011 in accordance with Rules 2.47, 2.110 and 2.118 of the Insolvency Rules 1986 ("the Rules") as amended

This report should be read in conjunction with my report dated 28 November 2011 prepared pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and my previous progress reports dated 30 April 2012, 18 October 2012, 30 April 2013 and 30 October 2013

The information that is required to be disclosed in accordance with Rule 2.47(a) to (d) of the Rules is attached at Appendix A

1. Executive summary

I have not produced estimated outcome statements throughout the Administration because I believe that to have provided estimated values for the property prior to a sale would have been prejudicial to the efforts of selling it. The Bank of Ireland UK Plc ("the Bank") has suffered a significant shortfall on its lending. There are no funds available for either preferential or unsecured creditors.

2 Administrators' proposals

My proposals for achieving the purpose of the Administration, as detailed in my report to creditors dated 28 November 2011, were deemed to be approved as no meeting of creditors was requisitioned to consider them. A further copy of those approved proposals is attached at Appendix E. There have been no major amendments to, or deviations from, these proposals during the course of the Administration.

The purpose of the Administration was to make a distribution to the secured creditor. This has been achieved.



3. Receipts and payments account

My receipts and payments accounts for the period 4 October 2013 to 28 March 2014 and cumulatively from 4 October 2011 to 28 March 2014 are attached as Appendix B

I comment below briefly on matters that have arisen during the course of the Administration and specifically on those which have arisen since my previous progress report

4. Property at Jewel House, 75-77 High Street Manchester ("the Property")

The background of the Company's purchase and renovation of the Property and the subsequent appointment of Law of Property Act Receivers ("LPARs") has been addressed in my previous reports

To summarise, my appointment as Joint Administrator was made by the Bank to protect the marketing and sale of the Property by the LPARs

The Property was sold by the LPARs on 12 July 2013. The balance of the sale proceeds arising from the sale of £175,765, after settling the LPARs' costs and repayment of the Bank's capital debt, were passed to me on 23 July 2013

I have obtained legal advice to confirm the status of the balance of sale proceeds, namely that the Bank has a valid fixed charge claim to these funds to the extent of their unpaid default interest of £1.05 million. Accordingly, after settlement of the costs and expenses of the Administration, the balance of funds of £131,544.20 has been paid to the Bank

5. Administration strategy

The main objective of the Administration was to provide assistance to the LPARs to facilitate a sale of the Property at maximum value in order to make a distribution to the secured creditor

This included liaising closely with the LPARs and providing such assistance as was required to allow them to continue with the marketing strategy, deal with various tenancy issues and complete the sale of the Property

I have also carried out all the mandatory statutory compliance and reporting functions required under the Insolvency Act and Rules

6. Corporation Tax returns

I am obliged to prepare and submit Corporation Tax returns relating to the period of Administration. These returns have been submitted and the liability of £17.18 has been paid

7. Investigations

I have submitted a confidential report to the DBIS on the conduct of the directors in accordance with the Insolvent Companies (Reports on Conduct of Directors) Rules 1996 and the Company Directors Disqualification Act 1986



I have a duty to investigate the extent of the Company's assets, including potential claims against third parties including the director and to report my findings to creditors, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised

I set out my initial assessment of the Company's circumstances and my preliminary findings in my report dated 28 November 2011

I reported that there were no areas identified that merited further investigation although I would continue to monitor the situation. That position has not changed

8. Estimated outcome for creditors

I have not produced any outcome statements during the course of the Administration as I deemed they would be prejudicial to the Bank's position

Once my solicitors had confirmed that the Bank would suffer a substantial shortfall on its lending following the sale of the Property it was apparent that there would be no funds available for the benefit of any other class of creditor. Accordingly, there is no purpose in now preparing an outcome statement

8.1 Secured creditor

The Bank is the sole secured creditor and holds security in the form of a floating charge registered on 26 August 2006, together with the fixed charge security scheduled in Appendix A

At the date of my appointment the Bank was owed approximately £2.5 million. This figure did not take into account on-going interest and charges

The Bank has been paid £131,544.20 under its fixed charge security in respect of its default interest claim of some £1.05 million. The Bank have therefore suffered a substantial shortfall on its lending

There will be no further realisations and no further distributions will be made

8.2 Preferential creditors

No preferential creditor claims were received

8.3 Prescribed Part and unsecured creditors

I was obliged to consider setting aside a proportion of funds for the benefit of unsecured creditors ("the Prescribed Part") in accordance with S176A of the Act. This was not applicable in this Administration as no funds were available to the Bank under its floating charge security

8.4 Unsecured creditors

I advised in my report prepared pursuant to Paragraph 49 dated 28 November 2011 that there was no prospect of a dividend for unsecured creditors. All available asset realisations have been applied towards defraying the costs and expenses of the Administration and making a distribution to the Bank as the secured creditor



9 Joint Administrators' final remuneration, disbursements and expenses

9.1 Basis of the Joint Administrators' remuneration and disbursements

In my report prepared pursuant to Paragraph 49 dated 28 November 2011, I set out my proposals that the basis of my remuneration and disbursements be fixed by reference to time costs properly incurred at my firm's standard charging rates and that my disbursements be drawn in line with my firm's charging and disbursements policy. These proposals were deemed approved.

However, in this case, because all the realisations were subject to the Bank's fixed charge and thus the Bank bore the costs of the Administrators, the basis, quantum and timing of the Joint Administrators' remuneration and disbursements was agreed directly with the Bank.

9.2 Remuneration charged and disbursements incurred

Details of my firm's time costs and disbursements incurred during this period and in total since my appointment are shown in Appendix C. I have provided this information in this format as required by the provisions of the Statement of Insolvency Practice 9.

9.3 Remuneration and disbursements drawn

I have drawn remuneration of £10,000 during this period and £40,000 in aggregate. I have also drawn disbursements of £263 (plus VAT) during the period and in aggregate. The balance of my firm's time costs will be written off.

All remuneration and disbursements drawn have been directly approved by the Bank.

9.4 Expenses incurred and paid

I have incurred expenses of £2,165 in the Administration and these have been paid in full in this final period. A detailed analysis of these expenses and further explanatory notes are provided in Appendix C.

9.5 Creditors' guide to fees and statement of creditors' rights

If you require further information relating to Administrators' remuneration, expenses and disbursements please see Appendix D. This appendix also gives further details of your rights as a creditor.

9.6 Pre-administration fees

The Bank authorised that I may settle pre-appointment fees of £2,900 plus disbursements and VAT as an expense of the Administration. These fees relate to advice provided by Geoffrey Martin & Co (£1,650) and Eversheds LLP (£1,250) in connection with the making of the appointment and in determining that it was reasonably likely that the purpose of the Administration would be achieved. My firm has drawn its pre-Appointment fees in the Administration. The pre-Appointment fees of Eversheds LLP were met directly by the Bank.

10 Miscellaneous

During the period covered by my report Geoffrey Martin was replaced as my Joint Administrator by James Sleight (a licenced insolvency practitioner and Director of Geoffrey Martin & Co) by operation of a block Court Order dated 13 December 2013. This was as a result of Mr Martin's intention to cease practising as an insolvency practitioner.



In addition, with effect from 1 February 2014 Geoffrey Martin & Co became the trading name of Geoffrey Martin & Co Limited, registered in England number 08867423. This information is purely for notification purposes and does not affect your rights as a creditor or the appointment of James Sleight and myself as Joint Administrators of the Company.

11 Exit from Administration

The purpose of the Administration was achieved.

My proposals provided for the exit from Administration to be by way of dissolution of the Company.

I confirm that following the filing of my Notice of Ceasing to Act by the Registrar of Companies the Company will be automatically dissolved in three months.

I have obtained the agreement of the Bank that upon the Company exiting Administration by way of dissolution that my discharge from liability shall take effect 14 days following the Company filing the Notice of moving from administration to dissolution by the Registrar of Companies.

If creditors have any queries about the contents of this report or any other matter relating to this case, please contact my colleague Mark Gledhill at the above office.

Yours faithfully
For and on behalf of
AAA Securities Limited

John Twizell

Joint Administrator
Acting as agent of the Company
and contracting without personal liability

Encs

The affairs, business and property of the Company are managed by the Joint Administrators who act as the Company's agents and without personal liability.

John Twizell is licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales.
James Sleight is licensed in the United Kingdom by the Insolvency Practitioners Association.

AAA Securities Limited (In Administration)**The statutory information of the Company.**

Details relating to the appointment of Joint Administrators of the Company is provided below

Court details:	High Court of Justice, Chancery Division, Leeds District Registry	
Court number:	1446 of 2011	
Date of appointment:	4 October 2011	
Administrators' details:	John Twizell St Andrew House 119-121 The Headrow Leeds LS1 5JW	James Sleight (from 19 December 2013) St Andrew House 119-121 The Headrow Leeds LS1 5JW
	Geoffrey Martin (to 19 December 2013) St Andrew House 119-121 The Headrow Leeds LS1 5JW	
Appointment by:	The Qualifying Floating Chargeholder of the Company in accordance with Paragraph 14 of Schedule B1 of the Insolvency Act 1986	

During the period covered by my report Geoffrey Martin was replaced as my Joint Administrator by James Sleight (a licenced insolvency practitioner and Director of the company) by operation of a block Court Order dated 13 December 2013. This was as a result of Mr Martin's intention to cease practising as an insolvency practitioner.

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Joint Administrators confirm that any act required or authorised under any enactment to be done by an Administrator may be done by either of them individually or jointly.

The EC Regulation on Insolvency Proceedings 2000 will apply as the Company's main centre of interest is in the United Kingdom. In accordance with Article 3 of these Regulations, the Administration represents main proceedings.

An extension of the administration for 12 months (being on or before 2 April 2014) was granted by the Court. This follows the extension obtained by consent of the Bank (as secured creditor) for 6 months to 3 April 2013.

The statutory information of the Company as extracted from the Company's file at Companies House is as follows:

Company number:	04480945	
Date of incorporation:	9 July 2002	
Registered office:	c/o Geoffrey Martin & Co St Andrew House 119-121 The Headrow Leeds LS1 5JW	Formerly at 320 Great Western Street Manchester Lancashire M14 4LP
Trading addresses:	Jewel House, 75-77 High Street, Manchester	
Principal activity:	Development and sale of real estate and lettings	

**Issued and called up
share capital:**

50,000 Ordinary £1 shares

Shareholder:

Manoj Kumar Aggarwal

50,000 Ordinary shares

**Directors:
(within last 3 years)**

Manoj Kumar Aggarwal

Appointed
09/07/2002

Resigned
-

**Company secretary:
(within last 3 years)**

Jacqueline Aggarwal

Appointed
09/07/2002

Resigned
02/10/2009

Charges registered:

The Governor and company of the Bank of Ireland (UK) Plc holds security in the form of a legal charge over land known as Jewel House, 75 and 77 High Street and 10 to 20 (even numbers) Thomas Street. The legal charge was created on 23 August 2006 and registered on 26 August 2006.

The Governor and company of the Bank of Ireland (UK) Plc holds security in the form of a fixed and floating debenture over the Company's property and assets. The debenture was created on 23 August 2006 and registered on 26 August 2006.

The Governor and company of the Bank of Ireland (UK) Plc holds security in the form of a security assignment. The security assignment was created on 23 August 2006 and registered on 26 August 2006.

Prior to the Bank of Ireland (UK) Plc ("BOI") being granted security the Company banked with and granted security to the Bank of Scotland ("BOS"). They held charges which are detailed below at Companies House as outstanding, however I am advised there is a deed of release from BOS given at the time of BOI entering into agreement with the Company to replace BOS. These charges should have been noted as satisfied by the director.

The Governor and company of the Bank of Scotland holds security in the form of a fixed and floating debenture over the Company's property and assets. The debenture was created on 21 November 2003 and registered on 26 November 2003.

The Governor and company of the Bank of Scotland holds security in the form of a legal charge over land known as Jewel House, 75 and 77 High Street and 10 to 20 (even numbers) Thomas Street. The legal charge was created on 21 November 2003 and registered on 26 November 2003.

The Bank of Ireland (UK) Plc have confirmed that the Bank of Scotland charges have been satisfied as part of the Company refinance. The Bank of Scotland charges have simply not been removed at the Registrar of Companies.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 04/10/2013 To 28/03/2014 £	From 04/10/2011 To 28/03/2014 £
RECEIPTS			
Funds from LPA Receiver		0 00	175,765 14
Bank Interest		51 84	72 19
		<u>51 84</u>	<u>175,837 33</u>
PAYMENTS			
Bank of Ireland - on Account		131,544 20	131,544 20
Specific Bond		38 00	38 00
Pre-Administration costs		0 00	1,650 00
Disbursements - Pre-Administration		4 00	4 00
Joint Administrators' Fees		10,000 00	40,000 00
Disbursements		36 20	36 20
Category 2 Disbursements		243 00	243 00
Legal Fees		2,165 00	2,165 00
Corporation Tax		17 18	17 18
VAT Irrecoverable		70 00	70 00
Statutory Advertising		69 75	69 75
		<u>144,187 33</u>	<u>175,837 33</u>
Net Receipts/(Payments)		<u>(144,135 49)</u>	<u>0 00</u>
MADE UP AS FOLLOWS			
Fixed Current A/c		(137,805 49)	0 00
VAT Receivable / (Payable)		(6,330 00)	0 00
		<u>(144,135 49)</u>	<u>0 00</u>

John Twizell
Joint Administrator

Case Name	AAA Securities Limited
Court and Number	Leeds District Registry No 1446 of 2011
Office Holders	John Twizell and James Sleight (formerly Geoffrey Martin)
Firm	Geoffrey Martin & Co
Address	St Andrew House, 119-121 The Headrow, Leeds, LS1 5JW
Telephone	0113 2445141
Reference	AAAS001/JT/JS/MG/VK
Type of Appointment	Administration
Date of Appointment	4 October 2011

CHARGING AND DISBURSEMENTS POLICY (Leeds Office)

Time Costs

The firm's hourly charge out rates are revised annually from 1 May. The rates currently in use are within the following bands

	£
Appointment Taker	325
Manager	220 – 285
Senior Administrator	140 – 185
Junior Administrator and Support Staff	65 – 110

Secretarial and cashiers time is charged to the case and their rates are included within the above hourly rates identified above as appropriate. Time is charged in units of 6 minutes.

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Company Searches and Identity Verifications are charged at cost.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Travelling expenses are charged at the rate of 45p per mile.

AAAS001 AAA Securities Limited

28 March 2014

SIP 9 - Time & Cost Summary

Period 04/10/13 21/03/14

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 10	0 80	2 00	7 70	10 60	1,355 00	127 83
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 10	0 00	0 00	0 00	0 10	32 50	325 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 70	5 60	17 00	0 40	23 70	4,413 50	186 22
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	0 90	6 40	19 00	8 10	34 40	5,801 00	168 63
Total Fees Claimed						10,000 00	

SIP 9 - Time & Cost Summary

Period 04/10/11 21/03/14

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	2 90	23 90	34 10	28 00	88 90	15,380 00	173 00
Investigations	0 40	5 50	5 60	0 00	11 50	2,537 50	220 65
Realisations of assets	3 50	25 60	18 30	0 40	47 80	11,209 00	234 50
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	7 10	37 40	52 90	2 50	99 90	21,163 50	211 85
Case specific matters	0 60	0 00	0 50	0 00	1 10	270 00	245 45
Total Hours	14 50	92 40	111 40	30 90	249 20	50,560 00	202 89
Total Fees Claimed						41,650 00	

AAA Securities Limited ("the Company") (In Administration)**Overview of Administrators' time spent**

I detail below the key areas of work undertaken by the Joint Administrators and their staff in respect of this matter (the list is not exhaustive)

Administration and planning

- statutory requirements imposed by the Insolvency Act and Rules 1986 and insolvency bodies

Investigations

- statutory requirements under the Company Directors' Disqualification Act 1986,
- preliminary assessment of the Company in accordance with Statement of Insolvency Practice No 2

Realisation of assets

- liaising with the Joint Fixed Charge Receivers ("LPARs") with regard to the ongoing management of the two commercial and fourteen residential properties,
- liaising with Eversheds LLP in relation to lease variation deeds,
- liaising with the Deposit Protection Service regarding the deposit monies held in respect of the tenants of the apartments,
- review of Company's VAT registration to determine position,
- liaising with the LPARs with regard to the Company's VAT issues,
- liaising with Eversheds LLP in relation to the funds available to the secured creditor

Creditors

- liaising with the Bank of Ireland (UK) Plc, the secured creditor,
- dealing with all classes of creditors, both oral and written

Other professional costs of the administration

The Joint Administrators have incurred administration expenses in connection with the instruction of the following parties -

Expense/Activity	Service Provider	Basis of selection	Basis of charging
Legal advice	Eversheds LLP	Insolvency experience	Times costs

Details of expenses incurred and paid during the period of this report are as follows -

Expense	Incurred in the period	Paid in the period	Incurred during the Administration	Paid during the Administration
	£	£	£	£
Legal fees & disbs	2,165 00	2,165 00	3,850 00	2,165 00
Total			3,850.00	2,165.00

The balance of the legal fees incurred by Eversheds which were not paid by the Administration were paid directly by the secured creditor

Category 1 disbursements

Details of Category 1 disbursements incurred and paid during the Administration to date are as follows -

Expense	Incurred in the period	Paid in period	Incurred during the Administration	Paid during the Administration
	£	£	£	£
Specific bond	8 00	38 00	38 00	38 00
Re-direction of mail	-	27 20	27 20	27 20
Search fees	-	9 00	9 00	9 00
Advertising	-	69 75	69 75	69 75
Total	8.00	143.95	143.95	143.95

Category 1 disbursements comprise specific expenditure which relates to the Administration and which are paid to an independent third party

Category 2 disbursements

Details of Category 2 disbursements incurred and paid during the Administration to date are as follows -

Expense	Incurred in the period	Paid in period	Incurred during the Administration	Paid during the Administration
Postage & stationary	54 00	243 00	243 00	243 00
Total	54.00	243.00	243.00	243.00

Category 2 disbursements include elements of shared or allocated costs. Details of how these costs are calculated are noted at Appendix C

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

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

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following 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. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.

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 fixing bases of remuneration

- 7 1 1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.
- 7 1 2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.
- 7 1 3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff.
- 7 1 4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7 2 After the bases of remuneration have been fixed

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8 1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8 1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average Charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7 3 Disbursements and other expenses

- 7 3 1 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the administration and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the administrator or his or her staff.
- Category 2 disbursements. These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made.

- 7 3 2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

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 1 November 2011

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case,
- any exceptional responsibility falling on the administrator,
- the administrator's effectiveness,
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration,
- 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,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case.

The following areas of activity are suggested 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 level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted

Joint Administrators' proposals

AAA Securities Limited ("the Company") (In Administration)

Statement of the Joint Administrators' proposals under Paragraph 49 of Schedule B1 to the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 ("the Act") and Rule 2.33(1) of the Insolvency (Amendment) Rules 1986 ("the Rules"), John Twizell and Geoffrey Martin, the Joint Administrators of the Company ("the Joint Administrators"), make the following proposals for achieving the purposes of the Administration, following their appointment on 4 October 2011, to the creditors of the Company for consideration and, if thought fit, approval

In accordance with Paragraph 52(1)(b) of the Act the Joint Administrators do not intend to convene an initial meeting of creditors as they think that the Company has insufficient property to enable a distribution to be made to unsecured creditors

The Joint Administrators shall, however, summon an initial meeting of creditors in accordance with Paragraph 52(2) of the Act if requested by creditors whose debts amount to at least 10% of the total debts of the Company. Any such request should be made in accordance with Rule 2.37 of the Rules and made within eight business days of the date on which these proposals were sent out

In accordance with Rule 2.33(5) of the Rules the following proposals will be deemed to have been approved by creditors if no meeting has been requisitioned by creditors within the above timescale

Proposals

The Joint Administrators propose that

- (1) They continue to manage the business, affairs and property of the Company in order to achieve the following purposes of Administration
 - namely realising property in order to make a distribution to secured or preferential creditors
- (2) They continue to take any action they consider expedient with a view to achieving the purposes of administration detailed at (1) and in particular that
 - (i) they continue to review the options available to the Company with regard to the most advantageous route for disposal of the Property,
 - (ii) they continue to allow the Company's LPA Receivers ("LPA Rs") to manage and market the Property and complete the sale thereof on the basis of recommendations from the LPA Rs and with due consideration to the interests of the Bank of Ireland (UK) plc (who hold fixed charges on the Property),
 - (iii) they will do all such things they may consider expedient with a view to enhancing the value of the Company's property prior to realisation,
 - (iv) that they do all such things they may consider expedient with a view to enhancing or preserving the value of the Company's assets prior to realisation, and
 - (v) at their sole discretion, but taking account of any secured creditors' position, they be authorised to dispose of the Company's ownership of its remaining assets on such terms and to such parties as they consider expedient
- (3) They be authorised to make a distribution to preferential creditors and floating charge holders, if and as appropriate

- (4) They seek an extension of the Administration period if deemed necessary by the Joint Administrators
- (5) They be authorised to apply to Court under Paragraph 65(3) of Schedule B1 of the Act to request permission to make distributions to unsecured creditors of the Company during the Administration, if, at the Joint Administrators' sole discretion, they consider it expedient to do so
- (6) Alternatively, in the event that the Joint Administrators think a distribution will be made to unsecured creditors, the Joint Administrators propose that either one or both of them (at their discretion) be appointed as liquidator(s) in accordance with Paragraph 83(7) of the Act and Rule 2.117(3) of the Rules. Alternatively, creditors may nominate a different person as proposed liquidator, provided that the nomination is made after the receipt of these proposals and before creditors have approved these proposals
- (7) In the event that the Joint Administrators conclude that the Company has no property to permit any or a further distribution to unsecured creditors, they shall send a notice in accordance with Paragraph 84 of the Act. Thereafter the Joint Administrators' appointment shall cease to have effect, and the Joint Administrators will be discharged from liability at that time. The effect of this is that the Company would eventually be dissolved without any formal liquidation
- (8) The Joint Administrators' remuneration be fixed by reference to the time properly incurred by them and their staff based on their firm's charging policy in attending to matters arising in the Administration (see Appendix F). The Joint Administrators be authorised to draw their remuneration from time to time during the period of the Administration without further recourse to creditors, as and when funds allow. The Joint Administrators will incur, and be authorised to pay as an expense of the Administration, professional fees they consider to be incidental to the achievement of the proposals outlined above or their statutory duties as and when funds allow
- (9) The Joint Administrators be authorised to draw a disbursements charge relating to the recovery of overhead costs in accordance with their firm's current disbursements policy (Appendix F)
- (10) With the acceptance of these proposals creditors confirm that upon discharge of the Administration by way of whichever route applicable, as set out between Paragraph 76 to 84 of Schedule B1 to the Act, that the Joint Administrators are discharged from all liability incurred in respect of the Administration pursuant to Paragraph 98 of Schedule B1 of the Act. (Please note this request will also be made to the secured creditor)
- (11) In addition, they do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve a purpose of the Administration or protect and preserve the assets of the Company or maximise realisations of those assets, or for any other purpose incidental to these proposals. Without limitation to the general powers of the Joint Administrators, they shall have the power and discretion to compromise claims if, in their opinion, it is beneficial to the achievement of the proposals outlined above to do so

John Twizell and Geoffrey Martin
Joint Administrators of AAA Securities Limited