

## The Insolvency Act 1986

Statement of administrator's  
proposals

2.17B

Name of Company Acacia Timber Construction Limited	Company number 05137992
In the High Court of Justice Chancery Division, Leeds District Registry (full name of court)	Court case number 1655 of 2008

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

I (a) Jeremy Nicholas Bleazard  
XL Business Solutions  
1<sup>st</sup> Floor  
2-4 Market Street  
Cleckheaton  
BD19 5AJ

\* Delete as applicable

attach a copy of my proposals in respect of the administration of the above company.

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

(b) Insert date

(b) 15 December 2008

Signed

Administrator(s)

Dated 15 December 2008

## 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

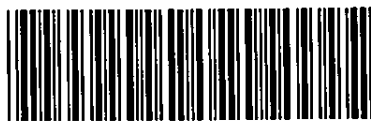
XL Business Solutions	
1 <sup>st</sup> Floor 2-4 Market St	
CLECKHEATON BD19 5AJ	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ  
Cardiff

DX 33050

FRIDAY



\*AXV025S1\*

A47

19/12/2008

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COMPANIES HOUSE

**Acacia Timber Construction Limited (In Administration)****In the Leeds District Registry****Company Number: 05137992****Court Case Number: 1655 of 2008****NOTICE OF A MEETING OF CREDITORS**

Notice is hereby given by Jeremy Nicholas Bleazard, who is licensed by the Insolvency practitioners Association, the Administrator, that a meeting of creditors of Acacia Timber Construction Limited (In Administration) ("the Company"), registered office at 1<sup>st</sup> Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ, is to be held as follows:

**Venue:** 1<sup>st</sup> Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ

**Date:** 29 December 2008

**Time:** 10.15 am

The meeting is an initial creditors meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986. \*\*

- (1) To consider, and if thought fit, to approve the Statement of Proposals as Administrator under paragraph 49 of the Schedule.
- (2) To consider whether or not to establish a creditors' committee.
- (3) To authorise the Administrators remuneration.
- (4) Any other business.

The Administrator invites you to attend this meeting. The proxy form should be completed and returned to XL Business Solutions, 1<sup>st</sup> Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ by 12.00 noon on the business day prior to the meeting, if you cannot attend the meeting and wish to be represented. In order to be entitled to vote at the meeting under Rule 2.38 of the Insolvency (Amendment) Rules 2003, you must give details in writing of your claim. A Proof of Debt form is enclosed for this purpose and should be completed and sent to the offices of XL Business Solutions, no later than 12.00 noon on the business day prior to the meeting.



**J N Bleazard**  
Administrator

15 December 2008

A copy of the Administrators proposals are attached



**Acacia Timber Construction Limited  
– In Administration  
Company Number: 05137992**

**Administrator's Proposals**

# **Acacia Timber Construction Limited – In Administration (the Company)**

## **Administrator's Proposals**

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- A Receipts and Payments Account from 21 October 2008 to 15 December 2008
- B Summary of the Estimated Financial Position of the Company as at 15 December 2008.
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- D Time Analysis for the period 21 October 2008 to 15 December 2008
- E A Creditors' Guide to Administrators' Fees
- F Additional Information in relation to Administrators' fees pursuant to Statement of Insolvency Practice No 9

## 1 Statutory Information

- 1.1 The Company's registered number is 05137992
- 1.2 The former trading address of the Company was Unit 1 & 2, Chapel Hill, Huddersfield, HD1 3EH.
- 1.3 The registered office of the company has been changed to c/o XL Business Solutions Limited, 1<sup>st</sup> Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ.
- 1.4 Details of the Company's directors over the past three years are detailed overleaf together with details of the Company's shareholders

Director	Date appointed	Date resigned	Shares
Jonathan McMullon	26/05/2004		100
Julie McMullon	20/11/07	17/06/2008	100
Secretary	Date appointed	Date resigned	

## 2 Background to the Administration

- 2.1 The company was incorporated on 26 May 2004 and the principal activity of the company was manufacturing wood products.
- 2.2 The company commenced to trade and initially did well securing a number of contracts.
- 2.3 The company continued to grow and secured larger contracts making timber frames for buildings. The director managed to tender and win contracts for Travelodge Hotels amongst others.
- 2.4 The company undertook 3 contracts, however, in excess of £86,000 was held back by the developer. The company tried to recover these monies but was unsuccessful in doing so. This had a major impact on the company's cash flow.
- 2.5 To add to the company's problems the current economic downturn began to take effect with a number of contracts being delayed or shelved entirely.
- 2.6 This caused further cash flow problems for the company. The director made a number of staff redundant in an attempt to reduce overheads. In addition, he tried to secure further works but sufficient could not be obtained.
- 2.7 The director of the company decided to place it into Administration.
- 2.8 As a result, Jeremy Nicholas Bleazard was appointed Administrator of the Company on 21 October 2008.
- 2.9 The application for the appointment of an Administrator was made by the director.

- 2.6 Jeremy Nicholas Bleazard, is licensed to act as an Insolvency Practitioner by the Insolvency Practitioners' Association.
- 2.7 The Court reference number is 1655 of 2008.
- 2.8 The Company's main centre of operations is based in the United Kingdom. The EC Regulations on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of those Regulations.
- 2.9 The Administrator of the Company must perform his functions with the purpose of achieving the following objective:
- Rescuing the Company as a going concern; or
  - 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
  - Realising property in order to make a distribution to one or more secured or preferential creditors.

Further information on the pursuance of the above objective is detailed in the next section.

### **3 Administration strategy**

#### Initial Actions

- 3.1 The company was placed into Administration in order to complete the work in progress. A decision was taken to trade the company on in Administration for a short period of time to finalise the outstanding contracts
- 3.2 Following the appointment, it quickly became apparent that no further work could be done on 1 of the sites, as the main contractor was unwilling to pay for future work, as he believed he had overpaid on the contract.
- 3.3 The other contract was finalised over the week following the Administration appointment, resulting in further realisations of £16,000

### **4 Assets**

#### Book Debts

- 4.1 The company's records indicate £132,070 is due to the company. Included in this figure is £86,070, which was held back by the main contractors. The company had instructed Adjudicators to assist in the collection of 1 of these debts. Following my appointment, I have instructed solicitors to collect all of these debts.

#### Retentions

- 4.2 The company are owed 3 retention payments totalling £25,528. I have been notified that 1 of these will not be paid. The remaining 2 are not yet due.

#### VAT Refund

- 4.3 The company submitted a VAT return prior to my appointment indicating a VAT refund was due. Subsequently, HM Revenue & Customs have inspected the records of the company and have raised a number of queries. At present, they are indicating no refund will be made.

#### Plant & Machinery

- 4.4 Upon my appointment, I instructed Walker Singleton to realise the company's chattel assets. These assets have been sold by tender auction. At present, my agent is holding the proceeds of sale.

#### Cash at Bank

- 4.5 Immediately prior to my appointment, a debtor paid an outstanding debt due to the company. I have realised the cash at bank of £24,550.98

### **5 Administrator's receipts and payments**

- 5.1 A summary of receipts and payments for the Administration period from the date of the Administrator's appointment to 21 October 2008 is attached as Appendix A.

### **6 Financial position of the Company**

- 6.1 A Statement of the Company's Affairs has been requested from Mr J McMullon on 22 October 2008. To date, these have not been received.
- 6.2 Attached, as Appendix B is a summary of the Estimated Financial Position of the Company as at 21 October 2008, together with a list of creditors and details of security held by them.

### **7 Administrator's remuneration**

- 7.1 It is proposed that the remuneration of the Administrator will be fixed by reference to time spent by him and his staff in managing the Administration, in accordance with the Statement of Insolvency Practice No.9 issued by the Association of Business Recovery Professionals. A copy of the Creditors' Guide to Administrators' Fees is attached as Appendix E.
- 7.2 The Administrators time costs at 15 December 2008 are £13,962. I have attached as Appendix D a Time Analysis in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade to the above date. I propose drawing fees in accordance with the proposals outlined in section 10.
- 7.3 In addition, disbursements of £230.80 have been incurred by this firm when handling this matter. The disbursements remain outstanding. A summary of these disbursements is as follows
- |                      |         |
|----------------------|---------|
| Bordereau            | £125.00 |
| Mileage @ 40p / mile | £100.80 |
| Company Search       | £ 5.00  |
- 7.4 Attached is additional information in relation to our policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.
- 7.5 The majority of time has been spent on the statutory administration and general administration of the case.

### **8 Estimated outcome**

- 8.1 An estimate of the outcome of the Administration as at 21 October 2008 is shown as appendix C.
- 7.2 There are no secured creditors in this matter.
- 7.3 I have received a number of claims from the ex employees in respect of outstanding wages and accrued holiday pay. These claims have been forwarded to the Insolvency Service for processing. The Insolvency Service would then have a claim which will rank preferentially. I am waiting for the final claim, however, it is anticipated that this claim would be approximately £10,000.

7.4 Based on the directors' Estimated Financial Position of the Company the level of unsecured creditors is £366,770.56.

7.5 As can be seen from the estimated outcome statement referred to above a dividend to creditors is dependent on further book debt realisations and any realisations made from the VAT refund

**9 Next report**

9.1 The Administrator is required to provide a progress report within one month of the end of the first six months of the Administration.

**10 Meeting of creditors**

9.1 An initial meeting of the Company's creditors is being convened to approve the Administrators proposals. The meeting is to be held on 29 December 2008 at 10.00am at the offices of XL Business Solutions Limited, 1<sup>st</sup> Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ.

**11 Proposals**

11.1 It is proposed that the Administrator continues to manage the affairs of the Company in order to achieve the purpose of the Administration. In the circumstances it is proposed that:-

11.2 The Administrator do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

11.3 That the creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction any proposed act on the part of the Administrator without the need to report back to a further meeting of creditors generally, to include making any decision about the most appropriate exit route from the Administration.

11.4 Under Rule 2.106 of the Insolvency (Amendments) Rules 2003, and in the absence of a Creditors' Committee, the remuneration of the Administrator be fixed by reference to time properly given by him and his staff in attending to matters arising from the Administration.

11.5 In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals the Administrator is authorised to draw remuneration as and when funds are available on account of his time costs. A creditors' guide to fees is attached.

11.6 When all assets have been realised, and if there are no funds available to enable a distribution to the unsecured creditors, I propose filing a notice pursuant to part 84 of Schedule B1 together with my final progress report at Court and with the Registrar of Companies for the dissolution of the Company. I shall send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Register of Companies.

10.7 If sufficient funds become or likely to become available to enable a distribution to unsecured creditors to take the necessary steps to put the Company into creditors' voluntary liquidation;

10.8 If creditors' voluntary liquidation is deemed appropriate, the Administrator be permitted to seek the appointment of J N Bleazard as liquidator of Acacia Timber Construction Limited without any



further recourse to creditors. In accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved;

- 10.9 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrators' ceasing to have effect.

Should you require any further information relating to this report please do not hesitate to contact me.

For and on behalf of  
Acacia Timber Construction Limited



**J N Bleazard**  
Administrator

**Acacia Timber Construction Limited**  
**(In Administration)**

**Summary of Receipts & Payments**  
**21 October 2008 to 15 December 2008**

<b>RECEIPTS</b>	<b>Total (£)</b>
Insurance Refund	1,203.00
Cash at Bank	24,550.98
CITB Refund	8,320.31
	<hr/>
	<b>34,074.29</b>
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<b>PAYMENTS</b>	
Indirect Labour	1,050.00
Statutory Advertising	118.30
Vat Receivable	20.71
	<hr/>
	<b>1,189.01</b>
<b>Balance In Hand</b>	<b>32,885.28</b>
	<hr/>
	<b>34,074.29</b>
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**Acacia Timber Construction Limited  
(In Administration)**

**Estimated Final Position  
At 21 October 2008**

	<u>Book Value</u> £	<u>Realised/ Estimated to Realise</u> £
<b><u>Assets</u></b>		
Book Debts	132,070	66,000
Retentions	25,528	10,000
VAT Refund	29,400	-
Plant & Machinery	20,000	7,500
Cash at Bank	24,550	24,550
 Assets available for Preferential Creditors		 108,050
 Less Preferential Creditors		 10,000
 Available to Floating Charge Creditor		 98,050
 Less Floating Charge Creditor		 -
 Available to non preferential creditors		 98,050
 Non Preferential Creditors		
 Trade and Expense		 366,770
 <b>Anticipated Deficit</b>		 <b>268,720</b>

Key	Name	Address	
CA00	Acorn Business Machine	Unit 4, Crossley Mills, New Mill Road, Honley, Holmfirth, HD9 6QB	39.79
CA01	A. C. Roof Trusses Ltd	c/o Emrys Jones & Co, 8 Broad Street, Welshpool, Powys, SY21 7RZ	36,342.53
CA02	Advanced Fasteners Ltd	Unit 15B, Station Road Industrial Est, Tadcaster, N Yorkshire, LS24 9SG	6,787.50
CA03	AGC Tools & Fixings	99-103 Lockwood Road, Huddersfield, West Yorkshire, HD1 3QU	693.25
CA04	Armstrong Enviro Service	Market House, Listley Street, Bridgnorth, Shropshire, WV14 4AW	270.26
CA05	Andy Collett Associates	Unit 6, Low Moor Business Park, Common Road, Low Moor, Bradford, BD12 0NB	293.75
CA06	Alan Price Woodworking Mach Ltd	8 Ivy Side Close, Killamarsh, Sheffield, S21 1JT	252.62
CA07	A M Times Services	3 West Bar, Banbury, OX16 9SD	91.65
CA08	Always Associates	Vine Industrial Estate, Eiland Road, Brookfoot, Brighouse, HD6 2QS	0.00
CB00	Bapp Industrial Supplies (Hudds)	Newtown House, Honley, Holmfirth, HD9 6PQ	304.70
CB01	Barrett Business Machines Ltd	Bridge Works, Woodhead Road, Honley, Holmfirth, HD9 6PW	120.88
CB02	Bronie Natural Spring Water Ltd	Processing Centre, Durham, DH98 1BT	151.58
CB03	BT	4 Peelwood Grove, Atherton, Manchester, M46 9GQ	246.75
CB04	BE Fuelcards Ltd	Athena Drive, Tacbrook Park, Warwick, CV34 6RL	240.48
CC00	Croft Timber Frame Ltd	Reprographic House, Canal Road, Armley, Leeds, LS12 2ND	8,167.50
CC01	Calor Gas Ltd	Unit 1/4, Tanyard Industrial Estate, Tanyard Road, Milnsbridge, Huddersfield HD3 4NB	231.40
CC02	C.D.S (Yorks) Ltd	Albion Road, Carlton Industrial Est, Carlton, Barnsley, S71 3HW	67.89
CC03	Cleartask Ltd	Unit 1a Simpson Buildings, Borough Road, Richmond, North Yorkshire, DL10 4XA	128.20
CC04	Constructional Timber (MFG) Ltd	Arches Street, Halifax, West Yorkshire, HX1 2SY	2,318.07
CC05	Comforth Construction Ltd	1 Wilkinston Road, Love Lane Industrial Est, Cirencester, Gloucestershire, GL7 1WH	2,937.50
CC06	Cottrells Business Supplies Ltd	1 Wheatstone Place, Southfield Industrial Est, Glenrothes, Fife, FY6 2SW	39.25
CC07	Crown Timber Plc	65-81 St Petersgate, Stockport, Cheshire, SK1 1DS	29,440.23
CC08	Cullen Building Products	St Andrew Road, Aspley, Huddersfield, West Yorkshire, HD1 6RZ	1,632.74
CC09	Close Invoice Finance	Dyson House, Armytage Road, Brighouse, West Yorkshire, HD6 1PT	0.00
CD00	Danlett Ltd	Woodlands, 234 Harden Road, Harden, Bingley, BD16 1HT	120.96
CD01	Distinct Disposables Ltd	14 High Street, Huddersfield, West Yorkshire, HD1 2HZ	149.22
CD02	Dyson Insulations Ltd	Unit 5, 181 Victoria Road, Huddersfield, West Yorkshire, HD1 3TT	5,972.56
CD03	Dennis Price Woodworking Machinery Ltd	29 Alder Street, Huddersfield, West Yorkshire, HD1 6LD	0.00
CE00	Eaton Smith	Enterprise Works, Long Lane, Honley, Holmfirth, HD9 6EA	658.00
CE01	EDS Haulage	6 Queensgate, Huddersfield, HD1 2RD	264.38
CE02	Ell Forktrucks Ltd	Unit G, Hoyle Head Mills, New Street, Earlsheaton, Dewsbury, WF12 8JJ	426.21
CE03	Enterprise Print Ltd	c/o Euler Hermes UK Plc, 1 Canada Street, London, E14 5DX	29.38
CE04	Eurisp Ltd	Hinbros House, Scout Hill Terrace, Scout Hill, Dewsbury, WF13 3RE	136.30
CF00	F.C.P. Mechanical Handling	317 Stainland Road, Stainland, Halifax, HX4 9EH	372.95
CF01	FGF Ltd	Unit 10, Darton Business Centre, Bamsley Road, Darton, Barnsley, S75 5QX	10,279.84
CF02	Forge Plant Ltd		974.31
CF03	Frame Tech Ltd		26,495.00
CF04	Frame -Tech Structures Ltd		834.25

Signature

Date

**Key Name****Address**

CF05	F.P. Hertling & Sons plc	Fredrick House, 25 Armstrong Way, Great Western Ind Park, Southall, Middlesex UB2 4SD	289.81
CG00	G & M Safety Netting Ltd	Bridge Farm, Tetton Lane, Moston, Middleswich, CW10 0HH	2,438.13
CH00	Hall & Rhodes Security Ltd	138 Blackmoorfoot Road, Crosland Moor, Huddersfield, West Yorkshire, HD4 5RL	150.40
CH01	Holbrook Timber Frame Ltd	Abergarw Trading Estate, Brynmryn, Bridgend, Mid Glamorgan, CF32 9LW	14,450.93
CH02	Huddersfield Joinery Ltd	Unit 2, Brookholes Industrial Park, Brockholes, Holmfirth, West Yorkshire, HD9 7BN	2,149.08
CH03	HM Revenue & Customs	Debt Enforcement & Insolvency, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	0.00
CI00	Independent Electrical Services	53 Lockwood Road, Lockwood, Huddersfield, HD1 3PL	26.84
CI01	Industrias Ponsa SA	C/Sallent, 64-22 (Pl'Es Dolors), 08243 Manresa, Barcelona, Spain	1,244.83
CI02	Iridex Eng. Co. Ltd	Priestroyd Works, Firth Street, Huddersfield, Yorkshire, HD1 3BD	569.88
CJ00	J.B. Deveson	Carsingdale House, Hognaston, Ashbourne, Derbyshire, DE6 1PW	255.00
CJ01	Jacemast Structure Clad Ltd	Colnebridge Road, Bradley, Huddersfield, HD5 0RH	142.18
CJ02	J.P. Smith & Sons Ltd	Aston Road, Wem, Shropshire, SY4 5JF	634.50
CL00	Louis France Ltd	Firth Street Works, Firth Street, Huddersfield, West Yorkshire, HD1 3BD	510.10
CL01	Ladybird Crane Hire	Ladybird Barn, Old Burcot Lane, Bronsgrave, Worcestershire, B60 1PH	16,650.12
CL02	Lathams Ltd	Queen Street, Derby, DE1 3SU	1,982.81
CL03	Lawton Electrical Ltd	Knowle Lane, Meltham, Huddersfield, HD9 4DS	212.97
CL04	Leitz Tooling UK Ltd	Unit 4 Evans Business Centre, Albion Park, Albion Way, Leeds, LS12 2EU	1,195.92
CM00	McMillan Scott plc	Trelawney House, Chestergate, Macclesfield, Cheshire, SK11 6DW	587.50
CM01	Multiform Ltd	Unit M, Moordale Trading Est, Skipton Road, Cross Hills, BD20 7DS	5,377.99
CM02	MYCCI	Commerce House, Wakefield Road, Aspley, Huddersfield, HD5 9AA	151.58
CN00	N.D. Crossfield	Station House, Hazlehead, Barnsley, South Yorkshire, S38 4HJ	43,918.68
CN01	NR Joinery Services Ltd	163 Dewthirst Road, Rochdale, OL12 9TW	16,413.14
CO00	Osbourne Motor Transport Ltd	Commercial Road, South Shields, Tyne & Wear, NE33 1RQ	822.50
CP00	Pennine Pneumatic Services	5-7 Mount Pellon Works, Pellon New Road, Halifax, HX1 4UB	2,350.00
CP01	PPM Construction Services	1 Nuffield Close, Heaton, Bolton, BL1 5GY	10,000.00
CP02	Premier Forest Products Ltd	West Way Road, Alexandra Dock, Newport, NP20 2PQ	14,622.84
CR00	Rapide Hire Centres	1 Leeds Road, Huddersfield, HD1 6DG	3,991.15
CR01	Rushmoor Engineering Services	Sandy Farm Business Centre, The Sands, Farnham, Surrey, GU10 1PX	2,408.75
CS00	Sean Hogan	27 Doris Avenue, Tonge Park, Bolton, BL2 6DB	700.00
CS01	Stephen J Kerr	1 Henry Street, Brighouse, HD6 2BL	75.00
CS02	Scientific Lubricants Ltd	Glendene Works, Outlane, Huddersfield, HD3 3YW	326.91
CS03	Sellers Engineers Ltd	Chapel Hill, Huddersfield, Yorkshire, HD1 3EH	7,788.02
CS04	Simpson Strong-tie	Winchester Road, Cardinal Point, Tamworth, B78 3HG	2,373.78
CS05	Silestream Software Ltd	St Stephens House, Dogflud Way, Farnham, GU9 7UT	1,651.88
CS06	Speedy Hire Centres (Northern) Ltd	Lakeside Building, Alexandra Park, Prescott Road, St Helens, WA10 3TP	142.49
CS07	S.G. Ker (Service Engineer)	1 Henry Street, Brighouse, West Yorkshire, HD6 2BL	0.00
CT00	Thomas Armstrong (Timber) Ltd	Workington Road, Flimby, Maryport, CA15 8RY	10,245.43
CT01	Tom Moorhouse & Son Ltd	Central Garage, Honley, Holmfirth, HD9 6AE	14,236.31

Signature

Date

Key		Name		Address		£	
CT02	The Palmer Partnership Ltd	Acacia Timber Construction Limited		The Zethus Centre, Oakfield Lane Campus, Oakfield Lane, Dartford, DA1 2SZ		987.00	
CT03	Thorite	B Company Creditors		Thorite House, Laisterdyke, Bradford, BD4 8BZ		111.62	
CT04	Timberform			Unit 8 Spring Mill, Moor Street, Heywood, Rochdale, OL10 3DD		1,131.88	
CT05	Timber Specialists (Huddersfield)			Unit 4 Littleroyd Bus Park, Queens Mill Road, Huddersfield, HD1 3RR		5,480.10	
CT06	Time Systems			201 Broadgate Lane, Horsforth, Leeds, LS18 5BS		168.03	
CT07	Truss Systems Ltd			Unit 2A, Bedewell Ind Est, Hebburn, Tyne & Wear, NE31 2XQ		17,849.47	
CT08	Tekton Group Ltd			First Floor, St Stephens House, Dogflud Way, Farnham, Surrey, GU9 7UT		0.00	
CV00	Vertex Systems UK			Windsor House, Cornwall Road, Harrogate, HG1 2PW		2,150.25	
CV01	Vivant Consultants Engineering Ltd			27-31 Knight Business Centre, East Barnett, Barnet, EN4 8RN		4,794.00	
CV02	VSA Products Ltd			Rollsby Road, Hardwick Trading Est, Kings Lynn, Norfolk, PE30 4JS		770.02	
CW00	Walshaw Buildings Ltd			Dunscar Works, Blackburn Road, Egerton, Bolton, BL7 9PQ		403.04	
CW01	Warren Insulation			Credit Control, PO Box 1480, Sheffield, S6 2YB		7,751.80	
CX00	XL Packaging Supplies			205 Waterside, The Melling Point, Firth Street, Huddersfield, HD1 3DN		109.75	
CY00	Young Black Industrial Stapling Ltd			Thistle House, Railway Road, Britannia Business Park, Swindon, SN3 4ND		6,335.10	
CZ00	Zero-In Couriers			Vanguard House, 552 Leeds Road, Huddersfield, HD2 1YU		129.25	

91 Entries Totalling

368,770.56

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Acacia Timber Construction Limited  
(In Administration)**

**Estimated Outcome Statement  
At 15 December 2008**

	<u>Realised to Date</u>	<u>Total to be</u>	
	<u>£</u>	<u>Realised</u>	
		<u>£</u>	
<b><u>Assets</u></b>			
Book Debts		66,000	
Retentions	-	10,000	
Plant & Machinery	-	7,500	
VAT refund	-	-	
Cash at bank	24,550	24,550	
	<b>24,550</b>		<b>108,050</b>
 <b><u>Administration Expenses</u></b>			
Administrators Fees to date		13,962	
Administrators costs to completion		10,000	
Agents fees		2,500	
Solicitors Fees		10,000	
Statutory Expenses		400	
			<b>36,862</b>
Assets available for Preferential Creditors			71,188
Less Preferential Creditors		-	10,000
Available to Floating Charge Creditor			61,188
Less Floating Charge Creditor			-
Available to non preferential creditors			61,188
Non Preferential Creditors			
Trade and Expense			366,770
			<hr/>
			<b>305,582</b> <hr/>

## Acacia Timber Construction Limited

### SIP 9 - Time & Cost Summary

Period: 21/10/08..15/12/08

#### Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	9.50	0.00	2.10	0.00	11.60	1,962.00	169.14
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	28.00	0.00	0.50	0.00	28.50	5,100.00	178.95
Trading	10.50	0.00	0.00	0.00	10.50	1,890.00	180.00
Creditors	16.50	0.00	17.00	0.00	33.50	5,010.00	149.55
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>64.50</b>	<b>0.00</b>	<b>19.60</b>	<b>0.00</b>	<b>84.10</b>	<b>13,962.00</b>	<b>166.02</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	



## **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 and explains the basis on which fees are fixed.

#### **The nature of Administration**

- 1.2 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court in order to achieve one or more of the following statutory purposes:
- Rescuing the Company as a going concern; or
- 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
- Realising property in order to make a distribution to one or more secured or preferential creditors.
- Administration may be followed by a company voluntary arrangement, liquidation, dissolution or survival of the Company.

#### **The Creditors' Committee**

- 1.3 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 established at the meeting of creditors, which the administrator is required to hold within 10 weeks of the commencement of the administration to consider his proposals (subject to certain conditions). 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 the power to summon the administrator to attend before it and provide such information as it may require.

#### **Fixing the administrator's fees**

- 1.4 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency (Amendment) Rules 2003, 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, to 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;

- 1.5 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.

**What Information should be provided by the administrator?**

1.6 When seeking fee approval

- 1.6.1. 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.

- 1.6.2. 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.

- 1.6.3. 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 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.

- 1.6.4. 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.

#### 1.7 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 the work which has been sub-contracted out.

#### 1.8 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 on the case and subject to a reasonable method of calculation and allocation.

**What if a creditor is dissatisfied?**

- 1.9 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.

**What if the administrator is dissatisfied?**

- 1.10 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.

**Other matters relating to fees**

- 1.11 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.
- 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.

## Additional Information in Relation to Administrators' Fees Pursuant to Statement of Insolvency Practice 9

### 1 Policy

Detailed below is XL's policy in relation to:

Staff allocation and the use of subcontractors

Professional advisors

Disbursements

#### 1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any subcontractors in this case.

#### 1.2 Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Walker Morris (legal advice)	Hourly rate & disbursements
Alexander Forbes (insurance)	Premium rate dependant upon level of assets
Walker Singleton (valuation and disposal advice)	Hourly rate & disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

#### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred, which relate to payments due to associated companies for the provision of services to the office holder. On this case no costs have been incurred:

## 2 Charge-out rates

A schedule of XL charge-out rates effective from 1 January 2005 is as follows:

	(per hour)
	£
<b>Partner:-</b>	
Partner 1	180.00
<b>Manager:-</b>	
Senior Manager	165.00
Manager	150.00
<b>Other Senior Professionals:-</b>	
Experience Senior	135.00
Senior	120.00
Administrator	105.00
Assistant	90.00
<b>Assistants &amp; Support Staff:-</b>	
Experienced Cashier	120.00
Cashier	105.00
Assistant Cashier	90.00
Support	60.00