

The Insolvency Act 1986

Administrator's progress report**2.24B**

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

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

I / We (a) J N Bleazard
XL Business Solutions
1st Floor
2-4 Market Street
Cleckheaton
BD19 5AJ

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

(b) Insert dates

from

(b) 21 October 2008

to

(b) 20 April 2009

Signed

Administrator(s)

Dated 19 May 2009

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

	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

DX 33050 Cardiff

THURSDAY



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28/05/2009

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COMPANIES HOUSE

**Acacia Timber Construction Limited
05137992**

**Administrator's Progress Report
for the Period
21 October 2008 to 20 April 2009**

ACACIA TIMBER CONSTRUCTION LIMITED- IN ADMINISTRATION (THE COMPANY)

ADMINISTRATOR'S PROGRESS REPORT

COVERING THE PERIOD 21 OCTOBER 2008 TO 20 APRIL 2009

To all known creditors

1 STATUTORY INFORMATION

- 1.1 I, J N Bleazard of XL Business Solutions, 1st Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ was appointed Administrator of the Company on 21 October 2008.
- 1.2 I am licensed to act as an Insolvency Practitioner by the Insolvency Practitioners Association.
- 1.3 The application for my appointment was made by the directors of the Company.
- 1.4 The Administration is being handled by the Leeds District Registry, reference number 1655 of 2008.
- 1.5 The trading address of the Company was Unit 1 & 2 Chapel Hill Huddersfield, HD1 3EH
- 1.6 The registered office of the Company is 1st Floor, 2-4 Market Street, Cleckheaton, BD19 5AJ.
- 1.7 The Company's registered number is 05137992

2 DETAILS OF PROGRESS

- 2.1 The company was placed into Administration to finish some work in progress. The company traded until 31 October when trading ceased. At present, the finished contract remains outstanding and my solicitors are pursuing the monies due.
- 2.2 The company also had an amount of office equipment and motor vehicles. Upon my appointment my agents Walker Singleton were instructed to market and sell these assets. These assets have been disposed of to various third parties. My agent is currently holding the sale proceeds of £20,000 + vat from the sale of these assets.
- 2.3 The company had an outstanding sales ledger. A number of these debts were disputed prior to my appointment. At present no funds have been realised from the ledger. I have passed the disputed and outstanding debts to my solicitor for collection. They are confident realisations will be made.
- 2.4 The company's records show a VAT repayment was due. On my appointment, I instructed the company's former bookkeeper to complete the return to obtain the refund. HM Revenue & Customs attended my premises to review the records of the company. However, they have decided a refund is not due as the work carried out was not a "new build" scheme

3 ADMINISTRATOR'S RECEIPTS AND PAYMENTS

- 3.1 A summary of receipts and payments covering the period from the date of my appointment to 20 April 2009 is attached at Appendix A.

4 ASSETS STILL TO BE REALISED

- 4.1 The main asset still to be realised is the potential claim against the former director. My investigations into this are still ongoing.

5 ADMINISTRATOR'S REMUNERATION

- 5.1 My time costs to 20 April 2009 total £16,956.00 against which I have drawn £15,000 on account. I have attached as Appendix C 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.
- 5.2 In addition, disbursements of £230.80 have been incurred by my firm when handling this matter. To date, £230.80 has been repaid. These disbursements can be summarised as follows

Bordereau	£ 125.00
Travel @40p / mile	£ 100.80
Company Search	£ 5.00

6 ESTIMATED OUTCOME STATEMENT

- 6.1 An estimate of the outcome of the Administration is attached at appendix B.
- 6.2 A distribution to unsecured creditors will depend upon the realisations made from the outstanding book debts.

7 ENDING THE ADMINISTRATION

- 7.1 I shall be looking to conclude the Administration shortly.
- 7.2 In line with the proposals, I am of the opinion funds should become or likely to become available to make a distribution to unsecured creditors, I shall place the company into liquidation.
- 7.3 My appointment, as Administrator, will then cease following the registration of the notice by the Registrar of Companies.

For and on behalf of
Acacia Timber Construction Limited



J N Bleazard

Administrator

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Acacia Timber Construction Limited
(In Administration)
Administrator's Trading Account

Statement of Affairs	From 21/10/2008 To 20/04/2009	From 21/10/2008 To 20/04/2009
TRADING EXPENDITURE		
Indirect Labour	1,050.00	1,050.00
Insurance	262.49	262.49
	<u>(1,312.49)</u>	<u>(1,312.49)</u>
TRADING SURPLUS/(DEFICIT)	<u>(1,312.49)</u>	<u>(1,312.49)</u>

Acacia Timber Construction Limited
(In Administration)
Administrator's Abstract of Receipts & Payments

Statement of Affairs	From 21/10/2008 To 20/04/2009	From 21/10/2008 To 20/04/2009
ASSET REALISATIONS		
Insurance Refund	1,203.00	1,203.00
Cash at Bank	24,550.98	24,550.98
CITB Refund	8,320.31	8,320.31
Bank Interest Gross	12.09	12.09
Trading Surplus/(Deficit)	(1,312.49)	(1,312.49)
	<u>32,773.89</u>	<u>32,773.89</u>
COST OF REALISATIONS		
Accountancy fees	2,225.00	2,225.00
Office Holders Fees	15,000.00	15,000.00
Office Holders Expenses	230.80	230.80
Legal Fees (1)	10,000.00	10,000.00
Legal Disbursements	66.00	66.00
Statutory Advertising	214.37	214.37
	<u>(27,736.17)</u>	<u>(27,736.17)</u>
	<u>5,037.72</u>	<u>5,037.72</u>
REPRESENTED BY		
Current A/c - Bank 1		917.98
Vat Control Account		<u>4,119.74</u>
		<u>5,037.72</u>

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Administrator

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

**Estimated Outcome Statement
At 20 April 2009**

	<u>Realised to Date</u>		<u>Total to be</u>
	<u>£</u>		<u>Realised</u>
			<u>£</u>
<u>Assets</u>			
Book Debts			40,000
Retentions	-		5,000
Plant & Machinery	-		20,000
VAT refund	-		-
Cash at bank	24,550		24,550
	24,550		89,550
 <u>Administration Expenses</u>			
Administrators Fees to date			16,956
Liquidators costs to completion			12,500
Agents fees			5,800
Solicitors Fees			10,000
Statutory Expenses			400
			45,656
Assets available for			
Preferential Creditors			43,894
Less Preferential Creditors			4,190
Available to Floating Charge Creditor			39,704
Less Floating Charge Creditor			-
Available to non preferential creditors			39,704
Non Preferential Creditors			
Trade and Expense			366,770
			<hr/>
			327,064 <hr/>

Acacia Timber Construction Limited

SIP 9 - Time & Cost Summary

Period: 21/10/08..20/04/09

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	14.00	0.00	5.30	0.00	19.30	3,086.00	159.90
Investigations	0.00	0.00	0.80	0.00	0.80	96.00	120.00
Realisations of assets	31.50	0.00	1.50	0.00	33.00	5,850.00	177.27
Trading	10.50	0.00	0.00	0.00	10.50	1,890.00	180.00
Creditors	19.50	0.00	20.80	0.00	40.30	6,034.00	149.73
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	75.50	0.00	28.40	0.00	103.90	16,956.00	163.20
Total Fees Claimed						0.00	

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
Clarion (legal advice)	Hourly rate & disbursements
Locktons (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 March 2009 is as follows:

	(per hour) £
Partner:-	
Partner 1	240.00
Manager:-	
Senior Manager	200.00
Manager	175.00
Other Senior Professionals:-	
Experience Senior	155.00
Senior	120.00
Administrator	105.00