

## The Insolvency Act 1986

## Statement of administrator's proposals

2.17B

Name of Company Rapaid (Birmingham) Limited	Company number 05268377
In the High Court, Chancery Division, Manchester District Registry	Court case number 95 of 2009

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

We David John Whitehouse and Stephen Gerard Clancy  
MCR  
11 St James Square  
Manchester  
M2 6DN

\* Delete as appropriate

attach a copy of our 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)

Signed

Joint Administrator(s)

Dated

## 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 searches of the public record

MCR  
11 St James Square  
Manchester  
M2 6DN

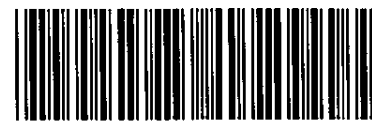
Tel: 0161 827 9000

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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07/03/2009

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COMPANIES HOUSE

**Rapaid (Birmingham) Limited  
(In Administration)**

**Joint Administrators' Report and Proposals to Creditors  
For the period from 12 January 2009 to 26 February 2009  
Pursuant to Paragraph 49 of Schedule B1  
to the Insolvency Act 1986**

**26 February 2009**

**Names of Joint Administrators:** David John Whitehouse  
Stephen Gerard Clancy

**Date of appointment:** 12 January 2009

**Date of report:** 26 February 2009

**Appointed by:** Ultimate Finance Limited, Bradley Pavilions, Pear Tree Road,  
Bradley Stoke, Bristol BS32 0BQ

**Court reference:** High Court of Justice, Chancery Division, Manchester District  
Registry No. 95 of 2009

**MCR**  
**11 St James Square**  
**Manchester**  
**M2 6DN**



CORPORATE  
RESTRUCTURING

## **CONTENTS**

1. Introduction
2. Statutory Information
3. Events leading up to the Administration
4. Purpose of the Administration
5. Progress of the Administration to date
6. Statement of Affairs
7. Joint Administrators' Remuneration
8. Estimated Outcome Statement
9. EC Regulation
10. Creditors' meeting
11. End of the Administration
12. Joint Administrators' Proposals
13. Other matters

## **APPENDICES**

1. Statutory information
2. Directors' Statement of Affairs
3. Schedule of Creditors
4. Schedule of Joint Administrators' Time Costs
5. Estimated Outcome Statement
6. Creditors' Guide to Administrators' Fees
7. Form 2.21B Creditor's Request for a Meeting
8. Proof of Debt Form

## **1. INTRODUCTION**

- 1.1 David John Whitehouse and Stephen Gerard Clancy of MCR were appointed Joint Administrators of Rapaid (Birmingham) Limited ("Rapaid" and "the Company") on 12 January 2009 by Ultimate Finance Limited, the holder of a qualifying floating charge under paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by any of the Administrators.
- 1.3 This report sets out the circumstances leading up to the appointment of the Joint Administrators and the steps taken by them to date.

## **2. STATUTORY INFORMATION**

- 2.1 Statutory information on the Company and a summary of its financial position is included at Appendix 1.

## **3. EVENTS LEADING UP TO THE ADMINISTRATION**

- 3.1 The Company was incorporated on 25 October 2004 and was originally named Ever 2505 Limited. The Company name was changed on 4 May 2005 to Carrs Rapaid Limited and changed again on 8 December 2005 to Rapaid (Birmingham) Limited.
- 3.2 The Company is located in Tyseley, Birmingham and the principal business activities are the production of quality protective packaging mainly for the steel and aluminium industries.
- 3.3 In August 2006, the business lost the contract with its main customer, which resulted in a reduction of the Company's profitability.
- 3.4 During 2007, the retained profits built up prior to the loss of the Company's main customer were eroded and the business was making significant losses.
- 3.5 In May 2007, the Company re-located from its premises in Shirley, West Midlands to its present address. This move was instigated by the landlord as it was redeveloping the site. Re-location costs of approximately £270,000 were incurred to fund the dismantling and transfer of the plant. These costs were part funded by banking facilities.
- 3.6 The Company continued to accrue losses up to early 2008, and the board of directors resolved to find a purchaser of the business. Two parties showed initial interest in purchasing the business in mid 2008 and due diligence was undertaken by one purchaser in November 2008. However no offer was made and their interest was formally withdrawn in December 2008.
- 3.7 The board of directors subsequently resolved that the Company could no longer trade due to its insolvent position and advised their bankers. MCR were subsequently invited to meet with the directors of the business to place the Company into Administration.
- 3.8 The Joint Administrators considered the position prior to accepting the appointment and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment. It is therefore considered that there is no conflict of interest and, therefore, the partners in MCR consented to act as Administrators of the Company.

- 3.4 Subsequently Stephen Gerard Clancy and I were appointed Joint Administrators on 12 January 2009.

#### **4. PURPOSE OF THE ADMINISTRATION**

- 4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives:

- 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.

- 4.2 The Joint Administrators were unable to meet the first two objectives of the Administration despite a targeted marketing exercise by the Joint Administrators and valuers Sanderson Weatherall, to find a purchaser of the business as a going concern.

- 4.3 A sale of for the assets of the business was completed on 5 February 2008 for a sum of £100,000 in consideration of the stock, fixtures and fittings and the plant and machinery except for the Dixon Coater machine. Further information on this sale is detailed in this report.

#### **5. PROGRESS OF THE ADMINISTRATION TO DATE**

- 5.1 Immediately prior to our appointment, we met with the management of the Company to assess the viability of the business and the options available to the Joint Administrators.

- 5.2 It was concluded that a going concern sale was an option that should be pursued in the short term as there had been some interest shown in the business prior to our involvement. However due to the intense pressure from creditors for payment and several accounts being on stop, it was not possible to enter into a short period of trading.

- 5.3 Chartered Surveyors and valuers Sanderson Weatherall were instructed on 9 January 2009 to visit the Company premises to provide a valuation of the assets prior to marketing the business for a going concern sale.

- 5.4 Solicitors DLA Piper LLP were instructed to file a Notice of Appointment of Joint Administrators on 12 January 2009 under the qualifying floating charge held by Ultimate Finance Limited. David Whitehouse and Stephen Clancy both of MCR accepted the appointments as Joint Administrators to the Company.

- 5.5 Once appointed, the Joint Administrators commenced a targeted marketing exercise with Sanderson Weatherall in order to find a purchaser for the business as a going concern to try to achieve the first objective of the Administration. It soon became apparent that a purchaser was not going to materialise and the Joint Administrators invited bids for the assets of the Company.

- 5.6 As a going concern sale of the business was not possible, the employment contracts of the staff and directors of the Company were terminated in writing by the Administrators on 19 January 2009.

- 5.7 There was a small amount of interest shown in purchasing the assets of the business and Sanderson Weatherall have recommended the Joint Administrators take the best offer placed with them from Metpro Group ("Metpro") of £100,000.

- 5.8 Metpro's offer included the remaining stock, fixtures and fittings and the plant and machinery of the Company excluding one item of plant, the Dixon Coating machine. A breakdown of the offer values is shown below:

Item	Value (£)
Stock	5,000
Fixtures & Fittings	4,000
Plant & Machinery	91,000
<b>Total:</b>	<b>100,000</b>

- 5.9 This offer was accepted and authorised by both the first and second fixed and floating charge holders Ultimate Finance Limited and the Bank of Scotland respectively and the sale contracts were exchanged and completed on 5 February 2009.

- 5.10 Details of the Company's secured creditors are as follows:

- Ultimate Finance Limited have a 1<sup>st</sup> charge over the fixed and floating assets of the Company and were indebted by £113,709 as at the date of the appointment.
- Bank of Scotland have a 2<sup>nd</sup> fixed and floating charge over the fixed and floating assets of the Company and were owed approximately £347,000 as at the date of our appointment.

- 5.11 Sanderson Weatherall are currently marketing the Dixon Coating machine and to date, a small amount of interest has been shown, although no offers have been received.

- 5.12 As it is estimated that the Bank of Scotland will not be repaid in full, the second objective of the Administration is unlikely to be met

#### **Book debts**

- 5.13 The book debts of the Company are subject to an invoice discounting agreement with Ultimate Finance Limited. The collection of these debts is being undertaken 'in-house' by Ultimate and no surplus funds are anticipated to be received by the Joint Administrators from the collection of these debts.
- 5.14 The Joint Administrators will request an account of these book debts once Ultimate have completed the collection.

#### **Investigations**

- 5.15 The Joint Administrators' investigations into the Company's affairs are currently ongoing.
- 5.16 The Joint Administrators have a statutory obligation to file a report with the Insolvency Service regarding the conduct of the directors that held office in the three years prior to the Administration. This report must be filed within six months from the appointment date and the content of this report is confidential.
- 5.17 The Joint Administrators also have a duty to investigate antecedent transactions which include:
- Transactions at an undervalue, s238 of the Insolvency Act 1986;
  - Preferences, s239 of the Insolvency Act 1986; and
  - Transactions to defraud creditors, s423 of the Insolvency Act 1986.

- 5.18 The Joint Administrators would ask that should any creditor have any information that they believe should be brought to their attention for reporting purposes, they submit this in writing to this office together with any necessary documentary evidence.

#### **Receipts and Payments**

- 5.19 To date, £100,000 has been received following completion of the sale agreement with Metro. These funds are currently held by our solicitors DLA Piper LLP.
- 5.20 Disbursements have been paid by the Joint Administrators totalling £175.60

#### **Joint Administrators' Agents and Solicitors**

- 5.21 The Joint Administrators engaged the following firms to assist with the sale of the Company's business and assets and other statutory matters:

<b>Company</b>	<b>Role</b>
Sanderson Weatherall	- Agents to value the assets of Rapaid (Birmingham) Limited and engage in the marketing and sale of the assets.
DLA Piper	- Solicitors – Draft the sale of assets contract, assist with placing the Company into Administration and other ad hoc legal matters.

### **6. STATEMENT OF AFFAIRS**

- 6.1 In accordance with Paragraph 47 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators requested that the directors provide them with a statement of the affairs ("SOA") of the Company.
- 6.2 A statement of affairs has been received and has been filed at the Registrar of Companies. A copy is attached at Appendix 2.
- 6.3 A schedule of the unsecured creditors' names and addresses is attached at Appendix 3. Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim.

### **7. JOINT ADMINISTRATORS' REMUNERATION**

- 7.1 In accordance with Rule 2.106 of the Insolvency Rules 1986, as amended, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed, is by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 7.2 The Joint Administrators will be seeking the subsequent approval of the secured creditors in respect of their remuneration pursuant to Rule 2.106(5A) of the Insolvency Rules 1986, as amended.
- 7.3 The Joint Administrators' time costs for the period 12 January 2009 up to and including 26 February 2009 total £46,172. A schedule of these time costs is set out at Appendix 4.
- 7.4 To date, no remuneration has been drawn by the Joint Administrators.



- 7.5 In addition, attached at Appendix 4 is a schedule of this firm's time costs associated with the pre-administration period, which indicates total costs of £10,806 representing 32.5 hours of time at an average hourly rate of £332.48. This reflects the degree of involvement by senior members of staff in the pre-appointment period. The Joint Administrators have sought a resolution at paragraph 12.3.3 to authorise a fee of £1,500 to be paid in accordance with Rule 2.67 (1) (c). In respect of the further costs, we will not be seeking to have these paid from the Administration.
- 7.6 Information regarding the fees of administrators called 'A Creditors' Guide to Administrators' Fees' is attached appendix 6 and can also be found on our website at [www.mcr.uk.com](http://www.mcr.uk.com).

## **8. ESTIMATED OUTCOME STATEMENT**

- 8.1 An estimated outcome statement of the Administration as at 10 February 2009 is attached at Appendix 5.

### **Assets Subject to a Fixed Charge**

#### **Book Debts**

- 8.2 The Company was advanced monies under an invoice discounting facility with Ultimate Finance Limited granting Ultimate a debenture over the fixed and floating assets of the business. According to the Company records, Ultimate were owed approximately £132,000 at the date of appointment.
- 8.3 Ultimate are collecting the debts 'in-house' and it is anticipated that their indebtedness will be repaid in full including termination fees and cross company guarantees. No surplus funds are expected to be received by the Joint Administrators from the collection of these book debts.

#### **Plant & Machinery**

- 8.4 In accordance with the asset sale agreement with Metpro, all of the plant and machinery, excluding the Dixon Coater machine, was sold for a consideration of £91,000 on 5 February 2009.
- 8.5 The Dixon Coater machine is being marketed to potential purchasers by Sanderson Weatherall and while some interest has been shown, no offers have yet been received.
- 8.6 The Bank of Scotland has a 2<sup>nd</sup> ranking charge over the fixed and floating charge assets of the Company. At the commencement of the Administration, Bank of Scotland was owed approximately £347,000. Bank of Scotland provided the Company with a term loan and an overdraft facility.
- 8.7 It is anticipated that there will not be sufficient funds available to repay Bank of Scotland in full under the fixed and floating charges.

### **Assets Subject to a Floating Charge**

#### **Stock / Fixtures and Fittings**

- 8.8 In accordance with the sale agreement with Metpro, these assets have been sold for a total consideration of £9,000.

### **Preferential Creditors**

- 8.9 Although the Joint Administrators are yet to receive notification of all the preferential creditors' claims, at this stage, it is anticipated that there will be insufficient funds available to enable a distribution to preferential creditors.
- 8.10 A significant element of the preferential claims will be employees' claims which are mostly subrogated to the Secretary of State, following payments by the Redundancy Payments Office.

### **Prescribed Part**

- 8.11 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property should be made available to unsecured creditors if funds exist.
- 8.12 There are no funds available to make a prescribed part payment in this matter.

### **Non-Preferential Creditors**

- 8.13 According to the directors' Statement of Affairs, non-preferential creditors total £1,645,485. The non-preferential creditors can be summarised as follows:

	£
Trade & Expense Creditors	451,473
Directors' Loan	653,451
HM Revenue & Customs	179,407
Employee Claims	361,154
<b>Total</b>	<b>1,645,485</b>

- 8.14 Based upon the current information available, it is anticipated that there will not be sufficient realisations to enable a distribution to the non-preferential creditors of the Company.

## **9. EC REGULATION**

- 9.1 It is the Joint Administrators' opinion that the EC Regulation on Insolvency Proceedings 2000 ("EC Regulation") applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interests of the Company is in England.

## **10. CREDITORS' MEETING**

- 10.1 In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting will not be convened as the Joint Administrators believe that neither of the first two objectives described in paragraph 4.1 above can be achieved for the reasons already summarised in paragraph 4.2.
- 10.2 However, the Joint Administrators shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed form 2.21B, attached at Appendix 7, within 12 days from the date of this report.
- 10.3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

## **11. END OF THE ADMINISTRATION**

- 11.1 The options available to the Joint Administrators for the exit from the Administration are as follows:
- Compulsory Liquidation
  - Creditors' Voluntary Liquidation
  - Company Voluntary Arrangement
  - Return of control to the Director
  - Dissolution of Company
- 11.2 The Joint Administrators recommend that the Company should be dissolved, for the reasons set out below.
- 11.3 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to unsecured creditors.
- 11.4 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, we will give notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to Insolvency Act 1986 to the effect that the Company has no property to realise which might permit a distribution to its unsecured creditors, at which stage the Administration will cease. The company will be dissolved three months following the registration of the notice at the Registrar of Companies.

## **12. JOINT ADMINISTRATORS' PROPOSALS**

- 12.1 The Joint Administrators propose the following:
- 12.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
- 12.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 12.1.3 That the Joint Administrators seek an extension to the Administration period if deemed necessary.
- 12.1.4 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under paragraph 84 of Schedule B1 of the Insolvency Act 1986 to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.

- 12.1.5 That the Joint Administrators, in the event that they form the view that a distribution can be made to unsecured creditors, take the necessary steps to put the Company into creditors' voluntary liquidation. It is proposed that the Joint Administrators, currently David John Whitehouse and Stephen Gerard Clancy of MCR would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986 (as amended) the creditors may nominate a different person as the proposed Liquidator, provided such nomination is made before these proposals are approved.
- 12.1.6 That the Joint Administrators' be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 12.1.7 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration.
- 12.1.8 That MCR be authorised to draw fees of £1,500 plus VAT in respect of time costs incurred in assisting in placing the company into Administration in accordance with Rule 2.67(1)(c).
- 12.1.9 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any.
- 12.1.10 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.
- 12.2 Pursuant to Rule 2.33(5) of the Insolvency Rules 1986, the proposals in paragraph 12.1 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 10.2 above, provided that no meeting has been so requisitioned.
- 12.3 The Joint Administrators will be seeking the following resolutions from the secured creditors:
- 12.3.1 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration.
- 12.3.2 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration.
- 12.3.3 That MCR be authorised to draw fees of £1,500 plus VAT in respect of time costs incurred in assisting in placing the company into Administration in accordance with Rule 2.67(1)(c).
- 12.3.4 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
- 12.3.5 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.




CORPORATE  
RESTRUCTURING

**13. OTHER MATTERS**

- 13.1 If any creditor has any information concerning the Company's affairs that they would like to bring to our attention, then we should be pleased to hear from them.

If you require further information or assistance, please do not hesitate to contact my colleague Steven Barry.



**David John Whitehouse**  
Joint Administrator

Enc.



CORPORATE  
RESTRUCTURING

**APPENDIX 1**



### STATUTORY INFORMATION

**Date of incorporation** 25 October 2004

**Registered number** 05268377

**Company Directors** Leighton Carnell  
Brian Davies  
Stephen Maguire

**Company secretary** Terry Dean

**Shareholders** Rap Environmental Packaging Limited

**Trading address** Unit 2  
Seeleys Point  
Seeleys Road  
Tyseley  
Birmingham

**Registered Office**

Current:	Formerly:
11 St James Square Manchester M2 6DN	Unit 2, Seeleys Point Seeleys Road Tyseley Birmingham B11

**Any Other Trading Names** N/A

Financial information	Management Accounts March 2008 to October 2008 (Draft)	Management Accounts March 2007 to 28 February 2008 (Draft)
	£	£
Turnover	1,111,000	1,395,000
Gross Profit	16,000	(88,000)
Retained profit/(loss) for the year	(28,000)	(157,000)

**APPENDIX 2**



## Statement of affairs

Name of Company Rapaid (Birmingham) Limited	Company number 05268377
In the High Court, Chancery Division, Manchester District Registry	Court Case Number 95 of 2009

(a) Insert name and address of registered office of the company

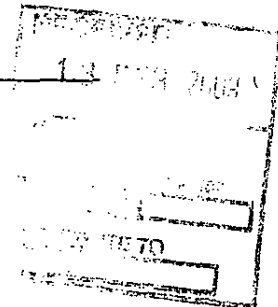
Statement as to the affairs of (a) Rapaid (Birmingham) Ltd

(b) Insert date

on the (b) 12/01/09 2009, the date that the company entered administration.

## Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b)

12/01/09 the date that the company entered administration.Full name Heather Louise CarterSigned [Signature]Dated 7/02/09

## ATTESTATION

I believe that the facts and figures in this statement of affairs are a full, true and complete statement of the affairs of Rapaid (Birmingham) Ltd as at 12<sup>th</sup> January 2009.

[Signature] 11<sup>th</sup> February 2009  
T. R. DEAN FCCA

**INSOLVENCY ACT 1986**

**DIRECTORS STATEMENT OF AFFAIRS**

**A – Summary of Assets**

Assets	Notes	Book Value £	Estimated to realise £
<b>ASSETS SUBJECT TO A FIXED CHARGE:</b>			
Trade Debtors		42,000	42,000
Less: Due to Ultimate Finance Limited		(42,000)	(42,000)
Estimated Surplus to Floating Charge		NIL	NIL
Plant and Machinery		207,000	141,000
Less: Due to Bank of Scotland plc		(351,880)	(351,880)
Estimated Deficit to Floating Charge		(144,880)	(210,880)
<b>ASSETS SUBJECT TO A FLOATING CHARGE:</b>			
Stock		114,884	5,000
Office, Laboratory and Engineering Equipment		17,203	4,000
Racking		1,253	NIL
Office Partitions		12,874	NIL
Site Services and Civil Work		120,660	NIL
Estimated Surplus to Preferential Creditors		266,874	9,000
<b>Estimated total assets available for preferential creditors</b>			
	£	266,874	9,000

Signature



Date

7/02/09

11<sup>th</sup> February 2009

**INSOLVENCY ACT 1986**

**DIRECTORS STATEMENT OF AFFAIRS**

**A1 – Summary of liabilities**

		Estimated to realise £
<b>Estimated Surplus available to preferential creditors (carried from page A)</b>	£	<b>9,000</b>
<b>Liabilities</b>		
<b>Preferential creditors:</b>	£	
Employee Claims (Unpaid Wages, Holiday Pay & Pension Deductions)	(55,845)	(55,845)
<b>Estimated deficiency as regards preferential creditors:</b>	£	<b>(46,845)</b>
Estimated prescribed part of net property where applicable (to carry forward)	£ NIL	NIL
<b>Estimated total deficiency as regards floating charge holders</b>	£	<b>(46,845)</b>
Less: Due to Bank of Scotland plc	£ (210,880)	
<b>Estimated deficiency of assets after floating charges</b>	£	<b>(257,725)</b>
Estimated prescribed part of net property where applicable (brought down)		NIL
<b>Total deficiency to floating charge creditors</b>	£	<b>(257,725)</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ (1,645,485)	
<b>Estimated deficiency as regards non-preferential creditors</b>	£	<b>(1,903,210)</b>
Issued and called up capital	(1,000)	
<b>Estimated total deficiency as regards members</b>	£	<b>(1,904,210)</b>

Signature



Date

7/02/09

11<sup>th</sup> February 2009

# COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

[illegible]

Signature \_\_\_\_\_


Date: \_\_\_\_\_

7/02/08

11<sup>TH</sup> February 2009

# COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal value	Details of shares held
Rap Environmental Packaging Ltd	Seeleys Road, Tyseley, Birmingham B11 2LQ	100000	1000	Ordinary shares @ £0.01
TOTALS				

Signature  Date 7/02/08  
 11<sup>th</sup> February 2009

NAME	ADDRESS	AMOUNT £	DETAILS OF SECURITY HELD	DATE OF SECURITY	SECURITY VALUE £
Full name and addresses already supplied to MCR - also included with S Maguire's return					

Secured Creditors

Bank of Scotland SFLA	226,880	Fixed And Floating on all assets
Bank of Scotland Overdraft	125,000	Fixed And Floating on all assets
Ultimate Finance	42,000	Fixed & Floating on Trade Debtors

Total Secured Creditors	<u>393,880</u>
-------------------------	----------------

ADI	4,778	None
AllPack	484	None
B&T Rewind	268	None
Bham Tools	153	None
Braywhite	2,878	None
Central Pallets	643	None
Clarant	14,488	None
Cofather	17,038	None
Contact Transport	6,056	None
Eden Spring	251	None
Euroffice	180	None
Everyday Tools	211	None
Filint	1,373	None
W Gosling	1,416	None
Viv Griffiths	3,895	None
Hammond Chem.	5,603	None
Hayley	452	None
Hitachi	1,464	None
Impregon	418	None
Inx	12,899	None
J & D Wilks	483	None
Kennedy Grinding	915	None
Keymesh	423	None
Linde Creighton	4,650	None
Mayfair Fire	352	None
Mid Counties Handling	1,030	None
Midway Hire	109	None
Network Cleaning	4,605	None
Olympic	268	None
Paragon	1,888	None
Paul Hamer	79	None
Pneumatic	321	None
Postal packaging	1,616	None
Povoas	750	None
Print Roller Co	7,048	None
Pro Consult	400	None
Prosperity	918	None
Road Freight	940	None
Stamford Packaging	358	None
J Stell	4,398	None
Veeboard	386	None
Veolia Cleanaway	4,046	None
Weir & Carmichael	2,869	None
Westhaven	6,443	None
West Midlands Pallets	4	None
ACN Insurance	938	None
Beck & Pollitzer	39,843	None
Birmingham City Council	35,200	None
Bridgens Transport	2,345	None
Britton Taco	53,348	None
Eversheds	28,109	None
Factory Building Serv.	22,652	None
Fusion Consult.	3,172	None
Inland Revenue PAYE/NIC	173,905	None
Kilsby & Williams	6,500	None
Packaging Roller Co. Ltd	1,537	None
Revelan - Rent	113,500	None
Revelan - gas	12,400	None
Inland Revenue Stamp Duty	5,500	None
Ventilation & Heating	10,305	None
Amicus union	871	None
Birmingham Saturday Hospital Fund	218	None
South West Charitable Giving	100	None

Total Trade Creditors	<u>630,880</u>
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Employees - Lieu of Notice	105,168	None
Employees - Redundancy	210,989	None
Directors' Loan	653,451	None
Employees - Arrears of Wages	44,997	None

Total Unsecured Creditors	1,014,605	<u>1,645,485</u>
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Preferential Creditors

Employees - Arrears of Wages	19,200	None
Employees - Holiday Pay	20,862	None
Employees - Pensions Deductions	15,783	None

Total Preferential Creditors	<u>55,845</u>
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TOTAL CREDITORS	2,095,210
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Signature

Date

7/02/09  
11<sup>th</sup> February 2009

# RAPID (BIRMINGHAM) LIMITED - IN ADMINISTRATION

## EMPLOYEE LIABILITIES

Employee	Date of Birth	Age	Start Date - Carrs	Years Service	Avg. Pay (£)	Pay Period	Weekly Equiv.	Redundancy		Arrears of Wages (Weeks)		Preferential Claims	
								Pay	Owed	Wages	Wages	Wages	Holidays
1 Nasar Ahmed	08/08/1962	46	02/06/1980	28	324	Weekly		3,888.00	7,290.00	3	972.00	800.00	453.60
2 Andrew Brown	08/04/1963	45	11/02/1987	21	286	Weekly		3,552.00	8,512.00	3	888.00	800.00	298.00
3 Robert Farn	28/11/1963	55	14/06/1976	32	481	Weekly		5,772.00	12,987.00	3	1,443.00	800.00	1,539.20
4 Munir Hussain	15/04/1957	51	06/06/1988	20	324	Weekly		3,888.00	8,100.00	3	972.00	800.00	453.60
5 Gordon Ingleson	25/08/1950	58	10/04/1972	38	386	Weekly		4,752.00	11,286.00	3	1,188.00	800.00	554.40
6 Peter Jaynes	08/01/1958	51	08/04/1974	34	394	Weekly		4,728.00	9,850.00	3	1,162.00	800.00	630.40
7 Richard Meredith	18/12/1971	37	17/07/2007	1	328	Weekly		328.00	0.00	3	978.00	800.00	978.00
8 Camilla Moore	03/05/1960	48	04/01/1980	29	256	Weekly		3,072.00	6,016.00	3	768.00	800.00	256.00
9 Andrew Nutting	07/09/1964	44	04/09/1986	22	413	Weekly		4,956.00	8,878.50	3	1,239.00	800.00	1,073.80
10 Mohammed Rafique	15/02/1953	55	23/07/1979	29	291	Weekly		3,492.00	7,857.00	3	873.00	800.00	640.20
11 Stephen Shipley	18/08/1966	42	02/08/1985	23	307	Weekly		3,684.00	6,293.50	3	921.00	800.00	1,105.20
12 Mohammed Yaseen	01/12/1957	51	14/12/1987	21	281	Weekly		3,492.00	7,275.00	3	873.00	800.00	1,047.60
13 Victor Atkinson	18/01/1944	64	09/12/1988	40	2250	Monthly	519	6,230.77	15,576.82	0	3,115.38	800.00	0.00
14 Joanne Cattie	16/07/1954	54	10/03/2003	5	2035	Monthly	470	2,348.08	3,522.12	11	2,817.69	800.00	1,033.15
15 Terence Dean	01/07/1948	62	01/12/2003	5	2573	Monthly	594	2,968.85	4,453.27	11	8,312.77	800.00	1,308.29
16 Terence Downey	24/07/1946	62	02/06/1980	28	3417	Monthly	789	9,462.46	23,656.15	11	4,731.23	800.00	1,734.78
17 Paul Hamer	19/07/1946	62	03/01/1983	26	2588	Monthly	597	7,166.77	17,916.82	9	3,583.38	800.00	1,075.02
18 Robert Harborne	08/10/1964	44	14/05/1990	18	2282	Monthly	529	6,347.08	10,314.00	12	3,173.54	800.00	1,269.42
19 Stephen Maguire	19/06/1966	42	11/07/1986	22	5250	Monthly	1,212	14,538.46	24,838.54	15.5	7,289.23	800.00	3,755.77
20 Keith Phillips	28/12/1960	48	18/05/1987	21	2398	Monthly	553	6,640.62	13,004.54	15	3,320.31	800.00	1,680.15
								<u>101,305.08</u>	<u>205,628.46</u>		<u>48,620.54</u>	<u>18,000.00</u>	<u>20,862.58</u>
21 Leighton Carnell	25/08/1945	63	27/04/2005	3	4168	Monthly	981	2,883.00	4,324.50	0	1,846.00	800.00	0.00
22 Amy Carnell	17/01/1981	27	06/02/2007	1	625	Monthly	144	144.00	0.00	0	865.38	800.00	0.00
23 Rachel Brown	19/02/1973	35	06/02/2007	1	625	Monthly	144	144.00	0.00	0	865.38	800.00	0.00
24 Brian Davies	06/01/1943	66	27/04/2005	3	1000	Monthly	231	692.31	1,038.46	0	12,000.00	800.00	0.00
								<u>3,863.31</u>	<u>5,362.96</u>		<u>15,578.77</u>	<u>3,200.00</u>	<u>0.00</u>
								<u>105,168.38</u>	<u>210,989.42</u>		<u>64,197.31</u>	<u>19,200.00</u>	<u>20,862.58</u>

11 Feb 2009

**APPENDIX 3**



NAME ADDRESS AMOUNT £ DETAILS OF SECURITY HELD DATE OF SECURITY SECURITY VALUE £  
Full name and addresses already supplied to MCR - also included with S Maguire's return

Secured Creditors

Bank of Scotland SFLA	226,880	Fixed And Floating on all assets
Bank of Scotland Overdraft	125,000	Fixed And Floating on all assets
Ultimate Finance	42,000	Fixed & Floating on Trade Debtors

## Total Secured Creditors

393,880

ADI	4,778	None
AllPack	484	None
B&T Rewind	258	None
Bham Tools	153	None
Braywhite	2,878	None
Central Pallets	843	None
Clarant	14,488	None
Cofather	17,038	None
Contact Transport	8,056	None
Eden Spring	251	None
Euroffice	180	None
Everyday Tools	211	None
Flint	1,373	None
W Gosling	1,418	None
Viv Griffiths	3,895	None
Hammond Chem.	5,603	None
Hayley	452	None
Hitachi	1,464	None
Impreglon	418	None
Inx	12,899	None
J & D Wilde	483	None
Kennedy Grinding	915	None
Keymesh	423	None
Linde Creighton	4,850	None
Mayfair Fire	352	None
Mid Counties Handling	1,030	None
Midway Hire	109	None
Network Cleaning	4,605	None
Olympic	268	None
Paragon	1,888	None
Paul Hamer	79	None
Pneumatic	321	None
Postal packaging	1,618	None
Povoas	750	None
Print Roller Co	7,048	None
Pro Consult	400	None
Prosperity	918	None
Road Freight	940	None
Stamford Packaging	358	None
J Steel	4,398	None
Veeboard	386	None
Veolia Cleanaway	4,046	None
Weir & Carmichael	2,869	None
Westhaven	6,443	None
West Midlands Pallets	4	None
AON Insurance	938	None
Beck & Pollitzer	39,843	None
Birmingham City Council	35,200	None
Bridgens Transport	2,345	None
Britton Taco	53,348	None
Eversheds	28,108	None
Factory Building Serv.	22,652	None
Fusion Consult.	3,172	None
Inland Revenue PAYE/NIC	173,905	None
Kilsby & Williams	8,500	None
Packaging Roller Co. Ltd	1,537	None
Revelan - Rent	113,500	None
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Employees - Arrears of Wages	44,997	None

1,014,605

## Total Unsecured Creditors

1,645,485Preferential Creditors

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Employees - Holiday Pay	20,862	None
Employees - Pensions Deductions	15,783	None

## Total Preferential Creditors

55,845

## TOTAL CREDITORS

2,095,210

Signature

Date

7/02/09  
11<sup>th</sup> February 2009

**APPENDIX 4**



**RAPAIID (BIRMINGHAM) LIMITED - IN ADMINISTRATION****Analysis of time costs for the period prior to the Administration date 12 January 2009**

Classification of Work Function	Hours					Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Manager	Senior	Assistants	Support			
Meetings		5.00				5.00	1,575.00	315.00
General admin		1.40				1.40	441.00	315.00
Reporting to company		2.30				2.30	724.50	315.00
Strategy planning & control	4.10	15.90				20.00	6,628.00	331.40
Reporting to appointor	3.00	0.80				3.80	1,437.00	378.16
<b>Total Hours</b>	<b>7.10</b>	<b>25.40</b>				<b>32.50</b>	<b>10,805.50</b>	<b>332.48</b>
<b>Total Fees Claimed (£)</b>	<b>2,804.50</b>	<b>8,001.00</b>					<b>10,805.50</b>	

**Analysis of category 2 disbursement:**

Classification of Work Function	Details of Payee	£
Travel Expenses	MCR Corporate Restructuring	74.00
<b>Total</b>		<b>74.00</b>

# **RAPAI (BIRMINGHAM) LIMITED - IN ADMINISTRATION**

## **Analysis of Administration time costs for the period 12 January 2009 To 26 February 2009**

Classification of Work Function	Hours					Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Manager	Senior	Assistants	Support			
Unsecured creditors				1.90		1.90	294.50	155.00
General admin		7.40	23.30	16.60		47.30	7,799.50	164.89
General correspondence			3.50	0.40		3.90	692.00	177.44
Investigations (inc. antecedant transactions)			0.70			0.70	126.00	180.00
CDDA reports			2.50			2.50	450.00	180.00
Proposals			8.50			8.50	1,530.00	180.00
Retention of title			14.00			14.00	2,520.00	180.00
Statement of affairs			3.00			3.00	540.00	180.00
Employee matters		1.40	16.00	0.50		17.90	3,363.50	187.91
Statutory meetings & reports		1.50	9.70			11.20	2,166.00	193.39
Cashiering & accounting		0.30	0.30	0.50		1.10	239.50	217.73
Fixed charge assets		6.00	5.00			11.00	2,580.00	234.55
Strategy planning & control	8.80	7.30	27.20			43.30	10,608.50	245.00
Sale of business	2.40	30.00	13.50			45.90	11,935.50	260.03
Floating charge assets		1.10				1.10	346.50	315.00
IPS set up & maintenance		0.10				0.10	32.50	325.00
Secured Creditors	2.40					2.40	948.00	395.00
<b>Total Hours</b>	<b>13.60</b>	<b>55.10</b>	<b>127.20</b>	<b>19.90</b>		<b>215.80</b>	<b>46,172.00</b>	<b>213.96</b>
<b>Total Fees Claimed (£)</b>	<b>5,372.00</b>	<b>15,992.00</b>	<b>22,914.00</b>	<b>1,894.00</b>			<b>46,172.00</b>	

## **Analysis of category 2 disbursement:**

Classification of Work Function	Details of Payee	£
Travel Expenses	MCR Corporate Restructuring	289.90
Redirection of Mail	Royal Mail Group	24.90
<b>Total</b>		<b>314.80</b>

**APPENDIX 5**

# **RAPAIID (BIRMINGHAM) LIMITED - IN ADMINISTRATION**

## **ESTIMATED OUTCOME STATEMENT AS AT 10 FEBRUARY 2009**

	Notes	Book Value £	Estimated to Realise £
<b><u>ASSETS SUBJECT TO A FIXED CHARGE</u></b>			
Book Debts		132,000	132,000
Less: Due to Ultimate Finance Limited			(132,000)
<b>Estimated Surplus to the Floating Chargeholder</b>			<u>NIL</u>
Plant & Machinery		107,000	91,000
Dixon Coating Machine		100,000	50,000
Less: Estimated Costs of Realisation			(31,000)
<b>Estimated Surplus to Fixed Chargeholder</b>			<u>110,000</u>
Less: Due to Ultimate Finance Limited			NIL
<b>Estimated Surplus to Halifax Bank of Scotland</b>			<u>110,000</u>
Less: Due to Halifax Bank of Scotland			(347,000)
<b>Estimated Deficiency to Halifax Bank of Scotland</b>			<u><u>(237,000)</u></u>
<b><u>ASSETS SUBJECT TO A FLOATING CHARGE</u></b>			
Stock			5,000
Fixtures and Fittings			4,000
Costs of Realisations			(9,000)
<b>Funds Available to Preferential Creditors</b>			<u>NIL</u>
Preferential Employee Claims			(40,000)
<b>Funds Available for Prescribed Part</b>			<u>NIL</u>
Prescribed Part			NIL
<b>Funds Available to Floating Chargeholder</b>			<u>NIL</u>
<b>Funds Available to Unsecured Creditors</b>			<u><u>NIL</u></u>

**APPENDIX 6**



## **MCR**

### **PROFESSIONAL FEES – SIP 9**

MCR's mission statement is "to provide clients with an outstanding service based on technical excellence, effective problem solving and the highest level of client care". It provides a quality, partner led service and takes compliance with insolvency legislation and best practice guidance seriously.

This guide to our fees has been produced to provide creditors with information required by best practice guidance. We recommend that this guidance is read in conjunction with the note entitled "A Creditors Guide to Administrators Fees", which is attached.

At MCR we seek to recover fees on time cost basis. Set out below are our firm's hourly rates, with effect from 1 January 2009, excluding VAT:

	<b>£</b>
Partners	395 - 450
Managers/Directors	250 - 395
Seniors	155 - 255
Assistants/Support staff	25 - 140

We occasionally use an associated business, MCR Receivables Management Limited to assist with the collection of book debts and other matters that the officeholders deem necessary. Depending upon the complexity and difficulties with the debtor records, work is undertaken on a basis of a percentage of realisations. The rate usually applied is 10% plus VAT and expenses.

As previously stated, MCR prides itself on the quality of work undertaken. With that in mind, we would invite creditors to consider the following points:

1. Our own standards mean that we undertake an investigation into the affairs of all companies in liquidation irrespective of the level of realisations that will be achieved.
2. The practice has to meet its own overheads and those associated with an insolvent estate irrespective of when fees are available from a particular case. We endeavour to allocate tasks to staff with the appropriate skills and at an appropriate charge-out rate.
3. Expenses and disbursements incurred by MCR in dealing with the administration of insolvent estates are discharged as a practice overhead out of fee income. This means that there are no hidden costs for recharging the use of internal meeting rooms, document storage and other services provided by the firm.
4. For the avoidance of doubt, direct costs relating to the administration of an estate are recovered if funds permit. These include, where applicable, advertising, travel expenses and expense claims by MCR staff where they are obliged to work away from the office. MCR only seeks to recover the costs of printing, room hire and document storage provided by external suppliers.



# **A CREDITORS' GUIDE TO ADMINISTRATORS' FEES**

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

## **ENGLAND AND WALES**

### **1 Introduction**

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

### **2 The nature of administration**

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

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

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

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

### **3 The creditors' committee**

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

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

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:
- as a percentage of the value of the property which the administrator has to deal with, or
  - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

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

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

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

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

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
  - each secured creditor of the company; and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval, having regard to the same matters as the committee would.

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

4.4 A resolution of creditors may be obtained by correspondence.

## **5 What information should be provided by the administrator?**

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

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

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

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

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

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

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

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

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

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

**6 What if a creditor is dissatisfied?**

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

**7 What if the administrator is dissatisfied?**

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

number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

## **8 Other matters relating to fees**

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

## **9. Provision of information – additional requirements**

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

The information which must be provided is –

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

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

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

**APPENDIX 7**



## Rule 2.37

## Creditor's request for a meeting

Name of Company

Rapid (Birmingham) Limited

Company number

05268377

In the  
High Court, Chancery Division, Manchester  
District Registry

Court case number

95 of 2009

(a) Insert full name and  
address of the creditor  
making the request

I (a)

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

request a meeting of the creditors of Rapid (Birmingham) Limited

(b) Registered Office:  
11 St James Square  
Manchester  
M2 6DN

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
Requesting creditor's claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence.(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

**APPENDIX 8**



**Proof of Debt – General Form**

**Rapaid (Birmingham) Limited (In Administration)**

Date of administration 12/01/2009

1.	Name of creditor (If a company please also give company registration number).	
2.	Address of creditor for correspondence.	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration.	
4.	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
7.	Particulars of any security held, the value of the security, and the date it was given.	
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	

**For Administrators' Use only**

Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator