

The Insolvency Act 1986

**R2.25****Statement of administrator's proposals**

Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986  
and Rule 2.25 of the Insolvency (Scotland) Rules 1986

Name of Company

AA BB CC Properties Limited

Company number

SC257320

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

~~I/We~~ (a)  
Linda Barr  
French Duncan Business Recovery  
104 Quarry Street  
Hamilton  
ML3 7AX

Eileen Blackburn  
French Duncan Business Recovery  
104 Quarry Street  
Hamilton  
ML3 7AX


attach a copy of my/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) 6 October 2014

Signed

  
Joint / Administrator(s)

Dated

6/10/14.**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

Linda Barr  
French Duncan Business Recovery  
104 Quarry Street  
Hamilton  
ML3 7AX

DX Number

01698 459444  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-  
**Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF**  
**DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**

TUESDAY



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\*S3HZ1DYW\*  
07/10/2014  
COMPANIES HOUSE

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de

Our ref: LB/EB/JH/KS/A11102ADMH/SED 5  
Your Ref:

**TO ALL KNOWN CREDITORS**

104 Quarry Street, Hamilton ML3 7AX  
DX: HA40 LP - 5 Hamilton 2  
Tel: 01698 459 444 Fax: 01698 425 333  
[custrechamilton@frenchduncan.co.uk](mailto:custrechamilton@frenchduncan.co.uk)  
[www.frenchduncan.co.uk](http://www.frenchduncan.co.uk)

06 October 2014

Dear Sirs

**AA BB CC PROPERTIES LIMITED (IN ADMINISTRATION)**

I write, in accordance with paragraph 46 of Schedule B1 to the Insolvency Act 1986 (as amended) ("the Act"), to notify you that on 26 August 2014 I was appointed, along with Eileen Blackburn as Joint Administrator of AA BB CC Properties Limited ("the company"), a statement setting out the Joint Administrators proposals for achieving the purpose of administration has been prepared and is enclosed with this letter.

In terms of EC regulation no 1346/2000 on insolvency proceedings, these proceedings are considered to be main proceedings, and the company is not known to have an establishment in any other member state.

In accordance with paragraph 52(1)(b) of Schedule B1 to the Act, the Joint Administrators do not propose to hold a Meeting of Creditors in this matter as the company has insufficient assets to make a distribution to unsecured creditors. As a result, the proposals will be deemed to have been accepted unless one or more creditors, comprising 10% of the total debt of the company, request a meeting within eight business days of the date of this letter.

In terms of the Administrators remuneration, you are referred to Statement of Insolvency Practice 9 (Scotland) ("SIP9") which deals with the remuneration of Insolvency Office holders and which is available in PDF format to download on French Duncan LLP's website [http://www.frenchduncan.co.uk/media/57564/Statement\\_of\\_Insolvency\\_Practice\\_9.pdf](http://www.frenchduncan.co.uk/media/57564/Statement_of_Insolvency_Practice_9.pdf). You may request a hard copy of the document by following the procedures set out above.

As part of the duties of the Joint Administrators a report will be submitted to the Department of Trade & Industry on the conduct of the directors in the running of the company. If you consider that there are any substantive matters which should be included in the report, please make your submissions in writing to the above address, together with your evidence.

fdl.

Should you have any queries regarding this letter or the attached report, please do not hesitate to contact myself or my colleague, Judith Howson on 01698 459444.

Yours faithfully



Linda Barr  
Joint Administrator

Enc

Form of Proxy  
Claim Form

Linda Barr is licensed in the UK to act as an Insolvency Practitioner by the Law Society of Scotland  
Eileen Blackburn is licensed in the UK to act as an Insolvency Practitioner by the Institute of Chartered Accountants of Scotland

Linda Barr and Eileen Blackburn of French Duncan LLP were appointed as Joint Administrators of AA BB CC Properties Limited on 26 August 2014.

Partners and staff of French Duncan LLP acting as Administrator(s) manage the affairs of the company as agent only and contract without personal liability.

## The Insolvency Act 1986

## PROXY

Pursuant to Rules 7.14 and 7.15 of the Insolvency (Scotland)  
Rules 1986

AABBCC Properties Limited

(In Administration)

Name of Creditor/Member

Address

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(hereinafter called 'the principal')

Insert the  
name and  
address of  
the proxy  
holder and of  
any  
alternatives. A  
proxy holder  
must be an  
individual  
aged  
over 18.

Name of Proxy-Holder 1.

Address

Whom failing 2.

Whom failing 3.

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I appoint the above person to be the principal's proxy-holder at:-

Delete as  
appropriate

\*all meetings in the above insolvency proceedings relating to the above company

\*the meeting of creditors/members of the above Company to be held on

\_\_\_\_\_

or at any adjournment of that meeting.

### Voting Instructions

The proxy-holder is authorised to vote or abstain from voting in the name, and on behalf, of the principal in respect of any matter(s), including resolution(s), arising for determination at said meeting(s) and any adjournment(s) thereof and to propose any resolution(s) in the name of the principal, either

\*(i) in accordance with instructions given below, or

\*(ii) if no instructions are given, in accordance with his/her own discretion.

\* delete as appropriate

1. That the Administrators proposals as issued on [ ] be accepted as circulated.

**Agree / Disagree / Modify per Below [delete as appropriate]**

2. That if the requisite number of creditors agree to act then a creditors committee be established of not less than 3 and not more than 5 creditors.

**Agree / Disagree / Modify per Below [delete as appropriate]**

3. For the nomination of \_\_\_\_\_ of \_\_\_\_\_ to be a member of the creditor's committee.

**Agree / Disagree / Modify per Below [delete as appropriate]**

4. That the Administrator's remuneration be fixed on a time cost basis and such remuneration may be drawn in accordance with the Insolvency (Scotland) Rules 1986

**Agree / Disagree / Modify per Below [delete as appropriate]**

5. That the Administrator's post appointment costs and expenses as detailed in the proposal be approved and the Administrators be authorised to draw these in accordance with the Insolvency (Scotland) Rules 1986

**Agree / Disagree / Modify per Below [delete as appropriate]**

6. That the Administrators be discharged from liability in accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 14 days after her appointment as Administrator ceases to have effect.

**Agree / Disagree / Modify per Below [delete as appropriate]**

Set forth any  
voting  
instructions for  
the proxy-  
holder. If more  
room is  
required,  
attach a  
separate sheet

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Signed \_\_\_\_\_ Date \_\_\_\_\_

Name in BLOCK LETTERS \_\_\_\_\_

Position of signatory in relation to the creditor/member or other authority for signing

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#### Notes for the Principal and Proxy-holder

1. The chairman of the meeting who may be nominated as proxy-holder, will be the insolvency practitioner who is presently administrator.
2. All proxies must be in this form or a form substantially to the same effect with such variations as circumstances may require (Rules 7.15(3) and 7.30).
3. To be valid the proxy must be lodged at or before the meeting at which it is to be used (Rule 7.16(2)).
4. Where the chairman is nominated as proxy-holder he cannot decline the nomination (Rule 7.14(4)).
5. The proxy-holder may vote for or against a resolution for the appointment of a named person to be liquidator jointly with another person, unless the proxy states otherwise (Rule 7.16(4)).
6. The proxy-holder may propose any resolution in favour of which he would vote by virtue of this proxy (Rule 7.16(5)).

7. The proxy-holder may vote at his discretion on any resolutions not dealt with in the proxy, unless the proxy states otherwise (Rule 7.16(6)).
8. The proxy-holder may not vote in favour of any resolution which places him, or any associates of his in a position to receive remuneration out of the insolvent estate unless the proxy specifically directs him so to vote (Rule 7.19(1)).
9. Unless the proxy contains a statement to the contrary, the proxy-holder has a mandate to act as representative of the principal on the creditors' or liquidation committee (Rule 4.48).

## Statement of Claim by Creditor

Pursuant to Rule 4.15(2)(a) of the Insolvency (Scotland) Rules 1986

**WARNING**

It is a criminal offence

- for a creditor to produce a statement of claim, account, voucher or other evidence which is false, unless he shows that he neither knew nor had reason to believe that it was false; or

- for a director or other officer of the company who knows or becomes aware that is false to fail to report it to the liquidator within one month of acquiring such knowledge.

On conviction either the creditor or such director or other officer of the company may be liable to a fine and/or imprisonment.

## Notes

(a) Insert name of company

(a) AABCC Properties Limited

(b) Insert name and address of creditor

(b)

(c) Insert name and address, if applicable, of authorised person acting on behalf of the creditor (c)

(d) Insert total amount as at the due date (see note (e) below) claimed in respect of all the debts, the particulars of which are set out overleaf.

I submit a claim of (d) £ in the liquidation of the above company and certify that the particulars of the debt or debts making up that claim, which are set out overleaf, are true, complete and accurate, to the best of my knowledge and belief.

(e) The due date in the case of a company

(i) which is subject to a voluntary arrangement is the date of a creditors' meeting in the voluntary arrangement;

(ii) which is in administration is the date of the administration order;

(iii) which is in receivership is the date of appointment of the receiver; and

(iv) which is in liquidation is the commencement of the winding up.

Signed \_\_\_\_\_  
Creditor/person acting on behalf of creditor

The date of commencement of the winding up is

(i) in a voluntary winding up the date of the resolution by the company for winding up (sect. 86 or 98); and

(ii) in a winding up by the court, the date of the presentation of the petition for winding up unless it is preceded by a resolution for voluntary winding up (section 129)

Date \_\_\_\_\_

**PARTICULARS OF EACH DEBT***Notes*

*A separate set of particulars should be made out in respect of each debt.*

- |   |  |
|---|--|
| <p>1. Describe briefly the debt, giving details of its nature, the date when it was incurred and when payment became due</p> <p>Attach any documentary evidence of the debt, if available.</p> <p>2. Insert total amount of the debt, showing separately the amount of principal and any interest which is due on the debt as at the due date (see note (e)). Interest may only be claimed if the creditors is entitled to it. Show separately the VAT on the debt and indicate whether the VAT is being claimed back from HM Customs and Excise.</p> <p>3. Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.</p> <p>4. Specify and give details of the nature of any security held in respect of the debt, including:-</p> <p style="margin-left: 20px;">(a) the subjects covered and the date when it was given;</p> <p style="margin-left: 20px;">(b) the value of the security</p> | <p>1. <b>Particulars of Debt</b></p> <p>2. <b>Amount of Debt</b></p> <p>3. <b>Preference claimed for Debt</b></p> <p>4. <b>Security for debt</b></p> |
|---|--|

*Security is defined in section 248(b) of the Insolvency Act 1986 as meaning 'any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)'. For claims in administration procedure security also includes a retention of title agreement, hire purchase agreement, agreement for the hire of goods for more than three months and a conditional sale agreement (see Rules 2.11 and 2.12).*

*In liquidation only the creditor should state whether he is surrendering or undertakes to surrender his security; the liquidator may at any time after 12 weeks from the date of commencement of the winding up (note (e)) require a creditor to discharge a security or to convey or assign it to him on payment of the value specified by the creditor.*

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|--|--|
| <p>5. In calculating the total amount of his claim in a liquidation, deduct the value of any security as estimated by him unless he surrenders it (see note 4.). This may apply in administration (see Rule 2.11).</p> <p>6. In the case of a members state liquidator creditor, a creditor shall specify and give details of underlying claims in respect of which he is claiming as a creditor</p> | <p>5. <b>Total amount of debt</b></p> <p>6. <b>Underlying claims</b></p> |
|--|--|



**AA BB CC PROPERTIES LIMITED  
(IN ADMINISTRATION)**

**REPORT AND PROPOSALS BY THE  
JOINT ADMINISTRATORS**

**(Pursuant to Schedule B1, Paragraph 49  
of the Insolvency Act 1986 (as amended)  
and Rule 2.25 of the Insolvency  
(Scotland) Rules 1986) (as amended)**

Linda Barr  
Joint Administrator  
French Duncan LLP  
104 Quarry Street  
Hamilton  
ML3 7AX

**Disclaimer Notice**

- This Statement of Proposals has been prepared by the Joint Administrators of AA BB CC Properties Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the company listed above.
- Any estimated outcome for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors. Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their own risk. To the fullest extent permitted by law the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.
- The Joint Administrators act as agents for AA BB CC Properties Limited and contract without personal liability. The appointment of the Joint Administrators are personal to them and, to the fullest extent permitted by Law, French Duncan LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

## AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)

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## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

### **1.1 Introduction**

We, Linda Barr and Eileen Blackburn were appointed Joint Administrators of AA BB CC Properties Limited on 26 August 2014 by Clydesdale Bank plc. ("the Bank") at Paisley Sheriff Court. The appointor is the holder of a qualifying floating charge in terms of Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as amended).

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 (as amended), this is our initial report to the creditors of the company, together with our Proposals for achieving the purpose of the Administration and for the conduct of the Administration.

The Joint Administrators are acting jointly and concurrently in accordance with Paragraph 100 of Schedule B1 of the Insolvency Act 1986 (as amended).

The report also includes certain information that requires to be provided to creditors in accordance with Rule 2.25 (1) of the Insolvency (Scotland) Rules 1986 (as amended).

### **1.2 Statutory and other information**

Statutory and other information in respect of the company is provided at Appendix 1.

### **1.3 Background and Events Leading up to appointment**

The company was incorporated on 09 October 2003 and held its registered office at and traded from Oaklands, 26 Hunterhill Road, Paisley, PA2 6ST, this property is freehold and is occupied as a primary residence by the director, Barbara Adams. This property is not an asset of the company. The company operated in the trade of "letting and operating of own or leased real estate". The main functions, products and services of the company were:

- Ownership and development of three properties and one plot of land

At the time of appointment the company had no employees.

The director, Barbara Adams has cited the reasons for the company's failure and insolvency as the economic recession and the decline in the property markets. As at the date of the Joint Administrators appointment none of the properties were tenanted, therefore, the company was generating no rental income with which to meet the running costs of the company and to service the company's borrowing outstanding to the Bank.

From August 2013, the directors have been working with their appointed sale representatives to try and achieve sales of the properties and plot of land. However, no willing purchasers have been forthcoming. Therefore, following the passing of one year of open marketing by the company without any sales being achieved, the Bank wished to take control of the assets in order to attempt to review the sales strategy and thereby recover the Bank's indebtedness by a change in approach to the realisation of these assets. The Bank took the decision to take steps to appoint Administrators in August 2014,

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

resulting in the appointment of Linda Barr and Eileen Blackburn as Joint Administrators on 26 August 2014 in terms of paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as amended).

### **1.4 Reasons for Insolvency**

Based on the discussions with the Directors and our investigations to date, the insolvency of the company was largely due to the following factors:

- Economic slowdown due to general economic climate
- Decline in UK property market
- Difficulty in securing long term tenants for the property

### **1.5 Objective of the Administration**

The main objective of following the Administration route is c below.

Pursuant to Schedule B1 Section 3(1) of the Insolvency Act 1986 (as amended) the Joint Administrators are required to perform their functions with the objective of:-

- a) First, rescuing the company as a going concern; or
- b) 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
- c) If the first and second objectives are not reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators must perform their functions with the objective specified above unless they think it is not reasonably practicable to do so.

## **2 Joint Administrator's Strategy**

The strategy formulated in the Administration is:

- c) If the first and second objectives are not reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to one or more secured or preferential creditors.

## AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)

This will be achieved by the Joint Administrators by:

- Appointing agents to update the Home Reports in respect of the properties
- Reviewing the marketing strategy and refreshing the market valuations of the properties and plot of land
- Undertaking open market sales and/or auction sales at reduced selling prices

On 15 September 2014, Linda Barr, one of the Joint Administrators met with the director, Barbara Adams. We reviewed the business with the director and reviewed the trading prospects of the company with a view to deciding whether it was possible to obtain a sale on a going concern basis. Given the circumstances encountered, and the values attributed to the properties it was decided that it would be unlikely that the Joint Administrators would be able to sell on a going concern basis.

We reviewed security and insurance arrangements and it was confirmed that the properties were currently under the supervision of a caretaker to ensure the properties were kept secured and adequately maintained pending sales being achieved. It was agreed that this arrangement would continue during the administration until sales of the properties were achieved. We took all necessary steps to identify and safeguard the company assets.

We instructed DM Hall to carry out refreshed valuations of the company's assets and Walker Laird Solicitors and Estate Agents to act as selling and marketing agents.

### **3 Financial Position of the Company**

A Statement of Affairs ("Statement") was requested from the directors of the company, this will be prepared once updated valuations have been received. In the meantime, an estimated Statement, prepared by us, based on the figures extracted from the books and records of the company and estimated valuations supplied by our agents, is attached at Appendix II.

We would comment as follows on the Statement:-

#### **3.1 Assets**

##### ***Freehold Property***

The company's assets as at the date of appointment comprised of properties and land as follows:

- 3A, 3B and 3C Marshall's Lane, Paisley, PA1 1UU
- Plot of land at 5-7 Marshall's Lane, Paisley, PA1 1UU

## AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)

### *Fixtures and Fittings*

The unaudited financial statements of the company for the year ended 31 October 2013 state that there are fixtures and fittings to the value of £870 owned by the company. The director, Barbara Adams has advised that these fixtures and fittings relate to soft furnishings within the properties and as such are likely to be sold in situ on the eventual sale of the properties.

## 3.2 Liabilities

### **Secured Creditors – Standard Security**

- The lending of the Bank as secured by a standard security as at 26 August 2014 amounted to approximately £336,000 with interest and charges continuing to accrue. The Bank holds standard securities over 3A, 3B and 3C Marshall's Lane, Paisley, PA1 1UU and the plot of land at 5-7 Marshall's Lane, Paisley, PA1 1UU.
- The standard securities were dated and registered at the Registrar of Companies as follows:

Standard security dated 20 December 2007 and registered 29 December 2007 over 5 -7 Marshall's Lane, Paisley, PA1 1UU.

Standard security dated 16 January 2008 and registered 24 January 2008 over 3 Marshall's Lane, Paisley, PA1 1UU.

In addition, according to information recorded at the Registrar of Companies, the Royal Bank of Scotland Plc. has an outstanding standard security against the company dated 13 January 2004 and registered on 20 January 2004 over 3/3A Marshall's Lane, Paisley and a standard security dated 17 January 2005 and registered 20 January 2005 over 5 -7 Marshall's Lane, Paisley, PA1 1UU (Title number REN 97867). The Royal Bank of Scotland Plc. were provided with Notice of Intention to appoint by the solicitors acting for the Bank in accordance with Rule 2.9 of the Insolvency (Scotland) Rules 1986 (as amended), upon the return of the Notice of Intention to appoint, the Royal Bank of Scotland Plc. intimated that it did not hold any accounts in the name of the company. The solicitors acting for the Bank have concluded that therefore these charges in favour of the Royal Bank of Scotland Plc. are simply undischarged at the Registrar of Companies for administrative reasons only.

### **Preferential Claims**

It is not anticipated that there will be any preferential claims in respect of the company.

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

### **Secured Creditor – Floating Charge**

The lending of the Bank as at 26 August 2014 amounted to approximately £336,000 with interest and charges continuing to accrue. The Bank holds a floating charge over the property and assets of the company dated 17 January 2008 and registered at the Registrar of Companies on 24 January 2008.

In addition, according to information recorded at the Registrar of Companies, the Royal Bank of Scotland Plc. holds a bond and floating charge over the property and assets of the company. The floating charge was dated 15 July 2004 and registered at the Registrar of Companies on 23 July 2004. The Royal Bank of Scotland Plc. were provided with Notice of Intention to appoint by the solicitors acting for the Bank in accordance with Rule 2.9 of the Insolvency (Scotland) Rules 1986 (as amended), upon the return of the Notice of Intention to appoint, the Royal Bank of Scotland Plc. intimated that it did not hold any accounts in the name of the company. The solicitors acting for the Bank have concluded that therefore these charges in favour of the Royal Bank of Scotland Plc. are simply undischarged at the Registrar of Companies for administrative reasons only.

After the costs of realisation and the costs of the Administration, it is anticipated there will be no return to the Bank under its floating charge.

### **Unsecured Creditors**

According to the director, Barbara Adams, there are no unsecured creditors of the company. However, the director's current accounts in the unaudited financial statements of the company for the year ended 31 October 2013 state that the directors are owed £92,113. The director advises that these funds were advanced to the company in order to lay down a deposit in respect of the purchase of the properties and additional sums have been incurred in order to finance continued trade in the months prior to the company's insolvency. A formal statement of claim has been received from the director totalling £103,652.72. Following the Joint Administrators advising their appointment in accordance with paragraph 46 (2) (b) of Schedule B1 of the Insolvency Act 1986 (as amended) and Rule 2.10 of the Insolvency (Scotland) Rules 1986 (as amended), to date no other unsecured creditor has submitted a claim in the administration proceedings.

### **3.3 Prescribed Part**

Section 176A, Insolvency Act 1986 (as amended), requires the Joint Administrators to set aside the prescribed amount of the company's "net property" towards the satisfaction of unsecured debts. Net property is the amount of property that would otherwise be available for satisfaction of holders of debentures secured by, or holders of, any Floating Charge created by the Company after 15 September 2003. This is known as the "prescribed part" and is limited to £600,000. It is calculated as 50% of the first £10,000 of the funds available and 20% of the balance.

In this case, we currently estimate the prescribed part to be £NIL, this assumes certain levels of asset realisation and does not take into account the

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

In this case, we currently estimate the prescribed part to be £NIL, this assumes certain levels of asset realisation and does not take into account the costs of asset realisation or the general administration costs. These may have a significant bearing on the level of funds available for the Prescribed Part distribution.

### **3.4 Dividend Prospects to all Creditors**

Based upon current information on known assets, it is anticipated that dividends will be as follows:

<b>Creditor Type</b>	<b>Dividend Total</b>	<b>Shortfall</b>
Secured Creditor – Standard Security	£285,000	£51,000
Preferential Creditors	N/A	N/A
Floating Charge Creditor	NIL	NIL
Unsecured Creditor	NIL	NIL

These figures do not take into account the costs of realisations or the general costs of administration which are likely to have a significant bearing on the level of funds available to all creditors.

### **3.5 Further comments on the statement:**

- No provision has been made for the costs of asset realisation and the costs of the Administration in general.

## **4 Receipts & Payments**

A Receipts & Payments Account to 2 October 2014 is enclosed at Appendix III. As at that date we hold £0 funds in hand.

Legal fees of approximately £1,090 plus VAT have been incurred to date. There will be further legal fees for ongoing advice in the Administration.

DM Hall has been paid fees in the sum of £600 plus VAT in relation to the valuation of the assets. Sales and marketing costs and the costs of administering any auction are estimated to be £2,850 plus VAT.

The Joint Administrators have insured the assets of the Company. The premium charged is yet to be advised.

## **5 Joint Administrator's Remuneration**

In accordance with Statement of Insolvency Practice 9 (Scotland) ("SIP9") we have enclosed, at Appendix IV, details of the Joint Administrators' time costs in this matter, from the date of appointment to 2 October 2014. You will note



## AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)

that time costs to date amount to £2,984, which represents 15.75 hours at an average hourly rate of £189.46

To date, no fees have been drawn in respect of either the pre or post appointment work undertaken.

These amounts are derived by reference to French Duncan's normal rates in respect of time properly expended by the Joint Administrator and her staff in attending to matters arising in the Administration. Where appropriate, certain staff have dealt with a specific area of the Administration due to their specialist skills in the area. Scale rates increase from time to time over the period of the Administration of each insolvency case.

The basis of the Joint Administrators' remuneration is fixed as either a percentage of the value of the company's property or by reference to time properly incurred by the Joint Administrators or their staff in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986 (as amended). In this case, the basis requested will be in accordance with the time properly incurred by the Joint Administrators. Where the Joint Administrators have made a statement under Paragraph 52 (1) (b) of Schedule B1 of the Insolvency Act 1986 (as amended), that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part, it is for each secured creditor and a majority of the preferential creditors who vote to agree the basis of the remuneration. We enclose, at Appendix V, an extract from the SIP9, A Creditors' Guide to Fees, for your reference.

Total disbursements incurred from the date of appointment to 2 October 2014, but not yet charged, are £112.75 and are detailed as follows:-

	Category 1 Disbursements	Category 2 Disbursements
	£	£
Staff Travel/Meals Expenses		0
Redirection of Mail	0	
Postage, Stationery & Photocopying		0
Courier Service	0	
Advertising	76.75	
Company Search	0	
Bordereau	36.00	

Category 1 Disbursements are those which generally comprise external supplies of incidental services specifically identifiable to the client. Category 2 Disbursements are generally services supplied internally and require approval, in the same manner as remuneration.

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

### **6 Meeting of Creditors**

On the basis of information received and progress made between 26 August 2014 and to 2 October 2014, the Joint Administrators estimate that there will be no dividend available to unsecured creditors, other than potentially under the Prescribed Part provisions of s176A(2) of the Insolvency Act 1986 (as amended).

Therefore in accordance with Paragraph 52 (1) (b) of Schedule B1 to the Insolvency Act 1986 (as amended), the Joint Administrator does not intend to call an initial meeting of creditors.

The Joint Administrators are, however, required to summon an initial meeting of creditors if it is requested:

- by creditors whose debts amount to at least 10% of the total debts of the Company;
- in the prescribed manner (as detailed below); and
- within 8 business days of the date of this report

If the Joint Administrators are not requested to hold a meeting as noted, the Proposals will be deemed to be accepted after the period of 8 business days from the date of this report.

A request for an initial meeting of creditors must be made in writing to the Joint Administrators and must include:

- a note of the creditors debt in the Administration
- a statement of the purpose of the proposed meeting, or
- if submitted by a group of creditors, a list of the creditors concurring with the request, showing the amounts of their respective debts in the Administration; and
- from each creditor concurring, written confirmation of their concurrence; and
- a statement of the purpose of the proposed meeting.

In addition, the expenses of summoning and holding a meeting at the request of a creditor may have to be paid by that person/group of people, who is/are required to deposit security for such expenses with the Joint Administrators.

Attached at Appendix VII is a list of the Company's creditors; including their names, addresses and details of their debts.

### **7 Proposed Exit Route**

In due course it will be necessary for the Company to exit from the Administration. This can either be into a Creditors' Voluntary Liquidation, into Compulsory Liquidation or by Dissolution of the Company. Unless stated, all references to paragraph numbers in this section are references to paragraphs in Schedule B1 to the Insolvency Act 1986 (as amended).

As reported herein, in the likely event that there are insufficient funds to enable a distribution to the unsecured creditors, it is proposed that once all

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

outstanding matters have been concluded, the Joint Administrators will seek a resolution from creditors for their release as Joint Administrators and file the necessary forms with the Registrar of Companies to place the Company into the dissolution process pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986 (as amended).

If, however, sufficient surplus funds are available to enable a distribution to be declared to the non-preferential creditors who are neither secured nor preferential ("unsecured creditors") then the Joint Administrators will seek a resolution from creditors for her release as Joint Administrators and will file the necessary returns with the Registrar of Companies in order to place the Company into Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 (as amended). In this unlikely event it is proposed that the Joint Administrators are appointed as the Joint Liquidators to enable the distribution of surplus funds to unsecured creditors of the Company. This would be the most timely and cost-effective method, as it would avoid the duplication of work by an alternative Insolvency Practitioner.

In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 (as amended) and Rule 2.47(3)(b) of the Insolvency (Scotland) Rules 1986 (as amended), creditors may nominate a different person as the proposed Liquidator. All valid nominations must be made after the receipt of these proposals and before the proposals are approved, with or without modifications.

In the event that none of the above exit routes are deemed appropriate by the Joint Administrators, it is proposed that the Joint Administrators present a petition at Court for the winding-up of the Company pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 (as amended). They will also seek their appointment as Joint Liquidators pursuant to Section 140(1) of the Insolvency Act 1986 (as amended), and will seek their release as Joint Administrators from the Court pursuant to paragraph 98(2)(c) of Schedule B1 to the Insolvency Act 1986 (as amended).

### **8 Joint Administrators' Proposals**

This document in its entirety constitutes the Joint Administrators' proposals in accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986 (as amended) and Rule 2.25 of the Insolvency (Scotland) Rules 1986 (as amended). The key points are summarised as follows:

- That the Joint Administrators do and continue to do all such things and generally exercise all of their powers as Joint Administrators as contained in Schedule 1 of the Insolvency Act 1986 (as amended) as they at their discretion consider desirable or expedient, in order to achieve the purposes of the Administration and to protect and preserve the assets of the Company and to maximise the realisation of those assets or for any purpose incidental to these proposals.
- That the Joint Administrators be authorised to draw fees on account from the assets from time to time during the period of the Administration based on time properly spent at French Duncan LLP charge out rates that reflect the complexity of the assignment. Also that the Joint Administrators be

## AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)

authorised to draw disbursements from time to time to include Category 2 disbursements.

- That the costs of French Duncan LLP in respect of tax, VAT and any pension advice provided to the Joint Administrators be based upon time costs at the French Duncan LLP rates and shall be paid out of the assets of the Company.
- To settle legal and other agents' fees and disbursements properly incurred in assisting the Joint Administrators, to be paid out of the assets of the Company.
- To take all such actions as are necessary including, but not limited to, legal action and referral to adjudication as necessary to realise Company assets.
- To investigate and submit a claim for refund of any corporation tax, VAT or any other relevant refunds, if appropriate.
- To raise or defend any legal actions while it remains economical to do so.
- In the event that the Joint Administrators consider it appropriate they may extend their statutory term of twelve months for a further period of six months, pursuant to paragraph 76(2) (b) of Schedule B1 to the Insolvency Act 1986 (as amended), and that if a further extension is considered appropriate, the Joint Administrators may make an application to the Court pursuant to Paragraph 76(2) (a) of Schedule B1 to the Insolvency Act 1986 (as amended) in this regard.
- That if there are insufficient funds to make a payment by way of distribution to the unsecured creditors, once all outstanding matters have been concluded and all payments made to secured and preferential creditors, the Joint Administrators will seek a resolution from the creditors for their release and file the requisite forms with the Registrar of Companies to enable the Company to be placed into dissolution pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986 (as amended).
- To be permitted to pay any net realisations to preferential and secured creditors.
- Should the need arise and in the event that there are sufficient funds to enable payment by way of distribution to unsecured creditors, the Joint Administrators be permitted to move the Company from Administration to Creditor's Voluntary Liquidation, and for their appointment as Joint Liquidators of the Company without further recourse to creditors. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 (as amended) and Rule 2.47 of the Insolvency (Scotland) Rule 1986 (as amended), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these Proposals and before the Proposals are approved.
- That if sufficient funds are realised and a Liquidator is appointed (in any manner described in these proposals) then the net funds held, after the

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

provision of costs, be passed by the Joint Administrators to the appointed Liquidator/Joint Liquidators.

- In the event that none of the above exit routes are deemed appropriate by the Joint Administrator, it is proposed that the Joint Administrators present a petition at Court for the winding up of the Company pursuant to paragraph 79. The Joint Administrators will also seek their appointment as Joint Liquidators pursuant to section 140(1) of the Insolvency Act 1986 (as amended) and will seek their release as Joint Administrators from the Court pursuant to paragraph 98(2) (c) of Schedule B1 to the Insolvency Act 1986 (as amended).
- That the Joint Administrators seek a resolution from creditors (or a committee of creditors if one is formed) and that the Joint Administrators (and the Liquidator/Joint Liquidators, if applicable) shall be remunerated on a time costs basis by reference to French Duncan LLP's normal rates for time spent by the Joint Administrators and their staff attending to matters arising in the Administration (and Liquidation) and also be authorised to draw disbursements detailed in this report and all future disbursements.
- That the Joint Administrators seek a resolution from creditors pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986 (as amended), that the Joint Administrators be released from all liability in respect of their acts as Joint Administrators, 14 days after their appointment as Joint Administrators ceases to have effect.
- That, if thought fit, a creditors' committee is established pursuant to paragraph 57 of Schedule B1 to the Insolvency Act 1986 (as amended).

### **9 Conclusion and Recommendations**

The Joint Administrators are of the view that the maximum realisations will be obtained by taking steps to realise the assets outlined in this report. It is the hope of the Joint Administrators that the creditors sanction the proposals detailed in this report and as summarised at Section 8.

The Joint Administrators are of the view that they should continue to manage the affairs of the Company in order to achieve the purpose of the Administration Order.

Based upon present information and known assets it is not expected that there will be sufficient realisations to allow a dividend to unsecured creditors.

### **10 Director's Conduct**

The Joint Administrators are required by Rules 3 and 4 of the Insolvent Companies (Report on Conduct of Directors) (Scotland) Rules 1996 to submit a formal report or a return to The Insolvency Service in the conduct of any person who has been a director or shadow director of the Company at any time in the three years immediately preceding the appointment.

## **AABBCC PROPERTIES LIMITED (IN ADMINISTRATION)**

If you have any comments that may assist in the investigations into the Company affairs and into the report required to the Insolvency Service, these will be treated in the strictest confidence.

### **11 EC Regulations on Insolvency Proceedings 2000**

EC Regulations apply to the Administration of the Company and the main proceedings are in the United Kingdom.



Linda Barr  
Joint Administrator  
AA BB CC Properties Limited  
02 October 2014

# APPENDIX I

## Statutory Information

Company Name: AA BB CC Properties Limited  
Trading Name: AA BB CC Properties  
Company Number: SC257320  
Date of incorporation: 09/10/2003  
Principal Activity: letting and operating of own or leased real estate  
Former Registered Office: Oaklands  
26 Hunterhill Road  
Paisley  
PA2 6ST

Trading Address: Oaklands, 26 Hunterhill Road, Paisley, PA2 6ST

Directors at appointment: Barbara Adams  
Allen John Hughes

Other directors in previous 3 years: None

Company Secretary: Barbara Adams

Other Company Secretary in previous 3 years: None

Shareholders: The Company has authorised, and issued, 2 Ordinary shares at £1 each. The shares are held by:-

Allen Adams	1
Barbara Adams	1

2

Court Ref: B716

Court: Paisley Sheriff Court

Accountants: Curle & Co, Chartered Accountants, 22 Backbrae Street, Kilsyth G65 0NH

Bankers: Clydesdale Bank PLC

## **APPENDIX II**

### **STATEMENT OF AFFAIRS**



Insolvency Act 1986

AA BB CC Properties Limited  
Estimated Statement Of Affairs as at 26 August 2014

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Freehold Land & Property	644,706.00	285,000.00	
Clydesdale Bank Plc		(336,000.00)	
Deficiency c/d		(51,000.00)	
Furniture & Equipment	870.00		1.00
			1.00
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
			NIL
			1.00
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
Deficiency b/d		51,000.00	
		(50,999.00)	
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			NIL
			(50,999.00)
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			(50,999.00)
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
			NIL
			(50,999.00)
Estimated prescribed part of net property where applicable (brought down)			NIL
			(50,999.00)
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Directors	103,652.72		
			103,652.72
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(154,651.72)
			(154,651.72)
Issued and called up capital Ordinary Shareholders		2.00	
			2.00
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			(154,653.72)

## **APPENDIX III**

### **RECEIPTS & PAYMENTS ACCOUNT**

**DATED 2 OCTOBER 2014**

**AABBCC Properties Limited**  
(In Administration)

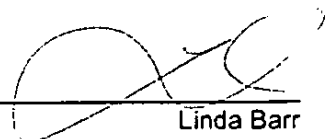
**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 26/08/2014 To 02/10/2014 £	From 26/08/2014 To 02/10/2014 £
<b>RECEIPTS</b>			
Freehold Land & Property	285,000.00	0.00	0.00
Furniture & Equipment	1.00	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<b>PAYMENTS</b>			
Agents/Valuers Fees		600.00	600.00
Clydesdale Bank Plc	(336,000.00)	0.00	0.00
Petitioner's Costs		1,090.00	1,090.00
Bordereau		36.00	36.00
Agents/Valuers Fees (1)		115.00	115.00
Statutory Advertising		76.75	76.75
Directors	(92,113.00)	0.00	0.00
Ordinary Shareholders	(2.00)	0.00	0.00
		<u>1,917.75</u>	<u>1,917.75</u>
Net Receipts/(Payments)		<u>(1,917.75)</u>	<u>(1,917.75)</u>

**MADE UP AS FOLLOWS**

Sums due to Liquidator	(2,275.85)	(2,275.85)
VAT Receivable / (Payable)	358.10	358.10
	<u>(1,917.75)</u>	<u>(1,917.75)</u>

Note:

  
 Linda Barr  
 Joint Administrator

## **APPENDIX IV**

### **TIME COST ANALYSIS**

AA BB CC PROPERTIES LIMITED (IN ADMINISTRATION)

TIME AND CHARGE OUT SUMMARY

TIME SUMMARY FOR THE PERIOD 26 AUGUST 2014 TO 2 OCTOBER 2014

Classification of work function	Hours						Time Cost (£)	Average Hourly Rate (£)
	Partner	Director	Manager	Other Senior Professionals	Administrator, Assistants & Support Staff	Total Hours		
Administration & Planning	0.00	6.90	0.50	0.00	2.65	10.05	1,860.00	185.07
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	4.20	0.40	0.00	1.10	5.70	1,124.00	197.19
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.00</b>	<b>11.10</b>	<b>0.90</b>	<b>0.00</b>	<b>3.75</b>	<b>15.75</b>	<b>2,984.00</b>	<b>189.45</b>

## **APPENDIX V**

### **STATEMENT OF INSOLVENCY PRACTICE 9, A CREDITORS' GUIDE TO FEES**



## **A CREDITORS' GUIDE TO ADMINISTRATORS' REMUNERATION SCOTLAND**

This guide applies to all appointments on or after 6 April 2006. Any creditor requiring guidance on a case where the Insolvency Practitioner was appointed prior to 6 April 2006 should refer to the previous guide, which should have been issued to all creditors at the time of appointment.

### **1 Introduction**

- 1.1 When a company goes into administration the costs of the proceedings are paid out of the company's assets in priority to creditors' claims. 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 remuneration. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor remuneration and outlays and explain the basis on which remuneration and outlays 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 objective of:
  - (a) rescuing the company as a going concern, or
  - (b) 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
  - (c) 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 or liquidation.

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

- 3.1 Where a meeting is held by the Administrator 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 administration order (or longer with the consent of the court) to consider his proposals. The administrator must call the first meeting of the committee within 3 months 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 such information as it may require.

### **4 Fixing the Administrator's Fees**

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986 which states that it may be a commission calculated by reference to the value of the company's property with which he has to deal.

It is for the creditors' committee (if there is one) to fix the remuneration and Rule 2.39 says that in arriving at its decision the committee shall take into account:

- the work which, having regard to the value of the company's property, was reasonably undertaken by the administrator; and
- the extent of his responsibilities in administering the company's assets.

Although not specifically stated in the rules, the normal basis for determining the remuneration will be that of the time costs properly incurred by the administrator and his staff.

- 4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration will be fixed by the creditors.
- 4.3 Where no meeting is held, the administrator's remuneration is approved by each secured creditor of the company or where a distribution to the preferential creditors is proposed by each secured creditor and 50% in value of the preferential creditors disregarding those who do not respond or withhold approval

## **5 What Information should be Provided by the Administrator?**

- 5.1 Claims by the administrator for the outlays reasonably incurred by him and for his remuneration shall be made in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986 which provides that within two weeks after the end of an accounting period, the administrator shall submit to the creditors' committee or if there is no creditors' committee, to a meeting of creditors.:
- his accounts of intromissions for audit;
  - a claim for the outlays reasonably incurred by him and for his remuneration, broken down into category 1 disbursements, being those costs where there is specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party, and category 2 disbursements, which are costs which include elements of shared or allocated costs, and are supplied internally by the administrator's own firm and
- 5.2 The administrator may at any time before the end of an accounting period submit to the creditors' committee or a meeting of creditors an interim claim for category 1 and 2 disbursements reasonably incurred by him and for his remuneration.
- 5.3 When seeking agreement to his fees and disbursements, the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee and disbursements are reasonable having regard to all 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.
- 5.4 Where, at any creditors' committee meeting or meeting of creditors, 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.
- 5.5 Where the administrator seeks agreement to his remuneration during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed remuneration 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, or the drawing, or agreement of remuneration.
- Any existing agreement about remuneration.
- In cases where there are distributable funds available to unsecured creditors by means of the creditors' prescribed part, how the administrator has allocated remuneration and costs with regard to dealing with the administration of and agreeing of unsecured creditors' claims. Remuneration in respect of time spent dealing with issues specific to the funds for ordinary creditors will be applied against the creditors prescribed part, prior to the funds being distributed, and will not be applied against the total funds available to all creditors, including those available to the floating charge holder.
- 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 be relevant, whilst further analysis may be necessary in larger cases.

- 5.6 Where the remuneration is charged as a commission based on the value of the company's property with which the administrator has had to deal, the administrator should provide details of any work which has been or is intended to be contracted out which would normally be undertaken directly by the administrator or his staff.

- 5.7 As noted in 5.1, any claim for outlays must be approved in the same way as remuneration. 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) they must be approved as if they were remuneration. Such disbursements must be directly incurred on the case and subject to a reasonable method of calculation and allocation. A charge for disbursements calculated as a percentage of the amount charged for remuneration is not allowed.
- 5.8 Payments to outside parties in which the office holder or his firm or any associate has an interest should be disclosed to the body approving remuneration and should be treated in the same way as payments to himself. They therefore require specific approval as remuneration prior to being paid.

## **6 What If a Creditor is Dissatisfied?**

- 6.1 If the administrator's remuneration has been fixed by the creditors' committee or by the creditors, by virtue of Rule 2.39A of the Insolvency (Scotland) Rules 1986, any creditor or creditors of the company representing in value at least 25 per cent of the creditors may apply to the court not later than eight weeks after the end of an accounting period for an order that the administrator's remuneration be reduced, on the grounds that it is, in all the circumstances excessive.
- 6.2 Notwithstanding the fact that the statutory time limit for appealing expires eight weeks from the end of the accounting period concerned, it is normal practice to advise the creditors that they may appeal within 14 days of being notified of the determination in cases where this extends beyond the statutory appeal period.

## **7 What if the Administrator is Dissatisfied?**

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee or by resolution of the creditors is insufficient he may apply to the court for an order increasing its amount or rate. 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 remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

## **APPENDIX VI**

### **SCHEDULE OF OFFICE HOLDERS' DISBURSEMENTS AND CHARGE OUT RATES**

## SCHEDULE OF OFFICE HOLDER'S CHARGE OUT RATES AND DISBURSEMENTS

Internal disbursements are charged, where appropriate, by French Duncan LLP as follows:-

Postage	Charged at actual cost
Photocopying and Fax	Recharged at 10p per sheet
Microfiche and Files	Recharged at actual cost
Storage	Charges at cost
Room hire	No charge for meetings held within our offices Any other venue at cost.
Archiving Files on closure	Recharged at staff time costs
Travel	Motor vehicles at 45p per mile

The table detailed below sets out the charge-out rates utilised by French Duncan LLP for charging staff time.

Job Title	Charge out Rate (per hour) £
Partner	315
Director	230
Manager	157.50 - 175
Other Senior Professional	130
Joint Administrator/assistant/support staff	60-85

It should be noted that the above rates increase from time to time over the period of the administration of each insolvency case.

## **APPENDIX VII**

### **LIST OF CREDITORS**

**French Duncan Business Recovery**  
**AA BB CC Properties Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Mrs Barbara Adams	Oaklands, 26 Hunterhill Road, Paisley, PA2 6ST	0.00
CC00	Clydesdale Bank plc	Specialised CRE, National Australia Bank Limited, 7th Floor, Guildhall, 57 Queen Street, Glasgow, G1 3EN	336,000.00
RA00	Mrs Barbara Adams	Security Given: Standard Security Date Given: 30/12/1899	0.00
RA01	Mr John A H Adams	Oaklands, 26 Hunterhill Road, Paisley, PA2 6ST Apt 4/20 Anchor Mills, 7 Thread Street, Paisley, Renfrewshire, PA1 1JR	0.00
<b>4 Entries Totalling</b>			<b>336,000.00</b>

Signature \_\_\_\_\_