

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company
Abbey Stone Products Limited

Company number
02750887

In the Leeds District Registry
(full name of court)

Court case number
328

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

We (a) Paul Andrew Whitwam
BWC Business Solutions Limited
8 Park Place
Leeds
LS1 2RU

Gary Edgar Blackburn
BWC Business Solutions Limited
8 Park Place
Leeds
LS1 2RU

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

having been appointed administrators of (b) Abbey Stone Products Limited c/o BWC Business
Solutions Limited, 8 Park Place Leeds, LS1 2RU

(c) Insert date of
appointment

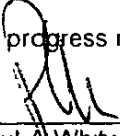
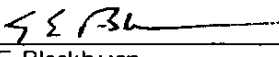
on (c) 2 March, 2011 by (d) Leeds District Registry

(d) Insert name of
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

we attach a copy of the final progress report

Signed

 
Paul A Whitwam & Gary E Blackburn
Joint Administrators
16 January 2012

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

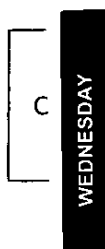
The contact information that you give
will be visible to searchers of the
public record

Paul Andrew Whitwam
BWC Business Solutions Limited
8 Park Place
Leeds
LS1 2RU

DX Number

0113 243 3434
DX Exchange

When you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



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COMPANIES HOUSE

Abbey Stone Products Limited - In Administration

Final Report of the Administrators Pursuant to Rule 2.110 of The Insolvency Rules 1986

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1. COMPANY AND ADMINISTRATORS' DETAILS

Name of Court & Court Reference Number:	High Court of Justice Leeds District Registry Chancery Division Number 328 of 2011
Company Registered Number:	02750887
Registered Office:	C/O BWC Business Solutions Limited 8 Park Place, Leeds LS1 2RU
Name of Administrators:	Paul Andrew Whitwam and Gary Edgar Blackburn Licensed Insolvency Practitioners of BWC Business Solutions Limited, 8 Park Place Leeds LS1 2RU The Administrators are licensed by the Insolvency Practitioners' Association
Date of Appointment:	2 March 2011
Persons Making Appointment:	Reward Capital Limited – Qualifying Floating Chargeholder
Acts of the Administrator	The Administrators act as officers of the Court and as agents of the Company without personal liability Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time

2. SUMMARY OF ADMINISTRATORS' PROPOSALS

This report should be read in conjunction with the reports dated 19 April 2011 and 2 September 2011, previously submitted under paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.47 of the Insolvency Rules 1986, respectively

In the initial report, the Administrators made various proposals regarding the conduct of the Administration and these were approved. The key proposals approved by the Company's creditors by correspondence were as follows

- The Administrators' proposals dated 19 April 2011 were approved.
- The remuneration of the Administrators be fixed by reference to time properly given by them and their staff in attending to matters arising from the Company's administration, in accordance with the Statement of Insolvency Practice number 9 and that they be authorised to draw remuneration and disbursements as and when funds are available
- The Pre-Administration Costs of the Joint Administrators be approved for payment out of the assets of the company as an expense of the administration

3. PURPOSE AND OUTCOME OF ADMINISTRATION

Purpose of Administration

The purpose of the administration order was to realise property in order to make a distribution to one or more secured or preferential creditors

As detailed in the Administrators' initial report, the Company's unencumbered assets were sold for £28,000 plus VAT on 10 March 2011 to Abbey Art Stone Limited ("the Purchaser"). The sale consideration was payable £16,800 on completion and the balance in six equal monthly installments of £2,800. The final installment of the deferred sale consideration was received on 15 September 2011.

The Purchaser is connected to the Company because its directors, Ms Kim Phelps and Mr Timothy Phelps, are the children of the Company's director Mr Steven Phelps.

Unfortunately, there are insufficient realisations to make a distribution to the secured creditor, Reward Capital Limited, or the preferential creditors. Therefore, the Administrators consider that the purpose of the administration has not been achieved.

Outcome for Creditors

The Administrators confirmed in their report dated 2 September 2011 that there will be insufficient funds to enable a dividend to be paid to unsecured creditors from realisations generally.

Administrators' Work

Since the submission of their last report the Administrators have undertaken the following work:

- Dealing with creditor correspondence
- Completion and submission of outstanding Returns
- Preparation and submission of statutory reports and other statutory duties
- Dealing with the employee claims
- General administrative tasks

Connected Party Transactions

The Company in administration has not entered into any connected party transactions since it entered administration proceedings.

Receipts & Payments Account

Attached at Appendix I to this report is the Administrators' Receipts and Payments Account for the period from the date of appointment to 16 January 2012.

4. SHARE OF ASSETS FOR UNSECURED CREDITORS

In accordance with Section 176A of the Insolvency Act 1986, where the Company has granted a floating charge after 15 September 2003 a proportion of the funds subject to the floating charge are set aside for the benefit of the unsecured creditors. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

The net property is £nil after costs and accordingly, there is no "Prescribed Part" available to unsecured creditors pursuant to Section 176A (2) Insolvency Act 1986 after deducting costs of realisation.

5. ADMINISTRATORS' FEES AND EXPENSES

Basis of the Joint Administrators' Remuneration

The Administrators' proposals included authority for the Administrators to draw remuneration by reference to time properly given by them and their staff in attending to matters arising from the Company's administration, in accordance with the Statement of Insolvency Practice number 9, and that they be authorised to draw remuneration and disbursements as and when funds are available.

Remuneration Charged and Drawn During the Period of this Report

A detailed analysis of the time costs of the Administrators is attached at Appendix II to this report. The analysis discloses post appointment time costs to 31 December 2011 of £32,192 which equates to 176.25 hours at an average charge out rate of £182.65.

Included in this amount are time costs of £10,312 which have arisen since the last Progress Report.

The Administrators have drawn fees of £21,893 in respect of these time costs all of which has been drawn since the last Progress Report. The unbilled work in progress of £9,024 has been written off.

A Creditors' guide to Administrators' fees and Statement of Creditors' Rights was attached to the Administrators' initial report dated 19 April 2011. In common with all professional firms, our scale rates increase from time to time over the period of the administration of each insolvency case. There has been no increase to our hourly charge-out rates since 1 April 2009. A further copy of the Creditor's Guide to Fees and Statement of Creditors' Rights is attached at Appendix III.

Expenses incurred by the Joint Administrators

Liquidators disbursements in respect of statutory advertising and insurance have been paid and are reflected in the Receipts & Payments Account attached at Appendix 1. In addition photocopying was outsourced to local printers who have been paid £478 for printing services.

No expenses or Category 2 disbursements have been drawn by the Joint Administrators.

Clarion Solicitors LLP ("Clarion") were instructed to act on behalf of the Joint Administrators in all legal matters following the appointment, and in particular, the preparation of the sale contract for the sale of assets to the Purchaser. A fee of £2,000 has been paid to Clarion, which has been calculated on a time cost basis.

Fox Lloyd Jones ("FLJ"), Chartered Surveyors based in Leeds has been paid an agreed fee of £750 for their assistance in the sale and marketing of the Company's assets. FLJ have also been paid disbursements of £50.

Pre-administration Costs

Pre appointment legal work was undertaken by Clarion who prepared the various affidavits and application to Court for the appointment of the Joint Administrators. Clarion has been paid fees, charged on a time cost basis, of £1,000 and disbursements of £10.

FLJ have also been paid an agreed fee of £1,250 and expenses of £100 for their pre appointment valuation report.

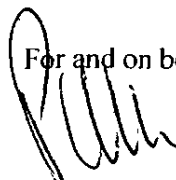
No pre-administration fees will be drawn by the Administrators.

6. RELEASE OF THE JOINT ADMINISTRATORS

As stated above, the Administrators consider that the purpose of the administration has been achieved, and in accordance with the approved Proposals the Administrators shall lodge the necessary documents with the Registrar of Companies and the appointment will end following registration of the notice by the Registrar. Thereafter the Company will be dissolved.

If any creditor requires any further information, please do not hesitate to telephone Sue Bell of this office.

For and on behalf of Abbey Stone Products Limited



PAUL ANDREW WHITWAM

Joint Administrator

16 January 2012

APPENDIX I

ABBEEY STONE PRODUCTS LIMITED – IN ADMINISTRATION

**ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT
TO 16 JANUARY 2012**

**Abbey Stone Products Limited
(In Administration)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 02/03/2011 To 01/09/2011 (£)	From 02/09/2011 To 16/01/2012 (£)	Total (£)
Plant, Machinery, Equipment & Motors	28,000 00	25,666 66	2,333 34	28,000 00
Bank Interest Gross		1 49	2 88	4 37
		25,668.15	2,336 22	28,004.37
PAYMENTS				
Specific Bond		80 00	0 00	80 00
Office Holders Fees		0 00	21,892 57	21,892 57
Pre Appointment Agents Fees		750 00	0 00	750 00
Pre Appointment Agents Expenses		50 00	0 00	50 00
Agents/Valuers Fees		1,250 00	0 00	1,250 00
Agents/Valuers Expenses		100 00	0 00	100 00
Legal Fees		2,000 00	0 00	2,000 00
Pre Appointment Legal Disbursements		10 00	0 00	10 00
Pre Appointment Legal Fees		1,000 00	0 00	1,000 00
Photocopying		339 30	138 60	477 90
Statutory Advertising		139 50	0 00	139 50
Insurance of Assets		254 40	0 00	254 40
		5,973.20	22,031 17	28,004 37
Net Receipts/(Payments)		19,694.95	(19,694 95)	0 00
MADE UP AS FOLLOWS				
Vat Receivable		1,125.76	4,406 23	5,531.99
Vat Payable		(5,133.34)	(466.66)	(5,600.00)
Vat Control Account		3,074.24	(3,006 23)	68 01
		(933.34)	933 34	0 00

APPENDIX II

ABBEY STONE PRODUCTS LIMITED – IN ADMINISTRATION

ADMINISTRATORS' TIME COSTS AS AT 31 DECEMBER 2011

Notes		Partner Hours £310	Senior Manager/ Manager Hours £250 - £200	Admin Hours £75-£150	Total Hours	Average Cost Per Hour £	Total Cost At 31.12.2011 £	Total Cost B/F 31.08.2011 £	Costs Incurred 01.09.2011 To 31.12.2011 £
1	Admin & Compliance	3 00	15 00	48 25	66 25	154 23	10,217 50	7,480 00	2,737 50
2	Planning & Control	5 00			5 00	310 00	1,550 00	1,550 00	-
3	Fixed Charge Assets								
4	Floating Charge Assets	6 00	8 50	4 25	18 75	225 20	4,222 50	4,097 50	125 00
5	Trading								
6	Debt Collection								
7	Creditors		13 50	13 75	27 25	117 52	4,837 50	4,587 50	250 00
8	Employees			25 00	25 00	144 00	3,600 00	3 562 50	37 50
9	Meetings & Statutory Duties		8 00		8 00	200 00	1,600 00	1,600 00	-
10	Reports & Statutory Returns	4 00	22 00		26 00	237 12	6,165 00	3,540 00	2 625 00
11	Investigations								
	Total Post Appointment Time	18 00	62 50	89 75	176 25	182 65	32,192.50	21,880.00	10,312.50

APPENDIX II (Cont)

Explanation of Work Classifications

Notes		
1	Admin & Compliance	Includes Maintenance of cash and estate records general correspondence compliance review of case files
2	Planning & Control	Includes Case planning/strategy/trading strategy
3	Fixed Charge Assets	Includes Dealing with various actions effecting the disposal of charged assets including sales pack, meetings with potential purchasers
4	Floating Charge Assets	Includes Dealing with various actions affecting the motor vehicles, plant, machinery and office equipment
5	Trading	Includes Disposal of work in progress/ stock and general continuation of the business
6	Debt Collection	Includes Correspondence with debtors collection of outstanding debts maintaining debtor records
7	Creditors	Includes Dealing with preferential and unsecured creditors claims
8	Employees	Includes Employee claims (preferential and unsecured), pension matters
9	Meetings & Statutory Duties	Includes Appointment formalities, meetings of creditors
10	Reports & Statutory Returns	Preparation of creditors reports, directors conduct reports statutory returns submitted to Companies House
11	Investigations	Includes Investigation work.

APPENDIX III

ABBEY STONE PRODUCTS LIMITED - IN ADMINISTRATION

CREDITORS' GUIDE TO FEES AND STATEMENT OF CREDITORS' RIGHTS

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 and how creditors can seek information about expenses incurred by the Administrator and challenge those they consider to be excessive.

2 The Nature of Administration

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

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

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

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

3 The Creditors' Committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within 3 months of the administration order 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 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, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by an administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

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

- the complexity (or otherwise) of the case
- any responsibility of an exceptional kind or degree which falls on the administrator
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties

- the value and nature of the property which the administrator has to deal with

- 4.2 If there is no creditors' committee or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply) the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above and in any case not later than 18 months after his appointment.
- 4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

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

- each secured creditor of the company or
- if the administrator has made or intends to make a distribution to preferential creditors
 - each secured creditor of the company and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

having regard to the same matters as the committee would

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

- 4.4 A resolution of creditors may be obtained by correspondence.

5 Review of Remuneration

- 5.1 Where there has been a material and substantial change in circumstances since the bases of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 Approval of Pre-administration Costs

- 6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.
- 6.2 Where there is a creditors' committee it is for the committee to determine whether and to what extent such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator or other insolvency practitioner who has incurred pre-administration costs considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply the determination may be made by the same creditors as approve the administrator's remuneration.
- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What Information should be provided by the Administrator?

7.1 When Seeking Fee Approval

- 7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgment 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

7.1.2 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

7.1.3 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.

7.1.4 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

Details of the charge out rates of staff employed by BWC Business Solutions Limited with effect from 1 April 2009 are as follows

STAFF GRADE	CHARGE OUT RATE £ PER HOUR
Partner	310
Senior Manager	250
Manager	200
Assistant Manager	175
Senior	150
Case Administrator	150
Cashiering	150
Clencal	75

7.2 After Remuneration 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 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

7.3 Disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of 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.

8 Progress Reports and Requests for Further Information

8.1 The administrator is required to send a progress report to creditors at 6 monthly intervals. The report must include

- Details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, steps taken during the period of the report to fix it)
- If the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period, (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report)
- If the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- A statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period
- The date of approval of any pre-administration costs and the amount approved
- A statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses

8.2 Pursuant to Rule 2.48A Insolvency Rules 1986, within 21 days of receipt of a progress report, a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing and may be made either by a secured creditor or an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days unless he considers that

- The time and cost involved in preparing the information would be excessive or
- Disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- The administrator is subject to an obligation of confidentiality in relation to the information requested

In which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information or the expiry of the 14 days time limit for the provision of the information

9 Provision of Information – Additional Requirements

The administrator must provide certain information about time spent on a case free of charge upon request by a creditor, director or shareholder of the company

The information which must be provided is

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

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

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

10 What if a Creditor is Dissatisfied?

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate or the expenses incurred by the administrator are in all the circumstances excessive, he may, provided certain conditions are met, apply to the court

10.2 Pursuant to Rule 2.109 Insolvency Rules 1986, application may be made to the court by any unsecured creditor or by any unsecured creditor provided at least 10% in value of unsecured creditors (including himself) agree or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expense in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown), the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration

11 What if the Administrator is Dissatisfied?

11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient, 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

12 Other Matters Relating to Remuneration

12.1 Where there are joint administrators, it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors

- 12.2 The administrator is a solicitor and employs his own firm to act on behalf of the company: profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination or court order is made.
- 12.4 Where the basis of remuneration is a set amount and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

13 Policy for Re-Charging Disbursements

- 13.1 This note applies where the administrator seeks creditor approval to make a separate charge by way of disbursements to recover the cost of facilities provided by him. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.
- 13.2 Best practice guidance classifies disbursements into two broad categories:
- Category 1 disbursements (approval not required) – specific expenditure that is directly related to a particular insolvency case where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges.
 - Category 2 disbursements (approval required) – all other items of expenditure which cannot or cannot easily be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or where the cost of the expense incurred is an estimated, unincurred cost with the estimate based on external costs or opportunity cost.
- 13.3 Category 1 disbursements (approval not required) - All such items to be re-charged to the case as they are incurred. The Firm's policy is to disclose such disbursements but not seek approval for their payment.
- 13.4 Category 2 disbursements (approval required) - It is not the Firm's current practice to charge Category 2 disbursements.

14 Effective Date

This guide applies where a company enters administration on or after 6 April 2010, except where:

- The application for an administration order was made before that date, or
- Where the administration was preceded by a liquidation which commenced before that date.