

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company Kingavon Limited	Company number 1325578
In the High Court, Chancery Division Birmingham District Registry [full name of court]	Court case number 4298 of 2006

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

We Graham Paul Bushby and Nigel Millar of Baker Tilly, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA

(b) Insert dates administrators of the above company attach a progress report for the period

from	to
13 September 2006	15 January 2007

Signed [Signature]
Joint Administrators

Dated 23 January 2007

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

Mr G P Bushby	
Baker Tilly, 5 th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes,	
MK9 2EA	Tel 01908 687800
DX Number 54472	DX Exchange MILTON KEYNES

SATURDAY



A68 27/01/2007 78
COMPANIES HOUSE

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

Our ref: SLG/NJE/GPB/SKINGAV/creditors
Your ref:



TO ALL CREDITORS

Exchange House
446 Midsummer Boulevard
Central Milton Keynes
MK9 2EA
Tel: +44 (0)1908 687800
Fax: +44 (0)1908 687801
DX: 54472 Milton Keynes
www.bakertilly.co.uk
22 January 2007

Dear Sir

KINGAVON LIMITED IN ADMINISTRATION

I refer to my appointment as Joint Administrator of the company on 13 March 2007 and attach Form 2.24B with a progress report for the period 13 September 2006 to date.

This letter is a request to creditors to give their consent to an extension of the period of the administration for a period of not more than 6 months. Any further extension of the period would require an application to court.

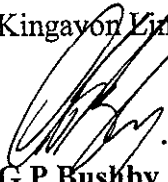
The reason for the request is to deal with the possible VAT refund and deal with the corporation tax position.

In accordance with the provisions of the Insolvency Act 1986 (as amended) such consent can be provided by postal resolution. I attach Form 2.25B (Notice of Conduct of Business by Correspondence), and would ask that you complete and return to me the form indicating your vote on the resolution detailed on the form.

Please note that in order to vote on the resolution, you must provide me with written details of your claim (if you have not already done so), together with your completed Form 2.25B, not later than 12 noon on 9 February 2007

If you have any queries, please do not hesitate to contact me or Sheryl Goan.

Yours faithfully
For and on behalf of
Kingavon Limited


G P Bushby
Joint Administrator

Graham Paul Bushby and Nigel Millar were appointed Joint Administrators on 13 March 2006 to manage the affairs, business and property of the company

The Joint Administrators act solely as agents to the company without personal liability

Graham Paul Bushby is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England & Wales under Registration No. 8736

KINGAVON LIMITED IN ADMINISTRATION
JOINT ADMINISTRATORS' PROGRESS REPORT

15 JANUARY 2007

1. PURPOSE OF REPORT

This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors with information relating to the progress of the administration from 13 March 2006 to date.

2. JOINT ADMINISTRATORS' APPOINTMENT

Graham Paul Bushby and Nigel Millar of Baker Tilly, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA were appointed Joint Administrators ("the Joint Administrators") of Kingavon Limited ("the Company") on 13 March 2006 by Ansbacher & Co Limited, Two London Bridge, London, SE1 9RA.

The notice of appointment was filed in the Birmingham District Registry of the High Court under reference number 4298 of 2006.

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

3. COMPANY DETAILS

The registered number of the Company is 1325578.

The Registered Office of the Company is c/o Baker Tilly, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, Mk9 2EA.

4. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix A a receipts and payments summary for the period from 13 March 2006 to date.

Prescribed Part

There have been no payments to unsecured creditors in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended)).

5. DIVIDEND PROSPECTS FOR CREDITORS

To date payments have been made to the secured creditor in the sum of £526,536 which falls under their charge.

We are not aware of any preferential claims.

It does not appear likely that funds will become available to pay a dividend to unsecured creditors.

6. CONDUCT OF THE ADMINISTRATION

On appointment our strategy was to safeguard (and where possible realise) the assets of the Company, whilst negotiating the terms of the offer from some of the former directors and investors in Kingavon Limited. In particular:-

A total of £4,535 has been collected in respect of book debt received prior to the sale on 17 March 2006; and

The sum of €9,500 had been identified in an account at the Bank of Ireland in Eire. This has been received and once converted into sterling realised the sum of £7,618.

An offer of £600,000 was received for all assets of the company, including debtors.

We considered this offer in the light of the valuations received from our plant and machinery agents. As a result a decision was made to proceed.

During our detailed negotiations we were also able to obtain a number of concessions including an agreement by the purchaser to cover all company running costs for the period between our appointment and the date of sale.

The sale of the Company's assets was completed on 17 March 2006, and all sums due under this contract have now been received.

7. ASSETS REMAINING TO BE REALISED

As previously advised, it is believed the Company is due a VAT refund in the region of £81,223, which relates to payments made in error from the Company's bank account, after my appointment.

I have been liaising with H M Revenue & Customs but to date they have not advised if and when a refund will be received.

There is also a potential claim in respect of tax losses. Although these were included in the sale, there may be a possibility of realising a small amount for the benefit of creditors.

To date, the amounts which may be recoverable are not known.

8. EXTENSION OF THE ADMINISTRATION

I wish to extend the administration order for a further six months to deal with the following unrealised assets:-

- Potential VAT refund
- Potential Corporation Tax refund

This also gives me time in which to pay all outstanding costs of Administration, and to distribute all remaining funds to the secured creditors.

9. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Time costs and fees drawn to date

The basis of the Joint Administrators' remuneration was approved by Ansbacher & Co Limited in June 2006 and by the unsecured creditors when the following resolution was passed as part of the proposals:

"The Joint Administrators shall be authorised to draw their remuneration based upon time costs incurred by them in the Administration, to be paid out of the assets of the Company in accordance with Rule 2.106(2) (b) "by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration."

To date we have drawn a total of £50,787.20 plus disbursements and VAT on account of our time costs and expenses incurred.

Attached are the following:

- Appendix B: Baker Tilly's charging, expenses and disbursements policy statement.
- Appendix C: Time and charge out summary
- Appendix D: Charge out bands
- Appendix E: Summary of payments to office holder and associated parties

A total of 383.30 hours have been spent by our staff in the administration of the estate from the date of appointment to date, at an average hourly charge out rate of £141.

Analysis of time spent in administration of the estate

Our staff have carried out the following tasks:

Administration and Planning

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments; VAT and Corporation Tax issues such as the monthly VAT returns; and general correspondence.

Realisation of Assets

My staff have been employed on various matters, including: dealing with Creditors Reservation of Title claims. Investigating and instructing solicitors to assist with a matter arising from a sale of part of the Company which took place prior to my appointment. Asset realisation is considered to be a key aspect of the Administration.

Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. A brief report on the outcome of the creditors' meeting and the report on the first six months of the Administration period have both been prepared.

Administrators' Disbursements

The basis of the Joint Administrators' drawing disbursements was approved by Ansbacher & Co Limited in June 2006 and by the unsecured creditors when the following resolution was passed as part of our agreed proposals:

"The Joint Administrators be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2 disbursements".

Disbursements drawn from the Company's assets in accordance with the resolution are detailed on Appendix E.

I trust this information proves useful if you have any queries please do not hesitate to contact Sheryl Goan of this office.



G P Bushby
Joint Administrators

Graham Paul Bushby and Nigel Millar were appointed Joint Administrators on 13 March 2006 to manage the affairs, business and property of the company

The Joint Administrators act solely as agents to the company without personal liability

Graham Paul Bushby is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England & Wales under Registration No. 87396

Notice of conduct of business by correspondence

Name of Company Kingavon Limited	Company number 1325578
In the High Court, Chancery Division Birmingham District Registry	Court case number 4298 of 2006

- (a) Insert full name(s) and address(es) of the administrator(s)
Notice is hereby given by Graham Paul Bushby and Nigel Millar of Baker Tilly, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA
- (b) Insert full name and address of registered office of the company
to the creditors of Kingavon Limited, C/o Baker Tilly, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA
- (c) Insert number of resolutions enclosed
that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is one resolution for your consideration. Please indicate below whether you are in favour or against each resolution.
- (d) Insert address to which form is to be delivered
This form must be received at Baker Tilly, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA
- (e) Insert closing date
by 12.00 hours on 2 February 2007 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.
- Repeat as necessary for the number of resolutions attached
Resolution (1)
That the administration order be extended for six months from 12 March 2007 to 12 September 2007

I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____
(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above.

Signed  _____
Joint Administrators

Dated 23 January 2007

Receipts and Payments Abstract: SKINGAV - Kingavon Limited In Administration

All Bank, Cash and Cash Investment Accounts: To: 18/01/2007

SOA Value £		£	£
SECURED ASSETS			
0.00	Bank Interest	1,318.27	
0.00	Books & Records	1.00	
0.00	Customer Contracts	1.00	
0.00	Customer List	1.00	
0.00	Deposits to Suppliers	1.00	
0.00	Goodwill	1.00	
0.00	Plant & Machinery	24,994.00	
0.00	Shares of Munro Importers Ltd	1.00	
0.00	Stock	225,000.00	
0.00	Tax Claims	1.00	
0.00	Trade Debts (51)	<u>350,000.00</u>	
			601,319.27
COST OF REALISATIONS			
0.00	Agents Disbursements	(320.00)	
0.00	Agents/Valuers Fees	(2,000.00)	
0.00	Legal Disbursements	(239.90)	
0.00	Legal Fees	(16,625.00)	
0.00	Office Holders Expenses	(1,138.99)	
0.00	Office Holders Fees	<u>(50,787.20)</u>	
			(71,111.09)
ASSET REALISATIONS			
0.00	Bank Interest Gross	169.54	
350,000.00	Book Debts (109)	4,535.12	
0.00	Cash at Bank	7,617.73	
25,000.00	Furniture & Fittings	0.00	
225,000.00	Stock	<u>0.00</u>	
			12,322.39
COST OF REALISATIONS			
0.00	Insurance of Assets	(435.75)	
0.00	Meeting Room for Creditors Meeting	(100.00)	
0.00	Statutory Advertising	<u>(370.35)</u>	
			(906.10)
FLOATING CHARGE CREDITORS			
(800,000.00)	Floating Charge Creditor	<u>(526,536.00)</u>	
			(526,536.00)
UNSECURED CREDITORS			
(710,738.91)	Trade & Expense Creditors	<u>0.00</u>	
			0.00
EQUITY			
(780,000.00)	Ordinary Shareholders	<u>0.00</u>	
			0.00
<u>(1,690,738.91)</u>			<u>15,088.47</u>
REPRESENTED BY			
	Bank 1 Current	29.88	
	Bank 2 Current	5,128.73	
	VAT Received (Paid)	<u>9,929.86</u>	
			15,088.47

SOA Value £

£

£

15,088.47

**BAKER TILLY
BUSINESS RECOVERY**

**CHARGING, EXPENSES AND DISBURSEMENTS
POLICY STATEMENT**

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
 - Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
 - Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
 - General office overheads are not re-charged to the insolvency estate as a disbursement.
 - Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
 - Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.
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Appendix D

CHARGE OUT RATE BANDS

	Charge out band as at date of appointment	Charge out band as at date of current report
Partners	350	350
Managers	245	245
Administrators	115	115
Assistants & Support Staff	70	70

Appendix E

SUMMARY OF PAYMENTS TO OFFICE HOLDER AND ASSOCIATED PARTIES

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Administrator's Remuneration	£50,787.20
Administrator's Expenses	£1,138.99
Total	£51,926.19

AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-HOLDER	
TYPE AND PURPOSE	£
Total	

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
Legal Fees	£16,625
Legal Disbursements	£30.00
Total	£16,655

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
Agents Fees	£2,000
Agents Disbursements	£320
Total	£2,320

Kingavon Limited In Administration

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Administration and Planning						
- Case Management	4.0	14.2	4.5		22.7	£3,281.30
- Post appointment taxation		15.4			15.4	£2,901.50
- Background Information	1.0				1.0	£300.00
- Shareholders/Director		2.0			2.0	£229.50
- Statement of Affairs		5.0			5.0	£550.00
- Appointment		13.0			13.0	£1,805.00
- Post Appointment		9.3	1.4		10.7	£1,657.00
- Receipts and Payments		1.7	39.1	0.5	41.3	£2,926.00
Investigations						
- CDDA		16.3			16.3	£1,874.50
Realisation of Assets						
- General Assets		3.9			3.9	£804.00
- Third Party Assets		10.8			10.8	£1,216.50
- Sale of Business		30.1			30.1	£4,968.00
Trading						
- Attendance on Site		23.0			23.0	£2,530.00
Creditors						
- Secured Creditors	2.0	49.7			51.7	£8,531.50
- Unsecured Creditors	2.5	41.3	5.9	7.7	57.4	£8,520.70
- Creditors Meetings and Reports		31.1		19.9	51.0	£5,282.20
- First Creditors/Shareholders meeting		7.9	1.7	4.8	14.4	£1,342.00
Case Specific Matters						
- Legal Matters	10.1	12.9			23.0	£5,288.00
TOTAL HOURS	19.6	279.9	52.6	32.9	385.0	£54,007.70
TOTAL TIME COST	£6,710.00	£41,625.40	£3,495.30	£2,177.00	£54,007.70	

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

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

ENGLAND AND WALES

1 Introduction

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

2 The nature of administration

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

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

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

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

3 The creditors' committee

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

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

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

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;

- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

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

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

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

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

having regard to the same matters as the committee would.

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

4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a 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.

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

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case.

That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

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

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

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

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

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

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

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

5.2 After fee approval

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

5.3 Expenses and disbursements

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

6 What if a creditor is dissatisfied?

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

7 What if the administrator is dissatisfied?

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

8 Other matters relating to fees

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

9. Provision of information – additional requirements

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

The information which must be provided is --

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

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

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