

The Insolvency Act 1986

Notice of result of meeting of creditors

2.23B

Name of Company BBB Network Limited (formerly Berkeley Independent Advisers Limited)	Company Number 02472302
In the High Court of Justice, Chancery Division, Birmingham District Registry (full name of court)	Court case number 4334 of 2006

(a) Insert full name(s) and address(es) of the administrator(s) We (a) Robert Jonathan Hunt and Mark David Charles Hopkins of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT and Mark Charles Batten of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT

*Delete as applicable

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of meeting (b) the Courtyard by Marriott Coventry, London Road, Ryton on Dunsmore, Coventry, CV8 3DY

(c) Insert date of meeting on (c) 24 May 2006 at 11:30 am at which:

*Delete as applicable

*1. The Administrators' Proposals were approved.

*2. ~~Proposals / revised proposals were modified and approved.~~

(d) Give details of the modifications (if any)

The modifications made to the proposals are as follows:

(d) N/A

*3. ~~The proposals were rejected.~~

(e) Insert time and date of adjourned meeting

*4. The meeting was adjourned to (e) N/A

(f) Details of other resolutions passed

*5. Other resolutions: (f) The creditors resolved to form a creditors' committee and the creditors resolved to extend the period of administration by six months.



The revised date for automatic end to administration is 19 September 2007.

A creditors' committee was formed.

*Delete as applicable

Signed *mschipt*
Joint / Administrator(s)

Dated 5 June 2006

*Delete as applicable

A copy of the original proposals is attached for those who did not receive such documents prior to the meeting.

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

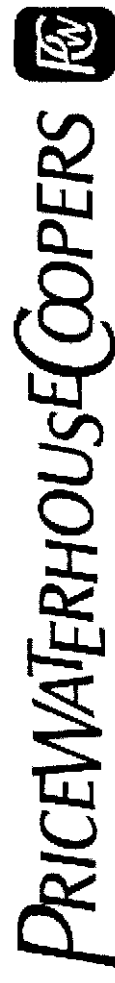
Robyn Heming	
PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT	
	Tel 0207 212 3609
DX Number	DX Exchange

Companies House receipt date barcode

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



BBB Network Limited (formerly Berkeley Independent Advisers Limited) – in Administration

**High Court of Justice Case, Chancery Division, Birmingham District Registry
No. 4334 of 2006**

Joint Administrators' proposals for achieving the purpose of the Administration

5 May 2006

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1. Purpose of this document

I wrote to all creditors on 3 April 2006 to advise them that I had been appointed as Joint Administrator of BBB Network Limited (formerly Berkeley Independent Advisers Limited) ("the Company") together with my colleagues Robert Jonathan Hunt and Mark Charles Batten (jointly referred to as "the Joint Administrators") on 20 March 2006.

The Joint Administrators were appointed to manage the affairs, business and property of the Company. They will act until such time as the proposals for achieving the purpose of the Administration have been agreed by creditors and implemented, following which the Administration will be ended.

The purpose of an Administration is to achieve one of the following (statutory) objectives:

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (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 finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

Objective (b) is being pursued as the Joint Administrators concluded that it was not reasonably practical to rescue the Company as a going concern, given that the business and assets of the Company had been sold prior to their appointment.

This document and its appendices form the Joint Administrators' Statement of Proposals for achieving the purpose of the Administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86"), and is also a progress report pursuant to Rule 2.112 of the Insolvency Rules 1986 for the purposes of the extension which the Joint Administrators are seeking.

An initial creditors' meeting will be held at 11:30 am on Wednesday, 24 May 2006, at the Courtyard by Marriott Coventry, London Road, Ryton on Dunsmore, Coventry, Warwickshire, CV8 3DY, to consider these proposals and determine whether a creditors' committee should be formed. Formal notice of the meeting, Form 2.20B, is enclosed.

Please note that creditors will be bound by the resolutions passed at the meeting, including the Joint Administrators' proposals if they are approved at the creditors' meeting by the requisite majority of creditors. It is therefore important that you read this document

1. Purpose of this document

carefully. You may put forward any modifications that you wish to see incorporated into the proposals and make your views known on whether they should be accepted.

As a creditor you can attend the creditors' meeting either in person or by submitting a proxy. Please let me have details of your claim on the enclosed form as soon as possible. Please note that you are not obliged to attend the meeting and you will not compromise your claim and entitlement to a dividend, should there be one, if you do not attend.

If you have any concerns or questions regarding the background to this case or what is being proposed, **please telephone our helpline on + 44 (0) 20 7212 2070.**

Yours faithfully

For and on behalf of BBB Network Limited (formerly Berkeley Independent Advisers Limited)



Mark Hopkins
Joint Administrator

Robert Jonathan Hunt, Mark David Charles Hopkins and Mark Charles Batten have been appointed as joint administrators of BBB Network Limited (formerly Berkeley Independent Advisers Limited) to manage its affairs, business and property as its agents and without personal liability. Robert Jonathan Hunt and Mark Charles Batten are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Mark David Charles Hopkins is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association.

2. The Joint Administrators' Statement of Proposals

Brief history of the Company and summary of the Joint Administrators' actions to date

Background

BBB Network Limited (formerly Berkeley Independent Advisers Limited) ("BIA") was incorporated on 20 February 1990. Its parent company is Berkeley Berry Birch Plc.

The principal activity of BIA was the operation a network of independent financial advisers.

The recent financial history of the Company is summarised below:

Date of Accounts	31-Dec-05 Draft* £000's	31-Mar-05 Audited £000's	31-Mar-04 Audited £000's	31-Mar-03 Audited £000's
Turnover	27,128	39,970	41,012	40,048
Cost of Sales	(23,103)	(33,897)	(34,611)	(33,818)
Gross Profit	4,025	6,073	6,401	6,230
Operating (loss) / profit	3,028	(568)	661	1,050
Retained (loss) / profit for the financial year	1,439	(492)	433	931

* Taken from the Company's management accounts for the nine months to 31 December 2005.

2. The Joint Administrators' Statement of Proposals

The circumstances giving rise to the Joint Administrators' appointment

Berkeley Berry Birch Group ("BBB Group" or the "Group") was a UK financial services distribution group with shares in the holding company, Berkeley Berry Birch Plc ("BBB Plc") being listed on the Official List and traded on the London Stock Exchange.

BBB Plc was created as a result of a reverse take-over of Berkeley Financial by Berry Birch & Noble in 2002, but never realised the expected benefits of this merger. Poor performance steadily eroded the £15m raised from product providers and was largely attributable to poor commercial and financial management that also resulted in:

- Two significant Financial Services Authority ("FSA") investigations, one into the insolvent liquidation of sister company Berry Birch & Noble Financial Services Limited ("BBNFS") and the other into mis-selling of regular-savings and whole-of-life plans by Berkeley Independent Advisers ("BIA").
- Identification of a £12m Regulatory Capital Deficit ("the Regulatory Capital Deficit") after the departure of the Group FD and after accounting correctly for inter-company trading.

As the BBB Group was in breach of its regulatory capital requirements, it was therefore in breach of Threshold Condition 4 of its Authorisation. We have been informed that the BBB Group notified the FSA about this situation early in 2005. As a result of this deficit, the FSA started formal regulatory enforcement action against Berkeley Independent Advisers Limited, ("BIA"), Berry Birch & Noble Financial Planning (Weston) Limited, ("Weston"), and Berry Birch & Noble Financial Planning Limited, ("BBNFP"), (together the Group's "Regulated Businesses").

On 29 July 2005, the FSA issued Decision Notices cancelling the permissions of the Regulated Businesses. The BBB Group referred these Decision Notices to the Financial Services and Markets Tribunal ("FSMT") on 25 August 2005 (the "References") and the FSA subsequently applied to have the References struck out.

Hearings of the FSMT to consider the FSA's motion to dismiss the References were held in November 2005 and December 2005, where it was decided to proceed to a full hearing of the References on 13 February 2006.

It is our understanding that on 1 December 2005, BBB Plc requested the temporary suspension of trading in its shares with immediate effect pending clarification of its financial position. On 19 December 2005, the BBB Group announced that it intended to combine the

2. The Joint Administrators' Statement of Proposals

activities of the Group's two national independent financial advisory businesses, BBNFP and Weston as part of its capital restructuring to reduce the regulatory capital deficit and to address the FSA's concerns about BBNFP.

On 16 January 2006, BBB Plc signed an agreement with the FSA to withdraw the Group's References to the FSMT and cancel the hearing planned for 13 February 2006. For its part, we understand the FSA agreed that it would not cancel the permissions of BIA and Weston to conduct regulated financial services business while the Group was being refinanced.

The directors have told us that the timetable agreed with the FSA took account of the time BBB Plc needed to complete the various steps in its proposed refinancing, which is discussed in more detail below, and for the BBB Group's auditors to confirm to the FSA that these funds raised would be sufficient to eliminate the Regulatory Capital Deficit. The agreement required this confirmation to be provided by the 24 February 2006 so that the FSA could confirm that it would withdraw its Decision Notices by 27 February 2006.

In reality this meant that the BBB Group had to raise the necessary funds by the end of February 2006, to enable the Decision Notices to be withdrawn by the FSA by 27 February 2006. The directors were mindful of the fact that should the business fail in its refinancing, the FSA would withdraw the permissions of the Regulated Businesses, forcing their immediate closure.

Proposed refinancing

BBB Group required funding to permit the group to eliminate its Regulatory Capital Deficit, and also to provide sufficient working capital to implement its turnaround plan and for its day to day operations.

We have been informed that by early December 2005 the Regulatory Capital Deficit was around £10 million, having peaked at £12.9 million in mid-2005. We have also been told that action was taken to restructure the Group which reduced this deficit by circa £4 million and the remaining deficit was to be resolved by the Group's refinancing.

We understand that the BBB Group had been aware of the Regulatory Capital Deficit in its three Regulated Businesses since March 2005; however, the directors have informed us that efforts to reduce or eliminate this deficit by raising further funds were repeatedly hampered by:

- uncertainty surrounding the application of the FSA's Decision Notices and the outcome of the two other FSA investigations;
- the requirement, if a substantial disposal were concluded, for a significant proportion of the proceeds to be utilised to fund BBB Plc's pension scheme deficit;

2. The Joint Administrators' Statement of Proposals

- the BBB Group's central cost structure which would have resulted in significant closure costs being met by the BBB Group following any sale.

During the latter part of 2005 and early 2006 the BBB Group pursued a refinancing of its operations. This was to include a disposal of certain businesses; a disposal of 50% of the shareholdings in BIA, the principal operating subsidiary; and a fundraising with existing debt providers. According to the directors, these actions were to be followed by a public placing and open offer once the Regulatory Capital Deficit had been eliminated and the FSA's Decision Notices (and consequent threat of closure) had been lifted. The Board of BBB Plc described these proposals to restructure and refinance the BBB Group in a letter to the FSA on 22 December 2005.

During the latter half of February 2006 it became clear that the BBB Group would not be able to secure its re-financing within the timescale agreed with the FSA. Consequently, faced with the withdrawal of its Regulatory Financial Services Business Permissions and the likely closure of the Group Regulated Businesses, it became apparent that insolvency of all, or parts of the Group seemed likely.

The directors therefore approached the FSA seeking additional time in which to complete a sale of the business and assets of certain of the subsidiaries and the FSA subsequently agreed to withhold action to withdraw permissions until Monday, 6 March 2006.

In late February and early March 2006 a number of transactions were completed in respect of the major subsidiaries. The BBB Group sold the insurance broking business held through BBNIB to Smart & Cook; it then sold the BBB Group's IFA network operations, held through BIA; the national IFA business, held through BBNFP; and parts of its support services operations, held in BBB Support Services Limited (formerly Berkeley Berry Birch Group Support Services Limited) ("GSS"), to Tenet Group Holdings Limited. Finally the Group sold its national IFA business, held through Weston, to Bates Investment Services Limited.

The last of these transactions was completed on 17 March 2006.

The BBB Group now comprises a series of cash shells together with two trading subsidiaries of relatively small value which are in the process of being sold by the directors of those companies. The directors appointed Robert Jonathan Hunt, Mark Charles Batten and Mark David Charles Hopkins joint administrators to BIA, BBNFP, Weston and also appointed Robert Jonathan Hunt and Mark David Charles Hopkins joint administrators to GSS on 20 March 2006. Subsequently, Allan Watson Graham and Finbarr O'Connell of KPMG were appointed joint administrators of BBB Plc on 21 March 2006 by the Court following a creditors petition made by the Trustees of BBB Plc's pension scheme.

2. The Joint Administrators' Statement of Proposals

The manner in which the Company's affairs and business have been managed and financed

As mentioned above, the business and assets of the Regulated Businesses had been sold prior to the administrators' appointment. The administrators have therefore primarily been focusing on:

- securing the supply of goods and services through GSS to enable GSS to continue supporting the trading operations of the BBB Group including, where necessary, the purchasers of the Regulated Businesses;
- fully understanding the detail surrounding the sale of the business and assets of the Regulated Businesses;
- ensuring that the necessary steps are taken to optimise the recovery of the deferred consideration in respect of the sale of the business and assets of the Regulated Businesses.

With regard to the sale of the business and assets of the Regulated Businesses, both transactions have required action to be taken in the short term to implement the terms of the respective Sale and Purchase Agreements and to pursue recovery of the deferred consideration. We continue to be involved in this process.

In addition to the above mentioned activities, we have also been giving consideration to the process to identify those customers who have submitted a claim, or have previously indicated that they may have a claim against the Regulated Businesses.

Dividend prospects

A review of the register of mortgages and charges confirms that the Company has no secured creditors. It is envisaged that there could be funds available for distribution to the unsecured creditors of the Company. The timing and level of dividend is entirely dependant upon the eventual level of recoveries in respect of the sale of the business and assets referred to above, including the deferred consideration and at present we are not in a position to estimate the value of the likely dividend with any degree of certainty.

2. The Joint Administrators' Statement of Proposals

Ending the Administration

The Joint Administrators envisage that once the objective of the Administration has been achieved, the most likely method for distributing funds will be to place the Company into a Scheme of Arrangement, pursuant to Section 425 of the Companies Act 1985, followed by dissolution of the Company when appropriate. However, whilst a Scheme of Arrangement is the most likely route, depending upon the circumstances at the time it may be more appropriate to pursue alternative routes.

The alternatives include:

- placing the Company into Creditors' Voluntary Liquidation; or
- placing the Company in a Company Voluntary Arrangement, following which the Administration can be brought to an end; or
- once asset disposals are complete, the Joint Administrators could apply to the Court to allow the Joint Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors; or
- if it transpires there are no prospects of a dividend, the Joint Administrators will file notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following which the Company will be dissolved three months later.

The Joint Administrators have already formed the opinion that because of the nature of the potential liabilities that may arise against the Company and the complexity of ascertaining the validity and the valuation of any such claims it is likely that it will not be possible to implement an appropriate distribution mechanism within the initial 12 month time limit of administration. Accordingly the Joint Administrators are requesting that the creditors grant a 6 months extension of the administration. A resolution to this effect is included on the enclosed proxy form.

2. The Joint Administrators' Statement of Proposals

Proposals for achieving the purpose of the Administration

The Joint Administrators make the following proposals for achieving the purpose of the Administration.

- i) The Joint Administrators will continue to manage the Company's affairs and property in such manner as they consider expedient with a view to 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 placed in Administration).
- ii) The Joint Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or Insolvency Act 1986. In addition, the Joint Administrators shall do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) If the Joint Administrators determine that funds should become available for unsecured creditors, the Joint Administrators may at their discretion establish in principle the claims of unsecured creditors although these will fall to be agreed in a subsequent liquidation, Scheme of Arrangement or Company Voluntary Arrangement and that the costs of so doing be met as a cost of the Administration as part of the Joint Administrators' remuneration.
- iv) A creditors' committee will be established if sufficient creditors are willing to act on it. The Joint Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Joint Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- v) The Joint Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Joint Administrators shall either apply to the court or seek consent from the appropriate classes of creditors to an extension.
- vi) The Joint Administrators may use any or a combination of the "exit route" strategies in Paragraphs 76 to 80 and 83 to 84 of Sch.B1 IA86 in order to bring the Administration to an end, but in this particular instance the Joint Administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances: -

2. The Joint Administrators' Statement of Proposals

(a) A Scheme of Arrangement under section 425 of the Companies Act 1985. In such circumstances, the Administration will be brought to an end either:

(i) automatically one year after the Joint Administrators' appointment pursuant to Paragraph 76(1) Sch.B1 IA86 or

(ii) by notice to the Registrar of Companies on completion of the Administration under Paragraphs 80 or 84 Sch.B1 IA86

OR

(b) Should it be tax advantageous in particular, the Joint Administrators may formulate a proposal for a Company Voluntary Arrangement and put it to meetings of the Company's creditors and shareholders for approval. In such circumstances, the Administration will be brought to an end either:

(iii) automatically one year after the Joint Administrators' appointment pursuant to Paragraph 76(1) Sch.B1 IA86 or

(iv) by notice to the Registrar of Companies on completion of the Administration under Paragraphs 80 or 84 Sch.B1 IA86 .

OR

(c) Alternatively, the Joint Administrators may place the Company in Creditors' Voluntary Liquidation. In these circumstances, it is proposed that Robert Jonathan Hunt and Mark David Charles Hopkins be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.17(3) Insolvency Rules 1986 ("IR86"), creditors may nominate alternative Liquidators, provided that the nominations are made after the receipt of these proposals and before they are approved.

OR

(d) Once the asset disposals are complete, the Joint Administrators may apply to the Court to allow the Joint Administrators to distribute surplus funds, if any, to non-preferential unsecured creditors. In such circumstances the Administration shall be brought to an end either:

(i) automatically at the end of one year after the Joint Administrators' appointment pursuant to Paragraph 76(1) Sch.B1 IA86
or

2. The Joint Administrators' Statement of Proposals

(ii) by notice to the Registrar of Companies on completion of the Administration under Paragraphs 80 or 84 Sch.B1 IA86.

OR

(e) If it transpires that there are insufficient funds available to make a distribution in respect of non-preferential unsecured claims, then once all of the assets have been realised and the Joint Administrators have concluded all work within the Administration, the Joint Administrators will register notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following which the Company will be dissolved three months thereafter.

vii) The Joint Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Joint Administrators either at a time appointed by the creditors' committee, or, if there is no creditors' committee, then automatically 14 days after the Joint Administrators cease to act as Joint Administrators of the Company. In any event the Joint Administrators shall be at liberty to apply to the Court for their discharge from liability.

viii) It is proposed under Rule 2.106(2) IR86 that the Joint Administrators' fees will be fixed by reference to the time properly given by them and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that Category Two disbursements (as defined by Statement of Insolvency Practice No.9) be charged in accordance with their firm's policy. It will be for the creditors' committee to fix the basis and level of the Joint Administrators' fees and Category Two disbursements, but if no such Committee is appointed then it will be for the general body of creditors to determine these instead.

Creditors will be asked to vote upon the following matters at the initial meeting of creditors:

First – that the "Joint Administrators' proposals for achieving the purpose of the Administration dated 5 May 2006 be approved."

Second – the formation and composition of a creditors' committee.

Third – the basis and level of the Joint Administrators' fees and Category Two disbursements (if no creditors' committee is formed).

Fourth – that the creditors agree to extend the period of administration by six months.

2. The Joint Administrators' Statement of Proposals

Statement of Affairs

A Statement of Affairs for the Company was delivered to the Joint Administrators on 4 May 2006 and a copy can be found at Appendix A. The Statement was signed by the director Andrew Peter Shortis.

The Joint Administrators make the following comments on the Statement of Affairs: -

- In accordance with the standard format of the Statement of Affairs, no provision has been made for the costs of the Administration.
- The Joint Administrators have not carried out anything in the nature of an audit on the information.

2. The Joint Administrators' Statement of Proposals

Statutory and other information

Court details for the Administration:

High Court of Justice, Chancery Division, Birmingham District Registry
Case No. 4334 of 2006

Full name:

BBB Network Limited (formerly Berkeley Independent Advisers Limited)

Trading name:

As above

Registered number:

02472302

Registered address:

12 Plumtree Court, London, EC4A 4HT (formerly Eaton House, 1 Eaton Road, Coventry, West Midlands, CV1 2FJ)

Activity:

Operation of a network for independent financial advisers

Company directors:

S J Conley and A Shortis

Company secretary:

M A Oliver

Shareholdings held by the directors and secretary:

None

Date of the Administration appointment:

20 March 2006

Administrators' names and addresses:

R J Hunt and M D C Hopkins of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT and M C Batten of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT

Appointor's name and address:

The Directors of the Company

Division of the Administrators' responsibilities:

In relation to Paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, the Joint Administrators will act jointly and severally so that all functions may be exercised by any or all of the Joint Administrators.

Estimated dividend for unsecured creditors:

Uncertain

Estimated values of the prescribed part and the company's net property:

Not applicable

Whether and why the Administrators intend to apply to court under

No application intended

Section 176(A) IA86:

The European Regulation on Insolvency Proceedings (Council Proceedings)(EC) No. 1346/2000 of 29 May 2000:

The European Regulation on Insolvency Proceedings applies to this Administration and this proceeding is the main proceeding

Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:

None

3. Receipts and Payments account

Abstract of the Joint Administrators' receipts and payments for the period 20 March 2006 to 30 April 2006

	£000's
Receipts	
Cash at bank	3,196

	3,196

Payments	
	-

	-

Cash in hand	
	3,196
	=====

Appendix A Statement of Affairs

BBB Network Limited (formerly Berkeley Independent Advisers Limited) – in Administration – Joint Administrators' proposals for achieving the purpose of the Administration

Statement of affairs

Name of company
Berkeley Independent Advisers Limited

Company number
02472302

In the
High Court of Justice, Chancery Division,
Birmingham District Registry
(full name of court)

Court case number
4334 of 2006

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

(a) Statement as to the affairs of (a) Berkeley Independent Advisers Limited of Eaton House, 1 Eaton Road, Coventry, West Midlands, CV1 2FJ

(b) Insert date

on the (b) 20 March 2006, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 20 March 2006, the date that the company entered administration.

Full name

ANDREW PETER SHORTER

Signed

A.P. Shorter

Dated

26 APRIL 2006

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

Uncharged assets:

Cash (See Note 1)

Other debtors (See Note 2)

Accrued Income (See Note 3)

Estimated total assets available for preferential creditors

Signature

Date _____

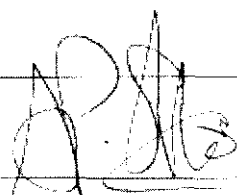
26 April 2006

Book Value £	Estimated to Realise £
3,146,264	3,146,264
6,268,645	3,897,799
14,748	14,748
9,429,657	7,058,811

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	0.00	7,058,811
Liabilities		
Preferential creditors:-		
Estimated surplus as regards preferential creditors		7,058,811
Estimated prescribed part of net property where applicable (to carry forward)	0.00	
Estimated total assets available for floating charge holders		7,058,811
Debts secured by floating charges	0.00	
Estimated surplus of assets after floating charges		7,058,811
Estimated prescribed part of net property where applicable (brought down)	0.00	
Total assets available to unsecured creditors		7,058,811
Unsecured non-preferential claims (excluding any shortfall to floating charge holders) See Notes 4, 5, 6, 7	4,335,543	10,610,343
Estimated deficiency as regards non-preferential creditors (excluding any shortfall to floating charge holders)		3,551,532
Shortfall to floating charge holders (brought down)		3,551,532
Estimated deficiency as regards creditors		3,551,532
Issued and called up capital	1,458,350	
Estimated total deficiency as regards members		5,009,882

Signature



Date

26 April 2016

COMPANY CREDITORS

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

[illegible]

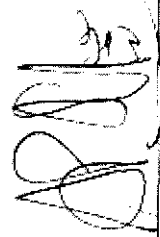
Signature

Date _____

26 April 2006

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Berkeley Berry Birch PLC In Administration	KPMG, 8 Salisbury Square, London, EC4Y 8BB	1,083,500	£108,350	Ordinary Shares of 10p each
Berkeley Berry Birch PLC In Administration	KPMG, 8 Salisbury Square, London, EC4Y 8BB	13,500,000	£1,350,000	9% cumulative redeemable preference shares
TOTALS		14,583,500	£1,458,350	



Signature

Date 26 April 2006

BBB Network Limited

Formerly Berkley Independent Advisers, ('BIA')

Notes to the Statement of Affairs

1. Cash at Bank on the 20 March 2006.
2. Other debtors

	Book Value	Estimated to Realise
	£	£
Deferred Consideration (a)	704,053	704,053
Berkeley Berry Birch PLC (b)	2,956,490	591,298
Berkeley Berry Birch Insurance PCC Limited	1,254,950	1,254,950
BBB Support Services Limited (c)	78,986	-
Macrobins PLC	5,602	5,602
Berkeley Berry Birch Financial Planning Limited (c)	92,200	-
Other amounts recoverable (d)	1,176,364	1,341,896
	6,268,645	3,897,799

- (a) The deferred consideration due to BIA under the deal with the Tenet Group Limited ('Tenet'), £450k; plus the full value of the payment for commission creditors held in escrow as part of this deal, £700k; less the shortfall in the payment of the commission creditors due to Tenet, £446k. The deferred consideration is due in two payments at six months, based on the number of members and at twelve months, based on the revenue these members produce. The full value of the deferred consideration has been assumed because members did not leave when the BIA network was sold to Tenet, (indeed some that had resigned chose to stay-on); Tenet have offered members very favourable terms to remain with the network for at least six months; and the more members that remain with the network, particularly in the months immediately following the sale, the more likely it is that the revenue target will be achieved.
- (b) In Administration. Repayment of the inter company loan assuming that the administration of BBB Plc results in a payment of 20p in every £1, consistent with the outcome predicted by the Statement of Affairs for BBB Plc.
- (c) In Administration. Nil realisation is a prudent estimate given that the Statement of Affairs for each of these businesses have not yet been completed.
- (d) In Administration. Represents the proportion of the value of the claims paid by BIA to be recovered from members allowing a reasonable provision for bad debts now that the BIA members are with another network.

3. Interest paid after the 20 March 2006 on the cash at bank on the 20 March 2006
4. Non-preferential Creditors

	Book Value	Estimated to Realise
	£	£
Trade Creditors (see Note 5)	315,955	315,955
Accruals	39,875	39,875
Berry Birch & Noble Insurance Brokers Limited	1,100	1,100
Berry Birch & Noble Financial Planning (Weston) Limited (In Administration)	62,264	62,264
Berkeley Training and Technology Limited	61	61
Sundry Creditors (a) (see Note 7)	330,183	330,183
Claims (see Note 6)	156,100	156,100
Provisions (b), (c) and (d)	3,389,116	9,663,916
VAT	40,889	40,889
	<u>4,335,543</u>	<u>10,610,343</u>

- (a) Included monies held to provide run-off cover collected for members that had left the BIA network prior to the 20 March of £120k, and other held commission payments. A schedule of Sundry Creditors is included as Note 7.
- (b) Book value is consistent with the value that would have been determined by normal accounting practices which do not require the company to take into account the value of future claims liabilities.
- (c) Estimated to realise comprises £2.853m for complaints received and currently with compliance and based on Gerry Riordan's (Complaints Officer) view of the likely outcome of these investigations; PwC's costs to complete the necessary supervision work on the past business review; unallocated cash received and held in the COMM commission creditors account; £1,775m for the rent and service charge costs of the four floors of Eaton House that are leased by BIA through to the end of the leases in 2011 and 2015; and £4.5m for complaints not yet received but expected during the Administration.
- (d) Recently, members leaving the BIA network paid run-off professional indemnity cover for a period of up to six years afterwards. The premium declined from the value of their PI cover in the last year of membership reducing to zero by year six on a straight-line basis. This fairly provided for the expected claims liability after a member left the network.

Liability for future complaints could be estimated on a similar basis assuming that the value of claims declines from a typical £1.5m last year to zero by year six, an expected liability in the future of £4.5m.

5. Trade Creditors

CODE	DESCRIPTION	ACTUAL	ADDRESS 1	ADDRESS 2	ADDRESS 3	ADDRESS 4	ADDRESS 5	TELEPHONE
PCLA001	CLAY ROGERS FINANCIAL MANAGEMENT LTD	16.80	CLAY ROGERS FINANCIAL MANAGEMENT LTD	CR HOUSE	44/45 WATER STREET	BIRMINGHAM	B3 1HP	0121 2129212
PAND003	ANDREW WILCOX	75.00	ANDREW WILCOX	41 HEMLINGFORD ROAD	WALMLEY	SUTTON COLDFIELD	BIRMINGHAM B76 1JG	
PBRO004	BROOKLANDS GRANGE HOTEL & RESTAURANT	75.00	BROOKLANDS GRANGE HOTEL & RESTAURANT	HOLYHEAD ROAD	COVENTRY	CV5 8HX		02476 601601
PMER002	MERIDIAN SERVICES (TRACING) LTD	82.25	MERIDIAN SERVICES (TRACING) LTD	UNIT 4	CADZOW PARK	82 MUIR STREET	HAMILTON ML3 6B	01698 301301
PORA001	ORANGE PAYMENT PROCESSING	162.01	ORANGE PAYMENT PROCESSING	PO BOX 180	DARLINGTON	DL1 4GF		01915878100
ERIP001	JOHN RIPLEY EXPENSES	231.00	JOHN RIPLEY EXPENSES	JOHN RIPLEY	C/O 9TH FLOOR	EATON HOUSE		
PYOU001	YOUR COMMUNICATIONS (LANDLINE)	270.06	YOUR COMMUNICATIONS	HATHERSAGE ROAD	MANCHESTER	M13 0EH		08001959000
PRAM003	RAMADA WETHERBY	300.00	RAMADA WETHERBY	LEEDS ROAD	WETHEY	WEST YORKSHIRE	LS22 5HE	01937583881
PFTB001	FT BUSINESS LIMITED	338.40	FT BUSINESS LIMITED	CREDIT CONTROL DEPARTMENT TABERNACLE COURT	16-28 TABERNACLE STREET	LONDON	EC2A 4DD	020738280000
EROB007	JIM ROBSON EXPENSES	347.64	PRIVATE & CONFIDENTIAL	JIM ROBSON	BIA	HOME BASED		
PCOF001	COFIELD MAINTENANCE	376.27	COFIELD MAINTENANCE	PO BOX 10097	SUTTON COLDFIELD	B75 6ZS		01213780607
EWOO004	BARRIE WOOD EXPENSES	383.73	PRIVATE & CONFIDENTIAL	BARRIE WOOD	C/O 11TH FLOOR	EATON HOUSE		

PBR001	BRITISH TELECOM	546.62	BRITISH TELECOM	TVTE	NEWCASTLE UPON TYNE	NE82 6AA	0800252584
PDX001	DX	705.00	DX NETWORK SERVICES LIMITED	BEECH HOUSE, DENCORA BUSINESS PARK	BRECKLAND	LINFORD WOOD WEST	01753630630
POAC001	OAC PLC	787.25	OAC PLC	POND HOUSE MILL LANE	MARSTON VILLAGE	OXFORD	08707205080
PROY002	ROYAL BANK OF SCOTLAND	913.20	ROYAL BANK OF SCOTLAND	COMMERCIAL CARD DIVISION SOUTHEND CARD CENTRE	SOUTHEND ON SEA	SS99 6YY	0870151234
PREN002	RENTOKIL INITIAL	967.50	RENTOKIL INITIAL	CASLEGATE HOUSE	CASLEGATE WAY	DUDLEY	01384455055
PBON001	BOND PEARCE	1,175.00	BOND PEARCE	BALLARD HOUSE	WEST HOE ROAD NEW	PLYMOUTH	01752677506
PSCO030	SCOTTISH POWER PLC	1,352.48	SCOTTISH POWER PLC	REMITTANCE PROCESSING 1ST FLOOR	BUILDING, CATHCART BUSINESS CENTRE	SPEAN STREET	01415686441
PYOU003	YOUNG & PEARCE LEGAL	1,408.36	YOUNG & PEARCE LEGAL	58 TALBOT STREET	NOTTINGHAM	NG1 5GL	01159598888
PLRC001	RECOVERIES & COLLECTIONS LIMITED	1,530.14	RECOVERIES & COLLECTIONS LIMITED	6TH FLOOR, FENCHURCH HOUSE	KING STREET	NOTTINGHAM	NG1 2AS
PDIG002	DIGNITAS	2,467.50	DIGNITAS	19 TURNPIKE LANE	REDDITCH	B97 6UJ	
PASS002	ASSOCIATION OF INDEPENDENT F/A	2,773.00	ASSOCIATION OF INDEPENDENT F/A	AUSTIN FRIARS HOUSE	2-6 AUSTIN FRIARS	LONDON	02076281287
PMAC007	MACDONALD BRANDON HALL	3,400.00	MACDONALD BRANDON HALL HOTEL	MAIN STREET	BRANDON	COVENTRY	08704008105
PFIN001	FINANCIAL OMBUDSMAN	8,280.00	FINANCIAL OMBUDSMAN	CREDIT CONTROL DEPARTMENT	FINANCIAL OMBUDSMAN SERVICE	SOUTH QUAY PLAZA LL 183 MARSH WALL	02079641222

PQUA001	QUAY SOFTWARE SOLUTIONS	9,253.14	QUAY SOFTWARE SOLUTIONS	THORLEY WASH BUSINESS CENTRE	THORLEY WASH	BISHOPS STORTFORD	HERTS, CM23 4AT	08702247272
PFPT001	FP TRANSITIONS UK	9,988.68	FP TRANSITIONS UK LIMITED	37F ARKWRIGHT ROAD	LONDON	NW3 6BJ		07917152124
PBDO001	BDO STOY HAYWARD	25,526.88	BDO STOY HAYWARD	EMERALD HOUSE EAST STREET	ESSOM	SURREY	KT17 1HS	01372734300
PEAT001	EATON HOUSE LTD	30,667.52	EATON HOUSE LTD	EATON HOUSE	1 EATON ROAD	COVENTRY	CV1 2FJ	
PDLA001	DLA	211,554.47	DLA	THE CHIEF CASHIER VICTORIA SQUARE HOUSE	VICTORIA SQUARE	BIRMINGHAM	B2 4DL	
TOTALS		315,954.90						

6. Claims Offered

[illegible]

7. Sundry Creditors

Firm	£	Address
Alchemy Financial Solutions	6272.08	East Street, Blandford Forum, Dorset, DT11 7DL
AYP Financial Limited	2466.00	14a Gillesgate, Hexham, Northumberland, NE46 3NJ
BD Independent Financial Planning	1344.69	3 Kiddemore Green Road, Brewood, Staffs, ST19 9BQ
BDM Financial Planning	2466.00	300 West Way, Broadstone, Dorset, BH18 9LF
Berkshire Financial Services	13599.00	Ascot Road, Holyport Green, Maidenhead, Berks, SL6 2HY
Charterhall Independent Financial Services Ltd	6287.09	Tilian House, Furze Lane, Booton, Norwich, NR10 4NU
chase (UK)	750.00	30 Forest Road, Worthing, West Sussex, BN14 9NB
Downing Financial management Ltd	3502.73	P O Box 943, 10 Headley Gardens, Great Shelford, Cambridge, CB2 5ZQ
Edward C Pugsley	3366.00	Bradenham House, 9 Bradenham Place, Penarth, Vale of Glamorgan, CF64 2AG
Face - Face	11455.02	Kircam House, Whiffler Road, Norwich, NR3 2AL
HT Financial Services	2,466.00	52 Stockwood Road, Stockwood, Bristol, BS14 8PL
Humphries	6613.38	St James House, St James Road, Surbiton, Surrey, KT6 4QH
Inpractise Financial Management	8,434.93	408 Loughborough Road, Westbridgford, Nottingham, NG2 7FD
JMF financial services	13,747.64	Winchester House, 35 Carlton Crescent, Southampton, SO15 2ED
O'Meara Johnson	9,179.96	56 Regent Street, Rugby, Warwickshire, CV21 2PS
Peter Wilcox	4384.00	12 Springfield Close, Burton on the Wolds, Loughborough, Leicestershire, LE12 5AN
Principia	15127.00	4th Floor, 17-19 Cockspur Street, London, SW1Y 5BL
raymond logan	749.14	Davlyn, Drumbathie Road, Airdrie, Lanarkshire, ML6 7ES
sanderson	3366.00	2 Pentland House, Grampian Road, Elgin, Morayshire, IV30 1XJ
Schumacher	2466.00	32 Ashbury Drive, Norton, Sheffield, S8 8LE
Tuffrey Rose	367.43	Wessex House, Oxford Road, Newbury, Berks, RG14 1PA
Yeend	2466.00	47 Bell Villas, Ponteland, Newcastle, NE20 9ED

Appendix B Common questions and answers and a creditors' guide to Administrators' fees

A The initial meeting of creditors and the creditors' committee

Who will be at the meeting?

One of the Joint Administrators or their nominee will chair the meeting and answer creditors' questions. There is no obligation on the directors of the Company to attend unless they are required to do so by the Joint Administrators under Rule 2.34(2) of the Insolvency Rules 1986 (all further references to Rules below are to those contained in the Insolvency Rules 1986).

What will happen at the meeting?

It will be assumed that creditors have received and read the Joint Administrators' proposals. The meeting will give creditors an opportunity to put questions to the Joint Administrator. The meeting will then consider and vote upon any modifications that individual creditors might put forward, following which a vote will be taken upon the whole proposals as modified.

Various other resolutions might be considered, in particular those dealing with the basis of the Joint Administrators' remuneration and the composition of any creditors' committee.

Am I obliged to attend the creditors' meeting?

You are not obliged to attend the creditors' meeting. The law recognises that creditors are not always able to attend the meeting in person and allows you to ask a representative to attend as proxy and vote on your behalf. You will not prejudice your claim and entitlement to dividend if you do not attend.

How do I ensure that my vote counts at the meeting?

In order to vote, a creditor must have submitted written details of his claim and the chairman must have admitted that claim following the guidelines below. These details need to be submitted to the Joint Administrators before 12.00 hours on the business day before the meeting (Rule 2.38(1)). You might also need to lodge a proxy if you do not intend to attend in person.

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The chairman can admit a claim for voting purposes even though it was submitted late if he is satisfied this was due to reasons beyond the creditor's control (Rule 2.38(2)).

Do I need to lodge a proxy form?

If you yourself are the creditor (and not a corporate body such as a limited company), you may vote by simply attending the meeting, provided you have lodged a claim as explained above.

If you do not want to attend the meeting, you may nominate someone else, or the chairman of the meeting, to vote for you. They can vote either on your instructions or at their discretion. Do, however, remember that the chairman will be one of the Joint Administrators and you might wish to consider specifying clearly how he should vote.

You must do this by completing the enclosed proxy form or a substantially similar form. The form needs to be signed by the creditor or by someone authorised by him and the nature of the person's authority to sign should be stated (Rule 8.2). If the creditor is a company a director of it should normally sign. The proxy form must then be submitted at or before the meeting.

Please remember that if a creditor is a limited company or other corporation and you wish to attend and vote at the meeting, you should complete and return the proxy form even if you are a director of the company. (Alternatively you can produce at the meeting a resolution of the directors authorising you to represent that company). (Rule 8.7).

Who decides whether my claim ranks for voting purposes?

The chairman has the power to accept or reject any part of your claim (Rule 2.39(1)). If he is in doubt whether your claim should be admitted, he should mark it as objected to and allow you to vote. If however, the objection is sustained, then your vote will be declared invalid (Rule 2.39(3)). If your vote was critical to the outcome of the meeting, this could change the resolutions that were passed and/or result in a further meeting (Rule 2.39(4)).

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What happens if I disagree with the chairman's decision?

You are entitled to appeal to the court against the chairman's decision within 14 days of the Joint Administrators reporting the result of the meeting to the court for an order reversing the chairman's decision on your claim (Rule 2.39(5)). If the court does reverse the chairman's decision it can order another meeting or make such other order as it thinks just (Rule 2.39(4)).

Creditors also have the right to appeal to the court if they believe that the Administration unfairly harms their interests (Paragraph 74(1) of Sch.B1 IA86).

We recommend that you seek legal advice about the merits of taking such steps.

How do I calculate my claim for voting purposes?

Votes are calculated according to the amount of the creditor's claim as at the date on which the Company entered Administration, less any payments that have been made to him after that date in respect of his claim and any adjustments by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes were counted (Rule 2.38(4)).

What majorities are needed to approve resolutions?

A resolution to approve the proposals or any modification to them is passed at the creditors' meeting in Administration proceedings if supported by a majority in excess of 50% in value of the creditors voting on the resolution (Rule 2.43(1)). In addition, any resolution passed is invalid if more than 50% of creditors (by number) to whom notice of the meeting was sent and who are not connected to the Company vote against it (Rule 2.43(2)).

What happens if I cannot yet quantify my claim with certainty?

A creditor cannot vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, unless the chairman agrees to put on the debt an estimated minimum value for voting purposes (Rule 2.38(5)).

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What happens if my debt is secured?

A secured creditor is entitled to vote only in respect of the balance (if any) of his debt after deducting the value of his security as estimated by him (Rule 2.40(1)).

Am I bound by the Administrators' proposals if they are approved at the meeting?

The Joint Administrators' proposals, when approved by the creditors' meeting, will dictate how the Company's affairs will be conducted in future and how creditors' claims will be addressed.

Once approved the proposals are binding on all creditors, including those not present or represented at the meeting. For this reason, it is important that creditors properly consider the proposals and decide whether and how they wish to vote.

What are the functions of the creditors' committee?

The creditors' committee shall assist the Joint Administrators in discharging their functions, and act in relation to them in such manner as may be agreed from time to time (Rule 2.52(1)).

In particular, it has a duty to agree the basis of the Joint Administrators' remuneration (Rule 2.106(3)).

How is the creditors' committee formed?

The creditors' committee is established at the creditors' meeting. It is not obligatory but the creditors decide whether it is necessary (Paragraph 57(1) of Sch.B1 IA86).

The committee must consist of at least three and not more than five creditors of the company elected at the meeting (Rule 2.50(1)).

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Any creditor of the company is eligible to be a member of the committee, so long as his claim has not been rejected for the purpose of his entitlement to vote (Rule 2.50(2)). A body corporate may be a member of the committee, but it can only act as such through a properly appointed representative (Rule 2.50(3)).

No person may act as a member of the committee unless and until he has agreed to do so (Rule 2.51(2)). Unless the relevant proxy or authorisation contains a statement to the contrary, such agreement may be given by the creditors' proxy-holder or representative under Section 375 of the Companies Act 1985 present at the meeting establishing the committee (Rule 2.51(2)).

A person acting as a committee member's representative must hold a letter of authority entitling him so to act (either generally or specially) and signed by or on behalf of the committee-member (Rule 2.55(2)). No member may be represented by a body corporate, or by a person who is an undischarged bankrupt, a disqualified director or a person who is subject to a bankruptcy restrictions order, bankruptcy restrictions undertaking or interim bankruptcy restrictions order (Rule 2.55(4)).

No person shall act at one and the same time on the same committee as representative of more than one committee-member (Rule 2.55(5)).

The creditors' committee does not come into being, and accordingly cannot act, until the Joint Administrator has issued a certificate of its due constitution (Rule 2.51(1)).

Appendix B Common questions and answers and a creditors' guide to Administrators' fees

B A creditors' guide to administrators' fees (in accordance with Statement of Insolvency Practice 9)

Introduction

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 realisation of these assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

The nature of administration

Administration is a procedure which places a company under the protection of the court such that creditors cannot take further action against the company; the company is also placed under the control of an insolvency practitioner and with the following objective:

- (a) rescuing the company as a going concern, or
 - (b) 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
- (c) property in order to make a distribution to secured or preferential creditors.

The creditors' committee

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 a meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration in order to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and

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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.

Fixing the administrator's fees

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.

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.

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 a special fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of -

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- 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 their approval or withholds that approval.

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.

A resolution of creditors may be obtained by correspondence.

What information should be provided by the administrator?

When seeking fee approval

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

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

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.

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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 of that time 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

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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 being 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.

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.

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 above. Where the fee is charged on a percentage basis the administrator should provide the details above regarding work which has been sub-contracted out.

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Expenses and disbursements

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

What if a creditor is dissatisfied?

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

What if the administrator is dissatisfied?

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.

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Other matters relating to fees

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

If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

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.

