

The Insolvency Act 1986

2.23B**Notice of result of meeting
of creditors**

Name of Company

Probotec Limited

Company number

04337866

In the High Court of Justice
Chancery Division
Birmingham District Registry

[full name of court]

Court case number
2329 of 2005

We

Jonathan Scott Pope
KPMG LLP
Marlborough House
Fitzalan Road
Cardiff CF24 0TE
United KingdomMyles Antony Halley
KPMG LLP
Marlborough House
Fitzalan Road
Cardiff CF24 0TE
United Kingdom

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

- (a) Insert place of meeting (a) Thistle Cardiff Hotel, Park Place, Cardiff
(b) Insert date of meeting (b) on 14 June, 2005 at which:

*Delete as applicable *1. Proposals / ~~revised proposals~~ were approved.

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

The modifications made to the proposals are as follows:

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

(c) _____

*3. ~~The proposals were rejected~~

(d) Insert time and date of
adjourned meeting

*4. ~~The meeting was adjourned to~~ (d) _____

(e) Details of other
resolutions passed

*5. ~~Other resolutions~~ : (e) _____

A49
COMPANIES HOUSE

AXS2J66C

0418
16/06/05

The revised date for automatic end to administration is

A creditors' committee was not formed

Signed

Joint Administrator

Dated

14 June 2005

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

Huw Powell
KPMG LLP
Marlborough House
Fitzalan Road
Cardiff CF24 0TE
United Kingdom

DX Number

029 2046 8038
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Probotec Limited in administration

**Report to Creditors pursuant to
Paragraph 49 of Schedule B1 of the
Insolvency Act 1986**

KPMG LLP

27 May 2005

This report contains 7 pages

Appendices contain 14 pages

jsp/dmp/hp/958/1F2



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1 Glossary

| | |
|----------------------|--|
| Administrators | Jonathan Scott Pope and Myles Antony Halley of KPMG LLP |
| Administration Order | The Administration Order granted by the High Court of Justice Chancery Division, Birmingham District Registry in respect of Probotec Limited dated 6 April 2005. Court Administration Order number 2329 of 2005 |
| Probotec | Probotec Limited (Company registered number 04337866) |
| Barclays | Barclays Bank PLC |
| The Act | Insolvency Act 1986 |

2 Introduction

Jonathan Scott Pope and Myles Antony Halley of KPMG LLP were appointed by the Court as Joint Administrators of Probotec on 6 April 2005 following an application by the Directors of Probotec.

In accordance with Paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by any or one of the Administrators.

In accordance with Paragraph 49 of schedule B1 of the Insolvency Act 1986 the Joint Administrators now set out their proposals for achieving the purpose of the Administration and for the conduct of the Administration.

The report also includes certain information required to be provided to creditors in accordance with Rule 2.33 of the Insolvency (Amendment) Rules 2003.

The appropriate statutory information is set out in Appendix 1.



3 Background and events leading to the petition for an Administration Order

Probotec was incorporated on 11 December 2002 as GAC No 281 Limited.

On 31 March 2002 Probotec acquired the continuing trade and assets of Standard Rail Wagon (No 2) Limited in exchange for an intercompany loan. Both companies were part of a group acquired by Nikko Investments in 2000.

The principal activities of the acquired business were the design and supply of advanced rail freight suspension (bogies) and wheel sets.

On 2 April 2002 the company changed its name to Powell Duffryn Rail Limited.

On 8 October 2002 Probotec further acquired the axel motion bogie and the Unitruck single axel suspension rights from Meridian Rail.

On 11 May 2004 the company changed its name to Probotec Limited.

Probotec originally operated from rented premises in Cardiff and moved to leasehold premises based in Nantgarw, near Cardiff in 2002. It also had satellite offices in Sweden, Luxembourg and the Czech Republic. It subcontracted the manufacture of the bogies and wheel sets to CKD Kutna Hora as ("CKD"), a company based in the Czech Republic.

Probotec's latest available accounts are summarised below:

| | Year ending 31 March 2005 | Year ending 31 March 2004 | Year ending 31 March 2004 |
|--|------------------------------------|------------------------------------|------------------------------------|
| | Unaudited £'000 | Audited £'000 | Audited £'000 |
| Turnover | <u>13,741</u> | <u>20,629</u> | <u>1,120</u> |
| Gross profit/(loss) | <u>2,754</u> | <u>3,471</u> | <u>(293)</u> |
| Operating /(loss) | (4,454) | (1,484) | (2,667) |
| Taxation | 0 | 378 | 518 |
| (Loss before tax) | <u>(4,454)</u> | <u>(1,106)</u> | <u>(2,149)</u> |
| <i>Source: Statutory and management accounts</i> | | | |

Probotec had approximately 90% of the UK market and its strategy was to expand heavily into the European market, and for this reason it acquired the Unitruck system. However, despite successful testing in the US there were significant issues with the quality of the Unitruck system on the European rail networks. Consequently sales have been lower than forecast and significant costs and management time have been incurred in attempting to rectify this issue.

During 2004 management were hoping for a refinancing from its shareholders with a view to this increasing turnover. Due to uncertainties in the market place and the Unitruck issues, this increase did not materialise and, given the increased overhead base, significant losses were incurred.

Due to the ongoing losses and the lack of sales the proposed finance was withdrawn. Without this investment and without recourse to any other facilities Probotec was unable to fund the business. The Board of directors agreed that the best course of action was to place Probotec into administration to protect its assets and for a potential sale of the business and assets to take place. It was envisaged that a going concern sale would be likely to achieve better realisations than if the company was wound up. Consequently administrators were appointed by the Court upon the application of the directors on 6 April 2005.

4 Purpose, initial strategy and progress of the Administration

4.1 Purpose of the Administration

The primary objective of the Administration was to achieve a better result for Probotec's creditors as a whole than would be likely if Probotec was wound up. A sale of the business and assets was considered a strong possibility, and if achieved, realisations in the Administration could possibly result in a distribution to unsecured creditors.

4.2 Progress of the administration

4.2.1 Strategy

On our appointment we met or contacted all staff and informed them of our appointment and proposals. An immediate review of the business was undertaken and, to reduce the level of overheads, 16 employees were dismissed on 6 April.

Barclays agreed to provide limited funding allowing the administrators to retain sufficient staff to attempt to sell the business as a going concern. Following a meeting with CKD it became apparent that it would not be possible to continue to manufacture further bogies and wheel sets as all work in progress was held by them. This was because they were claiming title to all stock, work in progress, plant and machinery and tooling and the level

of available funding did not allow the administrators to deal with the quantum of their claim.

4.2.2 Assets

The Directors' Statement of Affairs shows that Probotec had estimated realisable tangible assets of £2,949,000. A listing of the asset categories, their book values and estimated realisable values is detailed in the Directors' Statement of Affairs attached as Appendix 3.

4.2.3 Sale of the business

Immediately upon appointment, we requested that the Directors and management provide a list of all known interested parties and, together with parties identified by us, these were immediately contacted. Trading the business for a prolonged period would require significant funding due to high overhead costs. As a result, any sale of the business and assets needed to be achieved in a very short timescale. A deadline for offers was set at 15 April 2005.

Following clarification of the offers received an offer was accepted on 19 April 2005 from EWS Rail Components Limited ("EWS") for the business and assets of Probotec (excluding some assets which are detailed below). An exclusivity agreement was signed with them on 20 April.

On 28 April 2005, following due diligence and negotiations in respect of the sale and purchase agreement, the business and assets of Probotec were sold to EWS. The consideration received was as follows:

- £74,997 for the fixtures and fittings, plant and machinery, tooling, motor vehicles;
- £325,000 for the stock and work in progress;
- £2,300,003 for the goodwill and Intellectual property; and
- £1,300,000 for the trade book debts, excluding two debts amounting to £1.8 million.

4.2.4 Excluded assets

The following assets were excluded from the sale to EWS:

- Two book debts amounting to £1,808,000;
- An intercompany debt due from an associated group company of £268,000; and
- Group relief receivable of £891,000.

The intercompany debt due from Powell Duffryn Investments Limited ("PDI") of £268,000 was received on 4 May 2005. The Director's Statement of Affairs shows an amount due from PDI of £1,700,000. However, prior to the appointment of administrators an amount of £1,431,450 due to another group company was assigned to

PDI to off set the amount due by PDI. Our solicitors have advised as Probotec was not a party to the transaction the set off is valid.

The administrators are currently in the process of realising the remaining assets.

4.2.5 Secured Creditor

Barclays Bank PLC holds a fixed and floating charge over the whole of Probotec's assets. At the date of the Administration the Bank were owed £3,224,168 and had also provided guarantees amounting to £122,802.

It is anticipated that the Secured Creditor will be paid in full.

4.2.6 Preferential Creditors

Preferential creditors are estimated at £20,000. It is anticipated that Preferential Creditors will be paid in full.

4.3 Other matters

- The Joint Administrators' remuneration will be fixed in accordance with Rule 2.106(2) of the Act by reference to the time properly given by insolvency practitioners (as Administrators) and their staff in attending to matters arising in the administration.
- In accordance with Rule 2.106(5) of the Act a resolution on the Administrators' remuneration is included within the Administrators' proposals to be put to the unsecured creditors.
- The Administrators have also instructed KPMG Tax and VAT specialists to carry out assessments to determine whether any further realisations may accrue from these sources. As above, a resolution on these costs will be put to the unsecured creditors.
- There is currently a case being heard by the House of Lords to determine whether debtor realisations are fixed or floating charge. If debtor realisations are held to be fixed charge realisations there will be no Prescribed Part available to unsecured creditors. However, if debtor realisations are held to be floating charge then in accordance with paragraph 176A(2) of the Act there will a Prescribed Part of £276,000 available to creditors (before the costs of distributing the prescribed part).
- EC regulations do not apply.
- As required by the Company Directors Disqualification Act 1986 the Administrators will be preparing a report on the conduct of the Directors of the Company. This report will be lodged with the Department of Trade & Industry but its contents will remain confidential.

Statement of Affairs

5

The Directors' Statement of Affairs is attached at Appendix 3. We have received Statements of Concurrence regarding the Statement of Affairs from all the Directors.

Unsecured Creditors and Creditors' meeting

6

The Administrators estimate that there may be a small distribution to the unsecured creditors. This will, however, be dependent upon the level of capital gains tax, if any, chargeable on the goodwill/intellectual property gains.

Current estimates before any potential capital gains tax indicate that an amount of £250,000 may be available to unsecured creditors before liquidator's costs. The Directors' Statement of Affairs list total unsecured creditors of £5.0 million, before the set off of the £1.4 million noted above.

Accordingly, the Administrators propose to hold an initial creditors' meeting, on 14 June 2005 at 11 am at the Thistle Cardiff Hotel, Park Place, Cardiff.

Administrators' Proposals

7

As stated above, the business and assets of Proboscis have been sold, achieving the purpose set out in Paragraph 3(1)(b) of Schedule B1 of the Act (better result for Proboscis's creditors as a whole than would be achieved in a winding up).

The Administrators propose the following:

- That the Administration process should continue for the foreseeable future to enable them to continue to realise the remaining assets of Proboscis (namely debtors and group relief) and deal with all taxation issues.

- When the purposes of the Administration have come to an end it is proposed that the Administrators be permitted to conclude the Administration and place Proboscis into Creditors Voluntary Liquidation ("CVL"), with the appointment of Jonathan Scott Pope and Myles Antony Halley as Liquidators of Proboscis without further recourse to creditors. The purpose of the CVL is to facilitate the payment of a distribution to unsecured creditors. In accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved.

- That the Administrators' remuneration will be fixed in accordance with Rule 2.106(2) by reference to the time properly given by insolvency practitioners (as Administrators) and their staff in attending to matters arising in the Administration.
- That the Administrators' draw their expenses and disbursements as required.
- That the Joint Administrators are discharged from the liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act upon the registration of the notice given pursuant to Paragraph 83 or 84 of Schedule B1 of the Act.
- If for any reason there is no distributable reserve for unsecured creditors, the Administrators resolve that Proboscis be dissolved without further recourse to the creditors.



Appendix 1 – Statutory information

| | | | | | |
|---------------------------------------|---|--|------------------------|---------------------------------------|-----------|
| Date of Incorporation | 11 December 2001 | | | | |
| Company registration number | 04337866 | | | | |
| Previous registered office | Cambrian House Charnwood Court Parc Nantgarw Cardiff South Glamorgan CF15 7QZ | | | | |
| Present registered office | KPMG LLP Marlborough House Fitzalan Court Cardiff CF24 0TE | | | | |
| Trading address | As previous registered office | | | | |
| Authorised share capital | 2,000,000 Ordinary shares of £1 each | | | | |
| Shareholders | <table><tr><td></td><td><i>Ordinary shares</i></td></tr><tr><td>Powell Duffryn Investments Limited</td><td>2,000,000</td></tr></table> | | <i>Ordinary shares</i> | Powell Duffryn Investments Limited | 2,000,000 |
| | <i>Ordinary shares</i> | | | | |
| Powell Duffryn Investments Limited | 2,000,000 | | | | |
| Directors | Peter Gissel Hans Gloeckl Nicholas Hughes Michael John Nicholas Manning David Mitchell Simon Nicholas Oakland Ian Price Irmhild Saabel | | | | |
| Company secretary | David Mitchell | | | | |
| Employees | 39 | | | | |
| Previous names | Powell Duffryn Rail Limited GAC No 281 Limited | | | | |

Source: Statutory and Company Records

Probotec Limited in administration

Analysis of Joint Administrators' time costs 6 April to 20 May 2005

| | Hours | | | | | | | Total cost £ | Average hrly rate £ |
|--|---------|----------|-------------------|---------|----------------------|-------|---------|-----------------|---------------------------|
| | Partner | Director | Senior Manager | Manager | Assistant Manager | Admin | Support | | |
| Hourly charge-out rate £ | 540 | 475 | 390 | 310 | 220 | 170 | 100 | | |
| Pre-appointment planning | 10.0 | 21.0 | | | | | | 15,375.00 | 495.97 |
| Pre-appointment checks | | | 10.0 | | 9.3 | | | 6,446.00 | 265.27 |
| Appointment & related formalities | | 8.0 | 8.0 | | 8.3 | | 5.0 | 8,796.00 | 354.68 |
| Bonding & bordereau | | | | | | 0.7 | 0.5 | 119.00 | 170.00 |
| Strategy documents | | 9.5 | 16.0 | | 2.0 | | | 11,192.50 | 407.00 |
| Reports to debenture holders | | 12.0 | 8.0 | | 0.3 | | | 8,886.00 | 437.73 |
| Checklists & 6 Monthly review | | | 2.0 | | | | | 780.00 | 390.00 |
| Leasehold property | | 1.5 | 3.0 | | 5.3 | | 0.3 | 3,078.50 | 304.80 |
| Plant & machinery | | | | | 0.5 | | | 110.00 | 220.00 |
| Office equipment & fixtures/fitting: | | | 2.0 | | | | | 780.00 | 390.00 |
| Vehicles | | | 2.0 | | 1.5 | | | 1,110.00 | 317.14 |
| Stock & WIP | | 1.0 | 4.0 | | 0.4 | | | 2,123.00 | 393.15 |
| Debtors | | 9.2 | 17.2 | | 20.8 | | | 15,654.00 | 331.65 |
| Cash & investments | | | 1.0 | | 0.7 | | | 154.00 | 220.00 |
| Goodwill | | 8.7 | | | | | | 4,522.50 | 466.24 |
| Sale of business | 27.5 | 49.3 | 67.0 | 136.0 | 13.5 | | 3.3 | 109,857.50 | 370.39 |
| Overseas Assets | | 9.7 | | | 17.0 | | | 6,165.00 | 268.04 |
| Cash & profit projections & strategy | | 1.0 | 5.0 | | 0.4 | | | 88.00 | 220.00 |
| Sales | | | | | 70.5 | | | 20,700.00 | 250.91 |
| Purchases & trading costs | | 6.0 | 6.0 | | 9.4 | 9.7 | | 8,269.50 | 281.28 |
| Correspondence with employees | | 6.3 | 4.0 | | | | | 1,560.00 | 390.00 |
| DTI Redundancy Payments Service | | | 4.0 | | | | | 1,019.00 | 377.41 |
| Agreeing employee claims: | | | 2.5 | | 0.2 | | | 3,905.00 | 307.48 |
| Pension funds | | | 3.5 | 6.8 | 1.6 | | 0.8 | 726.00 | 220.00 |
| Employees general | | | | | 3.3 | | | 3,481.50 | 290.13 |
| Questionnaires & checklist | | 0.5 | 4.2 | | 7.3 | | | 2,875.50 | 305.90 |
| Statement of Affairs | | 2.5 | 1.0 | | 5.9 | | | 2,999.00 | 245.82 |
| Notification of appointment to creditors | | 1.0 | 2.0 | | 5.7 | 2.0 | 1.5 | 6,060.00 | 233.08 |
| General correspondence with creditors | | | 2.0 | | 24.0 | | | 62.00 | 310.00 |
| Statutory reports to creditors | | | | 0.2 | | | | 1,900.00 | 475.00 |
| Payment of dividends | | 4.0 | | 11.2 | 0.2 | | | 3,516.00 | 308.42 |
| Pre appointment VAT/PAYE/CTI | 5.0 | | 6.0 | | 0.5 | | | 5,150.00 | 447.83 |
| Secured creditors | | | | | 1.3 | | | 286.00 | 220.00 |
| Legal claims | | | | | 8.2 | | | 2,991.50 | 279.58 |
| ROT Claims | | 2.5 | | | 0.5 | | 38.1 | 3,920.00 | 101.55 |
| General cashflow | | | | | 0.7 | | | 154.00 | 220.00 |
| Reconciliations | | | | | 0.5 | | | 110.00 | 220.00 |
| Fund management | | | | | 0.5 | | | 3,970.50 | 315.12 |
| Initial CT & VAT reviews | | 0.9 | 5.7 | 9.3 | 6.0 | | | 4,467.00 | 301.82 |
| Post appointment VAT | | | 2.2 | | 3.3 | | | 2,066.00 | 327.94 |
| Post appointment Corporation Tax | | | 4.0 | | 2.3 | | | 585.00 | 390.00 |
| Pre appointment Tax & VAT refunds | | | 1.5 | | | | | 950.00 | 475.00 |
| Pre appointment transactions | | 2.0 | | | 1.7 | | | 959.00 | 299.69 |
| Open cover insurance | | | 1.5 | | 4.4 | | | 968.00 | 220.00 |
| Books and Records | | | | | | | 0.1 | 10.00 | 100.00 |
| Filing | | | | | | | | | |
| Total | 42.5 | 156.6 | 195.3 | 163.5 | 237.5 | 12.4 | 49.6 | 283,505.00 | 306.62 |

Rule 2.29

Form 2.14B

Statement of affairs

Name of Company

Probotec Limited

Company number

04337866

In the High Court of Justice
Chancery Division
Birmingham District Registry

[full name of court]

Court case number
2329 of 2005

Statement as to the affairs of Probotec Limited Marlborough House Fitzalan Court, Fitzalan Road, Cardiff CF24 0TE

On the 6 April 2005, 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 6 April 2005 the date that the company entered administration.

Full name

DAVID MITCHELL

Signed

D. Mitchell

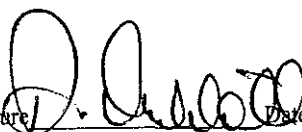
Dated

29th APRIL 2005

A – Summary of Assets

| Assets | Book Value £ | Estimated to Realise £ |
|--|--------------------|------------------------------|
| Assets subject to fixed charge: | | |
| Leasehold premises | 56,717 | 0 |
| Trade debtors (per sales ledger) | 3,620,689 | 1,128,153 |
| Tax recoverable | 891,000 | 0 |
| Amount due from Powell Duffryn Investments Limited | 1,700,000 | 1,700,000 |
| Amount due from PD Rail Limited | 45,439 | 0 |
| Other debtors & prepayments | 593,853 | 0 |
| Less: Due to Barclays Bank PLC (secured by a debenture dated 12th January 2004) | (3,675,233) | (3,675,233) |
| Surplus/(deficiency) as regards Barclays Bank PLC | 3,232,465 | (847,080) |
| Assets subject to floating charge: | | |
| Machinery & Equipment | 374,027 | 56,104 |
| Fixtures, fittings and equipment | 44,519 | 4,452 |
| Motor vehicles | 34,663 | 10,000 |
| Stock | 739,465 | 50,000 |
| Uncharged assets: | | |
| None | | |
| Estimated total assets available for preferential creditors | 4,425,139 | 120,556 |

* Does not take into account any potential impact of suppliers with retention of title

Signature  Date 29/4/05

A – Summary of Liabilities

| | £ | Estimated to realise £ |
|--|-------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | | 120,556 |
| Liabilities: | | |
| Preferential Creditors:- | | |
| Employees' wages & holiday pay (1-6 April) | (46,346) | (46,346) |
| Estimated total assets available for floating charge holders | | 74,210 |
| Debts secured by floating charges:- | | (847,080) |
| Estimated (deficiency)/surplus of assets after floating charges | | (772,870) |
| Unsecured non-preferential claims: | | |
| Trade & expense creditors | (5,045,278) | (5,045,278) |
| Estimated (deficiency)/surplus as regards creditors | | (5,818,148) |
| Issued and called up capital: | | |
| Ordinary £1 shares (held by Powell Duffryn Investments Ltd) | (2,000,000) | (2,000,000) |
| Estimated total (deficiency)/surplus as regards members | | (7,818,148) |

Signature  Date 29/4/05

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.

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|----------------------------------|--|------------------|---|---------------------|---------------------|
| Acteries De Ploemel | Cedex, B.P. 103-56804 Plermel, France | 1,240 | | | |
| Advokatfirma Cederquist KB | BOX 1670, SE-111 96 Stockholm, Sweden | 637 | | | |
| AEA Technology | Jubilee House, 4st, Christophers Way, Pride Park, Derby, DE24 8LY | 21,540 | | | |
| Alexander Wijnbergen | Warmonderveg 1, 2334 AA Leiden, The Netherlands | 5,394 | | | |
| Allen & Overy LLP | 1 New Change, London, EC4 9QQ | 37,169 | | | |
| AnsysEurope | 1st Floor Waterloo House, Riseley Business Park, Riseley, Berkshire, RG7 1NW | 3,290 | | | |
| AR Davies And Company | 27 Imperial Square, Cheltenham, Gloucestershire, GL50 1RA | 14,925 | | | |
| Areva | Areva Technology Centre, PO Box 30, Lichfield Road, Stafford, ST17 4LN | 13,821 | | | |
| Arval Phh | Lea Francis House, Station Rd, Balsam common, Coventry, CV7 7FD | 3,829 | | | |
| Arval PHH Business Solutions Ltd | PHH Centre, Windmill Hill, Swindon, SN5 6PE | 50,017 | Car contract hire agreements (various) | | |
| Automotive Industrial | Sokolovska 1169, 570 01 Itomysl, Czech Republic | 1,632 | | | |
| Automotive Leasing | 165 Bath Road, Slough, Berkshire, SL1 4AA | 7,925 | Contract hire agreement for Skoda Octavia | | |
| Barclays Bank plc | Business Banking, PO Box 544, 54 Lombard Street, London, EC3V 9EX | 259 | | | |
| BDO Compagnie Fiduciaire | S. bd de la Foire, Boite postale 351, L-2013 Luxembourg, Luxembourg | 903 | | | |
| Belmont NDT & Quality Services | Belmont House, Low Green, Rawdon, Leeds, West Yorkshire, LS19 6HA | 12,307 | | | |
| BIE Interim | 22 Queen Anne's Gate, London, SW1H 9AA | 3,721 | | | |
| BMW Financial Services | Europa House, Bartley Way, Hook, Hampshire, RG27 9JF | 13,537 | Car hire agreement for BMW 1 series | | |
| Boe Ltd | Customer Service Centre, Po Box 12, Priestley Road, Manchester, M28 4UT | 786 | | | |
| Boiler Plant | 73 Severn Rd, Canton, Cardiff, CF11 9EA | 262 | | | |
| Bonatrans s.s | Bezručova 300, 735 94 Bohumin, Czech Republic | 140,380 | | | |
| Bordignon Trading SpA | Via Don Tescaro 14, 36060 Romano, d'Ezzelino, Italy | 3,674 | | | |
| Brack & Associates Ltd | Southgate Business Centre, Northampton Road, Derby DE23 6UQ | 29 | | | |
| Bridgend Office Furniture | Tower House, Tower Close, Bridgend Ind Est, CF31 3TH | 9,916 | | | |
| BSI | British standards Info, Bsi cash office, Po Box 16206, London, W4 4ZL | 1,751 | | | |
| BT Conferencing | Customer Accounts PP M3042X, Colindale House, The Hyde, London, NW6 6LB | 1,872 | | | |
| BT PLC | SBWG, 11 Hope Street, Westergate, Glasgow, G4 0AB | | | | |

Signature

Date

29/4/05

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.

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|---|---|------------------|--|---------------------|---------------------|
| Butlers AB | Fabrikavägen 9, SE-186 32 Vällena, Sweden | 4,444 | | | |
| Bureau de Recette de Contributions | 10, Rue de Fort Wedell, Luxembourg | 8,537 | | | |
| C.M. Auto Services | Unit 2, Fairfield Ind. Est, Main Rd, Gwaelod-y-Garth, Taffs Well | 28 | | | |
| Camto Cleaning | 30a Moy Road, Roath, Gwaelod-y-Garth, CF24 4TF | 3,461 | | | |
| Cardiff Lift Company | CLC House, Dyfrig Road, Cardiff, CF5 5AD | 115 | | | |
| Carisbrook Suon Ltd | The Potteries, Pottery Lane East, Chesterfield, S41 9BH | 587 | | | |
| Casting PLC | Ichfield Rd, Bronhill, Walsall, West Midlands, WS8 6JZ | 4,594 | | | |
| Casiren And Snellman | PO Box 233, 00131 Helsinki, Finland | 24,605 | | | |
| Catoni Consulting AB | Catoni Consulting AB, BOX 5339, 102 47 Stockholm, Sweden | 210 | | | |
| CBD | Centre Of Business Development, Consultant, Van Dyck Dreed 9, B3090 Overijse, Belgium | 2,877 | | | |
| Cefik | c/o Rudolf Klebner, Steinhausle 18, Winnenden, 71364, Germany | 4,946 | | | |
| Centre Commun de la Securite Sociale | Departement Affiliation, 125, route d'Esch, L-2975 Luxembourg, Luxembourg | 7,088 | | | |
| Chamwood Business Park | Chamwood House, Ocean Way, Ocean Park, Cardiff, CF24 5TE | 20,388 | | | |
| CHG | Computer Leasing Belgium NV/SA, Louizalaan 251b 14, 1050 Brussels, Belgium | 2,019 | Hire agreement for computer equipment | | |
| Chubb Fire | Chubb fire House, Esigate Office Centre, Eastville, Bristol, BS5 6XX | 117 | | | |
| City Couriers | ABA Contracts (Cardiff) Ltd, Unit 43 Portnamoor Rd Ind Est, Cardiff, CF24 5HB | 219 | | | |
| Claude Eisen | 55 Rue Charles Arendt, Arendt, Luxembourg | 145,364 | | | |
| CNTK | Centrum Naukowo, UL. J. Chlopickiego 50, 04-275 Warszawa, Poland | 14,041 | | | |
| Communication Stem Limited | 15-16 Lower Park Row, Bristol, BS1 5BN | 613 | | | |
| Computer Services Group | CSG House, 7 George Thomas Avenue, Brynmyn Industrial Estate, Bridgend, CF32 9SQ | 9,299 | | | |
| Consilux | Consilux s.a.r.l. siege social, 55 Rue Charles Arendt, L-1134 Luxembourg | 12,783 | | | |
| Conteneurs, Logistique Bettembourg S.A. | Container Terminal, L-3225 Bettembourg, Luxembourg | 26,274 | | | |
| Corporate Data | 66 Williams Way, Radlett, Herts, WD7 7HB | 20,031 | | | |
| CP Comparner | Markt 1, 45127 Essen, Germany | 8,729 | | | |
| Crickhowel Consultants | 12 Everest Drive, Crickhowel, Powys, NP8 1DH | 2,560 | | | |
| Cromwell Tools | PO Box 14, Chanwell Drive, Wigston, Leicester, LE18 1AT | 985 | | | |

Signature

Date

[Signature] 29/4/05

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.

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|----------------------------------|---|------------------|--|---------------------|---------------------|
| Crummener Ombh | Im Gewerbegebiet, 54344 Kern, Germany | 479 | | | |
| CSA | CSAC Birkenhead, Woodside Ferry Approach, Birkenhead | 261 | | | |
| Czech Ag | Obchodni Zastoupeni Kuma Hora, Karlov 197, 284 49 Czech Republic | 405,622 | | | |
| Deutsche Bahn | Werk Paderborn, Herman Kirchhoff Str 4, 33102 Paderborn, Germany | 14,847 | | | |
| DHL International | Hillbom House, 1 Dukes Green Avenue, Faggs Road, Feltham, Middlesex TW14 0LR | 75 | | | |
| Dr. Hans Cloeckl | Walbrunnerstrasse 46, Stuttgart, 70599, Germany | 134,064 | | | |
| Dr. Oldrich Polach | Schwanenfelstr 12, CH8212 Neuhausen am Rhf, Schweiz | 5,866 | | | |
| Dragon Truck And Van Ltd | Dragon House, Coaster Place, Rover Way, Cardiff, CF10 4XZ | 279 | | | |
| Drag Personnel | 1 Bartlett Street, Caerphilly, CF83 1JS | 1,222 | | | |
| Edson Print | 11 Palmerston Workshops, Palmerston Road, Barry, Vale Of Glamorgan, CF63 2YZ | 376 | | | |
| Edward Davies (Construction) Ltd | Charmwood House, Ocean Way, Ocean Park, Cardiff, CF24 5TE | 453 | | | |
| Edwards Geldard | Dumfries House, Dumfries Place, Cardiff, CF24 4LE | 27,003 | | | |
| Emery Forwarding | Unit 19, Ailiflinks Ind. Est., Spilfrie Way, Heston, Essex, TW5 9NR | 1,543 | | | |
| Ernst & Young k.s. | c/o Marcela Opocenska, Tax Services, Charles Square Center, Karlovarnam, 10, 120 00 Praha 2, Czech Republic | 25,893 | | | |
| eurotrans manutan | 145, rue de Cessange, L-1321 Luxembourg, Luxembourg | 3,017 | | | |
| Fabraff Ltd | Graeffa Industrial Est., Caerphilly Rd, Llanbradach Mid Glam, CF83 3QS | 1,690 | | | |
| Fairley Transport | Morpeth Wharf, Twelve Quays, Birkenhead, Wirral, CH41 1LW | 135,173 | | | |
| Ferrabryne Ltd | Port Road Ind. Est., Littlehampton, West Sussex, BN17 7QU | 12,460 | | | |
| Flexocol | Rua Sousa Praia 372, Apartado 2004 4466 801, Leça Do Balio, Portugal | 11,651 | | | |
| Flowonics Ltd | c/o HSBC Invoice Finance, Farncombe Rd, Worthing, West Sussex, BN11 2BW | 54,956 | | | |
| Flugboerse Mainz | Boppstraße 13, 55118 Mainz, Germany | 6,592 | | | |
| Forges De Fresnes | 80 Rue Pasteur, B.P. 11 59970, Fresnes Sur Escaut, France | 860 | | | |
| Fraunhofer Ipa | Fraunhofer Ipa, Nobelstrasse 12, 70569 Stuttgart, Germany | 36,423 | | | |
| Frighliner Heavy Haul | CP317 3RD Floor, The Podium, 1 Eversholt Street, London, NW2 2FL | 83,425 | | | |
| Friedrich Hydroport | 16, Route d'Esch, L-3801 Schifflange, Luxembourg | 183 | | | |
| Fuchs Lubitech Ltd | Eley Road, Eley Estate, Edmonton, London, N18 2PS | 1,804 | | | |

Signature

Date

22/4/05

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.

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|------------------------------------|---|------------------|--|---------------------|---------------------|
| Gillings And Hayler | Reglan Engineering Works, Raglan Road, Hengoed, CF8 7LY | 15,485 | | | |
| Godfrey Davies (Contract Hire) Ltd | Tryford House, High Street, Bushey, Hertfordshire, WD23 3XX | 351 | | | |
| Hanacke Zelezný | 797 11 prostejov, Czech Republic | 4,553 | | | |
| Hannoversche Lebensversicherung AG | Karl-Wieschert-Allee 10, 30622 Hannover, Germany | 4,403 | | | |
| Highway And Industrial | Basmoors Road, Cardiff Bay, Cardiff, CF1 5EE | 376 | | | |
| HSW | E Kwaitkowskiego Str.1, PL37450 Solawa Wola, Poland | 253 | | | |
| Hunslet-Barclay Ltd | Caledonia Works, West Langlands Street, Kilmarnock, Scotland, KA1 2QD | 5,591 | | | |
| Huxley Associates | PO Box 2402, London, W1A 2SA | 7,344 | | | |
| Interfleet | Interfleet Technology AB, Box 35, S-171 11 Solna, Sweden | 14,525 | | | |
| ISG Occupancy | 17-19 Maddox Street, London, W1S 1QG | 4,774 | | | |
| ITMS | ITMS s.a., 5 Rue de l'Eglise, L-1458 Luxembourg | 5,639 | | | |
| JRM Engineering | JRM Engineering, 39 Piper Crescent, Burtisland, Fife, KY3 0JT | 387 | | | |
| Jurgens Management Consultants | Rheinalle 4b, D-53173 Bonn, Germany | 47,893 | | | |
| KAJ Engineering | 13 Cynpus Avenue, ST Johns, Wakefield, WF1 2RT | 12,879 | | | |
| Kajal Newsagent | 27 Cardiff Road, Nantgarw, Cardiff, CF15 7SS | 27 | | | |
| La-Palissiere | 1a Station Road, Radlyr, Cardiff | 48 | | | |
| Linde Sevenside Ltd | North Road, Bridgend Ind. Est., Bridgend, Mid Glam, CF31 3SZ | 960 | | | |
| LPA Niphan Systems | Tudor Works, Debdon Road, Saffron Walden, Essex, CB11 4AN | 1,024 | | | |
| Mannesmann Sachs | Ernst-sachs-Strasse 62, 97424 Schweinfurt, Germany | 129,997 | | | |
| Mapower Uk | Capital Court, Windsor Street, Uxbridge, UB8 1AB | 13,400 | | | |
| Macrolift Engineering | 350 Boumville Lane, Birmingham, B30 1QZ | 80,069 | | | |
| Marsh Ltd | UK Retail, Tower Place, London, EC3R 5BU | 42,320 | | | |
| Merlo Worldwide | Unit 19, Airlinks Ind. Est., Spitfire Way, Heston, Essex, TW5 9NR | 1,310 | | | |
| Mercedes-Benz Finance | Burystead Court, Caldecotte Lake Drive, Caldecotte, MK1 8ND | 18,786 | Contract hire agreement for Mercedes car | | |
| Meridian Rail Products | 1400 S Larnie Avenue, Cicero, USA | 18,694 | | | |
| Minton Trehame | Merton House, Crossadam Close, Cardiff, CF23 4HH | 535 | | | |

Signature

Date

[Signature] 29/4/05

COMPANY CREDITORS

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| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|---------------------------------|--|------------------|--|---------------------|---------------------|
| Mister Copy | 47, Boulevard Royal, L-2449 Luxembourg, Luxembourg | 371 | | | |
| Nacco Ltd | Tafford House, Chester Road, Stretford, Manchester | 663 | | | |
| Network Rail Infrastructure Ltd | PAO Ian Martin, Shared Services, Room 313 Rail House, Stree Street, Manchester, M60 7RT | 223,309 | | | |
| New House Hotel | Thornhill Road, Cardiff, CF14 9UA | 1,832 | | | |
| Nicole Bordenave | 141 Chaussée de Tervuren, 1160 Bruxelles, Belgium | 202 | | | |
| Nikko Principal Investments | 100 Pall Mall, London, SW1Y 5NN | 211,500 | | | |
| O2 (uk) Ltd | 260 Bath Road, Slough, Berkshire, SL1 4DX | 834 | | | |
| OCE UK | OCE House, Chatham Way, Brentwood, Essex, CM14 4DZ | 574 | | | |
| Optima Design | Optima House, 2 Acorn Business Centre, Commercial Gate, Mansfield, Nottinghamshire, NG18 1E | 4,959 | | | |
| Orange | St James court, Great Park Road, Almondsbury, Bradley Stoke, Bristol BS32 4QJ | 1,286 | | | |
| Osborn Straa | Po Box 42, Shepote Lane, Sheffield, England, S9 1QW | 2,022 | | | |
| PD Group Services | Powell Duffryn House, London Road, Bracknell Berks, RG12 2AQ | 23,898 | | | |
| Permalok Fastenings | Unit 1a, Plumtree Inds Est., Harwaorth, Doncaster, DN11 8EW | 1,516 | | | |
| Peter Llewellyn Davies | Ferdinand Maria Strause 15, 80639, Munich, Germany | 2,878 | | | |
| Phil Kowalski | Project Advisors, 111 Mill Road, North Yarmouth, Maine ME04097, USA | 4,167 | | | |
| Pinnacle Office Supplies | Fairway House, Link Business Park, St Mellons, Cardiff | 2,471 | | | |
| Portman Travel Group | 64/68 Hamilton Road, PO Box 5073, Molderwell, Lanarkshire, ML1 3YS | 15,613 | | | |
| Premium Credit (Marsh) | PO BOX 350, Epsom, KT17 1WP | 42,320 | | | |
| PriceWaterHouseCoopers | 89 Sandford Road, Newcastle Upon Tyne, NE99 1PL | 8,620 | | | |
| PriceWaterHouseCoopers | c/o Toby O'Reilly, Czech Business Community Centre, Katernska 40466, 120 00 Prague 2, Czech Republic | 26,261 | | | |
| Print Partnership | 11 Pacific Business Park, Pacific Road, Cardiff, CF24 5HU | 145 | | | |
| Pronet | Bradley Pavilions, Pear Tree Rd, Bradley Stoke, Bristol, BS32 0BQ | 2,112 | | | |
| Radaatzfahril itenburg gmbh | Postfach 1177, D-38885 ilenburg | 13,493 | | | |
| Railion Deutschland AG | Triebfahrzeuge, LRB-FZ-B 21, Rheinstrasse 2, D-55116 Mainz, Germany | 106,095 | | | |
| Railko Ltd | Loudwater, High Wycombe, Buckinghamshire, HP10 9QU | 294 | | | |
| Railroad Friction Products | 13601 Airport Road, Laurinburg, NC 28353, USA | 32,144 | | | |

Signature

Date

29/4/05

COMPANY CREDITORS

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|---|---|------------------|--|---------------------|---------------------|
| Regus | Boulevard Royal 26, L-2449 Luxembourg, Luxembourg | 18,076 | | | |
| REP Marketing | 4 Lowerfield, Langho, Lancashire, BB6 8HE | 688 | | | |
| Réseau Ferré de France Direction Financière | Département comptabilité, 92 avenue de France, 75648 Paris Cedex 13, France | 110 | | | |
| Rhonda Onon Tuff | Group Director, Corporate Services, Broadwydd, Porth, CF39 9DL | 10,674 | | | |
| Rhys Davies And Sons | May Road Ind Est, Tafts Well, Cardiff, CF15 7QR | 5,117 | | | |
| Rudolf Kleckner | Steinbaustie 18, Winnenden, 71364, Germany | 8,151 | | | |
| Saab Contract Hire | Po Box 2711, Leamington Spa, CV32 4YJ | 11,893 | Contract hire agreement for SAAB car | | |
| Sarcasi | 36567 Treasury Centre, Chicago, USA | 11 | | | |
| Schenker Deutschland AG | PF 520409, 50933 Köln, Germany | 311 | | | |
| Selbert Benken Christian | Dieburger Straße 125-127, 63322 Rödemark, Germany | 328 | | | |
| Serco Railfest Limited | Derwent House, 11c Business Park, London Road, Derby, DE24 8UP | 2,385 | | | |
| Sirocom Limited | St Georges Business Park, Brooklands Road, Weybridge, Surrey, KT13 0TS | 20 | | | |
| SKP | Sundon Park Road, Luton, Bedfordshire, LU3 2BL | 41,666 | | | |
| Slick Click | Montrose House, Park Place, Newbridge, NP11 4RN | 315 | | | |
| Standard And Spec | Unit H, St Davids Ind Estate, Pengam, Blackwood, NP12 3SW | 2,935 | | | |
| Star Internet | Merchants House, Love Lane, Cirencester, Gloucestershire, GL7 1YG | 4,198 | | | |
| Structural Design And Calculation | Rose Cottage, School Lane, Tarworth, Chard Somerset, TA20 2SA | 1,504 | | | |
| Svaleco | PO BOX 13, Havant, PO9 5JB | 5,780 | | | |
| Tairavagonka | Stefanikova 88753, 058 01 Poprad, Slovakia | 3,275 | | | |
| Taxis Lorscheid | 106, rue Eugène Weiler, L-2723 Howald, Luxembourg | 52 | | | |
| Telindus SA | 81-83, route d'Arion, L-8009 Strassen, Luxembourg | 34 | | | |
| The Data Group | Michaelston Road, Culverhouse Cross, Cardiff CF5 4SX | 467 | | | |
| The Uplands Group | 197 St. Helens Avenue, Swansea, SA1 4NE | 175 | | | |
| theaternakup | Peter Richter, Kopenhagener Str 35-237, 13407 Berlin, Germany | 223 | | | |
| Timken Europe | Po Box 5205, Northampton, England, NN4 7ZP | 4,993 | | | |
| Titan Holdings Ltd via Titan | Titan Works, Clarendon Road, Boothtown, Halifax, HX3 6NT | 3,719 | | | |

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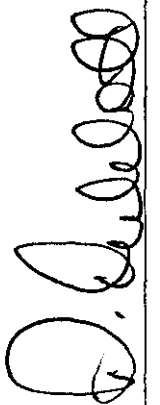
Date

29/4/05

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.

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|------------------------------------|--|------------------|--|---------------------|---------------------|
| Trelleborg Industrial AVS | 1 Hoods Close, Bursom Ind Est, Beaumont Lys, Leicester, LE4 2BN | 7,963 | | | |
| TRM Trading | Pen-y-Fin Spring Water, Pen-y-Fin House, Nantgarwlog, Carmarthenshire SA32 7LJ | 112 | | | |
| Vanguard Foundry | Bot Lane, Lys, Stourbridge, West Midlands, DY9 7AW | 5,748 | | | |
| Village Hotel | 29 Pendryall Road, Coryton, Cardiff, CF14 7EF | 900 | | | |
| Vodafone Ltd | Vodafone house, The Connection, Newbury, Berkshire, RG14 2FN | 4,311 | | | |
| W H Miner Division | PO Box 471, 1200 Estate St Geneva, Illinois, USA | 5,283 | | | |
| Wabtec Rail | Po Box 400, Doncaster Works, Hexthorpe Road, Doncaster, DN1 1SL | 5,336 | | | |
| Waggonbau Brnninghaus GmbH i.l. | Brnninghausstr. 1, 58539 Schwerte, Germany | 274 | | | |
| Wagony Swidnica | U.L. Strzelinska 35 58-100, Swidnica Polska, Poland | 145,103 | | | |
| Westinghouse Brakes | Foundry Lane, Chippenham, Wiltshire, SN15 1JB | 1,097 | | | |
| Wissenborn | All Bornheim 29, 60385 Frankfurt, Am Main, Germany | 7,959 | | | |
| Wykin Services | Hallsteads Ind Est, Hallsteads Close, Dove Holes, Boxton, Derbyshire, SK17 8BS | 14,615 | | | |
| Xerox (UK) Ltd | PO Box 4017, Worthing, West Sussex, BN13 1QG | 122 | | | |
| Powell Duffryn Investments Limited | Summit House, London Road, Bracknell, Berks, RG12 2AQ | 1,455,900 | | | |
| Inland Revenue | Inland Revenue, South Wales Area, Ty Glas, Llanidloes, Cardiff, CF14 5FN | 39,777 | | | |
| HM Customs & Excise | HMCE, Large Payers Unit, 3rd Floor, North Queens Dock, Liverpool, L74 4AA | 348,526 | | | |
| Employees' notice & redundancy pay | Various | 72,004 | | | |
| | | 5,045,278 | | | |



 Signature Date 29/1/05

COMPANY SHAREHOLDERS

| Name of Shareholder | Address (with postcode) | No. of shares held | Nominal Value | Details of Shares held |
|------------------------------------|---|--------------------|---------------|------------------------|
| Powell Duffryn Investments Limited | Powell Duffryn House, London Road, Bracknell, Berks, RG12 2AQ | 2,000,000 | 2,000,000 | £1.00 ORDINARY SHARES |
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| | | 2,000,000 | 2,000,000 | |

Signature D. J. [illegible] Date 24/4/05

Probotec Limited in administration
Joint Administrators' Abstract of Receipts and Payments
To 23 May 2005

| Statement of affairs £ | | £ | £ |
|------------------------------|---------------------------------------|----------------|----------------|
| | <u>FIXED CHARGE ASSETS</u> | | |
| 1,128,153.00 | Book debts | 1,351,881.01 | |
| 1,700,000.00 | Amount due from Group Companies | 268,549.43 | |
| 0.00 | Property rights/Patents/Goodwill | 2,300,003.00 | |
| | | | 3,920,433.44 |
| | <u>FIXED CHARGE CREDITORS</u> | | |
| (3,675,233.00) | Fixed charge creditor | (2,600,000.00) | (2,600,000.00) |
| | <u>ASSET REALISATIONS</u> | | |
| 70,556.00 | Plant, chattels, vehicles and pooling | 74,997.00 | |
| 50,000.00 | Stock | 325,000.00 | |
| | | | 399,997.00 |
| | <u>OTHER REALISATIONS</u> | | |
| | Bank interest, gross | 3,395.75 | |
| | Rent | 9,357.04 | |
| | | | 12,752.79 |
| | <u>COST OF REALISATIONS</u> | | |
| | Legal fees | (3,925.00) | |
| | Statutory advertising | (140.58) | |
| | Wages & salaries | (55,323.59) | |
| | PAYE & NIC | (24,457.02) | |
| | Insurance | (21,943.04) | |
| | Sub contractors | (59,753.99) | |
| | Direct expenses | (20,604.22) | |
| | Bank charges | (246.32) | |
| | Other trading costs | (363.12) | |
| | | | (186,756.88) |
| | | | |
| (726,524.00) | | | 1,546,426.35 |

A creditors' guide to administrators' fees - 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 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 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. The administrator of a company must perform his functions with the objective of:
- rescuing the company as a going concern, or
 - achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 Administration may be followed by a company voluntary arrangement or liquidation.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of three and a maximum of five members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within three months of the administration order to consider his proposals. The administrator must call the first meeting of the committee within three months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in rule 2.106 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.
- 4.2 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 to be fixed as a percentage, to 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 assets which the administrator has to deal with.
- 4.3 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.

5 What information should be provided by the administrator?

- 5.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The administrator should always make available an up to date receipts and payments account. Where the fee is to be charged on a time basis the administrator should be prepared to disclose the amount of time spent on the case and the charge-out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case. 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, contracted out which would normally be undertaken directly by a administrator or his staff.
- 5.2 The payment of expenses and disbursements is not subject to approval by the committee or the creditors. However, where a administrator makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the cost of facilities provided by his own firm, he should disclose those charges to the committee or the creditors when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at.

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