

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Matrad Limited

Company number

04394678

In the

High Court of Justice - Chancery Division

Court case number

902 of 2007

I
T Papanicola FCA FCCA FABRP MCI.Arb
Bond Partners LLP
The Grange
100 High Street
London
N14 6TB

attach a copy of my proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

26th March 2007

Signed


S Hadjiyangou attorney for T Papanicola Administrator

Dated

26th March 2007**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to researchers of the

T Papanicola FCA FCCA FABRP MCI.Arb
Bond Partners LLP
The Grange
100 High Street
London
N14 6TB

DX Number

0870 8506007
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

FRIDAY



A60

AGFOFA6
30/03/2007
COMPANIES HOUSE

650

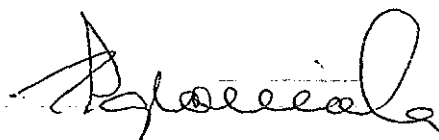
BY THIS POWER OF ATTORNEY I THEODOULOS PAPANICOLA of 51
Houndsden Road, London, N21 1LX APPOINT STAVROS HADJIYIANGOU of
Flat 11, 10 -11 Leinster Gardens, London W2 6DR to be my Attorney for the
following purpose:-

1. To act on my behalf in relation to signing all documents having to do with
any Clients of "Bond Partners LLP" and any Appointments under the
Insolvency Act 1986 and the Enterprise Act 2002 and related statutes
including but not limited to statutory documents required to be filed at
Companies Registry and to sign as my attorney in that capacity all and
any documents required to give effect thereto.


IN WITNESS whereof I have hereunto set my hand this

9th day of March Two Thousand and Seven

SIGNED AS A DEED AND DELIVERED
BY THE SAID THEODOULOS PAPANICOLA
IN THE PRESENCE OF:-



D. M. CHRISTOU
10 OAK AVENUE
ENFIELD
MIDDLESEX
EN2 8LB



IN THE HIGH COURT OF JUSTICE - CHANCERY DIVISION
No. 902 OF 2007
CHANCERY DIVISION
COMPANIES COURT

M0775/8

IN THE MATTER OF
MATRAD LIMITED
AND
IN THE MATTER OF THE ENTERPRISE ACT 2002

ADMINISTRATORS' PROPOSAL AND REPORT PURSUANT TO
PARAGRAPH 49 OF SCHEDULE B1
INSOLVENCY ACT 1986

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1. INTRODUCTION

On 2nd February 2007, the Directors of the Company duly appointed me, Theodoulos Papanicola of Bond Partners LLP, The Grange, 100 High Street, London N14 6TG as Administrator. I am an Insolvency Practitioner licensed by the Association of Chartered Certified Accountants.

The statutory provisions of an Administration consist of the following three objectives:

- a. Rescuing the Company as a going concern
- 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 placed into Administration.
- c. Realising property in order to make a distribution to one or more Secured Creditors or Preferential Creditors.

The appropriate documents have been filed in the High Courts of Justice, notice of the appointment has been given to the Registrar of Companies, the Company and its known Creditors. The appointment was also duly advertised.

Statutory Information in respect of the Company is set out in Appendix 1.

2. BACKGROUND AND EVENTS LEADING UP TO THE ADMINISTRATION ORDER

The Company was incorporated on 14 March 2002, and commenced trading in February 2003.

The Companies primary business was buying and selling mobiles phones in the United Kingdom and abroad. However, during the most recent period the Company concentrated on the export of mobile phones.

The Company worked very closely with a Company in Sheffield and a couple of businesses abroad with whom a good relationship was built, and trust extended.

In June and July 2006 the Company had a VAT repayment claim withheld by HM Revenue & Customs in the sum of £1.4 million under an extended verification ruling. This created significant problems for the Company as it had various liabilities which it was unable to discharge.

In these circumstances the Directors realised that they required professional assistance and sought the assistance of this practise. It was resolved that in order to protect the Company and its assets the Company should be placed into Administration, enabling the Administrator to pursue the outstanding assets.

3. EC REGULATIONS ON INSOLVENCY PROCEEDINGS

The EC Council Regulation on Insolvency proceedings will apply to this Administration. These are the main proceedings. The Company's principal interest is situated in the United Kingdom.

4. ACTIONS TAKEN BY THE ADMINISTRATOR

On my appointment a review of the Companies affairs was undertaken and it was established that the Company has very few assets; although my investigations are still ongoing.

It has been agreed that the Director will personally purchase the assets of the business being minor office furniture, a lap top and a fax, for the amount of £500, however I have yet to receive these monies.

I confirm that I have contacted HM Revenue and Customs with regards the outstanding VAT repayment in the sum of £1.4 million.

It is my intention to pursue all assets of the Company and to fully investigate the affairs of both the Company and the Directors.

5. RECEIPTS AND PAYMENTS

I enclose herewith a Receipts and Payments account as at 26th March 2007, being self explanatory.

You will note that to date there have been no realisations.

6. STATEMENT OF AFFAIRS

A notice to submit a Statement of Affairs was forwarded to the Director on the 8th February 2007.

The Statement of Affairs was returned by the Director on 7th March 2007 and has since been forwarded to the High Courts of Justice and the Registrar of Companies.

A copy of the Statement of Affairs is attached for your reference and would refer you to Appendix 3.

7. ADMINISTRATOR'S PROPOSALS

I seek agreement to the following proposals:

- I, Theodoulos Papanicola of Bond Partners LLP, The Grange, 100 High Street, London N14 6TG, appointed by the Court, remain in office, and my actions to date be approved.
- Payment of any monies due to any Secured and Preferential Creditors to be made., none are anticipated at present.
- My remuneration is to be fixed on the basis of time costs and disbursements properly incurred by me and my staff in attending to matters arising in the Insolvency, subject to a maximum of £20,000 plus VAT, and that I may be authorised to draw remuneration on account.
- I shall be authorised to draw any disbursements.
- That any unpaid costs of the Administration be given priority over the costs of any future Insolvency procedure.
- The purpose of the Administration shall be achieved by realising the assets of the Company, which may lead to the ultimate survival of the Company.
- Should there be sufficient funds to facilitate a distribution to Unsecured Creditors I shall be permitted to move the Company from Administration to Creditor's Voluntary Liquidation and that I shall be Liquidator without any further recourse to 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.
- In a Liquidation scenario my remuneration is to be fixed on the basis of time costs and disbursements properly incurred by me and my staff in attending to matters arising in the Insolvency
- Should there be insufficient funds to facilitate a distribution to Unsecured Creditors I shall move the Company from Administration to Dissolution pursuant to Paragraph 84 and Rule 2.118 of the Insolvency Act 1986.
- Should there be sufficient realisations to facilitate payment in full of liabilities I shall petition the Court in accord with Paragraph 65 of the Insolvency Act seeking authority to distribute to all Creditors within the Administration.
- In the event that Administration matters cannot be concluded within the initial 12 month period the duration shall be extended for a period of six months

8. ADMINISTRATOR'S REMUNERATION

The Statutory provisions relating to remuneration are contained in Rule 2.106 of Insolvency Rules 1986, as amended by the Insolvency (Amendment) Rules 2003. A guide to Administrators Fees is attached to this report and I would refer you to Appendix 7.

My staff and I have incurred time charges to the date of this Proposal of £3384.00 plus VAT, representing a total of 16.90 hours having been spent on the administration of this case. Therefore, the average hourly rate equates to £200.27.

In order that Creditors may properly review the time spent on the administration of this case, I enclose herewith a schedule confirming the same, being compliant with Statement of Insolvency Practice 9. Therefore I would refer you to Appendix 6.

9. MEETING OF CREDITORS

Pursuant to Paragraph 51(3) of Schedule B1 of the Insolvency Act 1986 an Administrator shall present his statement of Proposals to an initial Creditors meeting. Paragraph 58(1) of schedule B1 allows for an additional Creditors meeting to be held by correspondence; and I enclose Form 2.25B in order for Creditors to consider and vote on the Proposals.

Creditors whose debts amount to at least 10% of the total debts of the Company may request a meeting. Any such request must be made in the prescribed manner in Form 2.21B by 7th April 2007, and must include details of the purpose of the proposed meeting.

Pursuant to Rule 2.37 of the Insolvency Rules, should Creditors totalling at least 10% in value who request a meeting to be held must also provide security for costs prior to requisitioning that meeting.

For your vote to be counted it is necessary for Creditors to complete and return Form 2.25B before 12.00 noon on 13th April 2007, along with a completed proof of debt.

10. NEXT REPORT

A progress report covering the first six months of the Administration will be circulated to creditors during the monthly period commencing 2nd August 2007.

PP



.....
T Papanicola FCA FCCA FABRP MCI.Arb
Administrator

Authorised to act as an Insolvency Practitioner by
The Association of Chartered Certified Accountants

26 March 2007

.....
Date

Appendix 1

Statutory Information

Date of Incorporation:	14 March 2002
Company Registration Number:	04394678
Registered Office:	The Grange 100 High Street London N14 6TB
Trading Address:	122 Handsworth Road Handsworth, Sheffield, S9 4AE
Authorised Share Capital:	1000 Ordinary Shares of £1 each
Called up Share Capital:	2 Ordinary Shares of £1 each
Shareholders:	David Lloyd 2 Ordinary Shares of £1 each
Directors:	David Alexander Lloyd 8 Parsley Hay Drive Sheffield South Yorkshire S13 8NH Dennise Ann Dawson 8 Parsley Hay Drive Sheffield South Yorkshire S13 8NH
Secretary:	Dennise Ann Dawson 8 Parsley Hay Drive Sheffield South Yorkshire S13 8NH
Previous Names:	None
Charges:	None

Appendix 2

Matrad Limited
(In Administration)
Administrator's Abstract of Receipts & Payments
To 26/03/2007

S of A £		£	£
	ASSET REALISATIONS		
500.00	Office Equipment	NIL	
14,000,000.00	VAT Claim	NIL	
	Cash at Bank	7.41	
			7.41
	UNSECURED CREDITORS		
(524,275.00)	Fonix Limited	NIL	
(630,560.00)	Star Telecommunications Limited	NIL	
			NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shares	NIL	
			NIL
12,845,663.00			7.41
	REPRESENTED BY		
	Bank 1 Deposit		7.41
			7.41

Statement of affairs

Name of Company Matrad Limited	Company number 04394678
In the High Courts of Justice Chancery Division Companies Court	Court case number 902 of 2007

Statement as to the affairs of

Matrad Limited
122 Handsworth Road
Handsworth
Sheffield
S9 4AE

on the 2nd February 2007, 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 2nd February 2007 the date that the company entered administration.

Full name DENNISE DAWSON

Signed 

Dated 07.03.07

Assets

Assets subject to floating charge:

Uncharged assets:

VAT CLAIM

OFFICE EQUIPMENT

Estimated total assets available for preferential creditors

Signature

Date _____

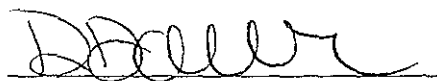
07.03.07

Book Value £	Estimated to Realise £
1,400,000.00 3,000.00	1,400,000.00 500.00
1,403,000.00	1,400,500.00

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)		
£	£	1,400,500.00
Liabilities		
Preferential creditors:-		
NIL	NIL	NIL
Estimated deficiency/surplus as regards preferential creditors		
£	£	1,400,500.00
Estimated prescribed part of net property where applicable (to carry forward)		
NIL	NIL	NIL
Estimated total assets available for floating charge holders		
£	£	1,400,500.00
Debts secured by floating charges		
NIL	NIL	NIL
Estimated deficiency/surplus of assets after floating charges		
£	£	1,400,500.00
Estimated prescribed part of net property where applicable (brought down)		
NIL	NIL	NIL
Total assets available to unsecured creditors		
£	£	1,400,500.00
Unsecured non-preferential claims		
1,154,835.00		
Estimated deficiency after floating charge where applicable (brought down)		
NIL		1,154,835.00
Estimated deficiency/surplus as regards creditors		
£	£	1,245,665.00
Issued and called up capital		
2.00		2.00
Estimated total deficiency/surplus as regards members		
	£	1,245,667.00

Signature



Date

07.03.07

•

[illegible]

Signature DEW Date 07.03.07

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
DAVID LLOYD	8 PARSLEY HAY DRIVE, HANDSWORTH, SHEFFIELD, S13 8NH	2	£1.00	ORDINARY.
TOTALS				

Signature David Lloyd Date 07.03.07

Statement of affairs

Name of Company Matrad Limited	Company number 04394678
In the High Courts of Justice Chancery Division Companies Court	Court case number 902 of 2007

Statement as to the affairs of

Matrad Limited
122 Handsworth Road
Handsworth
Sheffield
S9 4AE

on the 2nd February 2007, 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 2nd February 2007 the date that the company entered administration.

Full name Davis Lloyd

Signed 

Dated 7/3/07

Assets

Signature_____

Date _____

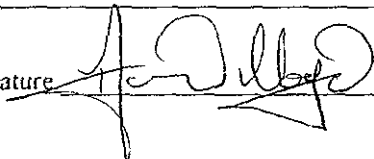
7/3/07

Book Value £	Estimated to Realise £
1,400,000.00 3,000.00	1,400,000.00 500.00
1,403,000.00	1,400,500.00

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)	£ 1,400,500.00
Liabilities	
Preferential creditors:-	
	NIL
Estimated deficiency/surplus as regards preferential creditors	£ 1,400,500.00
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	£ 1,400,500.00
Debts secured by floating charges	NIL
Estimated deficiency/surplus of assets after floating charges	£ 1,400,500.00
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	£
Unsecured non-preferential claims	£ 1,154,835.00
Estimated deficiency after floating charge where applicable (brought down)	NIL
Estimated deficiency/surplus as regards creditors	£ 1,154,835.00
Issued and called up capital	£ 2.00
Estimated total deficiency/surplus as regards members	£ 1,245,665.00

Signature




Date

7/3/07

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
DAVID LLOYD	8 PARSLEY HAY DRIVE, HANDSWORTH, SHEFFIELD, S13 8NH.	2	£1.00	ORDINARY.
TOTALS				

Signature 

Date 2/3/07

Rule 2.48

Notice of conduct of business by correspondence

Name of Company Matrad Limited	Company number 04394678
In the High Court of Justice - Chancery Division	Court case number 902 of 2007

Notice is hereby given by
T Papanicola FCA FCCA FABRP MCI.Arb
Bond Partners LLP
The Grange
100 High Street
London
N14 6TB

to the creditors of Matrad Limited
The Grange
100 High Street
London
N14 6TB

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is 1 resolution for your consideration. Please indicate below whether you are in favour or against each resolution.

This form must be received at
Bond Partners LLP
The Grange
100 High Street
London
N14 6TB

by 12.00 hours on 13th April 2007 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Resolution (1)
For the approval of the Administrator's Proposals I am *in Favour / Against


TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor

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

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

Signed


S Hadjiyiagou attorney for T Papanicola Administrator

Dated
26th March 2007

Rule 2.72

M0775/2

PROOF OF DEBT - GENERAL FORM

In the matter of Matrad Limited
In Administration
and in the matter of The Insolvency Act 1986

Date of Administration Order: 2 February 2007

1.	Name of Creditor	
2.	Address of Creditor	
3.	Account Number/Reference of Creditor (Please ensure this box is completed).	A/C No: Ref:
4.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	£
5.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
6.	If the total amount shown above includes Value Added Tax, please show:- (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
7.	If total amount above includes outstanding uncapitalised interest please state amount	£
8.	If you have filled in both box 4 and box 6, please state whether you are claiming the amount shown in box 4 or the amount shown in box 6(b)	
9.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
10.	Particulars of how and when debt incurred.	
11.	Particulars of any security held, the value of the security, and the date it was given	£
12.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
13.	Date Signed	

M0775

Matrad Limited

27. March 2007

SIP 9 - Time & Cost Summary

Period: 02/02/07..27/03/07

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	1.90	0.00	0.00	6.60	8.50	1,319.50	155.24
Investigations	0.70	0.00	0.00	0.80	1.50	324.00	216.00
Realisations of assets	1.00	0.00	0.00	1.20	2.20	454.50	206.59
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	3.60	0.00	0.00	1.10	4.70	1,286.50	273.72
Total Hours	7.20	0.00	0.00	9.70	16.90	3,384.50	200.27
Total Fees Claimed						0.00	

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

2 The nature of administration

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

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

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

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

3 The creditors' committee

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

4 Fixing the administrator's fees

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

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

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

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

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

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of –

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

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

4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

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

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

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

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

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

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

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

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

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

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

5.2 After fee approval

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

5.3 Expenses and disbursements

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

6 What if a creditor is dissatisfied?

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

7 What if the administrator is dissatisfied?

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

8 Other matters relating to fees

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

Appendix 8

BOND PARTNERS LLP HOURLY CHARGE-OUT RATE

AS AT 11 AUGUST 2006

PARTNER	:	£300 - £400
MANAGER	:	£250 - £300
OTHER SENIOR PROFESSIONALS	:	£170 - £250
ASSISTANTS AND SUPPORT STAFF	:	£40 - £170