

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company Country Foods Limited	Company number 05592910
In the High Court of Justice (Manchester District Registry) <small>{full name of court}</small>	Court case number 2169 of 2006

(a) Insert name(s) and address(es) of administrator(s) **I, I (a) Dermot Justin Power and Toby Scott Underwood of BDO Stoy Hayward LLP**
Commercial Buildings, 11-15 Cross Street, Manchester, M2 1WE

*Delete as applicable attach a copy of ~~*my~~ / our proposals in respect of the administration of the above company.

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

(b) Insert date **(b) 23 January 2007**

Signed 

Dated **23/1/07**

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

BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street,	
Manchester, M2 1BD. .	
Our Ref tp/rp/nc/2610/c15	Tel 0161 817 7500
DX Number	DX Exchange

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

panies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

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Country Foods Limited
In Administration

Statement to Creditors pursuant to Rule
2.33 of the Insolvency Rules 1986 and
Statement of Proposals under Paragraph 49
of Schedule B1 of the Insolvency Act 1986

BDO Stoy Hayward LLP

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COUNTRY FOODS LIMITED - IN ADMINISTRATION

Registered No. 05592910

Registered office situated at Commercial Buildings, 11-15 Cross Street, Manchester, M2 1BD

In the Manchester District Registry

2169 of 2006

1 Introduction

This report is addressed to the creditors of Country Foods Limited ("the Company") and incorporates the Joint Administrators' proposals. These proposals are to be considered by the creditors' meeting called pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986 to be held at the offices of BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester M2 1BD on 6 February 2007 at 2.00pm.

Creditors may approve the proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Joint Administrators' proposals a report will be sent to the Manchester County Court confirming that the creditors have rejected the proposals. The Court may then discharge the Administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.

If the Joint Administrators' proposals are agreed at the meeting of creditors the Joint Administrators will continue to control the business of the Company to the extent that it has not been transferred. The Joint Administrators would at some later date arrange for the Company to exit from the Administration, as agreed by the creditors. Based on the information presently available and the current situation the Joint Administrators' proposal is that the Company proceeds into Creditors' Voluntary Liquidation should realisations be sufficient to allow a distribution to non-preferential creditors. Alternatively, should realisations not be sufficient to make a distribution to non-preferential creditors, the Administrators will arrange for the Company to be dissolved.

2 Events leading up to the Appointment of Joint Administrators

The Company was incorporated on 14 October 2005 as Hamsard 2961 Limited and acquired the business and assets of Country Foods Limited in Administration from Grant Thornton on 6 January 2006. Under the terms of the sales contract, the Company purchased the trading name and was subsequently, re-named Country Foods Limited on 11 January 2006.

The Directors at the time of my appointment were Ged O'Neill and Simon R M Phillips who were appointed on the 29 December 2005.

The Company commenced trading upon acquisition from its registered office address at the leasehold premises situated at Abenbury Way, Wrexham Industrial Estate. The Company's principal activities were the preparation of frozen ready made meals for the airline, retail and care home industries.

CFH Limited is the sole shareholder of the Company, details of which are shown at appendix 1 of this report. Ultimately the investment for the acquisition of the business came from Root Capital LLP ("Root"), who have a Debenture dated 24 January 2006 over the Company. In addition Euro Sales Finance Plc ("ESF") provided working capital facilities in respect of the confidential invoice discounting facility, stock and asset finance who also have a Debenture dated 24 January 2006. A deed of priority was granted in favour of ESF.

The nature of the business was of a seasonal nature due to the increased air travel from April to September. Predominantly the airline and retail sectors accounted for 95% of the Company's turnover of which the airline sector provided greater gross margins.

No audited accounts have been produced for the Company, although extracts from the Company's management accounts can be summarised as follows:

	Cumulative to March 2006 £000's	Cumulative to September 2006 £000's	Cumulative to October 2006 £000's
Turnover	2,371	9,021	9,891
Gross Profit	332	1,531	1,687
Gross Margin	14%	17%	17%
Operating Profit / (loss)	(571)	(1,109)	(1,215)
Pre Tax Profit/(Loss)	(1,037)	(1,845)	(1,998)

Management accounts prepared by the Company reported that for the three months to March 2006 the company generated a turnover of c£2.4m generating an operating loss of £571k. After accounting for start-up costs and interest the Company reported a net loss of c£1m. Funding was provided by ESF and £855k from Root.

The following six months to September 2006 reported an increase in the turnover due to the increased production in the airline sector. Albeit turnover had increased the Company was unable to delivery the required margins to generate an operating profit from its trade. In the nine months to September 2006 turnover was c£9m generating an operating loss of £1.1m. After accounting for interest and start-up costs the Company had reported a loss of £1.8m.

Cash flow pressures had begun to affect the Company as no further investment had been received to fund the losses and the Company's working capital facilities were at their limit. Revised financial information indicated that the working capital requirements for the Company was significantly higher than had originally been anticipated.

Management accounts for the 10 months to October 2006 showed little improvement. Given the cashflow pressures the Company could no longer continue trading without significant cash investment.

As a result of these findings the Directors sought professional advice from BDO Stoy Hayward LLP.

Forecasts were produced by the Company detailing sales for 2007 could exceed £12m, however even at this level the Company required immediate funding in excess of c£500k.

BDO Stoy Hayward LLP held a meeting with the Company's investor Root and the Directors to establish if a further investment could be achieved. Following this meeting Root indicated that they would no longer be able to support the Company, having invested circa £1.4m to date.

Having considered all options available the Directors and Shareholders together with the secured lenders concluded that the optimum outcome for the Company was to offer the business and assets for sale on a going concern basis. The decision was taken to discreetly market the business for sale to be effectively negotiated in anticipation of the appointment of Administrators by the Directors, with the consent of the floating charge holders. A notice of intention of Appointment was obtained and filed in court on 23 November 2006.

Dialogue was held with interested parties with a formal offer received late on 24 November 2006 to purchase the business and assets on a going concern basis from a venture capital company.

Contracts were issued on 1 December 2006 with a request that completion took place during the week commencing 4 December 2006. Unfortunately negotiations proved unsuccessful culminating in the offer being withdrawn on 5 December 2006.

On the 6 December 2006 a Directors application was made for the appointment of Joint Administrators pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986 following which Dermot Justin Power and Toby Underwood of BDO Stoy Hayward LLP were appointed Joint Administrators.

At Appendix 1 is a record of the names of the Company's directors and company secretary together with details of their shareholdings.

3 Statement of Affairs and statutory information

A statement of affairs has not yet been prepared by the directors, but it is hoped that a summary statement of affairs will be provided in due course. A schedule showing amounts due to suppliers as at the date of my appointment according to the Company's purchase ledger is attached at Appendix 3.

Also attached at Appendix 2, is our latest receipts and payments account including an estimated outcome statement.

4 Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part.

This provision applies where the Company has granted a floating charge to a creditor after 15 September 2003.

Based on current information we estimate that approximately £49,000 will be made available to unsecured creditors.

5 Achieving the purpose of the Administration

The statutory purpose of an administration consists of three objectives, and we now address the progress that has been made in this respect.

- (a) The first objective is the rescuing of the company as a going concern. This objective was not possible to achieve given the significant levels of losses incurred and creditor levels.
- (b) With regard to the second objective of 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). The business and assets of the Company were sold on a going concern basis following our appointment (see 6.2) and, therefore, this objective has been achieved.
- (c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors and we can advise that this objective is also expected to apply.

6 Management of the Company's Affairs Since the Joint Administrators' Appointment

6.1 Administrators Strategy

As noted above, following a review of the financial information and discussions with the Directors, Shareholders and secured lenders the preferred route was to negotiate a sale of the business as a going concern. Unfortunately negotiations proved unsuccessful and we were unable to perfect a sale of the business as a going concern prior to our appointment of Administrators.

Following our appointment we reviewed the Company's position with particular focus to its financial and resource requirements. This assessment was carried out in liaison with the management of the Company having regard to the Company's ongoing business commitments and the anticipated cashflows.

It was apparent that the Company would be unable to trade in Administration given the lack of funding, arrears of wages and current stock levels. Without any offers for the business the administrators commenced an orderly wind down of the Company.

Plans were discussed with the Director to reduce the workforce and retain a skeleton staff of 15 to assist in book debt collection, retention of title claims, sale of finished goods stock and the orderly shut down of the plant.

In order to preserve the goodwill of the business in the short term and the debtor ledger we commenced negotiations with the customers for the sale of the finished goods stock the majority of which was branded. In this period sales of c£17,000 were achieved.

6.2 Sale of the Business

Following our appointment and just prior to the administrators staff making redundancies in accordance with the wind down programme discussed above negotiations recommenced with the venture capital company under the previous terms and conditions. On 11 December 2006 a going concern sale was achieved to the venture capital company Hamsard 3033 Limited, a vehicle set-up to purchase the business and assets. The proceeds of sale are summarised below:

	£
Customer Contracts	1
Goodwill	1,000
Intellectual Property	1
Plant	290,000
Stock	240,000
Office Equipment	3,997
Transferred Records	1
	<hr/> 535,000

The consideration in respect of the assets (accepted following advice from our agents), was paid immediately upon completion.

The purchaser retained all of the Company's employees and settled salary arrears for the month of December which has resulted in the avoidance of employees' preferential claims in the Administration of approximately £94,000.

Under the terms of the sale agreement, it is also the responsibility of the purchaser to deal with all retention of title and other third party claims. We are aware that the purchaser is dealing with these claims.

In addition, the Administrators granted a six month licence to occupy the former leasehold premises of Country Foods Limited.

6.3 Book Debts

The debtor ledger is subject to a fixed charge in favour of ESF and at appointment the ledger totalled at £1.8m of which c£500k has been collected to date. We are continuing to collect the ledger for the benefit of ESF. Based on current estimates it is unlikely that there will be a surplus available to unsecured creditors.

6.4 Creditors' claims

Secured Creditors

The following creditors hold security in respect of the Company:

Creditor	Date of Registration	Type of Security	Asset(s) Secured
National Westminster Bank plc	15 March 2006	Mortgage Debenture	Fixed and Floating charges over all assets
Euro Sales Finance plc	24 January 2006	Fixed & Floating Charge	All Assets
Root Capital plc	24 January 2006	Mortgage Debenture	All assets
Euro Sales Finance plc	20 January 2006	Chattel Mortgage	Specific production equipment held at the premises at Abenbury Way, Wrexham

At the date of our appointment ESF were owed £1.8m comprising £1.24m (excluding termination charge) in respect of the debtors, £285k stock finance and £255k asset finance. Root Capital are owed approximately £1.4m. National Westminster Bank are owed approximately £2k following an overdrawn balance on the current account. At the present time, it is not certain whether ESF will be repaid in full as it will be dependant on the book debt collection. Due to the deed of priority in place Root will not be repaid.

Preferential Creditors

Employees' preferential claims arising in the Administration are uncertain at this stage as it would appear that a number of employees who were made redundant by the Company in September 2006 and have not received their full entitlement.

Non Preferential Creditors

The creditors' claims notified to us to date are summarised overleaf:

	£000's
Trade and Expense	854
Inland Revenue (PAYE)	500
	<hr/> 1,354

Based on current information, a dividend to non-preferential creditors would appear to be minimal, taking into consideration the level of funds available under the prescribed part.

6.5 Rescue of the company

As detailed above, the business and assets of the Company were sold on a going concern basis on 11 December 2006.

7 EC Regulations on Insolvency Proceedings

We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to this Administration. In this particular case the EC Regulation will apply in respect of this Administration and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation.

8 Joint Administrators' Remuneration

Kindly note that under the terms of the Insolvency Rules 1986 the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal or alternatively by reference to the time the Joint Administrators and their staff have spent attending to matters in this administration.

In respect of this Administration we wish to ask creditors to approve our remuneration from the 6 December 2006 on a time costs basis. Attached at Appendix 4 is a schedule that summarises the time that has been spent in administering this matter since the 6 December 2006, up to the 19 January 2007. This shows a total of 254 hours at an average charge out rate of £163.09 per hour.

Included within the proposals below is a resolution regarding the Joint Administrators' remuneration, although if a creditors' committee is appointed the approval of the Joint Administrators' remuneration will be the committee's responsibility. For your guidance we attach a Creditors' Guide to Fees together with a document that outlines the policy of BDO Stoy Hayward LLP in respect of fees and disbursements.

9 Possible Outcomes for the Company and Creditors

The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the company from the Administration, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the company. It is the Joint Administrators' recommendation and proposal, as detailed below, that once all assets have been realised and distributed in the Administration that the Joint Administrators arrange for the Company to be either placed into liquidation or dissolved.

10 Statement of Proposals Under Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the

Administration. Approval of these proposals will be considered by the meeting of creditors to be held on 6 February 2007.

Formal Proposals - the Joint Administrators propose that :

- (a) they continue to manage the Company's affairs and realise assets in accordance with objective two as the statutory purpose of the Administration.
- (b) if realisations are sufficient to allow a distribution to non-preferential creditors, to exit the Administration by way of a Creditors' Voluntary Liquidation and that Dermot Justin Power and Toby Underwood will be Joint Liquidators.

N.B. Under paragraph 83(7) of schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different liquidators, but in the absence of such nomination the above named would become the liquidators.

Should realisations not be sufficient to make a distribution to unsecured creditors, once all assets have been realised and distributed in the Administration, the Administrators arrange for the Company to be dissolved under the provisions of paragraph 84 of schedule B1 of the Insolvency Act 1986.

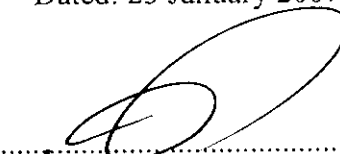
- (c) they consider, and if thought fit, to appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between two and five creditors).

In the absence of a creditors' committee, to:

Approve the remuneration of the Joint Administrators since the 6 December 2006 on the basis of time properly spent by their staff in attending to matters arising in the Administration based on time costs from 6 December 2006 of £41,432.20.

- (d) Approve that the Joint Administrators of the Company be discharged from liability, pursuant to paragraph 98 of schedule B1 to the Insolvency Act 1986, in respect of any action of each or both of them as Administrators 14 days after the cessation of their appointment as Administrators

Dated: 23 January 2007


.....
// Dermot Justin Power
Joint Administrator



Appendix 1

Country Foods Limited

Statutory Information

**Country Foods Limited
In Administration**

Statutory Information

Company Number: 05592910

Date of Incorporation: 14 October 2005

Address of Registered Office: Commercial Buildings, 11-15 Cross Street,
Manchester, M2 1BD

Formerly Abenbury Way, Wrexham Industrial
Estate, Wrexham, LL13 9UZ

Director: Ged O'Neill – 29/12/2005 to date
Simon R M Philips – 29/12/2005 to date
Alan Leonard Jeyes – 29/12/2005 to 07/07/2006

Company Secretary: Ged O'Neill

Nominal Share Capital: £100 - divided into 100 ordinary shares of £1 each

Registered Shareholders: No of £1 ordinary shares held

CFH Limited

1



Appendix 2

Country Foods Limited

Receipts & Payments Account & Estimated Outcome Statement

Country Foods Limited

Estimated Outcome Statement as at 23 January 2007

	Receipts & Payments to Date	Future £	Final £
ASSETS SUBJECT TO FIXED CHARGE			
Debtors Ledger (Euro Sales)	0	1,275,000	1,275,000
Plant & Machinery (Euro Sales)	0	290,000	290,000
Available under Fixed Charge	0	1,565,000	1,565,000
Fees - BDO Stoy Hayward LLP		(25,000)	(25,000)
Legal costs		(5,000)	(5,000)
Agents Costs		(2,500)	(2,500)
Due to Fixed Chargeholder - Plant & Machinery		(254,500)	(254,500)
Due to Fixed Chargeholder - Book Debts (inc termination charge)		(1,302,803)	(1,302,803)
Surplus / (deficit) under Fixed Charge	0	(24,803)	(24,803)
ASSETS SUBJECT TO FLOATING CHARGE			
Goodwill	1,000	0	1,000
IP	1	0	1
Customer Contracts	1	0	1
Transferred Records	1	0	1
Office Equipment	3,997	0	3,997
Stock	240,000	0	240,000
VAT refund	55,069	0	55,069
Surplus Available to Preferential Creditors	300,069	0	300,069
Costs - Estimated			
Fees - BDO Stoy Hayward LLP	0	25,000	25,000
Administration expenses		10,000	10,000
Agents costs	0	17,500	17,500
Lawyers	0	20,000	20,000
PREFERENTIAL CREDITORS	Nil	Nil	Nil
Available to Prescribed Part	300,069	72,500	227,569
Prescribed Part	(63,014)		(48,514)
Available to Floating Charge Creditors	237,055		179,055
Floating Charge Creditors			
Euro Sales Charge (deed of priority)			(284,152)
Euro Sales - Stock finance	(284,152)		(284,152)
Euro Sales - Surplus/(Shortfall) on Fixed Charge Assets	0		(24,803)
Surplus/ (Shortfall) to Euro Sales Finance	(47,097)		(129,900)
Root Capital	(1,362,330)		(1,362,330)
National Westminster Bank plc	(1,670)		(1,670)
Surplus / (Deficit) to Unsecured Creditors	(1,411,097)		(1,493,900)

NB: The above figures are estimated Administrator's costs, expenses, Legal fees and Agents costs



Appendix 3

Country Foods Limited

Creditors listing

Country Foods Limited

B - Company Creditors

Key	Name	Address	£
CA00	A&B AIR SYSTEMS LTD	UNIT 21 ABENBURY WAY, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9UZ	634.36
CA01	Acorn Recruitment Ltd	Accounts Department, Somerton House, Newport, South Wales, NP10 8FY	109,921.61
CA02	Active Supply and Design	The Millhouse, Crewe Green Road, Cheshire, CW1 5NW	1,175.00
CA03	Adele Carr Financial Recruitment	St James Court, Wilderspool Causeway, Warrington, WA4 6PS	0.00
CA04	ADHESIVES DIRECT UK LTD	CAE BRYNNER HOUSE, BOWLING BANK IS-Y-COED, WREXHAM, LL13 9RL	0.00
CA05	Alan's Skip Hire	Redwither Road, Wrexham Industrial Estate, LL13 9RD	1,230.52
CA06	ARDO UK LTD	ASHFORD ROAD, CHARING ASHFORD, KENT, TN27 0DF	0.00
CA07	ARIE VAN DE RAA	POSTBUS 30151, 1303 AC ALMERE	0.00
CA08	Arow County Supplies	School Lane, Longden, SY5 8EX	0.00
CA09	Associated Packaging	195 Vale Road, Tonbridge, Kent, TN9 1SU	5,448.44
CB00	BARLOWORLD HANDLING LTD	PAYMENT ALLOCATION CENTRE, BARLOW HOUSE, STONE CROSS PARK, GOLBORNE, WA3 3JD	11,715.39
CB01	Biffa Waste Services Ltd	P O Box 645, High Wycombe, HP12 3WF	2,576.85
CB02	BIO MERIEUX	GRAFTON HOUSE, GRAFTON WAY, BASINGSTOKE, HAMPSHIRE, RG22 6HY	4,472.92
CB03	Blizz Energy Ltd	Blizz Energy Buildings, Berkeley Business Park, Worcester, WR4 9FA	520.74
CB04	BLACKWELL HYDRAULICS LTD	UNITS 11-13 LLANDUDNO JUNCTION IND, CONWAY ROAD, LLANDUDNO, LL31 9SX	22,441.29
CB05	Bodycote Materials Testing Ltd	Lochend Ind Estate, Newbridge, Midlothian, EH28 8PL	73.52
CB06	BRINK PLUMVEEPRODKTEN BV	AKKERWAG, 3 ZEEWOLDE	0.00
CB07	Brillish Gas Business	Customer Services Centre, PO Box 7687, LE19 1ZT	0.00
CB08	BRITISH SUGAR PLC	OUNDE ROAD, PETERBOROUGH, PE2 9QU	0.00
CB09	BROWN BROTHERS MANUFACTURING LTD	KELLOHOLM INDUSTRIAL ESTATE, KIRKCONNEL, DUMFRIESSHIRE, DG4 6RB	709.37
CB0A	BY PRODUCTS SERVICES	HIGHFIELD HOUSE, CAIA FARM, OLD WREXHAM ROAD, GRESFORD, LL12 8JA	0.00
CB0B	Bestway Cash and Carry Ltd	Abbey Road, Park Royal, London, NW10 7BW	1,850.73
CC00	C Price (milk deliveries)	Tanglewood Marchwiel, LL13 0TA	0.00
CC01	Capper Print	Lanelay Road, Talbot Green, Mid Glamorgan, CF72 8XX	341.04
CC02	Carbonomics Ltd	Units 678 Old Walesford Coll, Mansfield Road, S26 5PQ	0.00
CC03	CASHFRIDAY	PO BOX 100, BANBURY, OX16 1SG	41.13
CC04	CENTRAL FOODS GROUP LTD	MAPLE COURT, ASH LANE, NORTHAMPTON, NN4 0NB	4,219.44
CC05	Cheryl Burke	Unit 103 Coed Aben Road, Wrexham Industrial Estate, LL13 9UH	31,940.00
CC06	City Electrical Factors Ltd	BRIDGE ROAD, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9PS	0.00
CC07	CLWYD PRECISION	50 Willis Way, Poole, Dorset, BH15 3SY	2,348.45
CC08	CMUK Visual Safety Ltd	GUNNELS WOOD PARK, GUNNELS WOOD ROAD, STEVENAGE, HERTFORDSHIRE, SG1 2TA	199.75
CC09	COMARK LTD	Compass House, 16 Blandys Hill, Newbury, Berks, RG17 9UE	26.78
CC0A	Compleat Ltd	220 Hoylelake Road, Moreton, CH46 6AD	75.23
CC0B	Cooltrader Limited	isfryn Industrial Estate, Blackmill, Mid Glamorgan, CF35 6EQ	11,166.78
CC0C	Coppice Alupack Ltd	Copyrite House, Pigot Road, Denbigh, Denbighshire, LL16 3DG	0.00
CC0D	Copyrite Business Systems Ltd	Hillside House, 168 Dartmouth Road, TQ4 6NP	0.01
CC0E	Creative Learning Solutions Ltd	ANCHOR HOUSE, 96 HIGH STREET, LYMINGTON, HAMPSHIRE, SO41 9AP	1,398.75
CC0F	CROWN FOODS LTD		230.89
			0.80

Signature

Date

Country Foods Limited
B - Company Creditors

Key	Name	Address	£
CC0G	CATTLES INVOICE FINANCE LTD	C/O GEORGE L WILLIAMS, RICHMOND HOUSE, MANCHESTER, M1 3RF	1,801.35
CD00	D M O'Brien		0.00
CD01	D2 FOOD SYSTEMS LTD	ALLIED BUSINESS PARK, COLDHARBOUR LANE, HARPENDEN, HERTS, AL5 4UT	1,556.87
CD02	DALZIEL LTD	DRUMHEAD ROAD, CHORLEY NORTH BUSINESS PARK, CHORLEY, LANCASHIRE, PR6 7DE	8,089.04
CD03	D'arta UK Ltd	Church End, Friskney, Lincolnshire, PE22 8NE	1,058.40
CD04	DEANS FOODS LIMITED	EDGEFIELD ROAD INDUSTRIAL EST, LOANHEAD, EDINBURGH, MIDLOTHIAN, EH20 9TB	995.40
CD05	Debbie Lloyd-Ainsbury		0.00
CD06	Decantae Mineral Water Limited	Tir Llwyd Industrial Estate, Kinnel Bay, CONWY, LL18 5JA	0.01
CD07	DEE FIRE LIMITED	Old Mill House, Bretton Road, CHESTER, CH4 0DN	378.35
CD08	DEE VALLEY WATER	PACKSADOLE, WREXHAM ROAD, RHOSYLLLEN, WREXHAM, LL14 4DS	0.00
CD09	Deepack Plastics Limited	Units 1, 2 & 3 Parkway, Sixth Avenue, Zone 2 Deeside Industrial Park, Deeside, CH5 1NS	7,592.42
CD0A	Demon Internet	Payment Centre, P O Box 25230, G2 5XQ	0.00
CD0B	DOCKSIDE LTD	DOCK STREET, FLEETWOOD, LANCOS, FY7 6NU	1,238.00
CE00	E-components	Unit 2a Hampden Road, Pocklington Industrial Estate, YO42 1NR	108.71
CE01	Edge Transport Ltd	Miners Road, Llay Industrial Estate, North Wrexham, LL12 0PJ	4,614.26
CE02	Ennis Foods UK Ltd	T/A Skyrac Bibby Factors Suite, Magnetic House, Manchester, M5 2XV	1,002.14
CE03	ETIMEX PRIMARY PACKAGING	79A PARK LANE, CROYDEN, SURREY, CR0 1JG	48,337.52
CE04	Etiquette Packaging Systems Ltd	Unit 50 Wrexham Industrial Estate, LL13 9XN	0.00
CF00	FAERCH PLAST	C/O HARRISON EUROPAC LTD, 93 STAYTON ROAD, SURREY, SM1 2PS	0.00
CF01	FDF CLIMATE CHANGE LEVY AGREEMENT LTD	P O BOX 253, MANCHESTER, M5 2RS	669.75
CF02	FEDEX EXPRESS EUROPE INC	PO BOX 119, COVENTRY, CV1 4QD	90.43
CF03	FILTRATION ENGINEERING	DRAGONS WHARF, MOSTON, SANDBACH, CHESHIRE, CW11 3PP	1,402.94
CF04	FMC Food technology	Frigoscandia House, Wolseley Road, Woburn Road Industrial Estate, Kempston, Bedford MK42 7EF	619.30
CF05	Food Ingredient Technology Ltd		0.00
CF06	Food Partners Ltd	Heathrow, Unit 4 Galleynead Road, SL3 0EN	414.00
CF07	Freeway Commerce	Saddleworth Business Centre, Huddersfield Road, Oldham, Lancashire, OL3 5DF	2,426.38
CF08	FUTURE DEVELOPMENT LTD	CENTURION HOUSE, BRUNSWICK INDUSTRIAL ESTATE, DAVENPORT STREET, BURSLEM, ST6 4HS	344.03
CG00	Genuine Solutions	Portman House, Tollgate Drive, Stafford, ST16 3HS	190.35
CG01	Glendale Frozen Foods	Glendale House, Cobden Street, Salford, M6 6LX	43,183.24
CG02	GOLDLINE BEARINGS LTD	STAFFORD PARK, 17 TELFORD, TF3 3DG	2,396.57
CG03	GOOD FOOD WINES LTD	NO 3 WAREHOUSE, WHITEHALL ROAD, STROOD, KENT, ME2 4EW	0.00
CG04	Greencore Frozen Foods	Midlands Road, Hunstet, Leeds, LS10 2RJ	0.00
CG05	GRENCO UK LTD	UNIT 15 BIGGIN HILL BUSINESS PARK, BIGGIN HILL, KENT, TN16 3PS	0.00
CH00	Hammonds	Rutland House, 148 Edmund Street, Birmingham, West Midlands, B3 2JR	44,810.95
CH01	Haslington Cheese Co Ltd	Lancaster Fields, Crewe, Gates Farm, Cheshire, CW1 6FU	1,098.90
CH02	HOLCHEM LABORATORIES LTD	PREMIER HOUSE, 175 GRANE ROAD, ROSSENDALE, LANCASHIRE, BB4 5ER	9,534.62
CH03	Holmesteme Foods	Gatherly Road, Brompton-on-Swallow, Richmond, North, DL10 7JQ	0.00
CH04	HOMESTEAD FOODS LTD	FORMAT HOUSE, 108 HIGH STREET, SURREY, GU7 1DW	16,470.40

Signature

Date

Country Foods Limited
B - Company Creditors

Key	Name	Address	£
CI00	ING LEASE	Vendor Finance Division, PO Box 138, Enfield, EN1 1AH	923.49
CI01	Innovative Energy Consultancy Ltd	Regus House, Herons Way, Chester, CH4 9QR	2,068.57
CI02	Invicta Foods Ltd	Invicta Foods Ltd, Bridge House, Sevenoaks, Kent, TN14 5JD	52,515.20
CJ00	J SAINBURY PLC	33 HOLBORN, LONDON, EC1N 2HT	0.00
CJ01	J W POPE	10 CLARENCE ROAD, RHOSDDU, WREXHAM, LL11 2EU	621.30
CJ02	J.C.Rook & Sons Ltd	Cecilia Road, Ramsgate, CT11 7DZ	0.00
CJ03	J.R. WEBSTER & CO	PRINCE WILLIAM AVENUE, SANDYCROFT, DEESIDE, CH5 2QZ	896.51
CJ04	Jacob White Spares & Service	Riverside Industrial Estate, Riverside Way, Kent, DA1 5PE	119.86
CJ05	JAMES T BLAKEMAN SERVICES LTD	MILLENIUM WAY, HIGH CARR BUSINESS PARK, NEWCASTLE UNDER LYME, STAFFORDSHIRE, ST5 7UF	53,724.36
CJ06	JBJ INSULATIONS LTD	CADDICK ROAD, KNOWSLEY BUSINESS PARK, KNOWSLEY, MERSEYSIDE, L34 9HP	0.00
CK00	Kingsword	Unit 5 The Boundary, Wheatley Road, Oxford, OX44 9EJ	5,607.57
CK01	KIRIL MISCHIEFF GROUP	ENTERPRISE HOUSE, CARLTON ROAD, WORKSOP, NOTTS, S81 7QF	3,421.45
CL00	Lakeland Dairy Sales Ltd.	Killeshandra, Co. Cavan	0.00
CL01	LAMB WESTON STATIONSWEG	18A PO BOX 17, KRUIINGEN	0.00
CL02	Linx Printing Technologies Plc	Burrell Road, St.Ives, Cambridgeshire, Cambridgeshire, PE17 4LE	712.90
CL03	Lloyds Food Service	5 Winsford Way, Sealand Road Industrial Estate, CH1 4NL	650.96
CL04	Lyndir Hall Hotel	Lyndir Lane, Rossett, LL12 0AY	443.24
CL05	LYAN PACKAGING	CLYWEDOG ROAD SOUTH, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9XS	3,284.99
CL06	Lyreco	Deer Park Court, Donnington Wood, Shropshire, TF2 7NB	1,043.77
CM00	M & M Walsh Ltd	Raheen Industrial Estate, Raheen, Co. Limerick	1,712.58
CM01	MAJOR INTERNATIONAL LTD	DENIGTON ESTATE, WELLINGBOROUGH, NORTHANTS, NN8 2QJ	0.00
CM02	Makro Uk	Head Office, Emerson House, Eccles, Eccles, MANCHESTER	0.00
CM03	Marchmont Packaging	Cloverhill Industrial Park, Clonsilla, Dublin, Dublin 22	0.00
CM04	Mark Skeath Transport	Cornacrieve, Emlyvale	0.00
CM05	MARTIN MATHEWS	THE COLONADE, BEECHOLM MEWS, 140 HIGH STREET, CHESHUNT, EN8 0DJ	1,532.00
CM06	Mayfair Foods Ltd	Brookvale Love Lane, Nr Sandbach, Cheshire, CW11 2TS	3,359.46
CM07	McCullough Moore Ltd	Meadow Court, Faygate Lane, West Sussex, RH12 4SJ	0.00
CM08	MCQUILAN BOILER SERVICES	Boro Works, Geneva House, Rochdale, Lancashire, OL11 4EY	23.50
CM09	MDC FOODS LTD	9 - 12 HOMEFARM, LUTON HOO ESTATE, LUTON, BEDFORDSHIRE, LU1 3TD	334.88
CM0A	Medway Foods	128 John Wilson Bus Park, Whitstable, Kent, CT5 3RB	0.00
CM0B	MERCATUM LTD	1 SOUTHVIEW BUSINESS PARK, GHYLL ROAD, GUISELEY, LEEDS, LS20 9LT	0.00
CM0C	Metal Express	5 Litton Close, Brasenose Ind. Estate, Boodle, L20 8TU	5,876.64
CM0D	Monks & Crane Ltd	4TH AVENUE, THE VILLAGE, MANCHESTER, M17 10B	601.95
CM0E	MOOREPAY LTD	BOUNDARY WAY, HEMEL, HEMPSTEAD, HP2 7HU	127.39
CM0F	Muntons PLC	Stowmarket, Suffolk, IP14 2AG	0.00
CM0G	MWL Ltd	The E-Business Centre, Davy Way, Wrexham, LL12 0PG	0.00
CN00	NALCO LTD	WINNINGTON AVENUE, NORTHWICH, CHESHIRE, CW8 4DX	763.75
CN01	NEW CHESHIRE SALT WORKS LTD	Wincham, Northwich, Cheshire	0.00
			148.05

Signature

Date

Country Foods Limited
B - Company Creditors

Key	Name	Address	£
CN02	NISBETS	KELSO HOUSE, WATERLOO STREET, OLD MARKET, BRISTOL, BS2 0PH	0.00
CN03	Nolan Computer Plc	Vernon Yard, 96 Clarence Road, Hants, GU51 3XU	334.88
CN04	NORISH FOODCARE	PO BOX 255, DARTFORD, KENT, DA1 9AL	31,294.36
CN05	Novar Services UK	140 Waterside Road, Leicester, LE5 1TN	668.84
CO00	Olympic Compactor Rentals (UK) Limited	PO Box 74, Uxbridge, UB10 8PX	1,758.31
CO01	ORCHID DRY CLEANERS	UNIT 4A ABBEY CLOSE, REDWITHER BUSINESS PARK, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9XG	183.71
CO02	Orics Industries Inc.	18-01 130Th Street, College Point, NY 11356	1,047.54
CO03	OSWESTRY WASTE PAPER	THE MILL, MILE OAK ESTATE, OSWESTRY, SHROPSHIRE, SY10 8HA	305.50
CO04	OTIS LTD	TREASURY DEPT, 187 TWYFORD ROAD, LONDON, NW10 7DG	825.84
CP00	Packaging & Technology Ltd	Unit 47, Lynx Crescent, Weston-Super-Mare, BS24 9DJ	23,539.01
CP01	PACKAGING AUTOMATION LTD	PARKGATE INDUSTRIAL PARK, KNUITSFORD, CHESHIRE, WA16 8XN	3,372.44
CP02	Palmer & Harvey McIlane	Promotions & Income Dept, Davigdor Road, East Sussex, BN3 1RE	0.00
CP03	Panatel Ltd	Haforr Abley Farm, Llanfynydd, LL11 5HY	405.39
CP04	PANN KRISP LTD	UNIT 36 - 38 ABENBURY WAY, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9UZ	88.52
CP05	Par (manchester) Ltd	Warre Street, Ashton-under-Lyne, OL6 8NW	0.00
CP06	PASTA CONCEPTS LTD	THE MAUDLINS, NAAS, IRELAND	1,647.00
CP07	PASTA UK LTD	8 WINCHESTER DRIVE, PERTERLEE, CO. DURHAM, SR8 2RJ	560.00
CP08	PATHOLOGY MANAGEMENT SERVICES	ROSE MILL, UNION STREET, MIDDLETON, MANCHESTER, M24 3DT	10.00
CP09	Print Design & Graphics Ltd	Newburn House, Riversdale Way, Newcastle Upon Tyne, NE15 9UE	0.00
CP0A	PQQ LTD	GRANGE FARM HOUSE, GRANGE COURT, RABY, WIRRAL, CH63 4JH	0.00
CP0B	Pearsons Bld & Joinery Services Ltd	1 REDWITHER ROAD, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9RD	492.33
CP0C	PEKA KREOF BV	95 COGGES HILL ROAD, WHITNEY, OXON, OX8 6XU	0.00
CP0D	PESTOKIL GRAVEOAK	EAST LANCASHIRE ROAD, LEIGH, LANCASHIRE, WN7 3SE	0.00
CP0E	Phil Ryder (Weighing Control)	11 Masefield Close, Dukinfield, Cheshire, SK16 5DY	185.06
CP0F	Pirtek Wrexham	Unit 61, Clywedog Road, North Wrexham Industrial Estate, Wrexham, LL13 9XN	372.17
CP0G	PK Trading	Unit 8 Ashford Business Complex, Ashford, Middlesex, TW15 1YQ	470.55
CP0H	PLAYFORD PACKAGING LTD	ASH ROAD, WREXHAM INDUSTRIAL ESTATE, WREXHAM, LL13 9UG	0.00
CP0I	Precision Analysis (North West) Ltd	Essex House, Bridle Road, Merseyside, L30 4UE	0.00
CP0J	Premier International Foods Ltd	Bridge Road, Long Sutton, PE12 9EQ	0.00
CP0K	Prime Time Recruitment	Oriel House, 55-57 Sheep Street, NN1 2NE	1.99
CP0L	Print Design & Graphics Ltd	Newburn House, Riversdale Way, Newcastle Upon Tyne, NE15 9UE	20,075.31
CP0M	PRONTAPRINT	Millwood House, Coed Aben Road, WREXHAM, LL11 1LE	419.68
CQ00	Quality Management Ltd	Minerva House, 63 Hornby Street, Lancashire, BL9 5BW	373.37
CQ01	Quant Consulting Ltd	9 Parish Ghyll Road, Ilkley, West Yorkshire, LS29 9NG	5,198.06
CR00	Rademacher Transport GmbH	Postfach 1146, 57441 Olpe	4,936.65
CR01	Ramada Plaza	Wrexham Ellice Way, Wrexham, LL13 7YH	795.32
CR02	Randall Parker Foods	GILCHRIST ROAD, NORTH BANK INDUSTRIAL PARK, ILHAM, MANCHESTER, M44 5FS	0.00
CR03	Reed Boardall Cold Storage Ltd	Bar Lane, Boroughbridge, YO51 9NN	1,524.86

Signature

Date

Country Foods Limited
B - Company Creditors

Key	Name	Address	£
CR04	RK Accountancy	Denzell House, Dunham Road, Cheshire, WA14 4QE	8,225.77
CR05	ROBERTS OF PORT DINORWIC LTD	GRIFITHS CROSSING IND ESTATE, CAERNARFON, L55 1TS	0.00
CR06	Root Capital LLP	2 Wardrobe Place, London, EC4V 5AH	75,885.41
CR07	Rosemary & Thyme	Progress Way, Mid Suffolk Business Park, Eye, Suffolk, IP23 7HU	4,386.73
CR08	Rowpak	Arrow Trading Estate, Corporation Road, Manchester, M34 5LR	516.09
CR09	RSB Macdonald	4 Whitehall Street, Dundee, DD1 4AF	0.00
CS00	S & B Herba Foods Ltd	2 Vinson Close, Orpington, BR6 0PP	0.00
CS01	Safety-Kleen UK Ltd	Unit 2 Broughton Mills Road, Chester, CH4 0BY	434.85
CS02	Safeway Scaffolding	Coppi Industrial Estate, Rhos, LL14 1TG	0.00
CS03	Seafish UK Ltd	45 Wassand Street, Hull, HU3 4AN	0.00
CS04	Seymour Manufacturing Ltd		844.94
CS05	Shropshire Pallets (Saltney Pallets)	MAES-Y-CLAWDD, MAESBURY ROAD IND EST, OSWESTRY, SHROPSHIRE, SY10 8NN	1,556.90
CS06	SK Chilled Foods Ltd	Wellington House, Wynyard Avenue, Stockton-on-Tees, TS22 5SS	1,656.69
CS07	Smithfield Murray Ltd	5 Bahama Road, Haydock Industrial Estate, Merseyside, WA11 9XB	0.00
CS08	Solutions (Corporate Solutions) Ltd	Noth House, Elland Road, LS27 7QZ	59,295.20
CS09	SOP International Ltd	Orland House, Mead Lane, Hertford, Hertfordshire	2,679.24
CS0A	Support Training and Services	Wiley Mill House, Alton Road, Farnham, Surrey, GU10 5EL	0.00
CT00	TEXICARE LTD	UNIT 6 LANSIL INDUSTRIAL ESTATE, CATON ROAD, LANCASTER, LA1 3PQ	3,488.48
CT01	The Barton Meat Company Ltd.	Hammerstone Road, Gorton, Manchester, M18 8EQ	350.00
CT02	The Caterer's (UK) Ltd	Simpsons Business Centre, Buxton Road, Stockport, Cheshire, SK7 6LZ	117.50
CT03	THE NEW CENTENARY CLUB		50.00
CT04	Thermaton Imaging	59 Queens Avenue, Meols, Wirral, CH47 0LS	381.88
CT05	Thinx Design Consultancy	40 Hotspur Street, Tynemouth, Village, NE30 4EN	1,070.16
CT06	TRIDENT RENTALS LTD	Unit 16 Higher Walton Mill, Cann Bridge Street, Preston, PR5 4DJ	1,069.25
CT07	Telephonics	514 Chester Road, Birmingham, B36 0LG	1,523.27
CU00	Unilever Bestfoods	Food Solutions, Brook House, Crawley, West Sussex, RH10 1QR	0.00
CV00	VALCO CINCINNATI HORTONWOODS	32 TELFORD, SHROPSHIRE, TF1 7YN	660.23
CV01	Vale Service & Rentals Ltd	Units AB & C Kirkless Ind Est, Cale Lane, Wigan, WN2 1JP	969.38
CV02	Verseveld UK Ltd	t/a Devon Glen, Coningsby House, 24 St Andrews Street, Worcestershire, WR9 8DY	0.00
CV03	VIDEO TEC LTD	UNIT 617 FORWARD INDUSTRIAL ESTATE, LEYLAND, PRESTON, LANCASHIRE, PR25 2ZJ	537.56
CV04	VMI (Blackburn) Ltd	Castle Street, Furthegate Industrial Estate, Blackburn, Lancashire, BB1 3DJ	580.44
CV05	VODAFONE LTD	(PAGING) PO BOX 5501, NEWBURY, BERKSHIRE, RG14 5XP	0.00
CW00	Weighton Bilancial Ltd	Titan Works, Broombank Road, Chesterfield, S41 9QJ	1,527.50
CW01	Welcome Food Ingredients Limited	Brookside Way, Huthwaite, Nottingham, NG17 2NL	2,762.00
CW02	WILLOW FOODS LTD	DAVY WAY, MINERS PARK, WREXHAM, LL12 0PJ	957.41
CW03	Wishy Washy Cleaning Services	Cartrefle, Duke Road, Ponciau, Wrexham, LL14 1SS	270.26
CW04	WOODWARDS FROZEN FOODS	PARKWAY DEESIDE INDUSTRIAL PARK, DEESIDE, CH5 2ZB	802.01
CW05	WREXHAM COUNTY BOROUGH COUNCIL	THE GUILDHALL, WREXHAM, LL11 1AY	24,516.77

Signature

Date

Key Name		Address	£
CW06	Wrexham Electrical Repairs Ltd	Unit 3 Gardden Industrial Est, Tatham road, Wrexham, LL14 6RG	217.38
CW07	Wrexham Tool Hire	Unit 5 Plas Acton Industrial Estate, Pandy, Wrexham, LL11 2UB	722.98

192 Entries Totalling

854,641.46

Signature _____ Date _____



Appendix 4

Country Foods Limited

Time Cost analysis, A Creditors' guide to Administrators' Fees and BDO Stoy Hayward LLP fee policy.

Country Foods Limited - In Administration

Summary of Time Charged and Rates for the Period From 06/12/2006 to 19/01/2007

Description	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Other Staff		Grand Total	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Steps on appointment														
Planning & Strategy	5.00	1,800.00	22.00	5,254.50	7.00	1,176.00	16.50	2,343.00					23.50	3,519.00
General Administration							3.00	426.00	94.50	11,571.50	5.55	293.70	27.00	7,054.50
Asset Realisation/Dealing			25.00	6,633.00	16.00	2,688.00	9.00	1,278.00	23.00	3,015.00			103.05	12,291.20
Trading Related Matters			5.00	1,325.00					3.00	387.00			73.00	13,614.00
Employee Matters									3.00	387.00			8.00	1,712.00
Creditor Claims									11.50	1,529.50			3.00	387.00
Reporting			5.00	1,325.00									11.50	1,529.50
Distribution and Closure													5.00	1,325.00
AV RT £	5.00	1,800.00	57.00	14,537.50	23.00	3,864.00	28.50	4,047.00	135.00	16,890.00	5.55	293.70	254.05	41,432.20
		360.00		255.04		168.00		142.00		125.11		52.92		163.09

Net Total 254.05 41,432.20

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, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO Stoy Hayward LLP operates a computerised time recording system which analyses work done under the following categories:-

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management

- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Professional guidance suggests the following categories 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.



BDO Stoy Hayward

Country Foods Limited - In Administration

In accordance with best practice I provide below details of policies of BDO Stoy Hayward LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows: This in no way implies that staff at all such grades will work on the case.

GRADE	£
Partner1	371
Partner2	334
Director	273
Senior Manager	252
Manager	232
Assistant Manager	173-198
Senior Executive	146
Executive	133
Cashier	129
Junior Executive	118
Cashier	133
Trainee	84
Support staff/Secretary	54-68

The rates charged by BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester, M2 1BD are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO Stoy Hayward LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories



BDO Stoy Hayward

recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

Category 1

This heading covers expenses where BDO Stoy Hayward LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median – less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate.

Category 2

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO Stoy Hayward LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.