

# 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company  Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited	Company number  04188113
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 1135 of 2010

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

~~+/~~We (a)  
 Tracey Lee Pye  
 BDO LLP  
 3 Hardman Street  
 Manchester  
 M3 3AT

Patrick Alexander Lannagan  
 BDO LLP  
 3 Hardman Street  
 Manchester  
 M3 3AT

\*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) 22 JUNE 2010

Signed

*Tracey Lee Pye*  
 Joint / Administrator(s)

Dated

20/7/10

### 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

Tracey Lee Pye  
 BDO LLP  
 3 Hardman Street  
 Manchester  
 M3 3AT

DX Number 0161 817 7683

0161 817 7500  
 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**



A06 31/07/2010 41  
 COMPANIES HOUSE  
 A01 22/07/2010 369  
 COMPANIES HOUSE

SATURDAY

**Topco (Holdings) Limited, Salisbury  
Hamer Aspden & Johnson (Loss  
Assessors) Limited, Acorn Builders  
(UK) Limited, Swift Aid Support  
Limited  
All 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

**IBDO**

---

**TABLE OF CONTENTS**

<b>Section</b>	<b>Page</b>
<b>1 Introduction</b>	<b>1</b>
<b>2 Background</b>	<b>2</b>
<b>3 Events Immediately Prior to the Appointment of Joint Administrators</b>	<b>4</b>
<b>4 Appointment of Joint Administrators</b>	<b>5</b>
<b>5 Management of the Company's Affairs Following the Joint Administrators' Appointment</b>	<b>6</b>
<b>6 Realisation of the remaining assets</b>	<b>7</b>
<b>7 Achieving the purpose of the Administration</b>	<b>8</b>
<b>8 Statement of Affairs and statutory information</b>	<b>8</b>
<b>9 EC Regulations on Insolvency Proceedings</b>	<b>8</b>
<b>10 Prescribed Part</b>	<b>8</b>
<b>11 Creditors' Claims</b>	<b>9</b>
<b>12 Possible Outcome for the Group</b>	<b>10</b>
<b>13 Joint Administrators Remuneration</b>	<b>10</b>

**Appendix 1****Statement of proposal under Paragraph 49 of Schedule B1 of the Insolvency Act 1986****Appendix 2****Estimated Outcome Statement**

**TOPCO (HOLDINGS) LIMITED - IN ADMINISTRATION ("Topco")**  
**COMPANY NUMBER 04343386**  
**IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY**  
**Number 1133 of 2010**

**SALISBURY HAMER ASPDEN & JOHNSON (LOSS ASSESSORS) LIMITED - IN ADMINISTRATION**  
**("Salisbury")**  
**COMPANY NUMBER 04188113**  
**IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY**  
**Number 1135 of 2010**

**ACORN BUILDERS (UK) LIMITED - IN ADMINISTRATION ("Acorn")**  
**COMPANY NUMBER 06466017**  
**IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY**  
**Number 1136 of 2010**

**SWIFT AID SUPPORT LIMITED- IN ADMINISTRATION ("SAS")**  
**COMPANY NUMBER 03563591**  
**IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY**  
**Number 1134 of 2010**

**Registered Office situated at 6<sup>th</sup> Floor, 3 Hardman Street, Manchester M3 3AT**

**1 Introduction**

- 1.1 This report is addressed to the creditors of Topco (Holdings) Limited ("Topco"), Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited ("Salisbury"), Acorn Builders (UK) Limited ("Acorn"), Swift Aid Support Limited ("SAS") (together "the Group") and incorporates the Joint Administrators' proposals. We do not propose to call a meeting of creditors to consider this proposal because there will be insufficient assets to enable us to make any distribution to unsecured creditors, in any of the Companies within the Group.
- 1.2 In accordance with Paragraph 52 of Schedule B1 of the Insolvency Act 1986, creditors, either individually or collectively, representing a minimum of 10% of the value of unsecured claims of the individual Companies may request a meeting of creditors be called by the Administrators. Creditors must notify the Administrators of any request to call a meeting using form 2.21B by 6 July 2010. Please note that before such a meeting can be held we will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to approval of the other creditors.
- 1.3 If creditors do not request that a meeting be held to consider the Joint Administrators' proposals, the proposals will have been deemed to be approved on 6 July 2010 in accordance with Rule 2.33(5) on the Insolvency Act 1986.
- 1.4 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 High Court of Justice, Chancery Division, Manchester District Registry 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.
- 1.5 The Joint Administrators propose to manage the affairs of the Group and realise property in accordance with the second and third objectives of the statutory purpose of the Administrations. The Joint Administrators also propose to exit from the Administrations by way of dissolution or if a distribution to unsecured creditors is available by way of Creditors' Voluntary Liquidation.

## **2 Background**

2.1 We set out below the background for each of the companies within the Group

### **2.2 Topco**

2.2.1 Topco was incorporated on 19 December 2001 and commenced trading in March 2003. Between 2003 and 2008, Topco purchased Salisbury, SAS, Acorn and Halls Construction Company Ltd ("Halls") to enable it to offer a complete service to assist people who had suffered damage to their property as a result of fire or flood.

2.2.2 In 2006 Topco moved to its purpose built offices in Bromley Cross, Bolton.

2.2.3 Topco managed the Group and charged a monthly management fee in relation to costs incurred centrally, these included costs related to central to the accounting function and directors' costs

2.2.4 By March 2009 the Group was experiencing a significant downturn in its trading performance and in order to minimise central costs the three directors stopped drawing a salary. In April 2009 all Group employees earning in excess of £30,000 had their salaries reduced by 15% The pay cut was to be reviewed 12 months following the announcement.

2.2.5 The trading performance, of the Group, did not improve with turnover reducing from £785,717 for the year ending February 2008 to £746,500 for the year ending February 2009. During the latter part of 2009 and early 2010 the three shareholders, of Topco, injected £450,000 to fund the working capital requirements of the Group.

2.2.6 Despite the injection of funds, trading did not improve, and therefore the Group was unable to operate within agreed facilities and as a result was experiencing significant creditor pressure for payments. The Directors therefore took steps to place the Group into Administration The events in the period immediately prior to the appointment of the Administrators are discussed below.

### **2.3 Salisbury**

2.3.1 Salisbury Hamer ("S & H") was formed, in 1828, as a partnership of valuers, auctioneers, surveyors and loss assessors in Blackburn. Aspden & Johnson ("A & J") a partnership offering a similar range of services was formed in Burnley in 1916 In 1975, both S & H, and A & J merged and traded from both offices

2.3.2 The partnership was dissolved in 2003 and the business transferred to Salisbury on 27 March 2001. Salisbury was purchased by Topco in September 2003. Following the purchase, Salisbury relocated to Olympus House, Burnley in 2004.

2.3.3 Salisbury operated a panel of approved builders, charging an introductory commission for any work for which they successfully tendered The turnover for the year ending February 2006 was £1,620,803

2.3.4 Turnover increased from £1,695,919 for the year ending February 2007 to £2,140,697 for the year ending February 2008.

2.3.5 From 2008 onwards, with the onset of the recession, Salisbury noted that insurance companies reduced the margins that builders could obtain for building insurance repairs.

During the latter part of 2008 Salisbury were forced to remove some builders from the approved panel due to poor workmanship and failing businesses

- 2.3.6 The introductory commission rate, charged by Salisbury, of 27% was unsustainable, and was later reduced to 18% in March 2009.
- 2.3.7 In April 2009, it was announced that all staff earning in excess of £30,000 would take a pay cut of 15%, and this would be reviewed 12 months following the announcement.
- 2.3.8 During the following two months, four key members of staff left Salisbury and set up two companies in direct competition. The following month another two key members of staff left Salisbury and joined a competitor who had recently moved into the area
- 2.3.9 By September 2009 the levels of work being won by Salisbury had significantly declined due to the competition in the area. In November 2009, after the Cumbria floods, loss adjusting firms were taking longer to administer and settle claims due to the increased volume of work; as a result Salisbury experienced significant cashflow pressures. Despite a number of cost saving initiatives the management were unable to improve trading performance and turnover reduced to £1,940,175 for the year ending February 2009.

#### 2.4 Acorn

- 2.4.1 Acorn was incorporated on 7 January 2008 and commenced trading from 1 March 2008. Acorn is wholly owned by Topco and traded from offices in Bromley Cross, Bolton. The principal activity of Acorn was that of building work in connection with insurance claims. Acorn secured a place on the panel of approved builders operated by Salisbury, which resulted in Acorn quoting for building insurance works secured via Salisbury.
- 2.4.2 Acorn had one permanent member of staff, a Heating Engineer, who was on an apprenticeship from 30 September 2008 to 28 March 2009. The other people working at Acorn were either subcontractors or employees of the other companies within the Group.
- 2.4.3 The audited accounts for the first year of trading show a turnover of £815,593, which resulted in a gross loss of £71,547. The second years trading, although experiencing a reduced level of turnover to 31 December 2009 of £563,662, showed a gross profit of £37,011. The reduction in turnover can primarily be attributed to a reduction in the level of new assignments undertaken by it only source of work from Salisbury. The impact of the lower levels of activity resulted in the significant deterioration of the trading performance of Acorn.

#### 2.5 SAS

- 2.5.1 SAS was incorporated on 14 May 1998, its principle activity being fire and flood restoration works. SAS traded from leased premises on the Lomeshaye Industrial Estate, Nelson, moving to larger premises on the Lomeshaye Industrial Estate in March 2005. This enabled SAS to store client contents whilst work was being carried out on their premises.
- 2.5.2 SAS sourced work from loss assessing companies and via a franchise with Chem-Dry UK Ltd ("Chem-Dry").
- 2.5.3 In September 2003, SAS was purchased by Topco. This allowed the Group to offer a full service offering whereby Salisbury would manage the insurance claim on the claimants behalf, and SAS would resolve the damage to the property as a result of fire or flood.

- 2.5.4 Throughout 2005 and 2006 SAS acquired 19 additional franchises from Chem-Dry covering Greater Manchester, Merseyside and West Yorkshire, and a further 4 franchises were acquired in 2007 in the same regions. SAS were a member of the Chem-Dry national panel of companies to attend any large flood incident within the UK.
- 2.5.5 As a result of the increased number of franchises turnover increased from £848,543 in the year ending 28 February 2005, to £1,598,579 in the year ending 28 February 2008. Turnover reduced to £1,229,816 in the year ending 28 February 2009, with a net loss of £80,834.
- 2.5.6 In 2009, Chem-Dry failed to maintain their position on two major insurance companies' panels, which resulted in a large reduction in work being introduced to SAS
- 2.5.7 Towards the latter part of 2009, following a continued downturn in work being introduced by Chem-Dry, redundancies were made reducing the workforce from 15 to 7 in order to reduce costs. The level of work introduced continued to decline and as a result SAS incurred significant losses of £80,834. Given the poor trading performance SAS ceased to trade in early 2010.

### **3 Events Immediately Prior to the Appointment of the Joint Administrators**

- 3.1 The events leading to the appointment of the Administrators and those immediately following appointment were discussed, in detail, in our letter to creditors on 4 May 2010. We therefore briefly outline the position below
- 3.2 Following discussions with the Directors we established that the only trading company within the Group was Salisbury, the operations of the other companies, within the Group, were wound down during the latter part of 2009 and early 2010.
- 3.3 With the assistance of the Directors we undertook a review of the Group's financial position and it was apparent the companies in the Group were insolvent as defined by Section 123 of the Insolvency Act 1986. The Group were unable to pay their creditors as and when they fell due.
- 3.4 As a result, the Group were experiencing significant creditor pressure. In particular, the Group had accrued significant arrears of rent in respect of their leasehold premises and the landlord was unwilling to renew the lease upon its expiration on 31 March 2010.
- 3.5 Arrears of approximately £200,000 were due to H M Revenue & Customs and in addition, a winding-up petition was filed in Court on 25 March 2010 by Thomco Building Services Limited (In Liquidation) in respect of an outstanding liability totalling £4,930.71 from Halls
- 3.6 Given the severe cashflow constraints the Directors concluded that the Group could no longer continue to trade.
- 3.7 As a result of the winding up petition the Directors of Halls were unable to proceed with an "out of court" application to place Halls in to Administration. The Directors therefore took steps to place Halls into Creditors' Voluntary Liquidation and on 27 April 2010, Tracey Pye and Dermot Power were appointed Joint Liquidators.

### **3.8 Notice of Intention to Appoint Joint Administrators**

3.8.1 Pursuant to Section 362A of the Financial Services and Markets Act 2000 written consent to the appointment of administrators was required from the FSA, which must be submitted with the notice of intention to appoint

3.8.2 Following discussions with the FSA we received approval to file form 2.8B, Notice of Intention to appoint an Administrator by the Company or its Directors ("notice of intention") on 1 April 2010. As a result notices of intentions were filed in respect of Topco, Salisbury, Acorn and SAS.

### **3.9 Sales Process**

3.9.1 Following a meeting with the board of Directors on 6 April 2010, BDO LLP were instructed to explore a sale of the business to third parties. A sales document was issued to 28 potential interested parties identified by us and the Directors, which led to 23 non disclosure agreements being issued. Upon receipt of a signed non disclosure agreement information was sent to 6 parties.

3.9.2 Two interested parties requested a meeting to discuss a potential offers for the business

3.9.3 The first party was an independent claims consultant who offered to orderly wind down the business on behalf of the Administrators. The second party, having knowledge of the industry had approached the Directors prior to the meeting in an attempt to gather further information. Despite the second party being interested there were concerns that they could not complete sufficient due diligence within the timescale required and therefore did not progress their interest

3.9.4 In parallel to the sales process we negotiated with the Directors, who had also expressed an interest in the business

3.9.5 On 9 April 2010 we received two offers, from connected parties, the first offer was for the business of Salisbury and certain assets of Salisbury and Topco. The second offer was to purchase the assets of SAS. I discuss the sales of the Groups' business and assets below.

## **4 Appointment of the Joint Administrators**

4.1 The original notice of intention in respect of Topco, Salisbury, Acorn and SAS, expired on 19 April 2010. However sales negotiations and discussions with the FSA were protracted and in order to allow time to conclude a sale and to protect the assets of the Company the Directors filed a further notice of intention on 20 April 2010.

4.2 On 27 April 2010 Tracey Lee Pye and Patrick Alexander Lannagan were appointed Joint Administrators of the Group. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.

**5 Management of the Company's Affairs Following the Joint Administrators' appointment**

**5.1 Sale of business**

- 5.1.1 As detailed above, on 9 April 2010 we received two offers, from connected parties, one to purchase the business of Salisbury and certain assets of Salisbury and Topco. The second offer was to purchase the assets of SAS. The offer received for the business and assets is summarised below:

Company	Assets	£
Salisbury	WIP and goodwill	152,000
Salisbury	Chattel assets	10,000
Topco	Chattel assets	4,000
SAS	Chattel assets	15,000
Total		<u>181,000</u>

- 5.1.2 The Joint Administrators had previously instructed agents, Philip Davies & Sons to conduct a valuation of the Group's assets. The assets were valued at £101,000 on an in situ basis and £17,740 in a forced sale. As such, the offer of £181,000 was significantly higher than the valuation.
- 5.1.3 Given the lack of competitive offers and following receipt of recommendation from our Agents, the offer was accepted.
- 5.1.4 Therefore, as advised in my letter of 4 May 2010, immediately following my appointment, on the 27 April 2010, a sale of the business and certain assets of the Companies was completed to SAS (Construction & Restoration) Ltd ("Purchaser 1") and Salisbury Hamer Aspden & Johnson Ltd ("Purchaser 2")
- 5.1.5 The Administrators are aware that the directors and shareholders of the Companies are connected to Purchaser 1 and Purchaser 2 (together "the Purchasers") and full details were discussed in our letter of 4 May 2010.
- 5.1.6 Our Solicitors, Hammonds, were instructed to prepare a sale and purchase agreement in respect of the sale of the business and assets of Salisbury and the assets of Topco. On completion, the sum of £16,000, including VAT, was received. In addition, £15,000 plus VAT was received in respect of the sale of the SAS assets
- 5.1.7 A further £150,700 is to be paid, on deferred terms, in six equal monthly instalments in respect of the work in progress and goodwill ("WIP") The final payment is due on 24 October 2010. The deferred consideration is supported by personal guarantees from two connected parties. We can confirm that the first instalment of £25,117 was received on 25 May 2010.

## 6 Realisation of the remaining assets

6.1 Following the sale of the business and assets discussed above the only remaining assets to be realised are the Group's book debts.

### 6.2 Debtors Ledgers

6.2.1 The table below summarises the debt ledger of the Group.

Company	No of Debtors	Total	Current	30 Days	60 Days	90 Days	120 Days
Topco	2	41	-	-	-	41	-
Salisbury	92	173,903	-	-	37,701	24,505	111,697
Acorn	20	14,148	-	2,226	403	717	10,802
SAS	89	153,498	(2,267)	9,742	6,866	4,604	134,553
	203	341,590	(2,267)	11,968	44,970	29,867	257,052

### 6.3 Debt Collection

6.3.1 As detailed above, under the sale agreement dated 27 April 2010 it was agreed that Purchaser 2 will assist in the debt collection. We would comment that the given the age and level of disputes in respect of the debts minimal realisations are expected

#### *Topco Debtors*

6.3.2 The book debts of Topco are minimal and total of £41.

#### *Salisbury Debtors*

6.3.3 As detailed above, Salisbury is FSA registered as Salisbury operates a client account in the normal course of business

6.3.4 The ongoing relationship between Purchaser 2 and the debtors under the debt collection strategy will allow for maximum realisations to be achieved against the ledger, which totals £173,903.

#### *Acorn Debtors*

6.3.5 Outstanding debtors in relation to Acorn total £14,148. These debts relate to insurance excesses not paid by a claimants insurers and must recovered directly from the client

#### *SAS Debtors*

6.3.6 The outstanding debtors of SAS relate to fire and flood restoration works undertaken as part of the clients' insurance claim.

6.3.7 Following a review of the ledger it was highlighted that the original ledger included a bad debt in the sum of £104,599 The remaining ledger totals £153,498.

#### **6.4 Client Account**

6.4.1 Salisbury operated a client account in order to administer client funds received from insurers. We are currently resolving all matters in connection with the client account in order to distribute funds to clients.

6.4.2 Any shortfall in amounts owed to clients will be an unsecured claim against the Salisbury

#### **7 Achieving the purpose of the administrations**

7.1 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 the Companies as a going concern (i.e. restructuring the Companies business, resulting in the survival of the Companies). We would comment that this objective could not be achieved given a buyer for the business could not be found.

(b) With regard to the second objective of achieving a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in administration), the position is that this objective has been achieved in respect of Salisbury as the offer accepted from Purchaser 2 allowed for the continuity of supply to clients and therefore preserved the value associated with Salisbury's work in progress. The sale also allowed for the plant and machinery to be disposed of in excess of a forced sale situation and all employees were transferred, thus avoiding employee claims. For the remaining Companies within the Group, this purpose could not be 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 will be achieved in relation to the remaining companies of the Group, being Topco, SAS and Acorn.

#### **8 Statement of Affairs and statutory information**

8.1 The Directors have not submitted a statement of affairs to us at the time of this report. We attach an Estimated Outcome for each of the Companies

#### **9 EC Regulations on Insolvency Proceedings**

9.1 We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to these Administrations. 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.

#### **10 Prescribed Part**

10.1 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 only applies where the company has granted a floating charge to a creditor after 15 September 2003. In respect of Acorn a floating charge was granted on 3 December 2008, therefore the prescribed part would normally apply.

- 10.2 Unfortunately the net property of Acorn will be less than the prescribed minimum (currently £10,000) and the cost of distributing the prescribed part would be disproportionate to the benefits. Therefore under section 176A (3) of the Insolvency Act 1986 the prescribed part provisions will not apply in relation to the Administration of Acorn.

## **11 Creditors' claims**

### **11.1 Secured Creditors**

- 11.1.1 The Bank has fixed and floating debentures registered against each of the Companies within the Group which is supported by cross guarantees within the Group.

- 11.1.2 At the date of our appointment the Bank were owed £403,885 across the Group in respect of loans and overdrafts. We are currently awaiting legal review of the cross guarantee position.

- 11.1.3 Based on current estimates we expect the Bank will suffer a shortfall on its lending to the Company.

### **11.2 Preferential Creditors**

- 11.2.1 At the time of my appointment the Group employed 15 members of staff, including the Directors.

- 11.2.2 The sale referred to above constitutes a transfer under the Transfer of Undertaking (Protection of Employment) Regulations 2006 as amended ("TUPE"). As a result no claims will be brought against the Group in respect of arrears of wage, holiday pay, redundancy or notice pay.

### **11.3 Unsecured Creditors**

- 11.3.1 The Groups creditors are summarised below.

Company	Creditors £
Topco	142,527
Salisbury	112,571
Acorn	88,018
Swift	125,750

- 11.3.2 Based on present information there will be insufficient funds available to enable a distribution to be made to any unsecured creditors of any Companies contained within the Group.

**12 Possible outcomes for the Group**

- 12.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Companies from the Administrations, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the Companies
- 12.2 It is the Administrators' recommendation and proposal, as detailed below, that once realisations are sufficiently completed, if there are sufficient funds available for a distribution to unsecured creditors of the companies, that they should move from Administration to Creditors' Voluntary Liquidation and that Dermot Justin Power and Patrick Alexander Lannagan be appointed Joint Liquidators.
- 12.3 Should there be insufficient funds to enable a distribution to unsecured creditors the Administrators recommend and propose that the companies move to dissolution under paragraph 84 of Schedule B1 of the Insolvency Act 1986.

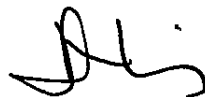
**13 Joint Administrators' Remuneration**

- 13.1 Under the terms of the Insolvency Rules 1986 the 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 Administrators have to deal or alternatively by reference to the time the Administrators and their staff have spent attending to matters in the Administrations.
- 13.2 The Administrators will be seeking the subsequent approval of the secured creditor in respect of our remuneration, pursuant to Rule 2.106 (5A) of the Insolvency Rules 1986. We enclose for your information, details of our time costs to date for each of the Companies.

**14 Statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

- 14.1 In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators make the proposals as detailed in Appendix 1, for each of the companies within the Group, for achieving the purpose of the Administrations which will be deemed to be approved by creditors if we do not receive a request to call an initial meeting of creditors by creditors that are owed more than 10% in value of the total value of the a company's debts.

Dated: 22 June 2010



.....  
Tracey Lee Pye  
Joint Administrator

PAL/JRI/JNG/SKB/3006/C6

**Topco (Holdings) Limited - In Administration ("Topco")**

**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 each of the companies within the Group, for achieving the purpose of the Administrations which will be deemed to be approved by creditors if we do not receive a request to call an initial meeting of creditors by creditors that are owed more than 10% in value of the total value of the a company's debts.

- (a) They continue to manage the business and affairs and property of the Company
- (b) If there are sufficient funds to enable a distribution to be made to unsecured creditors, they exit the Administration by way of a Creditors' Voluntary Liquidation and that Dermot Justin Power and Patrick Alexander Lannagan will be Joint Liquidators and will act jointly and severally.

NB. 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.

- (c) If realisations are insufficient for a dividend to unsecured creditors they shall arrange for the Company to move from Administration to dissolution in accordance with Paragraph 84 of Schedule B1 of the Insolvency Act 1986.
- (d) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies.
- (e) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies.

**Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited - In Administration ("Salisbury")**

**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 each of the companies within the Group, for achieving the purpose of the Administrations which will be deemed to be approved by creditors if we do not receive a request to call an initial meeting of creditors by creditors that are owed more than 10% in value of the total value of the a company's debts

- (a) They continue to manage the business and affairs and property of the Company.
- (b) If there are sufficient funds to enable a distribution to be made to unsecured creditors, they exit the Administration by way of a Creditors' Voluntary Liquidation and that Dermot Justin Power and Patrick Alexander Lannagan will be Joint Liquidators and will act jointly and severally.

NB. 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

- (c) If realisations are insufficient for a dividend to unsecured creditors they shall arrange for the Company to move from Administration to dissolution in accordance with Paragraph 84 of Schedule B1 of the Insolvency Act 1986
- (d) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies.
- (e) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies.

**Acorn Builders (UK) Limited - In Administration ("Acorn")**

**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 each of the companies within the Group, for achieving the purpose of the Administrations which will be deemed to be approved by creditors if we do not receive a request to call an initial meeting of creditors by creditors that are owed more than 10% in value of the total value of the a company's debts

- (a) They continue to manage the business and affairs and property of the Company.
- (b) If there are sufficient funds to enable a distribution to be made to unsecured creditors, they exit the Administration by way of a Creditors' Voluntary Liquidation and that Dermot Justin Power and Patrick Alexander Lannagan will be Joint Liquidators and will act jointly and severally.

NB 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

- (c) If realisations are insufficient for a dividend to unsecured creditors they shall arrange for the Company to move from Administration to dissolution in accordance with Paragraph 84 of Schedule B1 of the Insolvency Act 1986.
- (d) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies
- (e) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies

**Swift Aid Support Limited - In Administration ("SAS")**

**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 each of the companies within the Group, for achieving the purpose of the Administrations which will be deemed to be approved by creditors if we do not receive a request to call an initial meeting of creditors by creditors that are owed more than 10% in value of the total value of the a company's debts.

- (a) They continue to manage the business and affairs and property of the Company.
- (b) If there are sufficient funds to enable a distribution to be made to unsecured creditors, they exit the Administration by way of a Creditors' Voluntary Liquidation and that Dermot Justin Power and Patrick Alexander Lannagan will be Joint Liquidators and will act jointly and severally

NB 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.

- (c) If realisations are insufficient for a dividend to unsecured creditors they shall arrange for the Company to move from Administration to dissolution in accordance with Paragraph 84 of Schedule B1 of the Insolvency Act 1986
- (d) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies.
- (e) The Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Administrators file their final report with the Registrar of Companies.

Topco (Holdings) Limited, Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited, Acorn  
Builders (UK) Limited, Swift Aid Support Limited  
Estimated Outcome Statement

## ESTIMATED OUTCOME STATEMENT

£

Assets subject to fixed charge  
 No assets subject to fixed charge

Surplus/(deficit) carried forward

Assets subject to floating charge

Trade debtors (amount considered recoverable)

Work in Progress

Fixtures and fittings and motor vehicles

Funds available to preferential creditors

Less preferential claims

Less prescribed part

Floating charge funds available for distribution

Amount due to the Bank

Surplus / (Deficit) as regards the Bank

Funds available to unsecured creditors

Topco Holdings Limited	Acom Builders (UK) Ltd	Swift Aid Support Ltd	Salisbury Hamer Aspden & Johnson (Loss Assessors) Ltd	Consolidated
(403,885)	(403,885)	(403,885)	(403,885)	(403,885)
—	5,861	76,769	43,823	126,453
—	—	—	152,000	152,000
4,000	—	15,000	10,000	29,000
4,000	5,861	91,769	205,823	307,453
—	—	—	—	—
—	(2,931)	—	—	—
4,000	2,931	91,769	205,823	307,453
(403,885)	(403,885)	(403,885)	(403,885)	(403,885)
(399,885)	(400,955)	(312,116)	(198,062)	(96,432)
—	—	—	—	—

**Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited**  
-In Administration

**Statutory Information**

<b>Company Number:</b>	04188113
<b>Date of Incorporation:</b>	27 March 2001
<b>Address of Registered Office:</b>	3 Hardman Street, Manchester, M3 3AT  Formerly, 101 St Georges Road, Bolton, Lancashire, BL1 2BY
<b>Directors:</b>	Mr Michael Stitt Mr Brian Stephen Johns
<b>Company Secretary:</b>	Mr Royden Procter
<b>Nominal Share Capital:</b>	£100 - divided into 100 ordinary shares of £1 each
<b>Registered Shareholders:</b>	<b>No of £1 ordinary shares held</b>
Topco (Holdings) Limited	100
	<hr/> 100 <hr/>

**Trading Results:**

Y/E	Turnover £	Gross Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
28 Feb 2009	1,940,175	1,857,327	2,183	103,128	371,392
28 Feb 2008	2,140,697	2,121,697	101,337	108,883	369,209
28 Feb 2007	1,695,919	1,696,391	88,578	96,500	267,872
28 Feb 2006	1,620,803	1,620,887	221,118	64,779	179,294

TP/SKB/J4/C11

**Acorn Builders (UK) Limited**  
**-In Administration**

**Statutory Information**

**Company Number:** 06466017

**Date of Incorporation:** 7 January 2008

**Address of Registered Office:** 3 Hardman Street, Manchester, M3 3AT  
Formerly 101 St Georges Road, Bolton, Lancashire BL1 2BY

**Directors:** Mr Brian Stephen Johns  
Mr Michael John Stitt

**Company Secretary:** Mr Royden Procter

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

**Registered Shareholders:** No of £1 ordinary shares held

Topco (Holdings) Limited

100

100

**Trading Results:**

Y/E	Turnover £	Gross Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
28 Feb 2009	815,593	79,802	(71,547)	Nil	(71,547)

**Swift Aid Support Limited**  
-In Administration

**Statutory Information**

**Company Number:** 03563591

**Date of Incorporation:** 14 May 1998

**Address of Registered Office:** 3 Hardman Street, Manchester, M3 3AT  
Formerly, Unit 43-45 Churchill Way, Lomeshaye Industrial Estate, Nelson Lancashire BB9 6RT

**Directors:** Mr Terence Hall  
Mr David James Rawstron

**Company Secretary:** Mr Brian Stephen Johns

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

**Registered Shareholders:** No of £1 ordinary shares held

Topco (Holdings) Limited

100

100

**Trading Results:**

Y/E	Turnover £	Operating Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
28 Feb 2009	1,229,816	1,051,110	(80,834)	Nil	139,886*
28 Feb 2008	1,598,579	1,271,708	113,477	37,686	194,320
28 Feb 2007	1,247,423	21,460	20,433	92,480	68,843
28 Feb 2006	869,279	(8,104)	(11,322)	65,802	48,400

\*After the transfer of reduction of an asset totalling £26,400.

**Topco (Holdings) Limited**  
In Administration

**Statutory Information**

**Company Number:** 04343386

**Date of Incorporation:** 19 December 2001

**Address of Registered Office:** 3 Hardman Street, Manchester, M3 3AT  
Formerly Topco House, Shady Lane, Bromley Cross,  
Bolton BL7 9AF

**Directors:** Mr Terence Hall  
Mr Brian Stephen Johns  
Mr Royden Procter  
Mr David James Rawstron

**Company Secretary:** Mr Terence Hall

**Nominal Share Capital:** £1,030.40 - divided into 10,304 ordinary shares of £0.10 each

**Registered Shareholders:** No of £1 ordinary shares held

Mr Terence Hall	3,367
Trustees of The Pearson Trust	204
Royden Procter	3,367
Mr David Rawstron	3,366

---

10,304

---

**Trading Results:**

Y/E	Turnover £	Operating Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
28 Feb 2009	746,500	45,638	(113,984)	387,731	(542,074)
28 Feb 2008	785,717	357,612	280,753	144,781	(428,090)
28 Feb 2007	780,500	147,070	(298,194)	452,781	(708,843)
28 Feb 2006	800,000	285,141	(740,813)	401,220	(410,649)

## PROOF OF DEBT

In The High Court of Justice  
Chancery Division  
Companies Court

No 1133 of 2010

Topco (Holdings) Limited  
- In Administration -

Date of Administration 27 April 2010

1a	Name of creditor	
1b	If Company - registered number	
2	Address of creditor	
3	Total claim including VAT and interest as at the date of the appointment of administrators (see overleaf)	£
4	Details of documents by which debt can be substantiated (please attach copy documents)	
5	Amount of any interest included in claim	£
6	Is the whole or part of the debt preferential? If so, state amount, and details See notes overleaf	Yes / No £
7	Particulars of how and when debt incurred	
8	Particulars and value of any security held and the date it was given	
9	Details of any reservation of title in respect of goods to which the debt refer	
10	Signature of creditor or other authorised person	.....
	Name in BLOCK LETTERS	.....
	Creditor's reference	.....
11	Position or Relationship with Creditor	.....
12	Address (if person signing is not the Creditor)	

**For Use of Administrator Only**

13	Admitted to vote for £	
	Date	
	Joint Administrator	
14	Admitted preferentially for £	Admitted non-preferentially for £
	Date	Date
	Joint Administrator	Joint Administrator

**Guidance Notes re Preferential Debts:**

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

**VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs

## PROOF OF DEBT

In The High Court of Justice  
Chancery Division  
Companies Court

No 1135 of 2010

Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited  
- In Administration -

Date of Administration 27 April 2010

1a	Name of creditor	
1b	If Company - registered number	
2	Address of creditor	
3	Total claim including VAT and interest as at the date of the appointment of administrators (see overleaf)	£
4	Details of documents by which debt can be substantiated (please attach copy documents)	
5	Amount of any interest included in claim	£
6	Is the whole or part of the debt preferential? If so, state amount, and details See notes overleaf	Yes / No £
7	Particulars of how and when debt incurred	
8	Particulars and value of any security held and the date it was given	
9	Details of any reservation of title in respect of goods to which the debt refer	
10	Signature of creditor or other authorised person  Name in BLOCK LETTERS  Creditor's reference:	..... ..... .....
11	Position or Relationship with Creditor	.....
12	Address (if person signing is not the Creditor)	

**For Use of Administrator Only**

13	Admitted to vote for £	
	Date	
	Joint Administrator	
14	Admitted preferentially for £	Admitted non-preferentially for £
	Date	Date
	Joint Administrator	Joint Administrator

**Guidance Notes re Preferential Debts:**

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions

**VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs.

## PROOF OF DEBT

In The High Court of Justice  
Chancery Division  
Companies Court

No 1136 of 2010

Acorn Builders (UK) Limited  
- In Administration -

Date of Administration 27 April 2010

1a	Name of creditor	
1b	If Company - registered number	
2	Address of creditor	
3	Total claim including VAT and interest as at the date of the appointment of administrators (see overleaf)	£
4	Details of documents by which debt can be substantiated (please attach copy documents)	
5	Amount of any interest included in claim	£
6	Is the whole or part of the debt preferential? If so, state amount, and details See notes overleaf	Yes / No £
7	Particulars of how and when debt incurred	
8	Particulars and value of any security held and the date it was given	
9	Details of any reservation of title in respect of goods to which the debt refer	
10	Signature of creditor or other authorised person  Name in BLOCK LETTERS  Creditor's reference.	..... ..... .....
11	Position or Relationship with Creditor	.....
12	Address (if person signing is not the Creditor)	

**For Use of Administrator Only**

13	Admitted to vote for £	
	Date	
	Joint Administrator	
14	Admitted preferentially for £	Admitted non-preferentially for £
	Date	Date
	Joint Administrator	Joint Administrator

**Guidance Notes re Preferential Debts:**

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions

**VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs.

## PROOF OF DEBT

In The High Court of Justice  
Chancery Division  
Companies Court

No 1134 of 2010

Swift Aid Support Limited  
- In Administration -

Date of Administration 27 April 2010

1a	Name of creditor	
1b	If Company - registered number	
2	Address of creditor	
3	Total claim including VAT and interest as at the date of the appointment of administrators (see overleaf)	£
4	Details of documents by which debt can be substantiated (please attach copy documents)	
5	Amount of any interest included in claim	£
6	Is the whole or part of the debt preferential? If so, state amount, and details <b>See notes overleaf</b>	Yes / No £
7	Particulars of how and when debt incurred	
8	Particulars and value of any security held and the date it was given	
9	Details of any reservation of title in respect of goods to which the debt refer	
10	Signature of creditor or other authorised person  Name in BLOCK LETTERS  Creditor's reference	..... ..... .....
11	Position or Relationship with Creditor	.....
12	Address (if person signing is not the Creditor)	

**For Use of Administrator Only**

13	Admitted to vote for £	
	Date	
	Joint Administrator	
14	Admitted preferentially for £	Admitted non-preferentially for £
	Date	Date
	Joint Administrator	Joint Administrator

**Guidance Notes re Preferential Debts:**

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions

**VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs.

**Creditor's request for a meeting**

Name of Company

**Topco (Holdings) Limited**

Company number

**04343386**In the  
**High Court of Justice  
Chancery Division  
Manchester District Registry**

Court case number

**1133 of 2010**(a) Insert full name and  
address of the creditor making  
the request

I (a) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) Insert full name and  
address of registered office of  
the company

request a meeting of the creditors of (b) \_\_\_\_\_

\_\_\_\_\_

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the request (if  
any) and their claims in the  
administration if the  
requesting creditor's claim is  
below the required 10%

(d) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the  
purpose of the meetingThe purpose of the meeting is (e) to gain creditors consent Pursuant to Para 76(2)(b) of  
Schedule B1 of the Insolvency Act 1986 I am hereby requesting creditors consent to extend  
the Administration period for a further six months

Signed \_\_\_\_\_

Dated \_\_\_\_\_

**Creditor's request for a meeting**

Name of Company

**Salisbury Hamer Aspden & Johnson (Loss Assessors)  
Limited**

Company number

**04188113****In the  
High Court of Justice  
Chancery Division  
Manchester District Registry**

Court case number

**1135 of 2010**(a) Insert full name and  
address of the creditor making  
the request

I (a) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_(b) Insert full name and  
address of registered office of  
the company

request a meeting of the creditors of (b) \_\_\_\_\_

\_\_\_\_\_

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the request (if  
any) and their claims in the  
administration if the  
requesting creditor's claim is  
below the required 10%

(d) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e) to gain creditors consent Pursuant to Para 76(2)(b) of  
Schedule B1 of the Insolvency Act 1986 I am hereby requesting creditors consent to extend  
the Administration period for a further six months

Signed \_\_\_\_\_

Dated \_\_\_\_\_

A17

09/07/2010  
COMPANIES HOUSE

306

**Creditor's request for a meeting**

Name of Company

**Acorn Builders (UK) Limited**

Company number

**06466017**In the  
**High Court of Justice  
Chancery Division****Manchester District Registry**

Court case number

**1136 of 2010**(a) Insert full name and  
address of the creditor making  
the request

I (a) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) Insert full name and  
address of registered office of  
the company

request a meeting of the creditors of (b) \_\_\_\_\_

\_\_\_\_\_

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the request (if  
any) and their claims in the  
administration if the  
requesting creditor's claim is  
below the required 10%

(d) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the  
purpose of the meetingThe purpose of the meeting is (e) to gain creditors consent Pursuant to Para 76(2)(b) of  
Schedule B1 of the Insolvency Act 1986 I am hereby requesting creditors consent to extend  
the Administration period for a further six months

Signed \_\_\_\_\_

Dated \_\_\_\_\_

A17

09/07/2010  
COMPANIES HOUSE

307

**Creditor's request for a meeting**

Name of Company

Swift Aid Support Limited

Company number

03563591

In the  
High Court of Justice  
Chancery Division  
Manchester District Registry

Court case number

1134 of 2010

(a) Insert full name and  
address of the creditor making  
the request

I (a) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) Insert full name and  
address of registered office of  
the company

request a meeting of the creditors of (b) \_\_\_\_\_

\_\_\_\_\_

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the request (if  
any) and their claims in the  
administration if the  
requesting creditor's claim is  
below the required 10%

(d) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

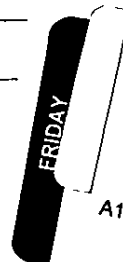
\_\_\_\_\_

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the  
purpose of the meetingThe purpose of the meeting is (e) to gain creditors consent Pursuant to Para 76(2)(b) of  
Schedule B1 of the Insolvency Act 1986 I am hereby requesting creditors consent to extend  
the Administration period for a further six months

Signed \_\_\_\_\_

Dated \_\_\_\_\_



A17

09/07/2010  
COMPANIES HOUSE

**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 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.

**9 Provision of information - additional requirements**

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

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

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

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



Topco (Holdings) Limited ("Topco"), Salisbury Hamer Aspden & Johnson (Loss Assessors) Limited ("Salisbury"), Acorn Builders (UK) Limited ("Acorn"), Swift Aid Support Limited ("SAS") - All In Administration (together "the Group")

In accordance with best practice I provide below details of policies of BDO 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	451
Partner2	371
Director	313
Senior Manager	266-289
Manager	198-227
Assistant Manager	181
Senior Executive	167
Executive	122-136
Junior Executive	97
Cashier	167
Trainee	61
Support staff/Secretary	61

The rates charged by BDO LLP, 3 Hardman Street, Manchester, M3 3AT 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 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 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.



### **1) Other Costs**

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

### **2) Category 1**

This heading covers expenses where BDO 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.

### **3) 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 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.

BDO LLP  
18 June 2010



Name of Assignment      Acorn Builders (UK) Ltd - ADM      00151641

Summary of Time Charged and Rates Applicable for the Period From 10/04/2010 to 18/06/2010

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVET
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A Pre Appointment Matters			3.75	851.25									3.75	851.25	227.00
B Steps on Appointment			6.25	1,418.75					3.00	291.00			9.25	1,709.75	184.84
D General Administration			5.50	1,268.00			1.50	250.50	3.75	373.50	0.70	42.70	11.45	1,934.70	168.97
E Assets Realisation/Dealing			1.00	227.00									1.00	227.00	227.00
G Employee Matters									1.50	165.00			1.50	165.00	110.00
	0.00	0.00	16.50	3,765.00	0.00	0.00	1.50	250.50	8.25	829.50	0.70	42.70			

Net Total	26.95	4,887.70
Secretarial Expense		0.00
Other Disbursements		0.00
Billed		0.00
Grand Total		4,887.70

Name of Assignment

Swift Aid Support Limited - AD

00151661

## Summary of Time Charged and Rates Applicable for the Period From 10/04/2010 to 18/06/2010

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVRT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A Pre Appointment Matters			4.50	1,021.50									4.50	1,021.50	227.00
B Steps on Appointment			1.25	283.75					3.00	291.00			4.25	574.75	135.24
D General Administration			2.00	454.00			2.75	459.25	4.00	388.00	0.70	42.70	9.45	1,343.95	142.22
E Assets Realisation/Dealing			3.75	851.25									3.75	851.25	227.00
	0.00	0.00	11.50	2,610.50	0.00	0.00	2.75	459.25	7.00	679.00	0.70	42.70			

Net Total	21.95	3,791.45
Secretarial Expense		0.00
Other Disbursements		480.00
Billed		0.00
Grand Total		4,271.45

