Consent protocol (administration)

UNDER PARAGRAPH 64 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

Pursuant to paragraph 64 of Schedule B1 to the Insolvency Act 1986 (IA 1986), [insert names of the administrators] (the Joint Administrators), the joint administrators of [insert name of company] (the Company), hereby consent to the exercise of the powers set out below by the directors of the Company (the Directors).

The Joint Administrators have only provided their consent to the exercise of these powers on the basis that they have certified that the administration is reasonably likely to achieve the rescue of the Company as a going concern. The Joint Administrators are also reasonably satisfied that the Company has sufficient funding to pay essential key post-administration costs such as rent, employee salaries, utilities and suppliers on an ongoing basis. The Joint Administrators do not consent to the exercise of any other powers by the Directors, although they remain willing to consider any additional requests for further consents that may be required to achieve the rescue of the Company as a going concern.

For the avoidance of doubt, the Joint Administrators consent to the exercise of these powers subject always to the conditions and restrictions set out below, and subject always to their entitlement to revoke or vary the consent at any time.

**PART 1—Powers**

Powers

* 1. The power to exercise the powers conferred upon the Directors by the Articles of Association of the Company in order to carry on the day-to-day business of the Company subject always to the terms and conditions herein.
	2. The power to manage, instruct and direct the employees of the Company.
	3. The power to acquire stock-in-trade of the type ordinarily purchased by the Company in the ordinary course of the Company’s business on reasonable terms and for fair value, subject to monetary limits of:
		1. £[Insert amount] per single transaction or group of related transactions; and
		2. £[insert amount] in total per **[**week OR month**]**.
	4. The power to dispose of stock-in-trade **[**and other assets**]** of the type that would ordinarily be disposed of in the ordinary course of the Company’s business on reasonable terms and for fair value, subject to:
		1. £[insert amount] per single transaction or group of related transactions; and
		2. £[Insert amount] in total per **[**week OR month**]**.
	5. The power to enter into and perform obligations under contracts for the provision and/or the receipt of services by the Company of the type that would ordinarily be entered into and performed of in the ordinary course of the Company’s business, subject to:
		1. £[Insert amount] per single transaction or group of related transactions; and
		2. £[Insert amount] in total per **[**week OR month**]**.
	6. The power to pay any salaries (or other payments for services) due under any pre-administration contracts to any employees, contractors or agents, subject to a limit of £[Insert amount] **[**net of tax**]** **[**gross**]** per person per **[**week OR month**]**.
	7. The power to make any other payments in return for services, subject to:
		1. £[Insert amount] per single transaction or group of related transactions; and
		2. £[Insert amount] in total per **[**week OR month**]**.
	8. The power to incur credit with suppliers and other counterparties, subject to:
		1. £[Insert amount] per single transaction or group of related transactions; and
		2. £[Insert amount] in total per **[**week OR month.
	9. The power to enter or renew contracts in relation to [specify type of contract] and [specify type of contract], subject to:
		1. [insert amount] per single contract; and
		2. [insert amount] in total per week OR month**]**.
	10. [Insert any further or other powers that the directors need to exercise in order to rescue the company as a going concern].

**PART 2—Conditions**

Conditions

General

The powers set out above shall be exercised only for the purpose of achieving the rescue of the Company as a going concern.

Company property

The Directors shall ensure that they safeguard and maintain the books and records of the Company, and they shall provide the Joint Administrators with access to all books, records and other documents as the Joint Administrators may require.

* 1. The Directors shall provide the Joint Administrators with access to all property of the Company as the Joint Administrators may require.

Bank accounts

The Directors shall ensure that:

* + 1. the Joint Administrators are provided with details of the Company’s pre-administration bank accounts (including sort codes and account numbers); and
		2. the Joint Administrators are authorised to communicate with the Company’s bank(s) and to obtain online access to the Company’s pre-administration bank accounts.
	1. The Joint Administrators shall establish a new bank account for the payment in of post-administration income and the payment out of post-administration trading expenses. The Joint Administrators shall add the Directors to the mandate of the post-administration bank account, subject to the Directors only being able to exercise that mandate within and subject to [the monetary limits set out above]).

Control and monitoring

The Directors shall comply promptly with all requests for information as the Joint Administrators may require.

* 1. The Directors shall inform the Joint Administrators, in sufficient time to enable their attendance, of all board meetings of the Company, and shall provide copies of the board minutes to the Joint Administrators as soon as reasonably practicable thereafter.
	2. The Directors shall prepare:
		1. a **[**weekly OR monthly**]** management accounts **[**and such other records of a type that would ordinarily be prepared by the Directors**]** showing a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
		2. **[**daily OR weekly OR monthly**]** receipts and payments account;
		3. **[**daily OR weekly OR monthly**]** account of all orders placed and accepted (including the terms of trade of those orders);
		4. **[**daily OR weekly OR monthly**]** account of all costs/expenses incurred during the administration;
		5. [insert relevant information as appropriate].
	3. The Directors shall inform the Joint Administrators immediately of any threatened or actual termination by contractual counterparties (or requests by counterparties to vary terms).
	4. The Directors shall inform the Joint Administrators immediately of any fact or other information which could suggest to a reasonable person that there is no longer any reasonable prospect of achieving the rescue of the Company as a going concern.
	5. Without prejudice to the foregoing, the Directors shall provide a report to the Joint Administrators on the business and affairs of the Company by telephone or video-link:
		1. every **[**24 OR 48**]** hours during the first [insert number of weeks] weeks of the Company’s administration; and
		2. every [insert number of days] days thereafter.

Restrictions

The Directors shall not, without the prior consultation of the Joint Administrators:

* + 1. enter into, renew, adopt, terminate or vary any contract of employment;
		2. negotiate or otherwise vary the terms of any business lease with the Company’s landlord(s);
		3. negotiate or otherwise vary the terms of any contract for the supply of essential goods and services as defined by IA 1986, s 233;
		4. borrow new money;
		5. subject any asset to any new mortgage, charge or security interest;
		6. [insert as appropriate].
	1. [Insert any further or other conditions which the joint administrators wish to impose].
	2. The Directors shall obtain the Joint Administrators’ prior written consent before:
		1. paying any salaries or other sums to any of the Directors or any other persons connected with the Company within the meaning of IA 1986, s 249; or
		2. entering into any other transactions with the Directors or with such persons.

Termination

* 1. The Joint Administrators are entitled to revoke or vary this consent at any time (subject to the Directors’ right to apply to the Court, on notice to the Joint Administrators) to challenge the Joint Administrators’ decision to do so).

All amounts stated above exclude any applicable VAT.

For the avoidance of doubt, this consent does not affect, and is without prejudice to, the rights and duties of the Joint Administrators and the Directors under any applicable laws.

|  |  |
| --- | --- |
| Signed by [insert name of administrator], administrator (without personal liability), for and on behalf of [insert name of company] (in administration) | .................................................[insert signature of administrator]Administrator |
| Signed by [insert name of director] | .................................................[signature of director] |
| Signed by [insert name of director] | .................................................[signature of director] |