



MAGISTRATE'S COURT (CIVIL) FALKLAND ISLANDS

N.270

ADMINISTRATION ORDER - NOTES FOR GUIDANCE

Please read these notes carefully. The notes will help you decide if you qualify for an administration order. They will also help you complete the application (form N92).

What is an administration order?

If you are in financial difficulties and you are unable to pay your creditors (the people you owe money to) an administration order may help you.

- An administration order allows you to pay a sum that you can afford into the court each month to cover all your debts.
- In some circumstances the court make an order for you to pay less than the total you owe (a “composition order”). This may be appropriate if it is clear that you will not be able to pay your debts in full in a reasonable period (say three years). You may ask the court to consider this by using the box in part C on the application form - but the final decision is for the court.
- The court will divide your monthly payment among your creditors (in proportion to the size of each debt).
- The court will manage your debts and deal directly with your creditors.
- While the order is in force none of the creditors named in your application or in the schedule to the order may try to enforce the debt or try to make you bankrupt (insolvent) without first asking the court.
- You will not need to pay a fee when you make the application. But, if an order is made, the court will deduct a sum for its costs from each of the payments you make. This will be 10 pence in every £1 paid. For example, if you pay £20 each month, £2 will be paid to the court. To put it another way, if your total payments amount to £2000 you will pay an additional £200 to the court during the life of the order.

Do I qualify for an administration order?

To qualify for an administration order

- You must have two or more outstanding debts. At least one debt must be a Magistrate's or Supreme Court judgment.
- Your total debts as stated on the list of creditors must not be more than £5000

If you satisfy these requirements, you may qualify for an administration order. If you do not qualify or you may qualify but need further advice you should contact a legal practitioner or the citizen's advice bureau.

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What happens to my application?

- The court will look at your income and expenditure and consider your offer before fixing a rate of payment. This will normally be done without the need for a hearing and you and your creditors will have 16 days in which to write to the court with any objections.
- If there are no objections, an order will be made in the terms proposed by the court. You will be told how and when to pay the court.
- If you or any of your creditors object, or the court has difficulty in setting a rate of payment, you will be told to come to court for hearing before the Senior Magistrate.
- A creditor may object to their debt being included in the administration order. If the court agrees, the creditor will not be able to take action against you separately to recover the debt without first asking the court.
- If you are employed, the court may order your employer to send deductions direct from your earnings to the court. This is called an attachment of earnings order. If you object to this, you **must** tick the box in part C. You must give good reasons for objecting. The court may make a suspended attachment of earnings order. This means that as long as you pay the administration order, your employer will not be asked to make deductions from your earnings. But if you do not keep up the payments, the court may send the order to your employer without telling you.
- If an administration order is made, it will be registered in the Register of Civil Judgments. This may make it difficult for you to get credit. When the order is paid in full, you can ask the court to mark the entry in the register as satisfied and for a certificate proving payment.

What happens if I am unable to keep up the payments?

- If you cannot keep up the payments you must contact the court immediately. The court may be able to help you. It is important that you do not get deeper into debt. Further debts can only be added after the order has been made if the court agrees.
- If you do not pay once the order has been made, the court may send the bailiff to take and sell your possessions, or make an attachment of earnings order to enforce payment. Alternatively, it may revoke (cancel) the order and your creditors will be able to take action against you separately to recover their debts.

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How do I complete the application form

Please read these guidance notes carefully before you complete the application form for an administration order.

- Complete the application form and details of your income (section 6) and expenditure (section 7) as fully as possible. See the examples and notes below to help you complete the form. The court will use this information to fix the amount you will be expected to pay.
- It will help the court if you give all the sums for income and expenditure as either weekly or monthly - try not to mix the two.

Completing Section 6 - income

- Complete details of all your income (section 6) as fully as possible.
- If you receive income from a second job or you regularly earn overtime you should show this in the "other income" box.
- If you receive any other benefits you should say so and show how much you receive in "other benefits" box.
- If your partner contributes to or pays any of the expenses section 7, you must include the amount they pay in section 6.
- If you are in arrears with tax you should not deduct this from your take home pay, instead you should list them in section 7.

6. Income

My usual take home pay:	£905 per week/month	Any other benefits or assistance:	£41 per week/month <i>Child allowance</i>
My Pension:	£ per week/month		£ per week/month
Others living in my home give me:	£ per week/month		£ per week/month
Welfare assistance:	£ per week/month		
My partner contributes to the expenses in section 7:	£100 per week/month		
Others:	£100 per week/month <i>Overtime</i>		
	£ per week/month		
TOTAL			£1146 per week/month

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Completing Section 7 - Expenditure

- You should list all the money you regularly pay out each month in regular expenses and arrears (section 7). List all the regular payments you make in column (a). If you are in arrears with any of these items, e.g. unpaid rent, you should list the total amount of the arrears you owe in column (b). Full details must also be given in the list of creditors (part B).
- If you are paying the arrears off by instalments, for example at a rate agreed with the creditor or under a court order, you should say how much you pay each week or month in column (c). **Do not include this amount in column (a).**
- If any amounts are deducted directly from your income (eg an attachment of earnings order for tax or maintenance) or your benefits, you should not include these sums anywhere in section 7. You must include them in the schedule and say that they are deducted direct from your income.
- If you make regular payments for items that are not listed, say that they are in the boxes marked "others". Examples might be repayment of a loan, hire purchase instalments or regular credit card repayments.

7. Regular expenses and arrears

See the notes for guidance before completing any part of this section.

	(a) Regular payments <i>Enter the amount you usually spend or must pay for each item, weekly or monthly (please complete each entry write n/a if not applicable)</i> <i>Weekly/Monthly</i>	(b) Total arrears <i>If you are in arrears with any of the items in the regular payments column (a), enter the total arrears owed in column (b). Full details should be given in the list of creditors (see notes for guidance)</i>	(c) Regular arrears payments <i>If you are paying off the arrears shown in column (b) show how much you are paying weekly or monthly in column (c). Do not include these amounts as regular payments in column (a)</i> <i>Weekly/Monthly</i>
Rent	£300 per month	£	£
Mortgage/home loan	£ n/a	£	£
Second mortgage/secured loan	£ n/a	£	£
Life insurance/endowment	£20 per month	£	£
Home contents insurance	£60 per month	£	£
Service charge	£40 per month	£	£
Maintenance/ child support	£150 per month	£600	£40
Fuel	£50 per month	£	£
Gas	£50 per month	£	£
Electricity	£50 per month	£150	£10
Court fines	£ n/a	£	£
Telephone line	£20 per month	£	£
Internet	£30 per month	£	£
Child care	£60 per month	£	£
Food and household essentials	£150 per month	£	£
Clothing	£20 per month	£	£
Laundry	£ n/a	£	£
Others <i>(e.g. hire purchase)</i>	£15 per month Hire purchase	£600	£15
	£1015	£	£

7a Total expenses: £1015 per week/month	7b Total arrears: £1350
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Completing part B - list of creditors

- You must list all your debts in the list of creditors (you may be required to provide proof of each debt) and say what each debt is for (see the examples below).
- At least one debt must be a Magistrate's or Supreme Court judgment debt. Remember to give the case reference for any Magistrate's or Supreme Court debt. You must also provide a copy of the judgment or order, summons or writ.

Name of creditor, if known, and address to which payment should be sent. Give reference/account number. If judgment debt, also state court and case number.	If someone else is jointly responsible for part of this debt give details (eg guarantor, joint account etc)	Amount outstanding	
		£	P
<i>Furniture for You Ltd (for 3 piece suite) Any road Town Case ref: MC/CIV/87/10</i>		600	
<i>Grocery Shop Co. Another road Town Case ref: MC/CIV/91/11</i>	<i>Mr Joe Anyman</i>	£230	

Should I make an offer of payment?

- You may wish to suggest a rate at which you could pay back your debts (see part C of the application form). You do not have to make an offer but, if you do, it should be one you can afford to pay (however small).
- If you are employed, the court may ask your employer to send deductions direct from your earnings to the court. This is called an attachment of earnings order. If you object to this, you must tick the box in part c and say why you object. If you do not give good reasons, the court will consider making an order.

What should I do with the completed application form?

- Take the unsigned completed application form to a commissioner for oaths. You will need to sign the application form before a commissioner for oaths and you will have to swear on oath that the information given in your application is true. If you can, bring any bills, statements and invoices to support details of your income and expenditure.
- If you need help to complete the application form you should ask at the court office, citizen's advice bureau or contact a legal practitioner.
- **Take a photocopy of the completed application you may need to refer to it.**