

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

HiWave Technologies Plc

Company number

00514718

In the

High Court of Justice, Chancery Division  
(full name of court)

Court case number

1402 of 2013

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

I/We (a)  
 Peter Hart  
 Geoffrey Martin & Co  
 1 Westferry Circus  
 Canary Wharf  
 London  
 E14 4HD

James Sleight  
 Geoffrey Martin & Co  
 4 Carlton Court  
 Brown Lane West  
 Leeds  
 LS12 6LT

Administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 18 January 2015

(b) 17 July 2015

Signed



Joint Administrator

Dated

17 August 2015

**Contact Details.**

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

The contact information that you give will be visible to searchers of the public record

Peter Hart  
 Geoffrey Martin & Co  
 1 Westferry Circus  
 Canary Wharf  
 London  
 E14 4HD

DX Number

020 7495 1100  
DX Exchange

Com

TUESDAY



A22      \*A4EIDZ60\*      #429  
 25/08/2015  
 COMPANIES HOUSE

When you have completed and signed this form, please send it to the  
 gistrar of Companies at -  
 Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

17 August 2015

To all known creditors

Our Ref PH/JAS/PW/DO/HIWA401/RB4/CR05

Dear Sir

**HiWave Technologies Plc – In Administration (“the Company”)  
In the High Court of Justice, Chancery Division, Court No: 1402 of 2013**

I write to provide my fifth report to creditors on the progress of the Administration pursuant to Rule 2.47 of the Insolvency Rules 1986, as amended (“the Rules”)

This report should be read in conjunction with my report dated 26 April 2013 prepared pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 (“the Act”), my report on the outcome of the first meeting of creditors dated 15 May 2013 and my first, second, third and fourth six monthly progress reports to creditors dated 3 October 2013, 17 January 2014, 1 August 2014, and 14 February 2015 issued pursuant to Rule 2.47 of the Rules

The information that is required to be disclosed in accordance with Rule 2.47(a) to (d) of the Rules is attached at Appendix A

## **1. Executive Summary**

An Estimated Outcome Statement, updated to 17 January 2015, is attached at Appendix C. The Company's principal asset, being its shareholdings in two wholly owned subsidiary companies, was sold to GLIF BMS Holdings Limited (“GLIF”) on 18 March 2013 (“the Sale”). The cash consideration for the Sale, being £100,000, has been received in full.

The only outstanding assets to be realised in the Administration are the proceeds arising from a number of deferred income clauses that formed part of the Sale and receiving one further payment from the long term debtor. The deferred income clauses entitle the Company to a percentage of either turnover generated from Intellectual Property held by one of the former subsidiaries (beyond a pre-determined level), or a percentage of the proceeds of any sale of the assets or shares of either subsidiary. These deferred income clauses are effective for a period of 24 months following the sale and therefore expire on 18 March 2015. At the time of writing a settlement of £20,000 has been accepted by the Joint Administration in respect of sums arising by GLIF BMS Holdings Limited in respect of the deferred income clauses. This transaction sits outside of the period covered by this report and specific details will be provided in the Joint Administrators' final report to creditors.

Tel +44 (0)20 7495 1100 • DX 42660 Isle of Dogs • info@geoffreymartin.co.uk • www.geoffreymartin.co.uk  
Geoffrey Martin & Co • 1 Westferry Circus • Canary Wharf • London • E14 4HD

Geoffrey Martin & Co is the trading name of PKF Geoffrey Martin & Co Limited, registered as a limited company in England and Wales number 08867423. Registered office as above. PKF Geoffrey Martin & Co Limited is a subsidiary of PKF Littlejohn LLP, a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms. Unless otherwise stated Licensed Insolvency Practitioners are authorised in the United Kingdom by the Insolvency Practitioners Association and when acting as Administrators or Receivers do so without personal liability.

Also at 4 Carlton Court, Brown Lane West, Leeds LS12 6LT

As confirmed in my previous reports, the Company's secured creditor has waived its right to claim in the Administration as a condition of the Sale and, as anticipated, no preferential claims have been lodged in the Administration by former employees of the Company

The EOS currently shows that all residual funds in the case will be used to defray outstanding costs in the Administration. Consequently there will be no return to unsecured creditors from the Administration

The Joint Administrators have obtained an order from the Court extending the duration of the Administration by 18 months. The Administration period will therefore now conclude on 5 September 2015. This order was sought to enable the receipt of any additional income under the deferred income clauses and long term debtor and to avoid the costs associated with placing the Company's into Liquidation

## **2. Joint Administrators' Proposals**

The Joint Administrators' proposals for achieving the purpose of the Administration, as detailed in my report dated 26 April 2013, were approved without modification as confirmed in my report on the outcome of the creditors' meeting dated 15 May 2013

The objective of the Administration remains that of achieving a better outcome for creditors than would have been possible if the Company had entered into Liquidation, without first having been in Administration

## **3 Asset Realisations**

Details of asset realisations in the Administration are provided below. Please note that the information provided below refer solely to asset realisations made subsequent to the Joint Administrators' six month progress report dated 14 February 2015, which covered the period up until 17 January 2015

### **3.1 Sale of shareholdings and investments in subsidiary companies**

The Company was the sole shareholder of HiWave Technologies (UK) Limited ("HiWave UK") and HiWave Hong Kong Limited ("HiWave HK")

The Company's shares in HiWave UK and HiWave HK, and the associated investments, were sold to GLIF on 18 March 2013. For further details concerning the Company's shareholdings in HiWave UK and HiWave HK, the associated intercompany loans and the Sale please refer to section 5 of the Joint Administrators' Statement and Proposals dated 26 April 2013

As previously reported, the Sale included a total of three deferred income clauses

- The first deferred income clause becomes effective in the event that any part of the intellectual property of HiWave UK is disposed of within 24 months of the Sale. In the event that a disposal of any part of the intellectual property of HiWave UK is conducted within 12 months of the Sale, the Company is entitled to 15% of the gross proceeds of sale. If such a sale of intellectual property is conducted between 12 and 24 months after the Sale, the Company is entitled to 10% of the gross proceeds. The Joint Administrators have been notified by GLIF that two sales of elements of the intellectual property of HiWave UK have been conducted, the first for £1,000 payable immediately and the second for a promissory note valued at \$500,000 which is payable in 2016. Both of these sales were conducted within 12 months of the sale and as such the Company appears to be entitled to 15% of the gross proceeds

GLIF has notified the Joint Administrators that they accept that 15% of the £1,000 is payable to the Administration and a corresponding payment was previously received. GLIF continues to dispute that 15% of the \$500,000 promissory note is payable now due to the fact that the promissory note does not fall payable to GLIF until 2016

Discussions with GLIF remained outstanding as at 17 July 2015, however, subsequent to the period covered by this report a settlement of £20,000 has been agreed with GLIF. Further details concerning this transaction will be provided in my next report to creditors

- The second deferred income clause entitles the Company to 10% of income generated by HiWave UK deriving from its intellectual property, over a minimum threshold of £800,000 per annum, for a period of 24 months following the Sale. HiWave UK's financial statements are due to be reviewed following the first anniversary of the sale on 18 March 2014. The first assessment period has now passed, however, GLIF has yet to finalise the financial reports for the Company's first year of trading post Administration. The financial statements received from GLIF showed that there was insufficient revenue generated from the Intellectual Property sold to GLIF to trigger the second deferred income clause/
- The third deferred income clause becomes effective in the event that any shares in HiWave UK or HiWave HK are disposed of within 24 months of the Sale. Again, in the event that a disposal of any of the shares in HiWave UK or HiWave HK is conducted within 12 months of the Sale, the Company is entitled to 15% of the gross proceeds of sale. If such a disposal is conducted between 12 and 24 months after the Sale, the Company is entitled to 10% of the gross proceeds. No such disposals have been reported to the Joint Administrators in respect of the 24 month period following the sale.

### **3.3 Bank interest gross**

Bank interest of £206 has accrued on the Administration bank account, of which £17 has accrued since 18 January 2015.

## **4. Corporation Tax Returns**

Corporation Tax returns have been submitted in respect of the post Administration period up until 5 March 2015. Corporation Tax of £300 has been discharged from Administration funds.

## **5. Investigations**

### **5.1 Statutory Investigations**

As part of my duties as Joint Administrator, I am required to conduct investigations to confirm the extent of the Company's assets, including potential claims against third parties (including the directors), and to report my findings to creditors (subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised by such a disclosure).

### **5.2 Areas of Concern Raised by Creditors / Shareholders**

The Joint Administrators were contacted by a number of creditors and shareholders regarding concerns over certain aspects of the Company's operations and the conduct of its officers.

After collating all information obtained in this regard from creditors / shareholders, I have also undertaken to investigate each of those areas in detail.

### **5.3 Outcome of Investigations**

Due to the level of creditor and shareholder concern the Joint Administrators have conducted investigations that go above and beyond what is required of them in accordance with current Insolvency Legislation and "best practice" guidance.

To date, the Joint Administrators' investigations have not highlighted any potential actions that can be pursued for the benefit of creditors. This position was communicated to creditors in my report of 3 October 2013 and no further matters have been brought to my attention.

**5.4 Joint Administrators' confidential report to the Department of Business Innovation & Skills ("DBIS")**

The Joint Administrators have submitted a confidential report to the DBIS on the conduct of the directors in accordance with the Insolvent Companies (Reports on Conduct of Directors) Rules 1996 and the Company Directors Disqualification Act 1986.

**6. Estimated Outcome for Creditors**

The EOS updated to 17 July 2015 is attached at Appendix C.

The anticipated outcome for creditors may be summarised as follows:

**6.1 Secured Creditor**

The Company had one charge registered at Companies House at the date of Administration which represented a fixed charge in favour of BMS Finance AB Limited ("BMS") over the Company's shareholding in HiWave UK. At the date of my appointment, BMS was owed £400,000 in respect of the outstanding facility, according to the Group's records.

As previously reported, under the terms of the Sale, BMS has foregone its security and agreed not to pursue a claim in the Administration.

**6.2 Preferential creditors**

As anticipated in my previous reports, no preferential claims have been lodged with the Joint Administrators.

**6.3 Prescribed Part**

The 'Prescribed Part' provisions of Section 176A of the Act do not apply in this regard as the Company does not have any outstanding floating charge holders.

**6.4 Unsecured creditors and Notice of No Dividend**

The EOS updated to 17 July 2015 shows no anticipated surplus to unsecured creditors as all funds held in the Administration will be utilised to defray outstanding costs.

I hereby give notice to creditors, in accordance with Rule 11.7 of the Insolvency Rules 1986, that I am unable to declare any dividend due to lack of available funds in the Administration.

**7. Joint Administrator's Costs**

**7.1 Pre-Administration costs**

In my report under Paragraph 49 of Schedule B1 of the Act, I sought authorisation from creditors to draw my pre-Administration costs (including third party costs of £20,000) of £42,542 out of the assets of the Company as an expense of the Administration.

This was approved unanimously at the creditors' meeting held on 14 May 2013 and these costs have now been drawn from Administration funds. For further details of the Joint Administrators' pre-Administration costs, please refer to Appendix F of the Joint Administrators' Statement and Proposals report dated 26 April 2013.

**7.2 Basis of the Joint Administrators' remuneration and disbursements**

In my report under Paragraph 49 of Schedule B1 of the Act setting out my proposals I sought agreement that the underlying basis of the Joint Administrators' remuneration and disbursements be fixed by reference to time costs properly incurred at my firm's standard charging rates and that disbursements be drawn in line with my firm's charging and disbursements policy

As previously reported, my proposals were approved by creditors at the meeting held on 14 May 2013

**7.3 Remuneration charged during the period of this report**

Appendix D contains details of my firm's current charging and disbursements policy

Details of my time costs charged and disbursements incurred since my appointment are shown on the attached Appendix E. I have provided this information in this format as required by the provisions of the Statement of Insolvency Practice 9

As at 17 July 2015 the Joint Administrators have incurred time costs of £153,694 in attending to matters arising in the course of the Administration. Of these costs £9,577 has been incurred since 18 January 2015

In common with other professional firms, our standard charging rates are reviewed periodically to take account of inflation and other matters affecting costs. Since the original approval of the basis of my remuneration my firm's charge out rates have increased once with effect from 1 February 2015. My firm's revised charging and disbursement policy is attached at Appendix D

**7.4 Remuneration drawn during the period of this report**

Details of my time costs drawn since my appointments are shown at Appendix C. To date, the Joint Administrators have recovered £50,000 in respect of their post Administration time costs, of which £5,000 has been recovered in the period covered by this report. It is anticipated that additional time costs of approximately £25,000 will be recovered from the Administration, based on current asset realisations. My total anticipated fees have increased from previous estimates due to the extent of work required to recover the balance due under the deferred income clause from GLIF

**7.5 Disbursements incurred during the period of this report**

Category 1 disbursements relate to expenses that are directly attributable to the case and do not require specific creditor approval before they can be recovered from Administration funds

As at 17 January 2015 the Joint Administrators have incurred Category 1 disbursements totalling £988, of which the following have been incurred since 18 January 2015

	£
Storage of Records	53
	<hr/> 53

Category 2 disbursements require specific authorisation from creditors as they relate to costs which are not specifically identifiable to the case. These are charged in accordance with the firm's charging and disbursement policy which can be found at Appendix D of this report

The Joint Administrators have not incurred any Category 2 disbursements in the period covered by this report

**7.6 Disbursements recovered during the period of this report**

The Joint Administrators have recovered the Category 1 Disbursements of £53 detailed above during the period covered by this report. The Joint Administrators have not recovered any Category 2 disbursements in the period covered by this report.

**7.7 Expenses incurred and paid during the period of this report**

Details of expenses incurred and discharged in the period covered by this report are provided at Appendix E.

**7.8 Creditors' guide to fees and statement of creditors' rights**

If you require further information relating to Administrators' remuneration, expenses and disbursements please see Appendix F. This also gives details of your rights as a creditor.

**8 Outstanding Matters**

The only outstanding matter in the Administration as at 17 July 2015 was the receipt of funds due to the Administration in respect of the deferred income clause. Subsequent to the period covered by this report a settlement of £20,000 has been agreed with GLIF in respect of the balance due. Further details of this transaction will be provided in the Joint Administrators' final progress report.

The estimated outcome statement at Appendix C shows that all residual funds held in the case will be utilised to defray Administration costs. Consequently there will be no return to unsecured creditors from the Administration. The Joint Administration intend to vacate office and move the Company to Dissolution prior to the Administration end date on 5 September 2015.

If you have any queries about the contents of this report or any other matter relating to this case, please do not hesitate to contact Dane O'Hara at this office.

Yours faithfully  
For and on behalf of  
HiWave Technologies plc



**Peter Hart**  
Joint Administrator  
Acting as agent of the Company  
and contracting without personal liability

The affairs, business and assets of the Company are managed by the Joint Administrators, who act as the Company's agents and without personal liability.

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**HIWAVE TECHNOLOGIES PLC  
IN ADMINISTRATION**

**APPENDIX A**

**APPOINTMENT & STATUTORY  
INFORMATION**

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**HiWave Technologies plc - In Administration ("the Company")****Statutory Information**

Details relating to the appointment of Joint Administrators of the Company are provided below

**Court details.** High Court of Justice, Chancery Division, Companies Court

**Court number:** 1402 of 2013

**Date of appointment** 6 March 2013

<b>Administrators' details</b>	Peter Hart Geoffrey Martin & Co 1 Westferry Circus Canary Wharf London E14 4HD	James Sleight Geoffrey Martin & Co 4 Carlton Court Brown Lane West Leeds LS12 6LT
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**Appointment by:** The Directors of the Company in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986 ("the Act")

**Extension of Administration** An 18 month extension to the Administration period was granted by the High Court of Justice, Chancery Division, Companies Court on 28 January 2014. The Administration period will therefore conclude on 5 September 2015

In accordance with Paragraph 100(2) of Schedule B1 of the Act the Joint Administrators confirm that any act required or authorised under any enactment to be done by an Administrator may be done by either of them individually or jointly

The EC Regulation on Insolvency Proceedings 2000 will apply as the Company's main centre of interest is in the United Kingdom. In accordance with Article 3 of these Regulations, the Administration represents main proceedings

The statutory information of the Company as extracted from the Company's file at Companies House is as follows

**Company number.** 00514718

**Date of incorporation.** 31 December 1952

**Registered Office** c/o Geoffrey Martin & Co, 1 Westferry Circus, Canary Wharf, London E14 4HD

**Former Registered Office:** The 1840 Barn, Fullers Hill Road, Little Gransden, Sandy SG19 3BP

**Principal activity** Holding Company - Research & Development on Natural Sciences and Engineering

**Authorised share capital.** The Company has authorised share capital of £30,000,000 divided into 731,805,048 ordinary shares of 1p each, with a total nominal value of £7,318,050 and 94,508,123 deferred shares of 24p each with a total nominal value of £22,681,950

**Issued and called up share capital** The Company has issued, called up and paid up share capital of £26,950,132 consisting of 426,818,261 ordinary shares of 1p each with a total nominal value of £4,268,182 and 94,508,123 deferred shares of 24p each with a total nominal value of £22,681,950

## Appendix A (continued)

### Directors:

	Appointed	Resigned
David Bainbridge McIntosh	13/08/2012	N/a
James Edwin Lewis	01/10/2009	N/a
Clive Leonard Mayne	01/10/2011	N/a
Graham William Searle	13/08/2012	N/a
David James Anderson Calderwood	02/04/2012	N/a
Farad Azima	15/10/1992	28/02/2001
Firouz Henry Azima	26/07/2000	24/07/2007
Dwijendra Chandra Barkataki	23/02/1996	25/11/1997
Katherine Victoria Barnes	20/07/2007	15/06/2013
Lance Bachelor	20/10/2004	17/10/2007
David Matthew Bramwell	01/01/2011	05/01/2012
Sir Gordon Charles Brunton	Pre 15/01/1992	17/11/1997
Ian Michael Buckley	05/09/2001	01/01/2011
Philip David	28/05/1997	25/09/2001
Tony William Doughty	21/12/1994	07/11/1996
Brian Douglas Drysdale	Pre 15/01/1992	13/11/1992
Sydney Edels	18/08/1993	21/10/1993
Anita Margaret Frew	05/09/2001	22/07/2004
Lord Alexander Gowrie	29/11/1995	25/09/2001
Helen Haigh	Pre 15/01/1992	18/03/1992
Anthony Douglas Knox	05/09/2001	13/07/2004
Wing Hung Johnny Lau	21/10/1993	16/07/1996
David Nigel Mackay	01/10/2004	31/03/2009
Keith Michael Mellors	Pre 15/01/1992	13/11/1992
Gordon Michael William Owen	Pre 15/01/1992	31/05/2005
David Charles Pearson	01/03/2000	09/05/2005
Graham Christopher Ryan	09/05/2005	20/07/2007
Dr Bernhard Franz Josef Steiner	01/09/1994	31/03/1999
Peter Young Thoms	07/12/1992	22/09/2010
Pieter Willem Totte	Pre 15/01/1992	18/03/1992
Mark Robert John Tyndall	Pre 15/01/1992	27/04/1995
Ross James Walker	22/09/1995	25/11/1997

### Company secretary:

	Appointed	Resigned
Edward Simpson	15/06/2012	N/a
Katherine Victoria Barnes	20/07/2007	15/06/2012
Brian Douglas Drysdale	Pre 15/01/1992	13/11/1992
Robert Edward Jones	13/11/1992	30/11/1992
Peter Young Thoms	30/12/1992	20/07/2007

### Previous Names:

	Date of Change
NXT Plc	17/12/2010
Verity Group Plc	02/11/1998
Wharfedale Plc	16/10/1992
Audio Fidelity Plc	19/01/1990
Audio Fidelity Limited	1981
Audio Factors Limited	1965
RSC (Leeds) Limited	1961
Radio Supply Co Limited	1960

### Shareholders:

The Company's shares were traded on the London Stock Exchange Shortly prior to the Administration, on 25 February 2013, trading in the Company's shares was suspended. The Company was subsequently delisted from the London Stock Exchange on 8 March 2013. The Company has approximately 12,801 shareholders, a schedule of which will be provided on request. One of the Company's directors, James Lewis, holds 4,734,264 ordinary shares in the Company.

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**Appendix A (continued)**

**Registered Charges**

The Company has one outstanding charge over certain shares in favour of BMS Finance AB Limited created on 18 December 2012 and registered on 27 December 2012, securing all monies due or to become due from the Company to the charge on any account whatsoever under the terms of the aforementioned instrument creating or evidencing the charge

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**HIWAVE TECHNOLOGIES PLC  
IN ADMINISTRATION**

**APPENDIX B**

**JOINT ADMINISTRATORS' ABSTRACT  
OF RECEIPTS AND PAYMENTS**

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**HiWave Technologies plc  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments**

	Statement of Affairs £	From 18/01/2015 To 17/07/2015	From 06/03/2013 To 17/07/2015 £
<b>RECEIPTS</b>			
Investment in UK Subsidiary	Uncertain	-	99,998 00
Intercompany Debtor	Uncertain	-	151 00
Investments in Foreign Subsidiaries	Uncertain	-	1 00
Long Term Debtor	Uncertain	-	18,168 44
VAT Refund	9,662 00	-	8,771 38
Rent Deposit	30,050 00	-	30,050 00
Cash at Bank	4,994 00	-	4,720 17
Sundry Receipts	N/a	-	1,170 19
Bank Interest Gross	N/a	17 29	205 91
	<u>44,706 00</u>	<u>17 29</u>	<u>163,236 09</u>

**PAYMENTS**

**Pre-Administration Costs**

Geoffrey Martin & Co - Fees	-	22,500 00
Geoffrey Martin & Co - Category 1 Disbursements	-	13 00
Geoffrey Martin & Co - Category 2 Disbursements	-	29 25
Pitmans LLP - Legal Fees	-	20,000 00

**Post-Administration Costs**

Joint Administrators' Fees	5,000 00	50,000 00
Joint Administrators' Category 1 Disbursements	52 74	762 34
Joint Administrators' Category 1 Disbursements - Statutory Advertising	-	226 11
Joint Administrators' Category 2 Disbursements	-	177 75
Pitmans LLP - Legal Fees	-	49,500 00
Pitmans LLP - Legal Disbursements	-	4,160 20
Metis Partners LLP - Intellectual Property Valuer's Fees	-	4,000 00
Public Relations Consultancy Fee	-	150 00
Corporation Tax	300 00	300 00

<u>5,352 74</u>	<u>151,818 65</u>
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**BALANCE - 17 July 2015**

<u>(5,335 45)</u>	<u>11,417.44</u>
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**MADE UP AS FOLLOWS**

VAT Receivable	2,019 91
Floating Current A/c (Interest Bearing)	9,397 53
	<u>11,417.44</u>

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**HIWAVE TECHNOLOGIES PLC  
IN ADMINISTRATION**

**APPENDIX C**

**ESTIMATED OUTCOME STATEMENT**

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## HiWave Technologies plc - In Administration

Estimated Outcome Statement as at 17 July 2015

	Statement of Affairs Estimated to Realise £	Receipts and Payments to date £	Anticipated Receipts and Payments £	Estimated Outcome £
<b>Assets Specifically Pledged</b>				
Investment in UK Subsidiary (including deferred payment) *	Uncertain	151	20,000	151
Intercompany Debt - HiWave Technologies (UK) Limited	Uncertain	99,998	-	99,998
Deduct BMS Finance AB Limited	(400,000)	-	-	-
<b>Total Assets Subject to Fixed Charge</b>	<b>(400,000)</b>	<b>100,149</b>	<b>20,000</b>	<b>100,149</b>
<b>Assets Not Specifically Pledged</b>				
Surplus from Fixed Charge b/d	N/a	100,149	20,000	120,149
Investment in Foreign Subsidiary	Uncertain	1	-	1
Investment in Dormant Subsidiaries	N/a	-	-	-
Intercompany Debts - Overseas Subsidiaries	Uncertain	-	-	-
Long Term Debtor	Uncertain	18,169	-	18,169
VAT Refund	9,662	8,771	-	8,771
Rent Deposit	30,050	30,050	-	30,050
Prepayments	Uncertain	-	-	-
Cash at Bank	4,994	4,720	-	4,720
Sundry Receipts	N/a	1,170	-	1,170
Bank Interest Gross	N/a	206	Uncertain	206
<b>Total Assets Subject to Floating Charge</b>	<b>35,044</b>	<b>163,236</b>	<b>-</b>	<b>183,236</b>
<b>Pre - Administration Costs Associated with Fixed and Floating Charges</b>				
Geoffrey Martin & Co - Fees		22,500	-	22,500
Geoffrey Martin & Co - Category 1 Disbursements		13	-	13
Geoffrey Martin & Co - Category 2 Disbursements		29	-	29
Pitmans LLP - Legal Fees		20,000	-	20,000
		(42,542)	-	(42,542)
<b>Administration Costs</b>				
Joint Administrators' Remuneration		50,000	25,758	75,758
Joint Administrators' Category 1 Disbursements		988	500	1,488
Joint Administrators' Category 2 Disbursements		178	160	338
Pitmans LLP - Legal Fees		49,500	5,000	54,500
Pitmans LLP - Legal Disbursements		4,160	-	4,160
Barons Financial Services (UK) Limited - Agent's Fees		-	-	-
Metis Partners LLP - Intellectual Property Valuer's Fees		4,000	-	4,000
Public Relations Consultancy Fee		150	-	150
Corporation Tax		300	-	300
VAT Receivable		2,020	(2,020)	-
		(111,296)	(29,398)	(140,694)
<b>Funds Available For Preferential Creditors</b>		<b>9,398</b>	<b>(29,398)</b>	<b>-</b>
Deduct Preferential Creditors				-
<b>Assets Available to Unsecured Creditors</b>				<b>-</b>
<b>Unsecured Creditors</b>				
Trade and Other Creditors	217,052		217,052	
Non Executive Directors Deferred Salary	28,807		28,807	
Contingent Claim - Barons Financial Services (UK) Limited	85,000		Uncertain	
Accruals	112,832		112,832	
	<b>443,691</b>			
<b>Total Unsecured Creditors</b>				<b>(358,691)</b>
<b>Estimated Shortfall to Unsecured Creditors</b>				<b>(358,691)</b>

\* The estimated return under the deferred payment in connection with the Investment in the UK Subsidiary cannot yet be quantified and therefore is shown with an uncertain value under further anticipated receipts

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**HIWAVE TECHNOLOGIES PLC  
IN ADMINISTRATION**

**APPENDIX D**

**CHARGING AND DISBURSEMENT POLICY**

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**Appendix D**

<b>Case Name</b>	HiWave Technologies plc
<b>Court and Number</b>	High Court of Justice, Chancery Division, Companies Court No 1402 of 2013
<b>Office Holders</b>	Peter Hart and James Sleight
<b>Firm</b>	Geoffrey Martin & Co
<b>Address</b>	1 Westferry Circus, Canary Wharf, London E14 4HD
<b>Telephone</b>	0207 495 1100
<b>Reference</b>	HIWA401/PH/JS/DO
<b>Type of Appointment</b>	Administration
<b>Date of Appointment</b>	6 March 2013

**CHARGING AND DISBURSEMENTS POLICY (Combined London & Leeds Offices)****Time Costs**

The firm's hourly charge out rates are revised annually from 1 February. The rates currently in use are within the following bands

	£
Appointment Taker	325 – 450
Manager	265
Senior Administrator	150 - 195
Junior Administrator and Support Staff	65 – 125

Secretarial and cashiers time is charged to the case and their rates are included within the above hourly rates identified above as appropriate. Time is charged in units of 6 minutes

**Disbursements**

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Company Searches and Identity Verifications are charged at cost

Outsourced printing and/or photocopying will be charged at cost in addition to the above

Travelling expenses are charged at the rate of 45p per mile

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**HIWAVE TECHNOLOGIES PLC  
IN ADMINISTRATION**

**APPENDIX E**

**JOINT ADMINISTRATORS' POST APPOINTMENT  
TIME COSTS ANALYSIS**

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HIWA401

HiWave Technologies plc

**SIP 9 - Time & Cost Summary**

Period 18/01/15 17/07/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	0 00	0 00	1 20	3 10	4 30	621 50	144 53
Post Appointment VAT & Tax Re	0 00	0 00	1 80	0 00	1 80	351 00	195 00
Case Monitoring	2 40	0 00	0 00	0 00	2 40	840 00	350 00
Secretarial / Filing	0 00	0 00	1 30	0 90	2 20	361 00	164 09
Cashier for Non Trading	0 00	0 00	0 00	2 30	2 30	263 50	114 57
Case Strategy	0 70	0 00	0 00	0 00	0 70	280 00	400 00
Administration & planning	3 10	0 00	4 30	6 30	13 70	2,717 00	198 32
Other Assets	0 00	0 00	5 20	0 00	5 20	1,014 00	195 00
Going Concern Sale Assets/Busin	2 20	0 00	0 00	0 00	2 20	715 00	325 00
Realisations of assets	2 20	0 00	5 20	0 00	7 40	1,729 00	233 65
Statutory Reporting to Creditors	0 00	0 00	9 00	0 00	9 00	1,755 00	195 00
Shareholders - Communication	0 20	0 00	15 90	1 40	17 50	3,375 50	192 89
Creditors	0 20	0 00	24 90	1 40	26 50	5,130 50	193 60
Total Hours	5 50	0 00	34 40	7 70	47 60	9,576 50	201 19

HIWA401

HiWave Technologies plc

**SIP 9 - Time & Cost Summary**

Period 06/03/13 17/07/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	2 30	20 60	1 20	37 20	61 30	10,977 50	179 08
Administrative Setup	0 00	0 00	0 00	2 70	2 70	285 00	105 58
Appointment, Notification / Filing	2 40	7 50	0 00	0 00	9 90	2,751 00	277 88
Post Appointment VAT & Tax Re	0 00	0 00	1 80	0 40	2 20	411 00	188 82
Case Monitoring	10 20	1 50	0 00	12 40	24 10	5,806 00	240 91
Secretarial / Filing	0 00	0 50	1 30	10 70	12 50	1,762 00	140 96
Cashier for Non Trading	0 00	0 00	0 00	14 70	14 70	1,627 50	110 71
Travelling	0 00	1 20	0 00	1 50	2 70	525 00	194 44
Other Statutory matters	1 80	7 60	0 80	45 10	55 30	9,190 50	166 19
Case Strategy	0 70	7 90	0 00	0 00	8 60	2,255 00	262 21
Administration & planning	17 40	46 80	5 10	124 70	194 00	35,590 50	183 46
Investigations	0 30	13 30	0 00	52 80	66 40	11,240 00	169 28
CDDA Reports	0 00	1 50	0 00	6 50	8 00	1,350 00	168 75
Investigations	0 30	14 80	0 00	59 30	74 40	12,590 00	169 22
Ident / Securing & Insuring	0 00	0 00	0 00	1 10	1 10	165 00	150 00
Book Debts	0 00	1 40	0 00	0 00	1 40	350 00	250 00
Other Assets	7 30	9 40	5 20	10 70	32 60	7,625 50	233 91
Going Concern Sale Assets/Busia	18 20	12 80	0 00	19 90	50 90	12,416 00	243 93
Shares In Subsidiaries	30 80	0 70	0 00	0 10	31 60	11,432 00	361 77
Realisations of assets	56 30	24 30	5 20	31 80	117 60	31,988 50	272 01
Unsecured Creditors	0 40	8 00	0 40	9 20	18 00	3,566 00	198 11
Employee Matters (Claims)	0 30	0 30	4 60	1 80	7 00	1,178 50	168 36
Statutory Reporting to Creditors	18 40	23 60	9 00	146 20	197 20	35,350 50	179 26
Report / Secured Creditor	1 60	0 00	0 00	0 00	1 60	584 00	365 00
Pension Issues	0 00	0 70	4 40	3 80	8 90	1,449 00	162 81
Shareholders - Communication	8 70	25 60	15 90	125 30	175 50	31,397 00	178 90
Creditors	29 40	58 20	34 30	286 30	408 20	73,525 00	180 12
Total Hours	103 40	144 10	44 60	502 10	794 20	153,694 00	193 52

**HiWave Technologies plc – In Administration (“the Company”)  
Overview of Joint Administrators’ Time Spent**

I detail below the key areas of work undertaken by the Joint Administrators and their staff in respect of the Administration from the onset of the Administration to the date of this report, being 5 September 2013

Administration and planning

- Liaising with the directors
- Statutory requirements imposed by the Insolvency Act and Rules 1986 and Insolvency bodies
- Administrative setup and filing of all statutory paperwork
- Accounting for receipts and payments in the Administration
- Monitoring the progress of the Administration
- Obtaining open cover insurance
- Collection of Company records
- Liaising with Pitmans LLP and assessment of strategy as to whether the Company should remain in Administration or be moved to Creditors’ Voluntary Liquidation to enable conclusion of certain clause contained within the agreement for the sale of certain of the Company’s assets to GLIF BMS Holdings Limited

Realisation of assets

- Liaising with Barons Financial Services (UK) Limited to determine a strategy for marketing the Company’s shareholdings in its trading subsidiaries
- Liaising with the Company’s accounts and management teams regarding the sale of the Company’s shareholdings in its trading subsidiaries
- Detailed analysis and investigations into the value of the shares held in HiWave Technologies (UK) Limited and HiWave Hong Kong Limited
- Review and analysis of the asset position of HiWave Technologies (UK) Limited
- Liaising with Metis Partners LLP regarding their valuation of the intellectual property owned by HiWave Technologies (UK) Limited
- Discussions with interested parties and the ultimate purchaser of the Company’s shares in HiWave Technologies (UK) Limited and HiWave Hong Kong Limited
- Liaising with Pitmans LLP regarding the sale purchase agreements
- Dealing with the receipt of the sales consideration in respect of the sale of the Company’s shareholdings in its trading subsidiaries
- Liaising with GLIF BMS Holdings Limited regarding the profits and sale proceeds entitlement clauses included in the agreement for the sale of the Company’s shareholdings in HiWave Technologies (UK) Limited and HiWave Hong Kong Limited
- Liaising with HiWave Technologies (UK) Limited and HM Revenue & Customs regarding the recovery of the Company’s pre-Administration VAT refund
- Review of the Company’s non-trading subsidiaries
- Communications with the Company’s bank in respect of the recovery of cash at bank balances
- Dealing with the recovery of the rent deposit
- Dealing with the receipt of a sundry payment of £279 from HiWave Technologies (UK) Limited
- Review of the Company’s prepayments
- Dealing with the receipt of funds from the long term debtor and review of related correspondence regarding anticipated future payments
- Investigating the nature of the prepayments and inter-company debts in establishing whether any equity remains
- Accounting for bank interest that has accrued on the Administration bank account
- Dealing with sundry receipt

Creditors

- Dealing with creditor queries and claims, both verbal and written
- Statutory reporting to creditors
- Liaising with Pitmans LLP regarding the rights of secured creditor
- Liaising with Pitmans LLP regarding the Company’s listing on the London Stock Exchange and the Joint Administrators’ resultant obligations
- De-listing of the Company’s shares from the London Stock Exchange

## Appendix E (continued)

- Liaising with shareholders
- Dealing with share transfers on behalf of shareholders
- Liaising with Pitmans regarding share transfer issues
- Liaising with Euroclear and Capita regarding the Company's CREST registration
- Processing of employee claims following redundancies
- Liaising with the redundancy payments office
- Pension issues
- Liaising with the secured creditor

### Investigations

- Analysing Company's records for evidence of intercompany balances and terms of repayment
- Statutory investigations into the affairs of the Company and its officers
- Completion of Directors' Conduct Report in accordance with the Company Directors Disqualification Act 1986
- Dealing with enquires and information provided by creditors and shareholders
- Investigating the accuracy of the Company's Statement of Affairs and comparing the financial statements prepared
- Investigations concerning the Company audited financial statements and prospectus documentation issued prior to the 2010 share issue
- Reviewing the Company's records in order to identify unusual or exceptional items
- Investigations relating to transactions with associated companies and connected persons

### **Other professional costs of the Administration**

Details of professional advisers who have been engaged by the Joint Administrators, and their respective charges, are detailed below

- 1 Pitmans LLP were instructed to advise on all legal aspects arising during the Administration Pitmans LLP and were chosen due to their experienced knowledge of insolvency matters and company legislation Their charges are incurred on the basis of time properly spent advising on the various issues in this case
- 2 Barons Financial Services (UK) Limited ("Barons") was instructed to provide assistance in respect of the sale of the Company's shareholdings in its trading subsidiaries Barons were chosen due to their experience in dealing with such sales, together with their previous experience of the Company resulting from their pre-existing instruction by the Company's directors Their charges are based on a percentage of realisations achieved from the sale of the Company's interest in its trading subsidiaries
- 3 Metis Partners LLP were instructed to provide specialist valuation advice in respect of the intellectual property owned by HiWave Technologies (UK) Limited Metis Partners LLP was chosen due to their experience in dealing with valuations and asset realisations for insolvent companies, specifically in relation to intellectual property rights Their charge for providing a valuation of the intellectual property owned by HiWave Technologies (UK) Limited was a fixed fee of £4,000

The level of costs and disbursements incurred by my professional advisors between the onset of the Administration and the date of this report, together with details of any payments made to them in respect of these costs, is given below

### **Professional Costs**

Name	Description	Costs Incurred 06/03/2013 – 17/07/2015 £	Costs Paid 06/03/2013 – 17/07/2015 £	Costs Written Off 06/03/2013 – 17/07/2015 £	Costs outstanding as at 17/07/2015 £
Pitmans LLP	Solicitors	69,078	49,500	19,578	-
Barons	Financial Advisor	-	-	-	-
Metis Partners	Specialist Agent	4,000	4,000	-	-
		73,078	53,500	19,578	-

**Appendix E (continued)**

Name	Description	Costs Incurred	Costs Paid	Costs Written
		18/01/2015 – 17/07/2015 £	18/01/2015 – 17/07/2015 £	Off 18/01/2015 – 17/07/2015 £
Pitmans LLP	Solicitors	-	-	-
Barons	Financial Advisor	-	-	-
Metis Partners	Specialist Agent	-	-	-
		-	-	-

**Disbursements**

No disbursements have been incurred or discharged by the Joint Administrators' professional advisors in the period covered by this report

There are no other professional advisors who have been engaged to assist the Joint Administrators in respect of the Administration of the Company to date

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**HIWAVE TECHNOLOGIES PLC  
IN ADMINISTRATION**

**APPENDIX F**

**‘A CREDITORS GUIDE TO ADMINISTRATORS’ FEES’**



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## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

### ENGLAND AND WALES

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#### 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, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

#### 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 remuneration

- 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

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

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the

committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. 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 (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

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, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by 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,

having regard to the same matters as the committee would.

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 Review of remuneration**

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

## **6 Approval of pre-administration costs**

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency

practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## **7 What information should be provided by the administrator?**

### **7.1 When seeking remuneration approval**

- 7.1.1 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

- 7.1.2 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.

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

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

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

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

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

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, 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

- 7.1.4 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

## **7.2 After remuneration 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 (see further paragraph 8.1 below). 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 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

## **7.3 Disbursements and other expenses**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. 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.

## **8 Progress reports and requests for further information**

- 8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done

during those periods, irrespective of whether payment was actually made during the period of the report,

- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8 2, and their right to challenge the administrator's remuneration and expenses

8 2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court

8 3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

## 9 Provision of information – additional requirements

The administrator 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

## 10 What if a creditor is dissatisfied?

10 1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

10 2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above). 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

- 10 3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

## **11 What if the administrator is dissatisfied?**

- 11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. 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.

## **12 Other matters relating to remuneration**

- 12 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.
- 12 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.
- 12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

## **13 Effective date**

This guide applies where a company enters administration on or after 6 April 2010, except where

- the application for an administration order was made before that date, or
- where the administration was preceded by a liquidation which commenced before that date