

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company

E and M E Gill Limited

Company number

00517049

In the
High Court of Justice

(full name of court)

Court case number
6233 of 2011(a) Insert full
name(s) andIAWe (a) Paul Boyle
Harrisons Business Recovery and Insolvency
Limited
4 St Giles Court
Southampton Street
Reading
RG1 2QLaddress(es) of
administrator(s)(b) Insert name and
address of the
registered office of
companyhaving been appointed Administrator of (b) E and M E Gill Limited
4 St Giles Court, Southampton Street, Reading, RG1 2QL(c) Insert date of
appointmenton (c) 18 July, 2011
by (d) the Directors(d) Insert name of
applicant/
appointerhereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

IAWe attach a copy of the final progress report

Signed

Administrator

Dated

17 December 2012

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
formThe contact information that you give
will be visible to searchers of the
public recordPaul Boyle
Harrisons Business Recovery and Insolvency Limited
4 St Giles Court
Southampton Street
Reading
RG1 2QL

DX Number

0118 951 0798
DX ExchangeWhen 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

A104Q9M0

A44

19/12/2012

#134

COMPANIES HOUSE

y Limited, Glasgow, Scotland

WEDNESDAY

**E and M E Gill Limited
(In Administration) –
" Gills / the Company "**

**Final Progress Report to Creditors
pursuant to Rules 2.47 & 2.110
of the Insolvency Act 1986**

E and M E Gill Limited (in Administration) – “ Gills / the Company ”

Final Progress Report to Creditors

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E and M E Gill Limited (In Administration) – " Gills / the Company "

Final Progress Report to Creditors

1. GLOSSARY

Administrator	Paul Boyle of Harrisons Business Recovery and Insolvency Limited, 4 St Giles Court, Southampton Street, Reading, RG1 2QL.
Appointor	The directors.
Administration Application	The administration documentation was filed at the High Court of Justice on 18 July 2011 and allocated Court Number 6233 of 2011.
Company	E and M E Gill Limited (Company Registered Number 00517049) whose registered office is at 4 St Giles Court, Southampton Street, Reading RG1 2QL.

The references in this report to Sections, Paragraphs or Rules are to the Insolvency Act 1986 or Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 (as amended) ("the Rules").

2. INTRODUCTION

- 2.1 I, Paul Boyle of Harrisons Business Recovery and Insolvency Limited (" Harrisons ") was appointed as Administrator of Gills on 18 July 2011 upon the director filing a Notice of Appointment of an Administrator at the High Court of Justice in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986.
- 2.2 As required under the provisions of the Insolvency Act 1986, the consent of the Qualifying Floating Chargeholder, Royal Bank of Scotland Plc (" RBS "), was sought and granted to extend the proceedings a further five months to 17 December 2012.
- 2.3 In accordance with Rules 2.47 and 2.110 of the Rules, I now provide the Administrator's final report to creditors on the progress of the administration.
- 2.4 This report should be read in conjunction with the Administrator's previous reports to creditors.

3. PURPOSE OF THE ADMINISTRATION AND A SUMMARY OF THE ADMINISTRATOR'S PROPOSALS

Purpose of the Administration

- 3.1 The Company could not be saved as a going concern in accordance with Paragraph 3(1)(a), since there were insufficient funds available to finance trading the Company or the prospect of sufficient realisations to enable a contribution based voluntary arrangement. Paragraph 3(1)(b) does not apply since there are insufficient funds to enable a distribution to unsecured creditors.
- 3.2 The purpose of the Administration was in accordance with Paragraph 3(1)(c), to realise the assets of the Company in order to make a distribution to one or more secured or preferential creditor.

Administrator's Proposals

- 3.3 The following proposals were deemed to be approved by creditors:

E and M E Gill Limited (In Administration) – " Gills / the Company "

Final Progress Report to Creditors

1. If the Administrator believes that it is appropriate to do so and/or beneficial to realisations and/or in satisfaction of the sums due to the secured creditor, he be authorised to extend the term of office for 6 months from the automatic end date of 17 July 2012, in accordance with Paragraph 76(2) of Schedule B1 of the Insolvency Act 1986.
2. Since there are insufficient assets available to enable a distribution to the unsecured creditors the Administrator shall conclude the Administration pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, moving from Administration to dissolution. This will be carried out once all matters have been finalised.
3. There are insufficient funds available to make a distribution to unsecured creditors. Where a creditor indicates its written desire to petition for the winding up of the Company or provides a written request that the Company be placed into compulsory winding up for the purpose of the Official Receiver conducting an investigation, the Administrator is granted authority to exit the Administration under Paragraph 80 of Schedule B1 of the Insolvency Act 1986 thereby creating the opportunity for a creditor to petition for a compulsory winding up order at its own expense.
4. In accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986 the Administrator is discharged from any liability with regards to the Company and granted his release from office when the proceedings come to an end and upon the filing of the appropriate documentation at Companies House.

3.4 No creditors' committee has been formed.

4. PROGRESS OF THE ADMINISTRATION

Receipts and Payments Account

- 4.1 Attached at Appendix I is a summary of the Administrator's Receipts and Payments Account for the period 18 July 2011 to 17 December 2012, together with an analysis of receipts and payments made in the period 18 July 2012 to 17 December 2012. I would note the following matters since the Administrator's last report:

Receipts

- 4.2 There have been no notable recoveries since the time of my last progress report in August 2012.

Book Debts – Commissions

- 4.3 At the commencement of the proceedings, an amount of approximately £50,000 was held by RBS WorldPay Limited (" WorldPay ") in respect of bookings taken by the Company and transacted via its facility with WorldPay.
- 4.4 As previously reported, the commissions due to the Company from WorldPay were offset against holding costs. Details of these costs have been provided by WorldPay and have been reviewed and considered by the Administrator. These costs appear to be reasonable and contractually deductible, and therefore there will be no recovery from WorldPay commissions.

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Payments

- 4.5 During the reporting period, Willis Limited have been paid £680 in respect of insuring the Company's leasehold property.
- 4.6 All of the other expenses paid during the course of the administration are self-explanatory, and have been reported in our earlier progress report to creditors

5. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured Creditor

- 5.1 As reported previously, a first legal charge was granted to Royal Bank of Scotland Plc (" RBS "), which provided fixed and floating charges over all tangible and intangible assets of the Company.
- 5.2 At the commencement of the proceedings the total indebtedness to RBS was some £446,000.
- 5.3 £135,508 has been paid to RBS from the sale of Gills' chattel assets and the Leasehold.

Preferential and unsecured creditors

- 5.4 There have been insufficient realisations in the administration to make a distribution to the preferential or unsecured creditors.

6. ADMINISTRATOR'S REMUNERATION

- 6.1 In accordance with Rule 2.106(5A) the Administrator's remuneration and disbursements were agreed with RBS, the fixed and floating chargeholder.
- 6.2 Attached at Appendix II are schedules of the Administrator's time costs and disbursements from the date of appointment to 30 November 2012, and for the period from 18 July 2012 to 30 November 2012, prepared in accordance with SIP 9.
- 6.3 The Administrator's time costs for the period 18 July 2012 to 30 November 2012 total £8,076, representing 42 hours at an average hourly charge out rate of £191. The time costs to 30 November 2012 total £124,935, representing 689 hours at an average hourly charge out rate of £181, and relate to the following matters:
- Attending the Company's premises to secure, collate and catalogue the books and records and core data of the Company.
 - Preparation and filing of statutory forms.
 - Preparation, review, approval and distribution of the report pursuant to SIP 16.
 - Correspondence with the directors of the Company.
 - Dealing with former employees of the Company, including securing the Company's payroll records and working with the former accountant to establish the level of employee claims, and to assist the former employees with their claims to the Redundancy Payments Office.
 - Preparation, review, approval and distribution of the proposals.
 - Correspondence with creditors.
 - Correspondence with RBS.
 - Reporting to RBS.

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Final Progress Report to Creditors

- Monitoring the book debt position.
- Dealing with the leasehold properties at 91, 91a Beulah Road.
- Correspondence with Sippchoice and H M Revenue & Customs regarding a VAT refund.
- Correspondence with WorldPay and reviewing the WorldPay position.
- Preparation, review, approval and distribution of the letter to creditors regarding the deemed approval of the proposals.
- Review of the Company's records and investigating the affairs of the Company.
- Completion, review, approval of checklists.
- Strategy meetings regarding the progress of the administration.
- Company Directors Disqualification Act 1986 requirements.
- Cashiering.
- Dealing with customers, including queries in relation to outstanding bookings.
- Liaising with ABTA.
- Dealing with press enquiries.
- Preparation, review, approval and distribution of the first and second report on the progress of the administration.
- Extension of the administration.

- 6.4 To date, fees of £10,000 and £100,551 have been drawn from fixed and floating realisations respectively. Disbursements totalling £2,692 have also been drawn, and are detailed at Appendix II.
- 6.5 Details of Harrison's charge out rates are attached at Appendix II. A further copy of the creditors' guide to Administrator's fees is also attached for reference.
- 6.6 Under Rule 2.48A, creditors have a right to request further information about remuneration or expenses. If, within 21 days of receipt of this progress report, a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including that creditor), or an unsecured creditor with the permission of the court, makes a request in writing to the Administrator for further information about remuneration or expenses (other than pre-administration costs), the Administrator must comply within 14 days of receipt of the request.
- 6.7 Under Rule 2.109, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for an order in relation to the remuneration or expenses.

7. CONCLUSION OF ADMINISTRATION

- 7.1 The administration will now be concluded and the Company will move from administration to dissolution, in accordance with Paragraph 84 of Schedule B1 of the Act.
- 7.2 Form 2.35B – Notice of Move From Administration to Dissolution, will be filed at Companies House effecting the conversion of the proceedings from administration to dissolution.

Should you have any queries in relation to this report, please do not hesitate to contact Jose Casal of this office.



Paul Boyle
Administrator

17 December 2012

**E and M E Gill Limited
(In Administration)**

ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 18/07/2012 To 17/12/2012 £	From 18/07/2011 To 17/12/2012 £
RECEIPTS			
Leasehold Property at Beulah Road	160,000.00	0.00	135,000.00
Chattel Assets	25,000.00	0.00	25,000.00
IT and Communications Equipment	1.00	0.00	1.00
Contact Database	24,997.00	0.00	24,997.00
Commercial and Customer Records	1.00	0.00	1.00
Domain Name	1.00	0.00	1.00
Book Debts - VAT	97,000.00	0.00	97,000.00
Book Debts - Rent	3,150.00	0.00	0.00
Book Debts - Europa Quality Print (UI	NIL	0.00	0.00
Book Debts - Commissions and Adver	Uncertain	0.00	0.00
Insurance Premium Refunds	3,235.00	0.00	3,235.31
Rates Refund		0.00	703.35
Bank Interest Gross		9.20	49.04
		9.20	285,987.70
PAYMENTS			
Administrator's Fees FCR		0.00	10,000.00
Legal Disbursements FCR		0.00	22.00
Legal Fees FCR		0.00	7,923.50
Secured Creditor FCR		6,238.01	135,507.81
Administrator's Fees FLT		15,551.00	100,551.00
Administrator's Disbursements		0.00	2,692.02
Agents' / Valuers' Fees		0.00	12,000.00
Accountant's Fees		0.00	270.00
Legal Fees FLT		0.00	13,576.50
Bank Charges		0.18	0.18
Agent's Fees		0.00	1,890.00
Agents' / Valuers' Disbursements		0.00	866.50
Insurance		680.19	680.19
Corporation Tax		8.00	8.00
		22,477.38	285,987.70
Net Receipts/(Payments)		(22,468.18)	0.00

E AND M E GILL LIMITED - IN ADMINISTRATION

ADMINISTRATOR'S TIME COSTS FOR THE PERIOD 18 JULY 2012 TO 30 NOVEMBER 2012

SIP 9 TIME SUMMARY

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partner	Manager	Case Administrator	Assistants and support staff	Total hours		
Administration and Planning	1 50	0 40	25 40	11 00	38 30	7,328 00	191 33
Creditors	0 00	1 00	1 00	0 70	2 70	597 50	221 30
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 00	0 00	0 00	1 20	1 20	150 00	125 00
Total hours and costs	1 50	1 40	26 40	12 90	42 20	8,075 50	191 36

Total Disbursements	£0 00
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The above headings include <i>inter alia</i>	
Administration and Planning case planning appointment notification maintenance of records statutory reporting PAYE/NIC	Creditors communications with creditors Creditors' claims (including secured creditors, employees and preferential creditors)
Realisation of Assets identifying and securing assets debt collection property, business and asset sales	Investigations SIP2 review reports pursuant to Company Directors Disqualification Act 1986 investigating antecedent transactions

E AND M E GILL LIMITED - IN ADMINISTRATION

ADMINISTRATOR'S TIME COSTS FOR THE PERIOD 18 JULY 2011 TO 30 NOVEMBER 2012

SIP 9 TIME SUMMARY

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partner	Manager	Case Administrator	Assistants and support staff	Total hours		
Administration and Planning	40 80	6 80	175 60	135 25	358 45	61,541 75	171 69
Creditors	28 60	5 00	156 10	56 40	246 10	40,290 00	163 71
Investigations	2 00	0 00	12 30	0 00	14 30	2,875 50	201 08
Realisations of assets	39 10	0 60	22 60	7 75	70 05	20,227 25	288 75
Total hours and costs	110 50	12 40	366 60	199 40	688 90	124,934 50	181 35

Statutory bonding	£480 00
Statutory advertising	£63 18
Subsistence	£5 00
Mileage	£144 30
Travel	£12 75
External printing	£555 50
Storage collection / indexing	£441 97
Fax & PPS	£919 32
Searches	£70 00
Total Disbursements	£2,692 02

The above headings include <i>inter alia</i>	
Administration and Planning case planning appointment notification maintenance of records statutory reporting PAYE/NIC	Creditors communications with creditors Creditors' claims (including secured creditors, employees and preferential creditors)
Realisation of Assets identifying and securing assets debt collection property, business and asset sales	Investigations SIP2 review reports pursuant to Company Directors Disqualification Act 1986 Investigating antecedent transactions

Harrisons Business Recovery & Insolvency (London) Limited Fee Policy

1. Charge out rates and policy regarding staff allocation, support staff, the use of subcontractors and the recharge of disbursements.

2. Charge out rates

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. The following hourly charge out rates apply to all assignments undertaken by Harrisons Business Recovery & Insolvency (London) Limited:-

	2011/2012	2012/2013
	£	£
Directors	300 – 400	300 – 500
Managers	200 – 275	250 – 350
Senior Case Supervisors	175 – 200	175 – 250
Case Supervisors	100 – 160	100 – 200
Assistants/Trainee Case Supervisors	75 – 140	75 – 150

3. Staff allocation, support staff & the use of subcontractors

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged. Details of any subcontractor(s) used are given in the attached report.

4. Professional advisors

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographical location.

5. Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursements". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses. Included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose 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 us) they must be disclosed and be authorised by those responsible for approving the insolvency practitioners' remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.-

Photocopying	15p a sheet
Letterhead	12p a sheet
Fax	40p a sheet
Mileage	65p per mile
Meeting Room	£50
Registered Office Fee	£60 per annum
Document Storage	Storage charge of £3 per box per quarter

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES ENGLAND AND WALES

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. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.

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 fixing bases of remuneration

7.1.1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

7.1.2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates,

split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

7.1.3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.1.4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the administrator or his or her staff.

7.2 After the bases of remuneration have been fixed

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8.1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.3 Disbursements and other expenses

7.3.1 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the administration and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the administrator or his or her staff.
- Category 2 disbursements. These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made.

7.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

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 1 November 2011.

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

- In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are
- the complexity of the case,
- any exceptional responsibility falling on the administrator,
- the administrator's effectiveness,
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration,
- 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,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include
 - details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and subdivided) in a way relevant to the circumstances of the case.

The following areas of activity are suggested 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 level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply:

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.