

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company DEEP RED GAMES LIMITED

Company number 3518725

In the BIRMINGHAM DISTRICT REGISTRY [full name of court]

Court case number 4259 OF 2007

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

We (a) RICHARD FRANK SIMMS AND MARTIN RICHARD BUTTRISS OF
F A SIMMS & PARTNERS PLC, INSOL HOUSE, 39 STATION ROAD,
LUTTERWORTH, LEICESTERSHIRE, LE17 4AP

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company
 A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 30 APRIL 2007

Signed

R F SIMMS and M R BUTTRISS Joint Administrator(s)

Dated

26 April 2007

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.

	Tel
DX Number	DX Exchange



157 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

IN THE MATTER OF
DEEP RED GAMES LIMITED

Registered Number 3518725

Registered Office
The Courtyard, Brooklands, Broughton, Milton Keynes, MK16 0HU

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

JOINT ADMINISTRATORS' STATEMENT TO BE ANNEXED TO
THE PROPOSALS

1 JOINT ADMINISTRATORS' APPOINTMENT

1 1 On 15 March 2007, Richard Frank Simms and Martin Richard Buttriss of F A Simms & Partners Plc, Insol House, 39 Station Road, Lutterworth, Leicestershire LE17 4AP, were appointed Joint Administrators of the Company following an application by Clive Robert, a Director of the Company. Each of the Joint Administrators is to exercise all the functions of administrator.

2 DIRECTORS AND SECRETARY

2 1 The Directors of the Company and their shareholdings are as follows -

<u>Name</u>	<u>Shareholding</u>
Ershad Chowdhury	
Ahmed Rahman	
Paul Rewrie	828 £1 Ordinary
Clive Robert	10,369 £1 Ordinary
Syed Wadood	
Barry Welck	1,070 £1 Ordinary

2 2 The secretary is Suzanne Yellowlees

2 3 We attach at Appendix A, a schedule summarising the Company's statutory information

3 **STATEMENT CONCERNING THE EC REGULATION**

The EC Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Member State.

4 **BACKGROUND AND CIRCUMSTANCES GIVING RISE TO APPOINTMENT**

Prior to our appointment as Joint Administrators, we have had no previous connection with this Company or any associated party.

Business Profile

- 4.1 The Company was incorporated in May 1998 and its principal activities were as entertainment software developers.
- 4.2 The Company traded from leasehold premises situated at The Courtyard, Brooklands, Broughton, Milton Keynes.
- 4.3 The Company employed over 40 people and operated successfully as a world renowned games developer.
- 4.4 In May 2006 the Company was commissioned to develop an entertainment software title for a large well established computer games publisher.
- 4.5 The game design was new and as such presented a series of challenges for the Company, but no more than would be expected in a development project of this nature.
- 4.6 In November 2006 the project was behind schedule however the publisher maintained their commitment to the project verbally but not financially. This resulted in the Company completing pre production at its own cost.
- 4.7 By 15 February the pre production was complete and submitted to the publisher for review and approval. It was anticipated that approval would be obtained by 20 March 2007.
- 4.8 However on 22 February the Company was advised that the project had been rejected at its first review meeting and was unlikely to be passed in its next two review meetings as the development strategy for the publisher had changed.
- 4.9 Throughout this process, as part of the plan for the growth of the Company, investment had been sought to assist a start-up of a low cost development studio in Dhaka.

- 4 10 The Company was successful in obtaining investment and start up was commenced. However the project was very complex and progress was far slower than originally forecast
- 4 11 The continued delays put the Dhaka studio twelve months behind schedule. This required the UK Company to maintain the Company's existing commitments at a higher cost than forecast
- 4 12 It is believed that the insolvency of the Company was caused by the overrun of the Dhaka studio start-up, subsequent increased costs in maintaining the UK office and the cancellation of a key project which generated approximately 50% of the income of the Company
- 4 13 Attached at Appendix B is a breakdown of the trading results of the Company, as extracted from the Company accounts for the years ending 31 March 2005 and 31 March 2006

5 PURPOSE, CONDUCT AND END OF THE ADMINISTRATION

Purpose of the Administration

An administration is an insolvency process in which a company's affairs, business and property are managed by one or more administrators, who are appointed to carry out the following statutory purpose

The administrator of a company must perform his functions with the objective of

- a) rescuing the company as a going concern, or
- b) achieving a better result for the company's creditors as a whole than would be likely if the company were to be wound up (without first being in administration), or
- c) realising property in order to make a distribution to one or more secured or preferential creditors

An administrator is an officer of the court and performs his duties in the interests of the company's creditors as a whole. An administrator may be appointed by

- a) a court order
- b) the holder of a qualifying floating charge
- c) the company or its directors

The effect of the appointment of an administrator is to freeze the assets and liabilities of the company and place the company under the control of the appointed administrators for the purpose of achieving the statutory purpose. The directors' powers are suspended immediately upon the appointment

Following our appointment, we took control of the business and assets of the Company with a view to establishing a strategy to meet the prioritised objectives of the new administration process outlined above

The Administrators completed a sale of the business assets and goodwill of the company on 22 March 2007 to D R Studios Limited

It should be noted that Clive Robert and Paul Rewrie, directors and shareholders of Deep Red Games Limited and therefore a connected party under the provisions of the Insolvency Act 1986, are also directors and shareholders of the purchaser

In accordance with Statement of Insolvency Practice Number 13 the joint administrators would advise that the purchasers are believed to have taken independent advice. The business was sold for £20,000. The sum of £10,000 was received upon the sale and a further £10,000 is due by 22 June 2007

In view of this the joint administrators consider that the company has been rescued as a going concern achieving the first objective set out above

It is also believed that this sale has produced a better realisation of assets than would have been the case had the company been wound up, which will result in a better distribution to secured creditors

Conduct of the Administration

Upon appointment as joint administrators, the business was sold as detailed above. The only other assets to deal with are the collection of the debtors and the collection of royalty payments

There were debtors outstanding to the Company in the sum of £91,656.00. To date, we have collected £76,375.00 and anticipate that most of the remaining debtors will be collected

The royalties receivable are for contracts already completed along with royalties receivable for the two contracts transferred to the purchaser of the business. The amount of the royalties is not known at this stage and depends upon the success of the product

Future Conduct of the Administration

The Administrators will continue the collection of the debtors and the royalty payments

The End of the Administration

Upon completion of the administration it is anticipated that there may be sufficient funds available for a distribution to the unsecured creditors and it is therefore necessary for a further insolvency procedure to follow the administration

In view of the above it has been decided that, pursuant to paragraph 83, Schedule B1 of the Insolvency Act 1986, the most appropriate course of action would be for the company to move from administration to creditors' voluntary liquidation

6 STATEMENT OF AFFAIRS

We enclose a summary of the Statement of Affairs together with a full list of the names and addresses of all creditors of the Company

7 ADMINISTRATORS' REMUNERATION

- 7.1 The creditors' meeting will be asked to consider a resolution that the Joint Administrators' remuneration be fixed on the basis of the time costs properly incurred by the office holders and their staff in attending to matters arising in the case. To date 71 40 hours have been spent on this case, having a total charge out value of £10,417.00 and an average hourly rate of £145.90
- 7.2 Appendix D details the time costs incurred to date by work category. These figures include an increase in charge out rates effective from 1st November 2006. Details of charge out rates currently charged to this case are attached
- 7.3 The disbursements we will charge to a case comprise of external suppliers or services specifically identifiable to the case, such as advertising, invoiced travel, external printing and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. To date we have charged the following disbursements of this nature

Disbursements	£
Bank Charges	15.00
Rent	5,000.00
	5,015.00

- 7.4 We will also incur disbursements relating to internal supplies of services specifically identifiable to the case, such as, photocopying, postage, telephone and fax. These items are charged to the case on the basis set out in Appendix D. To date we have not charged any disbursements of this nature. However, the attached time and charge out summary shows £247.60 of charges of this nature, which will be billed to this case.
- 7.5 On this assignment we have used professional advisers listed below. We have also indicated the basis of our fee arrangement with them, which is subject to review on a regular basis. Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

Professional Advisers	Basis of Fee Arrangement
Solicitors – Leathes Prior	Hourly rate and disbursements

8 **PRESCRIBED PART**

8 1 The Prescribed Part will not apply

9 **ADMINISTRATION PROPOSALS**

- 9 1 That the Joint Administrators, Richard Frank Simms and Martin Richard Buttriss of F A Simms & Partners Plc, Insol House, 39 Station Road, Lutterworth, Leicestershire LE17 4AP, appointed by the Directors of the Company, remain in office
- 9 2 That the Joint Administrators' remuneration be fixed on the basis of time costs and disbursements properly incurred by the office holders and their staff in attending to matters arising in the insolvency and that they are authorised to draw remuneration on account
- 9 3 That, if thought appropriate, a creditors' committee be established pursuant to Paragraph 57 of Schedule B1 of the Insolvency Act 1986 and that any committee so formed shall continue in any future insolvency proceedings
- 9 4 That if such a committee is formed the Joint Administrators should consult with the committee concerning the conduct of the Administration and the implementations and development of these proposals
- 9 5 That any unpaid costs of this administration be given priority over the costs of any future insolvency procedure
- 9 6 The Joint Administrators propose that they shall have their discharge from liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, seven days after they cease to be the Joint Administrators of the Company
- 9 7 That the Joint Administrators shall file a Notice with the Registrar of Companies, under Paragraph 83 (3) of Schedule B1 of the Insolvency Act 1986 Upon registration of Notice the Company shall be wound up as if a resolution for a voluntary winding-up has been passed, and that the Joint Administrators will become Joint Liquidators The creditors should note that they are entitled to nominate an alternative liquidator under the provisions of Paragraph 83 (7) of Schedule B1 to the Insolvency Act 1986 and Rule 2-117 (3) Insolvency Rules 1986 Any such nomination must be made before these proposals are approved


R F SIMMS and M R BUTTRISS
Joint Administrators

Date 26 April 2007

DEEP RED GAMES LIMITED

STATUTORY INFORMATION

COMPANY NO	3518725	
DATE OF INCORPORATION	27 February 1998	
PREVIOUS NAMES	N/A	
REGISTERED OFFICE		
Previously at	The Courtyard Brooklands Broughton Milton Keynes MK16 0HU	
Now changed to	Insol House 39 Station Road Lutterworth Leicestershire LE17 4AP	
TRADING ADDRESS	The Courtyard Brooklands Broughton Milton Keynes MK16 0HU	
PRINCIPAL ACTIVITIES	Entertainment Software Developers	
DIRECTORS	Ershad Chowdhury Ahmed Rahman Paul Rewrie Clive Robert Syed Wadood Barry Welck	
COMPANY SECRETARY	Suzanne Yellowlees	
SHARE CAPITAL	Authorised	£1 Ordinary Shares

REGISTERED SHAREHOLDERS

£1 Ordinary Shares

S Beverley	751
T Bligh	160
Trustees of C & C Pension Fund	774
C Roberts as Trustees of Deep Redgamis Ltd Employee Benefit Trust	6,200
P Rewrie as Trustees of Deep Redgamis Ltd Employee Benefit Trust	6,200
J Law	375
P Rewrie	828
J Rhodes	428
C Robert	10,369
John Silvester	1,780
K Simmonds	535
Trustees of Taylor Brothers Trust	663
B Welck	1,070
Malabar Marketing Ltd	25,323
Ian Livingstone	1,390

56,846

DEEP RED GAMES LIMITED

TRADING RESULTS

	<u>Accounts for the</u> <u>Year Ended</u> <u>31-Mar-06</u>	<u>Accounts for the</u> <u>Year Ended</u> <u>31-Mar-05</u>
	<u>£</u>	<u>£</u>
<u>Profit and Loss Account Extracts</u>		
Turnover		
Gross profit		
Directors' remuneration		
Depreciation		
Net profit/(loss)		
Profit and loss account balance		

Balance Sheet Extracts

Fixed assets	160,673	263,424
Current assets	855,848	457,711
Creditors falling due within one year	(202,244)	(325,599)
Net current assets/(liabilities)	653,604	132,112
Creditors falling due after one year	Nil	Nil
	<hr/>	<hr/>
Net Assets	814,277	395,536
	<hr/>	<hr/>

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Goodwill	Nil	5,000
Less: Due to HSBC Bank Plc		(53,296)
Shortfall to Fixed Charge c/d		(48,296)
Assets subject to floating charge		
Fixtures, Fittings and Equipment	79,857	10,000
Debtors	139,459	90,000
Intellectual Property	Nil	4,999
Shares in Bangladeshi Co	Nil	Nil
Uncharged assets		
Estimated total assets available for preferential creditors		104,999

Signature _____ Date 15 March 2007

A1 - Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	104,999
Liabilities	£	
Preferential creditors -		(32,026)
Estimated surplus as regards preferential creditors	£	72,973
Estimated prescribed part of net property where applicable (to carry forward)	£ Nil	Nil
Estimated total assets available for floating charge holders	£	72,973
Debts secured by floating charges	£ 48,296	(48,296)
Estimated surplus of assets after floating charges	£	24,677
Estimated prescribed part of net property where applicable (brought down)	£ Nil	Nil
Total assets available to unsecured creditors	£	24,677
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	
Statutory Liabilities	84,946	
Trade Creditors	115,602	
PAYE/NI	133,170	
VAT	22,364	(356,082)
Estimated deficiency as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(331,405)
Shortfall to floating charge holders (brought down)	£ Nil	Nil
Estimated deficiency as regards creditors	£	(331,405)
Issued and called up capital	£ 50,646	(50,646)
Estimated total deficiency as regards members	£	(382,051)

Signature _____

Date 15 March 2007

Company Creditors

NOTE You must include all creditors and identify all creditors under hire purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Aquaaid UK Ltd	Aquaaid House, Dales Manor Business Park, East Way, Sawston, Cambs CB2 4TJ	680			-
Audiomotion Ltd	Osney Mead House, Osney Mead, Oxford OX2 0EA	23,063			
Barry Welck Consultants	The Beeches, 4 Newlands Avenue, Radlett, Herts WD7 8EL	7,050			
Biffa Waste Services Ltd	Coronation Road, Cressex, High Wycombe, Bucks HP12 3TZ	75			
BRIFFA	The Business Design Centre, 52 Upper Street, Islington, London N1 0QH	1,611			
Brinnick Locksmiths	58 High Street, Newport Pagnell, Milton Keynes MK16 8AQ	758			
BT	Telephone Payment Centre, Durham DH98 1BT	194			
CIT Equipment Finance (UK) Ltd	Circa 2A High Street, Bracknell, Berks RG12 1AA	2,879			
Clearwater Cleaning	The Old Courthouse, 20 Simpson Road, Fenny Stratford, Milton Keynes MK2 2DD	2,669			
Commercial Cleaning Services	Crawley View, Pound Lane, North Crawley, Bucks MK16 9HL	50			
Dairy Crest	Dickens Way, Old Wolverton, Milton Keynes MK12 5QF	158			

Signature

Date 15 March 2007

This is the Exhibit marked J referred to in the Affidavit of Clive Robert dated this 15th day of March 2007

B1

Company Creditors

NOTE You must include all creditors and identify all creditors under hire purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Datascope Recruitment Ltd	109/110 Bolsover Street, London W1W 5NT	10,833			
Emergent Game Technologies Inc	Suite 210, 5016 N Parkway, Calabasas, CA 91302, USA	15,313			
FSA Reynolds	18 Brackley Road, Towcester, Northants NN12 6DJ	350			
F & R Cawley Ltd	1 Covent Garden Close, Luton, Beds LU4	9			
Garraways	Unit One, Taylor Street Ind Est, Taylor Street, Bury, Lancs BL9 6DT	44			
Gleamclean Windows	21 Leafield Rose, Two Mile Ash, Milton Keynes MK8 8BU	211			
Highscore Productions Ltd	Seed Ground, Shutford Road, North Newington, Banbury, Oxon OX15 6AL	1,398			
Interactive Studio Management	208 Valle Vista Drive, Camarillo, California USA CA93010	16,556			
J & D Associates	California Farm, Brick Kiln Lane, Little Downham, Ely, Cambs	347			
Karl De Costa	86 Heathcroft Avenue, Sunbury on Thames, Middx TW16 7TN	2,940			
KRRND DHSY KRRND	Sovereign Court, 230 Upper 5th Street, Central Milton Keynes MK9 2HR	476			
Milton Keynes Pest Control	2 Park Cottages, Bletchley Park, Bletchley, Milton Keynes MK3 6EB	50			

Signature

Date 15 March 2007

Company Creditors

NOTE You must include all creditors and identify all creditors under hire purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Paramount Recruitment Ltd	Lonsdale House, 52 Blucher Street, Birmingham B1 1QU	5,287			
PNC Telecom Services Ltd	Cavallino House, Corsley Heath, Warminster Wilts BA12 7PL	106			
Powernet Internet Ltd	Tempus 249 Midsummer Boulevard, Central Milton Keynes MK9 1EA	85			
Sage (UK) Ltd	North Park, Newcastle upon Tyne NE13 9AA	232			
Siteventure Ltd	Highlands, 95 Weston Road, Olney, Bucks MK46 5AA	15,624			
Viking Direct	PO Box 279, Leicester LE1 1YU	250			
Voodoo Kazoo	Suite 1, 24 Albany Road, Leighton Buzzard LU7 1NS	6,000			
WG Office Supplies Ltd	Unit 3, Crayford Ind Est Swaisland Drive, Crayford, Kent DA1 4HS	162			
Wychwood Security Services	Unit 24 TBAC Centre, Station Lane, Witney, Oxon OX28 4BN	141			

Signature

Date 15 March 2007

Time and Charge Out Summary

Deep Red Games Limited

From 15/03/2007

To 26/04/2007

Classification of Work Function	Director Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £
Administration and Planning		8 70	3 80	7 60	20 10	2,746 50	136 64
Creditors	3 00	5 90	23 20	8 10	40 20	5,576 50	138 72
Realisation of Assets	8 50	1 70		0 90	11 10	2,094 00	188 65
Total Hours	11 50	16 30	27 00	16 60	71 40		
Total Cost (£)	2,300 00	3,260 00	3,840 00	1,017 00		10,417 00	
Average Hourly Rate (£)	200 00	200 00	142 22	61 27			145 90

Disbursements

Description	Amount £
Company Search	3 00
Post	53 11
Insolvency Bond	50 00
Post	13 79
Photocopying	18 30
Telephone	5 80
Travel	2 40
Vehicle	101 20
	<hr/>
	247 60

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 and explains the basis on which fees are fixed.

2 The nature of administration

- 2 1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court. The administrator of a company must perform his functions with the objective of

- Rescuing the company as a going concern, or
- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors

The administrator must perform his functions as quickly and efficiently as is reasonably practical.

Administration may be followed by a creditors' voluntary liquidation, the dissolution of the company, effluxion of time or the achievement of the purposes of the administration.

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 established at the meeting of creditors which the administrator is required to hold within ten weeks of the appointment of the administrator 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 such information as it may require.

4 Fixing the administrator's fees

- 4 1 The basis for fixing the administrator's remuneration is set out in rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either

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

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,

- any respects in which, in connection with the company's affairs, there falls on the administrator any responsibility of an exceptional kind or degree,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties as such, and
- the value and nature of the property which he has to deal

4 2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrators' remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator

5 What information should be provided by the administrator?

5 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 administrator should always make available an up-to-date receipts and payments account. Where the fee is to be charged on a time basis, the administrator should be prepared to disclose the amount of time spent on the case and the charge-out value of the time spent, together with such additional information as may reasonably be required, having regard to the size and complexity of the case. 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 contracted out which would normally be undertaken directly by an administrator or his staff

5 2 The payment of expenses and disbursements is not subject to approval by the committee or the creditors. However, where an administrator makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the cost of facilities provided by his own firm, he should disclose those charges to the committee or the creditors when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at

6 What if a creditor is dissatisfied?

6 1 If a creditor believes that the administrator's remuneration is too high, he may, if at least 25% in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration

7 What if the administrator is dissatisfied?

7 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient, he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court, he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration

8 Other matters relating to fees

8 1 Where there are joint administrators, it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors. 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

F A SIMMS & PARTNERS PLC

CREDITORS' GUIDE TO FEES

Charge-out rates (from 1st November 2006)

Grade	Charge-out rate (£ per hour)
Insolvency Practitioner	200
Senior Manager	150
Managers	60 - 120
Assistants & support staff	45 - 110

Time costs are calculated at 6 minute units

Agent costs

These are charged at cost based upon the charge(s) made by the Agent instructed. The term "Agent" includes

- Solicitors/legal fees
- Auctioneers/valuers
- Accountants
- Quantity Surveyors
- Estate agents
- Other specialist advisors

Storage costs

Charged at actual cost incurred for storage (and retrieval, when appropriate) of records

Other disbursements (from 15th February 2005)

Category	Basis of charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirement
Company searches	At cost incurred
Travel	Motor vehicle at 40p per mile All other forms at actual cost
Room hire	Initial meeting of creditors - £100 All other meetings of creditors - £50 Any other venue - at actual cost
Photocopying	15p per sheet of A4 30p per sheet of A3
Postage	At actual cost incurred
Facsimiles/Telephone	Charged at the following rate during connection Local Calls – 5p per minute National Calls – 10p per minute International Calls – 30p per minute Landline to Mobile Calls (telephone only) – 20p per minute
Other	At actual cost charged