

The Insolvency Act 1986

Administrator's progress report

Name of Company
PERSONNEL PLUS (RECRUITMENT) LIMITED
(IN ADMINISTRATION)

Company number
04413503

In the
HIGH COURT OF JUSTICE

Court case number
17307 of 2009

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

1- We (a) Simon Plant and Daniel Plant of SFP 9 Ensign House, Admirals Way, Marsh Wall
London E14 9XQ

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 11 August 2009

(b) 10 February 2010

Signed

Joint / Administrator(s)

Dated

25 | 2 | 10

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.

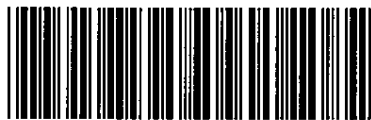
Jamie Davies

SFP 9 Ensign House, Admirals Way, Docklands, Marsh Wall E14 9XQ

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Personnel Plus (Recruitment) Limited (In Administration)

Report to Creditors

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1 Introduction

- 1.1** This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 ("the Rules") in relation to Personnel Plus (Recruitment) Limited (in Administration) (Co Number 04413503) ("the Company"). The Rules provide that a progress report is drafted every six months, commencing on the date that the company entered into Administration. Further, that the appointed Administrator(s) should send a copy of the report to, inter alia all creditors within one month of the end of the period covered by the report.
- 1.2** A report was previously circulated on 2 September 2009, enclosing the Joint Administrators Report and Proposals ("the First Report"). This detailed progress up to 25 August 2009 and set out the Joint Administrators proposals to creditors. A subsequent letter was circulated to creditors on 24 September 2009 updating them as to the outcome of the meeting and confirming that the proposals had been approved with one modification that the company will move from Administration to Liquidation. Liquidation may be CVL in accordance with S83 Sch B1 or compulsory under R 4.7(7) as the Administrator deems appropriate.
- 1.3** In view of the information that has already been imparted to the creditors, this Report simply provides an update as to the general progress of the Company's Administration since the First Report, to 10 February 2010. This Report also sets out certain additional information which must be provided to creditors, pursuant to the Rules.

2 General Background

- 2.1** On 7 August 2009 Notice of Intention to Appoint an Administrator by Company or Director(s) ("the Notice of Intention") was served upon the Company's prior floating charge holders, RBS Invoice Finance Limited ("RBSIF") and National Westminster Bank Plc ("Natwest") by the Company's Directors. The Notice of Intention was subsequently filed at the High Court of Justice. Subsequently, RBS and Natwest provided written consent to permit the Administration.
- 2.2** On 11 August 2009 Notice of Appointment of an Administrator by Company or Director(s) ("the Notice of Appointment") was presented to the High Court of Justice and subsequently endorsed with the 17307 of 2009. Both Simon Franklin Plant and Daniel Plant of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London E14 9XQ were appointed Joint Administrators ("the Joint Administrators"). Pursuant to Schedule B1, Paragraph 100(2) of the Act, the Joint Administrators act jointly and severally.

3. Asset Realisations / Miscellaneous

Sale of the Company's Assets

- 3.1** As detailed in the First Report, chattel asset valuers, Edward Symmons ("ES") were instructed to provide a valuation of the Company's business and assets and assist in a strategy going forward. ES advised that it was not suitable to trade the business whilst in Administration or to attempt to market it to third parties.
- 3.2** Subsequently, the Company's directors, Phillip John Harris ("Mr Harris") and Phillip William Ayres ("Mr Ayres") were approached to make an offer for the business. Mr Harris and Mr Ayres advised that they had an interest in an associated entity called Personnel Plus (Resourcing) Limited ("PPRL") and that it would be interested in making an offer for PPR's business and assets.
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- 3.3 Following negotiations, a final offer of £150,000 was elicited by the Joint Administrators from PPRL. This offer was endorsed by ES who confirmed this represented an excellent realisation.
- 3.4 Subsequently, the Joint Administrators instructed Francis Wilks and Jones LLP ("FWJ") to draft a sale and purchase agreement ("SPA"). After minor amendments, a final draft was agreed upon by both parties and the sale completed on 13 August 2009.
- 3.5 To date and in accordance with the terms of the SPA, the Joint Administrators have received £80,000 of sale consideration.

Debtors

- 3.6 As stated in the First Report, as at the date of the appointment, RBSIF had a commitment of £490,051 with the Company's sales ledger standing at £633,916.
- 3.7 An entity associated with the Joint Administrators' firm, SFP Recoveries Limited ("SFP Recoveries") was instructed to monitor the progress of the debtor collections and provide assistance to RBSIF, if required.
- 3.8 SFP Recoveries has advised the Joint Administrators that RBSIF has recovered its liability in full and has reassigned the sales ledger to SFP Recoveries. SFP Recoveries will continue to pursue the outstanding balances for the benefit of the estate.

The Company's Trading Premises

- 3.9 As stated in the First Report, an entity associated with the Joint Administrators' firm, SFP Property Limited ("SFP Property") was instructed to carry out a review of the Company's various trading premises in order to ascertain the terms of occupancy and determine whether or not there is any realisable value.
- 3.10 The Company's main trading premises was at 164 High Street, Burton-On-Trent, Staffordshire, DE14 1JE ("the Burton Trading Premises"). The Company also operated from Atlas House, Belvoir Road, Coalville, Leicestershire, LE67 3PG ("the Coalville Premises") and 3rd Floor Horsefair House, 3 Horsefair Street, Leicester, LE1 5BP ("the Leicester Premises").
- 3.11 SFP Property has since confirmed that the Leicester Trading Premises was not occupied pursuant to a formal agreement and there is no value for the benefit of the Administration. Accordingly, there is nothing further for the Joint Administrators to do in respect of this premises.
- 3.12 SFP Property have advised that the Company occupied the Coalville Trading Premises and the Burton Trading Premises pursuant to lease agreements. SFP Property are still in the process of obtaining copies of the lease agreements in order to prepare a valuation and ascertain the terms of occupancy.

4. Investigations

In accordance with the Joint Administrators' duties, investigations were made into the conduct of the Company's current and former directors by a company associated with the Joint Administrators' firm, SFP Forensic Limited ("SFP Forensic"). The requisite D Form was submitted to the Insolvency Practitioners Compliance Unit ("IPCU") on 2 February 2010. All information contained in the D form is strictly confidential and the Joint Administrators are not permitted to divulge details of their recommendations to the IPCU.

5. Dividend Prospects

Preferential Creditors

- 5.1 The Joint Administrators do not anticipate there being any preferential claims in the Administration given that all employees were transferred to PPRL pursuant to the Transfer of Undertakings and Protection of Employment Regulations

Non-Preferential Creditors

- 5.2 The non-preferential creditors' claims are summarised below

Creditor	Estimated Statement of Affairs £	Claims Received as at 10 February 2010 £
HM Revenue and Customs – VAT	-	162,116 21
HM Revenue and Customs – PAYE/NIC	350,000 00	515,852 92
Trade and Expense	1,580 00	100 75

- 5.3 On present information, any potential dividend distribution to unsecured creditors is dependent upon realisations achieved from surplus debtor recoveries and SFP Forensic's investigations. These would also be subject to any further associated costs. Based upon current realisations, it is uncertain whether there will be sufficient funds to pay a dividend to unsecured creditors

6 The Joint Administrators' Costs

- 6.1 At **Appendix I** is the Company's Income and Expenditure Account as at 10 February 2010 compared to the estimated statement of affairs figures as at the date of the Joint Administrators appointment. These are in the main self explanatory
- 6.2 At **Appendix II** is a breakdown of the time that has been incurred by the Joint Administrators' firm to date, together with details of charge out rates / activity summaries. At **Appendix VIII** is a Guide to Administrators Fees, being set out in Statement of Insolvency Practice 9. The Joint Administrators fees have previously been authorised by the creditors
- 6.3 The First Report detailed the position in relation to disbursements and certain types of expenditure. To ensure that creditors are aware of how this operates, this Report reiterates the position. Disbursements and specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made, if funds are available from the insolvent estate. If funds are not available the payment is made from the Joint Administrators' firm's office account which is reimbursed from the insolvent estate if and when funds become available
- 6.4 Payments made out of a firm's office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the Expenses and Disbursements heading in the Guide to Administrators fees, at **Appendix VIII**. The Joint Administrators have incurred the following Category 1 Disbursements to date
-

Expenses	£ 599 09
Bordereau	£ 480 00
Statutory Advertising	£ 234 36
Misc	£ 27 63
Company Search	£ 21 00

- 6.5 Expenditure incidental to the administration of the insolvent case, which by its nature includes an element of shared or allocated costs are recoverable with creditor approval. These payments are defined as 'Category 2 Disbursements' and, once again, this disbursement is explained further in the Guide to Administrators fees, at **Appendix VIII**. The Joint Administrators have incurred the following Category 2 Disbursements to date:

Postage	£ 134 06
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As detailed in the First Report, SFP Recoveries, SFP Forensic, SFP Property and SFP Datastore Limited ("SFP Datastore") remuneration will be treated as a Category 2 Disbursement. Creditors have previously provided sanction to recover disbursements of this type.

- 6.6 At **Appendix III** is a breakdown of the time that has been incurred by SFP Forensic to date.
- 6.7 At **Appendix IV** is a breakdown of the time that has been incurred by SFP Recoveries to date.
- 6.8 At **Appendix V** is a breakdown of the time that has been incurred by SFP Property to date.
- 6.9 At **Appendix VI** is a breakdown of the time that has been incurred by SFP Datastore to date, together with details of disbursements. Details concerning SFP Datastore are set out in paragraph 6.11.
- 6.10 At **Appendix VII** is a breakdown of SFP and its associated entities charge out rates.
- 6.11 The fees incurred by chattel asset valuers ES, SFP Recoveries, SFP Forensic, SFP Property and the solicitors assisting in this matter FWJ are calculated on a time cost basis. SFP Datastore has been employed by the Joint Administrators to store the Company's books and records. Its fees for this work are on a fixed fee basis and on a time cost basis for any additional work carried out.

7 Additional Points and Conclusion

- 7.1 Should any creditor have any questions or queries in relation to the above, please contact the Administrator dealing with this matter, Jamie Davies on 020 7538 2222.

Dated this 10th day of February 2010


Simon Plant
Joint Administrator

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX I

- **Income and Expenditure Account**

Personnel Plus (Recruitment) Limited
(In Administration)

INCOME AND EXPENDITURE ACCOUNT

	Statement of affairs £	From 11/08/2009 To 10/02/2010 £
RECEIPTS		
Sale of Business & Assets	150,000 00	80,000 00
Book Debts		43,948 87
Bank Interest Gross		37 47
Vat Control Account		10,026 42
		134,012 76
PAYMENTS		
SFP Datastore Fees		1,390 00
SFP Datastore Disbursements		922 87
SFP Property Fees		4,000 00
Joint Administrator's Remuneration		57,500 00
Joint Administrator's CAT 1 Disb		1,362 08
Joint Administrator's CAT 2 Disb		134 06
Legal Fees		13,735 00
Legal Disbursements		302 80
Insurance of Assets		420 00
Vat Receivable		11,896 77
		91,663 58
BALANCE - 10 February 2010		42,349.18

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX II

- **Breakdown of Administrators Fees / Activity Codes**

SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment and notification Maintenance of records Statutory reporting Estate accounting Schedule company books and records
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection – pre and post appointment Property, business and asset sales Communication and negotiations with secured creditors
Trading	Planning Management of operation Communication/negotiation with suppliers Communication/negotiation with landlord Communication/negotiation with third parties Monitor goods outward/inwards Stock take On-going employee issues Travel
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)



PERSONNEL PLUS (RECRUITMENT) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 11 AUGUST 2009 TO 10 FEBRUARY 2010

CLASSIFICATION OF WORK FUNCTION

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total		
Administration and Planning	13 00	10 50	-	-	9 10	32 40	62 80	0 30	8 30	136 40
Investigation	-	-	-	-	-	-	-	-	-	0 00
Realisation of assets	6 50	12 20	-	-	0 10	16 10	-	-	-	34 90
Trading	-	6 00	-	-	0 60	33 10	-	-	-	39 70
Creditors	6 00	-	-	-	2 10	29 50	0 90	-	5 20	43 70
Total hours	25 50	28 70	-	-	11 90	111 10	63 70	0 30	13 50	254 70
Average rate £ per hour	450 00	400 00	-	-	250 00	225 00	150 00	100 00	75 00	241 56
Total costs £	11 475 00	11 480 00	-	-	2 975 00	24 997 50	9 555 00	30 00	1 012 50	61 525 00

Remuneration drawn on account

57,500 00

See Appendix for Summary Charge Out Rates for staff

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX III

- **Breakdown of SFP Forensic Limited Fees**

SFP



FORENSIC



PERSONNEL PLUS (RECRUITMENT) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 11 AUGUST 2009 TO 10 FEBRUARY 2010

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Investigation	2 70	-	-	11 80	-	5 10	38 80
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Total hours	2 70	-	-	11 80	-	5 10	38 80
Average rate £ per hour	450 00	-	-	200 00	-	75 00	224 94
Total costs £	1215 00	-	-	2360 00	-	382 50	8,727 50

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX IV

- **Breakdown of SFP Recoveries Limited Fees**

SFP



RECOVERIES



PERSONNEL PLUS (RECRUITMENT) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 11 AUGUST 2009 TO 10 FEBRUARY 2010

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Debt Collection	-	-	-	12 90	28 10	12 10	53 10
Total hours	-	-	-	12 90	28 10	12 10	53 10
Average rate £ per hour	-	-	-	200 00	150 00	100 00	150 75
Total costs £	-	-	-	2,580 00	4,215 00	1,210 00	8,005 00

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX V

- **Breakdown of SFP Property Limited Fees**

SFP



PROPERTY



PERSONNEL PLUS (RECRUITMENT) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 11 AUGUST 2009 TO 10 FEBRUARY 2010

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Property Issues	17 30	-	-	-	-	3 40	20 70
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Total hours	17 30	-	-	-	-	3 40	20 70
Average rate £ per hour	275 00	-	-	-	-	75 00	242 15
Total costs £	4 757 50	-	-	-	-	255 00	5 012 50

Remuneration drawn on account

4,000 00

See Appendix for Summary Charge Out Rates for staff

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX VI

- **Breakdown of SFP Datastore Limited Fees / Disbursements**

SFP



DATASTORE

PERSONNEL PLUS (RECRUITMENT) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 10 AUGUST 2009 TO 10 FEBRUARY 2010

CLASSIFICATION OF WORK FUNCTION

Boxing Up / Collection / Inventorising of Records

	Storage Tasks Staff Costs	Inventorising Staff Costs	Total
	39 90	6 90	46 80
Total hours	39 90	6 90	46 80
Average rate £ per hour	25 00	75 00	32 37
Total costs £	997 50	517 50	1,515 00
Remuneration drawn on account			1,390 00

See Appendix for Summary Charge Out Rates for staff

Disbursements	£
47 boxes purchased at £5 per box	235 00
Mileage 598 8 miles @ £1 10 per mile	658 68
Storage boxes	70 00
Storage cost	110 43
Subsistence	4 00
Disbursements Incurred	1,078 11
Disbursements drawn on account	922 87

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX VII

- **SFP and Associated Entity Charge Out Rates**

SFP



Charge out Rates for SFP main practice and associated entities

SFP and the Associated Entities remuneration is calculated on an hourly time cost basis, divided into 6 minute units and calculated as follows:

Main Practice		SFP Forensic Limited		SFP Property Limited		SFP Recoveries Limited	
Grade	Rate p/hr	Grade	Rate p/hr	Grade	Rate p/hr	Grade	Rate p/hr
Managing Partner	450	Managing Director	450	Managing Director	275	Managing Director	450
Partner 2	400	Senior Manager 2	325	Senior Manager 2	250	Senior Manager 2	325
Partner 1	350	Senior Manager 1	300	Senior Manager 1	225	Senior Manager 1	300
Senior Manager 2	325	Manager 2	275	Manager 2	200	Manager 2	275
Senior Manager 1	300	Manager 1	250	Manager 1	175	Manager 1	250
Manager 2	275	Senior Administrator 2	225	Senior Administrator 2	150	Senior Administrator 2	225
Manager 1	250	Senior Administrator 1	200	Senior Administrator 1	130	Senior Administrator 1	200
Senior Administrator 2	225	Administrator 2	150	Administrator 2	110	Administrator 2	150
Senior Administrator 1	200	Administrator 1	100	Administrator 1	90	Administrator 1	100
Administrator 2	150	Assistant	75	Assistant	75	Assistant	75
Administrator 1	100						
Assistant	75						

SFP Datastore Limited	
Grade	Rate p/hr
Storage Tasks (Retrieval and Collection)	
Staff Costs	25
Inventorising and Additional	
Staff Costs	75

Retrieval Rates Guide

Box Storage	18p / box / week
A4	21p / box / week
A3	6p / box / week
Transit Cases	
Retrieval costs from site	£1.10 per mile
Same Day Delivery (up to 10 items)	£22.50
Next Day Delivery (up to 10 items)	£15.00
Delivery to third party offices (up to 10 items / £1.50 per item thereafter)	£25.00

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX VIII

- **Guide to Administrators Fees**

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

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 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 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 with, 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 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 responsibility of an exceptional kind or degree which falls on the administrator

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.

5.1.4 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.

5.2 After fee 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. 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

- 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 the administrator's 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.

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 requested 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 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 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.

5.1.2 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.

5.1.3 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

as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, 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.

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 per cent 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.

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 each 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.

8.2 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.

9 Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he 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.

Personnel Plus (Recruitment) Limited (IN ADMINISTRATION)

Report to Creditors

APPENDIX IX

- **Category 2 Disbursement Summary Charge Sheet**

SFP



DIRECT EXPENSES (Category 1 Disbursements)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate as cost, with no uplift. These include, but are not limited, to such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.

INDIRECT EXPENSES (Category 2 Disbursements)

It is normal practice to also charge the following indirect disbursements (Category 2 Disbursements, as defined by SIP 9) to the case, where appropriate. These costs are as follows:

Stationery / Photocopying	Cost Per Page / Envelope
* 1 page of headed paper	0.12
* 1 page of continuation paper	0.10
* 1 page of photocopying paper	0.02
* Envelopes (all sizes)	0.10
 Postage	 Postage Rate
Postage – 1 st class (small)	0.32
Postage – 1 st class (large)	0.44
Postage – 2 nd class (small)	0.22
Postage – 2 nd class (large)	0.36

Travel

Mileage incurred as a result of necessary travel is charged at the Inland Revenue approved rate of 40p per mile.

Please note that sanction has been obtained to treat the fees of SFP Forensic Limited, SFP Property Limited, SFP Recoveries Limited and SFP Datastore Limited as Category 2 disbursements.