

The Insolvency Act 1986

Administrator's progress report

Name of Company Amos Commercial Limited	Company number 05636149
In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	Court case number 275 of 2015

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

I/We (a)
Paul Boyle
Harrisons Business Recovery and Insolvency
Limited
102 Sunlight House
Quay Street
Manchester
M3 3JZ

David Clements
Harrisons Business Recovery and Insolvency
Limited
102 Sunlight House
Quay Street
Manchester
M3 3JZ

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

(b) Insert date

From (b) 24 September 2015	To (b) 3 March 2016
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Signed

[Signature]
Joint Administrator

Dated

21 March 2016

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

Paul Boyle
Harrisons Business Recovery and Insolvency Limited
102 Sunlight House
Quay Street
Manchester
M3 3JZ

DX Number

0161 876 4567
DX Exchange

When 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



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23/03/2016

#322

COMPANIES HOUSE

**Amos Commercial Limited
In Administration**

**Progress Report to Creditors
pursuant to Rules 2.47 and 2.112
of the Insolvency Rules 1986**

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

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Amos Commercial Limited - In Administration
Joint Administrators' Progress Report

1. Statutory information

- 1 1 I Paul Boyle, together with my partner David Clements, was appointed Joint Administrator of the Company on 24 March 2015. The appointment of an Administrator was made by Sterling Property Developments Limited.
- 1 2 This Administration is being handled by Harrison's Business Recovery and Insolvency Limited at 102 Sunlight House, Quay Street, Manchester M3 3JZ. The Administration is registered in the High Court of Justice, Chancery Division, Leeds District Registry under reference number 275 of 2015.
- 1 3 The trading address of the Company was Alexandra House, Queen Street, Leek, Staffordshire ST13 6LP.
- 1 4 The registered office of the Company is 102 Sunlight House, Quay Street, Manchester M3 3JZ and its registered number is 05636149.
- 1 5 The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1 6 In accordance with Rule 2.47 and Rule 2.112, we now provide our progress report to creditors on the administration of the proceedings.

2. Progress of the Administration

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 24 September 2015 to 3 March 2016. Attached at Appendix B is a cumulative Receipts and Payments Account for the period from 24 March 2015 to 3 March 2016.

All funds are held in interest bearing bank accounts.

- 2 2 Asset Realisations – Sale to Evolution Insurance Solutions Limited

As previously reported, all properties owned by the Company are subject to the mortgage debenture of Sterling Property Developments Limited ('Sterling') which had the sum of £5177167.01 outstanding as at 23 March 2015, immediately prior to the appointment of the Joint Administrators.

My previous report dated 22 October 2015 detailed an offer received from associated company Amos Leisure (Ramshorn) Limited to buy certain company properties from the Company but this sale was not completed and fell through. This sale included an exclusivity deposit in the sum of £15054.44 which has been retained by the Joint Administrators to offset the costs of the failed transaction.

I have subsequently received an offer from Evolution Insurance Solutions Limited ('Evolution') to purchase the following properties for the total sum of £1400000 -

-Ramshorn Estate Holiday Lodges, the Woodlands, north side of Ramshorn Road, Ramshorn Common, Oakamoor, Stoke on Trent ST10 3BZ (Land Registry title numbers SF483138, SF272063 and SF574276)

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These properties have been used as holiday lets and continued to be used as such by the Joint Administrators in the post-appointment trading detailed in section 2.7 below

On 27 March 2015, these properties were professionally valued by Linda McPartland FNAEA MRICS of Winterhill Largo Property Limited, Centurion House, 129 Deansgate, Manchester M3 3WR ('Winterhill'), property consultants and valuers, with a total open market value of £1600000 and a total forced sale value of £1300000.

After consulting Winterhill and obtaining the consent of chargeholder Sterling, the Evolution offer was accepted as it is likely to exceed the amount that these properties would realise on the open market, particularly once the costs of marketing and sale are taken into account

Although the sale has not been completed at the date of this report, it is anticipated that it will be finalised in early course

There is no known connection between Evolution and the directors of Amos Commercial Limited, Colin Amos and Dorothy Amos

In view of this prospective sale and with reference to section 3 of this report, I propose that the term of the administration is extended by a period of twelve months from the automatic end date of 23 March 2016 to 23 March 2017 in order to enable the sale to be completed. This proposal also extends to matters covered in sections 2.3, 2.4, 2.5 and 2.6 of the report and further information regarding the proposed extension is detailed in section 3 of this report

2.3 Asset Realisations – Garden House, Tongue Lane, Buxton, Derbyshire SK17 7PA

My previous report dated 22 October 2015 detailed an offer received from associated company Amos Homes (Buxton) Limited to purchase the property at Garden House, Tongue Lane, Buxton, Derbyshire SK17 7PA (Land Registry title numbers DY410695 and DY384646) but this sale was not completed and fell through

This property comprises a single-dwelling farm house together with land which has planning permission to construct six further properties which are currently only partially developed to the foundation stage. There are planning consent issues at the farm house which affect the value of this property

Subject to the successful resolution of the planning consent issues, Winterhill valued this property on 27 March 2015 with an open market value of £500000 and a forced sale value of £400000

The property is subject to a first charge held by former owner Mrs Glynis Plant with the sum of approximately £160000 outstanding

I have subsequently received an offer from an unconnected third party to purchase this property and negotiations are currently ongoing

In view of this prospective sale and with reference to section 3 of this report, I propose that the term of the administration is extended by a period of twelve months from the automatic end date of 23 March 2016 to 23 March 2017 in order to enable the sale to be completed. This proposal also extends to matters covered in sections 2.2, 2.4, 2.5 and 2.6 of the report and further information regarding the proposed extension is detailed in section 3 of this report

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2 4 Asset Realisations – Tissington Ford Barn Bradbourne Mill, Mill Lane, Bradbourne, Ashbourne, Derbyshire DE6 1NP

I have received an offer from a Mr and Mrs Potter for the property at Tissington Ford Barn, Bradbourne Mill, Mill Lane, Bradbourne, Ashbourne, Derbyshire DE6 1NP (Land Registry title numbers DY428237 and DY428223) in the sum of £390000

Winterhill valued this property on 27 March 2015 with an open market value of £400000 and a forced sale value of £375000

After consulting Winterhill and obtaining the consent of chargeholder Sterling, the offer from Mr and Mrs Potter has been accepted. The conveyancing is currently being carried out on the property and it is anticipated that completion should take place in early course

In view of this prospective sale and with reference to section 3 of this report, I propose that the term of the administration is extended by a period of twelve months from the automatic end date of 23 March 2016 to 23 March 2017 in order to enable the sale to be completed. This proposal also extends to matters covered in sections 2 2, 2 3, 2 5 and 2 6 of the report and further information regarding the proposed extension is detailed in section 3 of this report

2 5 Asset Realisations – Flat 2, 137 Park Road, Buxton, Derbyshire SK17 6NS

I have received an offer from a Mr D Millward for the property at Flat 2, 137 Park Road, Buxton, Derbyshire SK17 6NS (Land Registry Title number DY404023) in the sum of £150000

Winterhill valued this property on 27 March 2015 with an open market value of £230000 and a forced sale value of £200000. Winterhill did not have access to the property and it is thought that their valuation is too high, particularly as the property had already been placed on the open market for sale prior to the appointment of the Joint Administrators with an asking price of £169950

After obtaining the consent of chargeholder Sterling, the offer from Mr Millward has been accepted. The conveyancing is currently being carried out on the property and it is anticipated that completion should take place in early course

In view of this prospective sale and with reference to section 3 of this report, I propose that the term of the administration is extended by a period of twelve months from the automatic end date of 23 March 2016 to 23 March 2017 in order to enable the sale to be completed. This proposal also extends to matters covered in sections 2 2, 2 3, 2 4 and 2 6 of the report and further information regarding the proposed extension is detailed in section 3 of this report

2 6 Asset Realisations – St Mary's Mount and Birchwood, Ramsbottom Road, Oakamoor, Stoke on Trent ST10 3BZ

I have received an offer from an unconnected third party for the adjoining properties known as St Mary's Mount and Birchwood, Ramsbottom Road, Oakamoor, Stoke on Trent ST10 3BZ for the sum of £400000

Winterhill valued these adjoining properties on 27 March 2015 with a total open market value of £400000 and a total forced sale value of £360000

After consulting Winterhill and obtaining the consent of chargeholder Sterling, the offer for the property has been accepted. The conveyancing is currently being carried out on the property and creditors will be kept advised of progress in this matter

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2.7 Asset Realisations – Remaining Properties

As previously advised, the properties listed below are also held by the Company. Subject to the consent of secured chargeholder Sterling and professional advice, it is the Joint Administrators' intention to maximise realisations from these properties through either sale, continued lettings or completing developments as appropriate -

Valley View Barn, Bradbourne Mill, Mill Lane, Bradbourne, Ashbourne, Derbyshire DE6 1NP (Land Registry title number DY394922)

Winterhill valued this property on 27 March 2015 with an open market value of £750,000 and a forced sale value of £725,000 based on having full residential status.

This property does not currently hold residential status and consideration is being given to making a planning application for such status in order to maximise the property's value for the benefit of the administration estate.

Land at Leek Road, Warslow, Staffordshire SK17 0JW (Land Registry title number SF560225)

This comprises a development of six terraced houses, all of which are in varying stages of completion. The property is subject to a restrictive S106 planning permission agreement necessitating sale to a Registered Social Landlord or Housing Association.

If the planning permission restrictions can be overcome, Winterhill valued this property in its present condition on 27 March 2015 with an open market value of £1,200,000 and a forced sale value of £1,080,000.

In accordance with the request of chargeholder Sterling, a local gardener has been instructed to keep this site in reasonable condition.

Creditors will be kept advised of developments with regard to all of these properties.

In view of the prospective sales of the properties listed at 2.2 to 2.5 above and in anticipation of sales being agreed for the properties listed in this section, I propose that the term of the administration is extended by a period of twelve months from the automatic end date of 23 March 2016 to 23 March 2017 in order to enable all these matters to be completed. This proposal also extends to matters covered in sections 2.2, 2.3, 2.4 and 2.5 of the report and further information regarding the proposed extension is detailed in section 3 of this report.

2.8 Holiday Lettings

As previously advised, at the date of appointment there were numerous future holiday bookings arranged in respect of certain of the above properties. These bookings had been made through a holiday rental agent Sykes Cottages Limited ('Sykes') and had been managed through an associated company, Amos Leisure Limited. Although Sykes refused to take new bookings on the properties concerned, Sykes agreed that all bookings taken as at the date of appointment would be honoured with the continued assistance of Amos Leisure Limited in order to maximise realisations in the administration. The holiday agent has released funds on a monthly basis and certain trading costs have been met. Unfortunately, at the end of October 2015 Sykes contacted the Joint Administrators to advise that post 31 October 2015 bookings would be cancelled and customers refunded.

Amos Commercial Limited - In Administration Joint Administrators' Progress Report

This action was taken without any consultation with the Joint Administrators and took place immediately after a busy October half-term holiday period

As payments of holiday let income were made to the Joint Administrators one month in arrears, Sykes utilised the funds they were holding in respect of the October rentals to discharge certain costs / charges and refunds

This matter has been referred to the Joint Administrators' solicitors who are looking into the legality of these deductions and whether they were bona fide

The holiday bookings have now ceased and no new bookings have been accepted since the appointment date of 24 March 2015. The Joint Administrators are currently in the process of carrying out a final reconciliation and accounting for any outstanding costs from the bookings proceeds in respect of the trading period

The next report provided by the Joint Administrators to creditors will contain a full, detailed breakdown of the total sale proceeds, the management fees of Amos Leisure Limited and the total trading costs once final trading can be reflected

Whilst the receipts and payments account attached at Appendix A shows a trading deficit of £2797 95, it is noted that around £20000 has been utilised by Sykes and not remitted to the administration estate in respect of the October 2015 rental income. As detailed above, we are seeking legal advice in this respect

2 9 Rental Income from Flat 2, 137 Park Road, Buxton, Derbyshire SK17 6NS

The sum of £5600 plus VAT has been received in rental income from Flat 2, 137 Park Road, Buxton, Derbyshire SK17 6NS which is paid on a monthly basis

2 10 Cash at Bank

At the date of appointment, the sum of £984 88 was held in the Company's bank account with Barclays Bank Plc and has been recovered for the benefit of creditors

2 11 Other Assets

The sum of £35 36 has been received in bank interest on the monies held in the administration bank account

3. Extension of Administration

3 1 In view of the property sales listed at sections 2 2, 2 3, 2 4 and 2 5 above which are nearing completion and the properties still to be sold as listed at section 2 6 above, in accordance with Paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986 the Joint Administrators have requested the consent of the secured creditors that the term of the administration be extended by a further twelve months from the automatic end date of 23 March 2016, thereby extending the term of the administration to 23 March 2017

3 2 This should provide sufficient time for the agreed property sales to be completed and for sales to be arranged for the unsold properties

Amos Commercial Limited - In Administration
Joint Administrators' Progress Report

4. Investigations

- 4 1 In accordance with the Company Directors Disqualification Act 1986, I am required to submit a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (**BIS**). As this is a confidential report, I am not able to disclose the contents
- 4 2 The co-operation of directors Colin Amos and Dorothy Amos with the Joint Administrators has been limited. Information requested by the Joint Administrators to carry out their statutory duties and to assist in the day-to-day running of the administration has not been supplied by the directors

5. Pre-administration Costs

- 5 1 The pre-administration costs were reported in the total sum of £6843 50 in my proposals dated 15 May 2015 as follows -

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payment made by	Unpaid £
Harrisons Business Recovery and Insolvency Limited	Advice on the financial position of the company and consideration of available options	3843 50	Nil	N/A	3843 50
Walker Morris LLP	Legal advice with appointment application	3000 00	Nil	N/A	3000 00

- 5 2 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of the secured creditors to whom a full breakdown has been provided

As the Joint Administrators estimate that the company has insufficient property to enable a distribution to be made to the unsecured creditors, approval will be sought from the secured and, if appropriate, any preferential creditors in accordance with R2 67A

6. Joint Administrators' Remuneration

- 6 1 It is the Joint Administrators' intention to seek approval for their remuneration by reference to the time properly spent by them and their staff in managing the Administration. As there are no preferential creditors and there is currently no prospect of distribution to unsecured creditors, the remuneration and disbursements of the Joint Administrators shall be fixed by agreement with the secured creditors in accordance with R2 106 of the Insolvency Rules 1986. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner
- 6 2 My time costs for the period from 24 September 2015 to 3 March 2016 are £33284 00. This represents 134 5 hours at an average rate of £247 46 per hour. Attached at Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent in managing the Administration. No remuneration has yet been drawn

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- 6 3 Also attached at Appendix D is a cumulative Time Analysis for the full period of the administration from 24 March 2015 to 3 March 2016 which provides details of my time costs since appointment.

It will be noted that a considerable amount of time in this Administration has been undertaken at director level due to the complexity of these proceedings, particularly in reporting on developments to Sterling Property Developments Limited, the appointing secured creditor.

A significant amount of time spent dealing with this matter is classified in the 'Administration and Planning' section of the Time Analysis attached at Appendix B. This includes time spent dealing with the administration and setup of the case, general correspondence in the performance of Joint Administrators' duties and statutory reporting obligations such as the proposals dated 15 May 2015 drafted pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and the progress report dated 22 October 2015.

A substantial amount of time has also been spent in inspecting and reviewing the property portfolio. Following the various offers to purchase the properties owned by the Company, there has been considerable time spent on negotiations, contract preparation and monitoring the progress of the prospective sales.

This includes significant negotiations between the purchasers and Sterling in addition to liaising with our solicitors who have drafted comprehensive sales documentation for sales which have not been able to progress.

The largest amount of time incurred by the Joint Administrators has been spent in continuing to trade the Company through the operation of the holiday lettings which had already been booked at the date of appointment, which has not been without difficulty. This has involved liaising with both the holiday rental agent and Amos Leisure Limited, dealing with service suppliers and utility companies and reconciling the trading accounts.

Time has also been incurred in liaising with the unsecured creditors, compiling creditor claims information and in the ongoing investigations.

- 6 4 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://harrisons.uk.com/creditors-guide-fees>

Attached at Appendix E is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

- 6 5 Since the date of appointment, no Category 2 disbursements have been drawn.

- 6 6 At the date of this report, the Joint Administrators' total outstanding time costs are £223,315.50 and the total outstanding disbursements are £40,826.62, all of which remain unpaid.

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

7. Joint Administrators' Expenses

7 1 The following expenses have been incurred since my appointment as Administrator -

Supplier Service Provider	/	Nature of incurred of	expense	Amount incurred to date £	Paid to date £	Amount Outstanding £
Walker Morris LLP		Legal Advice throughout the administration relating to the general management of the case, realisation of assets, investigations and liaising with other legal representatives		65000 00	-	65000 00
AUA Insolvency Services	Risk	Property Insurance		14421 74	6983 77	7437 97
Winterhill Property Valuation Limited	Largo Valuation	Valuation and Disposal Advice		-	-	-

8. Estimated outcome for creditors

8 1 Secured Creditors

Sterling Property Developments Limited holds a fixed and floating charge over the Company's assets which had the sum of £5177167 01 outstanding as at 23 March 2015 immediately prior to the appointment of the Joint Administrators

Mrs Glynis Plant holds a first fixed charge over the property and land at Garden House, Tongue Lane, Buxton, Derbyshire SK17 7PA (Land Registry title numbers DY410695 and DY384646) with the estimated sum of £160000 outstanding as noted at section 2 3 above. It is anticipated that this fixed charge will be novated and remain in place under the prospective sale of the property and land to Amos Homes (Buxton) Limited

8 2 Preferential Creditors

There are no known preferential creditors

8 3 Unsecured Creditors

I have received claims totalling £42519 39 from eleven unsecured creditors. As noted in section 4 2 above, I have received only limited company information from directors Colin Amos and Dorothy Amos. I am therefore unable to estimate whether there are significant further claims still to be submitted in the administration.

A floating charge formerly held by Lloyds TSB Bank plc was formally assigned to Sterling Property Developments Limited on 11 October 2011 with the signed agreement of the directors of Amos Commercial Limited. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors known as the 'Prescribed Part'.

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Based on present information, however, I do not consider that there will be any net property available after taking into account the costs of the proceedings. For the avoidance of doubt, all properties are subject to the fixed charges of the secured creditors as detailed in section 8.1 above. Please be aware that the value of this fund may fluctuate during the course of the Administration and further updates will be provided in my progress reports in due course.

9. Ending the Administration

The proposals dated 15 May 2015 which were deemed approved on 27 May 2015 permitted the Joint Administrators to use the following exit routes when completing the administration -

Dissolution of the Company

If the Joint Administrators think that the Company has no property which might permit a distribution to its unsecured creditors, it is proposed that they file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company. They will send copies of these documents to the Company and its creditors. The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory Liquidation

In order to enable legal proceedings under Sections 213 or 214 of the Insolvency Act 1986, if appropriate, the Joint Administrators will issue a petition to wind up the Company and seek the appointment as Joint Liquidators in the compulsory liquidation.

It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.

Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved. In the absence of a nomination, the Joint Administrators will seek permission of the Court to be appointed as Joint Liquidators of the subsequent compulsory liquidation.

Creditors Voluntary Liquidation

If the Joint Administrators subsequently consider that a dividend will be paid to the unsecured creditors over the amount of the prescribed part, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ('CVL') to facilitate this distribution. It is proposed that the Joint Administrators will also become the Joint Liquidators of the CVL.

It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.

Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of the subsequent CVL.

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A decision has not yet been made regarding which particular exit route will be chosen and creditors shall be kept advised of developments in this regard

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrator ceasing to have effect

10. Creditors' rights

Within twenty-one days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least five percent in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least ten percent in value of the unsecured creditors) may within eight weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive

11. Next report

The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it.



Paul Boyle
Joint Administrator
3 March 2016

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

APPENDIX A

Receipts and Payments Account for the Period from 24 September 2015 to 3 March 2016

Amos Commercial Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 24/09/2015 To 03/03/2016	From 24/03/2015 To 03/03/2016
POST APPOINTMENT SALES		
Holiday Let Income	71,054.04	211,570.55
	<u>71,054.04</u>	<u>211,570.55</u>
PURCHASES		
Amos Leisure Limited	9,894.13	96,169.75
Amos Leisure Ltd Payment on Account	24,000.00	24,000.00
	<u>(33,894.13)</u>	<u>(120,169.75)</u>
TRADING EXPENDITURE		
Business Rates - Staffordshire Moorlan	10,253.80	10,253.80
Sykes Commission & Charges	11,390.52	32,451.94
Linen	4,570.64	16,933.52
Peak Oil Products (Northern) Limited	1,213.97	4,086.81
TV Licensing	NIL	145.50
Water Treatment and septic tank emp	5,088.00	8,278.00
Electricity - E-On	8,401.07	15,793.82
Electricity - NPower	936.52	972.22
Environment Agency Licence	NIL	602.00
Peak Waste	858.00	858.00
Customer Compensation	1,764.24	3,823.14
	<u>(44,476.76)</u>	<u>(94,198.75)</u>
TRADING SURPLUS/(DEFICIT)	<u>(7,316.85)</u>	<u>(2,797.95)</u>

Amos Commercial Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 24/09/2015 To 03/03/2016	From 24/03/2015 To 03/03/2016
SECURED ASSETS			
200,000 00	Flat 2,137 Park Road, Buxton	NIL	NIL
360,000 00	St Mary's Mount and Birchwood	NIL	NIL
240,000 00	Garden House (After 1st Charge dedu	NIL	NIL
960,000.00	Ramshorn Estate Holiday Lodges	NIL	NIL
475,000 00	Tissington Ford Barn, Bradbourne	NIL	NIL
725,000 00	Valley View Barn, Bradbourne	NIL	NIL
1,080,000 00	Land at Leek Road, Warslow	NIL	NIL
		NIL	NIL
SECURED CREDITORS			
(5,177,167 01)	Sterling Property Developments Limite	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
	Exclusivity Deposit Retained	15,054 44	15,054.44
984 88	Cash at Bank	NIL	984.88
	Rent - Park Road Apartment	3,100.00	5,600 00
	Bank Interest Gross	26.38	35 36
	Trading Surplus/(Deficit)	(7,316 85)	(2,797 95)
		10,863 97	18,876 73
COST OF REALISATIONS			
	Cat 1 Bordereau	NIL	6,983 77
		NIL	(6,983 77)
UNSECURED CREDITORS			
(14,067.78)	Trade and Expense Creditors	NIL	NIL
Uncertain	Director's Loan Account - C Amos	NIL	NIL
Uncertain	HM Revenue & Customs - PAYE/NI	NIL	NIL
Uncertain	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,150,349.91)		10,863.97	11,892.96
REPRESENTED BY			
	VAT Receivable		32,412 10
	Bank 2 - Current		22,794 96
	VAT Payable		(43,314 10)
			11,892.96

**Amos Commercial Limited - In Administration
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APPENDIX B

**Cumulative Receipts and Payments Account for the Period from 24 March 2015 to 3 March
2016**

**Amos Commercial Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs	From 24/03/2015 To 03/03/2016	From 24/03/2015 To 03/03/2016
POST APPOINTMENT SALES		
Holiday Let Income	211,570 55	211,570 55
	<u>211,570.55</u>	<u>211,570 55</u>
PURCHASES		
Amos Leisure Limited	96,169 75	96,169 75
Amos Leisure Ltd Payment on Account	24,000 00	24,000 00
	<u>(120,169 75)</u>	<u>(120,169 75)</u>
TRADING EXPENDITURE		
Business Rates - Staffordshire Moorlan	10,253 80	10,253 80
Sykes Commission & Charges	32,451 94	32,451 94
Linen	16,933 52	16,933 52
Peak Oil Products (Northern) Limited	4,086.81	4,086 81
TV Licensing	145.50	145 50
Water Treatment and septic tank emp	8,278 00	8,278 00
Electricity - E-On	15,793 82	15,793.82
Electricity - NPower	972 22	972 22
Environment Agency Licence	602 00	602 00
Peak Waste	858.00	858 00
Customer Compensation	3,823.14	3,823.14
	<u>(94,198 75)</u>	<u>(94,198 75)</u>
TRADING SURPLUS/(DEFICIT)	<u>(2,797.95)</u>	<u>(2,797.95)</u>

Amos Commercial Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 24/03/2015 To 03/03/2016	From 24/03/2015 To 03/03/2016
	SECURED ASSETS		
200,000.00	Flat 2,137 Park Road, Buxton	NIL	NIL
360,000 00	St Mary's Mount and Birchwood	NIL	NIL
240,000.00	Garden House (After 1st Charge dedu	NIL	NIL
960,000 00	Ramshorn Estate Holiday Lodges	NIL	NIL
475,000.00	Tissington Ford Barn, Bradbourne	NIL	NIL
725,000 00	Valley View Barn, Bradbourne	NIL	NIL
1,080,000 00	Land at Leek Road, Warslow	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(5,177,167 01)	Sterling Property Developments Limite	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Exclusivity Deposit Retained	15,054 44	15,054 44
984 88	Cash at Bank	984 88	984 88
	Rent - Park Road Apartment	5,600 00	5,600.00
	Bank Interest Gross	35.36	35 36
	Trading Surplus/(Deficit)	(2,797.95)	(2,797.95)
		18,876 73	18,876.73
	COST OF REALISATIONS		
	Cat 1 Bordereau	6,983 77	6,983 77
		(6,983.77)	(6,983.77)
	UNSECURED CREDITORS		
(14,067 78)	Trade and Expense Creditors	NIL	NIL
Uncertain	Director's Loan Account - C Amos	NIL	NIL
Uncertain	HM Revenue & Customs - PAYE/NI	NIL	NIL
Uncertain	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,150,349.91)		11,892.96	11,892.96
	REPRESENTED BY		
	VAT Receivable		32,412 10
	Bank 2 - Current		22,794 96
	VAT Payable		(43,314 10)
			11,892.96

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

APPENDIX C

Time Analysis for the Period from 24 September 2015 to 3 March 2016

Time Entry - Detailed SIP9 Time & Cost Summary

AMOSC004 - Amos Commercial Limited
From 24/09/2015 To 03/03/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	0 00	2 80	24 60	8 10	35 50	7,061 00	198 62
101 Case planning	0 00	0 00	1 00	0 60	1 60	275 00	171 88
104 Maintenance of records	0 00	0 10	0 00	0 00	0 10	27 50	275 00
105 Statutory reporting	0 00	1 30	0 00	0 20	1 50	385 50	257 00
106 Cashiering	0 00	1 40	19 10	0 00	20 50	4 396 00	214 44
107 Bordereau	0 00	0 00	0 00	7 30	7 30	1,022 00	140 00
108 Case Review / Diary	0 00	0 00	0 20	0 00	0 20	42 00	210 00
109 Dealing with Debtor / Directors	0 00	0 00	2 30	0 00	2 30	483 00	210 00
115 Insurance	0 00	0 00	0 30	0 00	0 30	63 00	210 00
			1 70	0 00	1 70	357 00	210 00
Administration & Planning	0 00	2 80	24 60	8 10	35 50	7,061 00	198 62
500 Creditors	0 00	0 00	0 00	0 00	0 00	189 00	210 00
503 Claims Government Departments	0 00	0 00	0 50	0 00	0 50	105 00	210 00
508 Secured Creditors	0 40	2 50	0 00	0 00	2 90	847 50	292 24
Creditors	0 40	2 50	1 40	0 00	4 30	1,141 50	265 47
200 Investigations	0 00	0 80	10 60	0 00	11 20	2 391 00	213 48
202 CDDA reports	0 70	0 00	0 00	0 00	0 70	290 00	400 00
Investigations	0 70	0 80	10 60	0 00	11 90	2,671 00	224 45
300 Realisation of assets	0 00	3 20	0 50	0 00	3 70	985 00	266 22
304 Sale of business and assets	0 00	10 70	0 00	0 00	10 70	2,942 50	275 00
305 Land and Property	5 10	0 20	15 50	0 00	20 80	5 175 00	248 80
Realisations of Assets	5 10	14 10	16 00	0 00	35 20	9,102 50	258 59
400 Trading	0 00	0 00	10 10	0 00	10 10	2,121 00	210 00
401 Management of operations	7 70	18 30	0 00	0 00	26 00	8,112 50	312 02
402 Accounting for trading	0 00	10 30	1 20	0 00	11 50	3 084 50	268 22
Trading	7 70	28 60	11 30	0 00	47 60	13,318 00	279 79
Total Hours	13 90	48 60	63 90	8 10	134 50	33,284 00	247 46
Total Fees Claimed						0 00	

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

APPENDIX D

Cumulative Time Analysis for the Period from 24 March 2015 to 3 March 2016

Time Entry - Detailed SIP9 Time & Cost Summary

AMOSC004 - Amos Commercial Limited
From 24/03/2015 To 03/03/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	2 70	6 60	4 80	3 20	17 30	4 358 00	251 81
101 Case planning	5 90	10 20	0 30	0 00	16 40	5 220 50	318 32
102 Administrative set up	0 00	1 20	4 60	0 00	5 80	1 296 00	223 45
103 Appointment notification	0 00	0 60	0 00	0 00	0 60	165 00	275 00
104 Maintenance of records	0 00	3 80	14 20	0 70	18 70	4 125 00	220 58
105 Statutory reporting	5 90	1 80	55 40	0 00	63 10	14 488 00	229 82
106 Cashiering	0 00	0 20	0 00	13 00	13 20	1 875 00	142 05
107 Bordereau	0 00	0 00	0 20	0 00	0 20	42 00	210 00
108 Case Review / Diary	1 40	1 60	4 30	0 00	7 30	1 903 00	260 68
109 Dealing with Debtor / Directors	8 00	3 10	3 60	0 00	14 70	4 808 50	327 11
112 Dealing with Existing Advisors	12 90	0 10	1 20	0 00	14 20	5 439 50	383 06
113 Dealing with Directors	0 00	3 40	3 40	0 00	6 80	1 649 00	242 50
114 Validity of Charges	7 40	2 70	0 00	0 00	10 10	3 702 50	366 58
115 Insurance	0 00	1 10	6 20	0 00	7 30	1 604 50	219 79
120 General Correspondence	0 00	7 80	0 00	0 00	7 80	2 080 00	275 00
123 Appt Holder VAT and Tax Returns	0 00	0 00	0 30	0 00	0 30	63 00	210 00
Administration & Planning	44 20	44 00	98 50	16 90	203 60	62 830 50	259 48
500 Creditors							
501 Communication with creditors	0 00	1 60	17 70	0 00	19 30	4 167 00	215 39
503 Claims Government Departments	0 00	0 00	0 30	0 00	0 30	63 00	210 00
504 Claims Trade and Expense	0 00	0 60	0 60	0 00	1 20	105 00	210 00
508 Secured Creditors	35 40	29 70	0 00	0 30	65 40	165 00	275 00
Creditors	35 40	31 90	18 50	0 30	86 10	22 372 50	342 09
200 Investigations							
202 CDDA reports	9 20	5 50	19 30	0 00	34 00	9 245 50	271 83
Investigations	11 30	5 50	19 30	0 00	36 10	10 085 50	279 36
300 Realisation of assets							
301 Ident, securing and insuring assets	0 40	19 30	4 70	1 50	25 90	6 644 50	256 54
304 Sale of business and assets	0 00	6 20	1 50	0 00	7 70	2 020 00	262 34
305 Land and Property	33 70	39 80	0 00	0 90	74 40	24 560 00	330 11
307 Other Assets	39 80	14 40	26 90	1 20	82 30	25 534 00	310 26
309 Fixed Charge Property(Goodwill)	0 00	0 20	0 00	0 00	0 20	55 00	275 00
Realisations of Assets	73 90	79 90	33 10	4 80	191 70	58 993 50	307 74
400 Trading							
401 Management of operations	44 30	0 20	46 90	2 20	93 60	27 941 50	288 52
402 Accounting for trading	35 30	80 90	0 00	0 00	116 20	36 387 50	312 97
Trading	79 60	117 40	48 10	2 20	247 30	74 543 50	301 43
Total Hours	244 40	278 70	217 50	24 20	764 80	223 316 50	281 89
Total Fees Claimed			Version 15-01-14			0 00	

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

APPENDIX E

**Additional Information in Relation to Administrators' Fees Pursuant to Statement of
Insolvency Practice 9**

Amos Commercial Limited - In Administration Joint Administrators' Progress Report

Policy

Detailed below is Harrison's Business Recovery and Insolvency Limited's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

Staff Allocation and the use of Sub-contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Director, a Manager, a Case Supervisor and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We are not proposing to utilise the services of any sub-contractors in this case.

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Walker Morris LLP (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services (insurance)	Risk based premium
Winterhill Largo Property Limited (valuation and disposal advice)	Percentage of realisations

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 our fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Amos Commercial Limited - In Administration
Joint Administrators' Progress Report

On this case the following Category 2 disbursements have been incurred since my last report

	£
Type and purpose	
Travel and subsistence	232 50
Printing, Postage and Stationery	138 12
Storage	11 00

Charge-out rates

A schedule of Harrisons Business Recovery and Insolvency Limited's charge-out rates for this assignment is detailed below. Please note that the charge-out rates are effective from 1 July in each period -

	2014/2015	2015/2016
	£	£
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150

Please note that this firm records its time in minimum units of six minutes

Harrisons Business Recovery and Insolvency Limited Fee Policy

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

The following information relating to the policy of Harrisons Business Recovery and Insolvency Limited is considered to be relevant -

2. Charge out rates

The following hourly charge out rates apply to all assignments undertaken by Harrisons Business Recovery and Insolvency Limited. Please note that the charge-out rates are effective from 1 July in each period -

	2014/2015	2015/2016
	£	£
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150

Please note that Harrisons Business Recovery and Insolvency Limited records its time in minimum units of 6 minutes

Creditors Guide to Fees can be accessed at www.icaew.co.uk/en/technical/insolvency/creditor-guides or www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees

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 Basis

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.

4.2 Advance information where remuneration not based on time costs

Prior to the determination of the basis of remuneration, the administrator must give the creditors details of the work the administrator proposes to undertake, and the expenses he considers will be, or are likely to be, incurred. However, where the administrator proposes to take any part or all of his remuneration on a time cost basis, he must provide more detailed information in the form of a 'fees estimate', as explained below.

4.3 Fees estimates where remuneration to be based on time costs

Where the administrator proposes to take remuneration based on time costs, he must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –

- details of the work the administrator and his staff propose to undertake,
- the hourly rate or rates the administrator and his staff propose to charge for each part of that work,
- the time the administrator anticipates each part of that work will take,
- whether the administrator anticipates it will be necessary to seek approval or further approval under the Rules, and
- the reasons it will be necessary to seek such approval.

In addition, the administrator must give the creditors details of the expenses he considers will be, or are likely to be, incurred.

The fees estimate and details of expenses may include remuneration anticipated to be charged and expenses anticipated to be incurred if the administrator becomes the liquidator where the administration moves into winding up.

4.4 Who fixes the remuneration

It is for the creditors' committee (if there is one) to determine on which 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.

- 4.5 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 6 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 7 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 General principles

7.1.1 The administrator should provide those responsible for approving his remuneration with sufficient information to enable them to make an informed judgement about the reasonableness of the administrator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to creditors, while being proportionate to the circumstances of the case.

7.1.2 The administrator should disclose

- payments, remuneration and expenses arising from the administration paid to the administrator or his or her associates,
- any business or personal relationships with parties responsible for approving the administrator's remuneration or who provide services to the administrator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

The administrator should inform creditors of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.

7.1.3 Where the administrator sub-contracts out work that could otherwise be carried out by the administrator or his or her staff, this should be drawn to the attention of creditors with an explanation of why it is being done.

7.2 Key issues

7.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be

- the work the administrator anticipates will be done, and why that work is necessary,
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it,
- whether it is anticipated that the work will provide a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute),
- the work actually done and why that work was necessary,
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided,
- whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the administrator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Where it is practical to do so, the administrator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration.

7.2.2 When approval for a fixed amount or a percentage basis is sought, the administrator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the administrator anticipates will be undertaken.

7.3 Fee estimates and subsequent reports

- 7.3.1 When providing a fee estimate, the administrator should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the administrator's requests. The estimate should clearly describe what activities are anticipated to be conducted in respect of the estimated fee. When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison.

7.4 Disbursements

- 7.4.1 Costs met by and reimbursed to the administrator in connection with the administration will fall into two categories:

- Category 1 disbursements. These are payments to independent third parties where there is specific expenditure directly referable to the administration. 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. 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 may be incurred by the administrator or their firm, and that can be allocated to the administration on a proper and reasonable basis.

When seeking approval, the administrator should explain, for each category of cost, the basis on which the charge is being made. If the administrator has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the administrator is replaced.

- 7.4.2 The following are not permissible as disbursements:

- 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 Exceeding the amount set out in the fees estimate

Remuneration must not exceed the fees estimate without approval by the body which fixed the original basis of the remuneration. The request for approval must specify –

- the reason why the administrator has exceeded, or is likely to exceed, the fees estimate,
- the additional work the administrator has undertaken or proposes to undertake,
- the hourly rate or rates the administrator proposes to charge for each part of that additional work,
- the time that additional work has taken or the administrator anticipates that work will take,
- whether the administrator anticipates that it will be necessary to seek further approval, and
- the reasons it will be necessary to seek further approval.

9 Progress reports and requests for further information

- 9.1 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,
- where appropriate, a statement –
 - that the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate,
 - that expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration, and
 - the reason for that excess
- the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate,
- the expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration, and
- the reasons for that excess,
- 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

9 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

9 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

10 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

11 What if a creditor is dissatisfied?

- 11 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
- 11 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
- 11 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

12 What if the administrator is dissatisfied?

- 12 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

13 Other matters relating to remuneration

- 13 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

- 13 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
- 13 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
- 13 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

14 Effective date

This guide applies where a company enters administration on or after 1 October 2015

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 sub-divided) 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

**Amos Commercial Limited - In Administration
Joint Administrators' Progress Report**

**APPENDIX F
Statutory Forms**

The Insolvency Act 1986

Administrator's progress report

Name of Company

Amos Commercial Limited

Company number

05636149

In the
High Court of Justice, Chancery Division, Leeds
District Registry

(full name of court)

Court case number
275 of 2015(a) Insert full
name(s) and
address(es) of

administrator(s)

I/We (a)

Paul Boyle

Harrisons Business Recovery and Insolvency
Limited

102 Sunlight House

Quay Street

Manchester

M3 3JZ

David Clements

Harrisons Business Recovery and Insolvency
Limited

102 Sunlight House

Quay Street

Manchester

M3 3JZ

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

From

To

(b) Insert date

(b) 24 September 2015

(b) 3 March 2016

Signed


Joint Administrator

Dated

3 March 2016