

The Insolvency Act 1986

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

Name of Company	Company number
Quickdax Limited	05541283
In the	Court case number
Manchester District Registry [full name of court]	2341 of 2014

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

I,
 Andrew Rosler
 Ideal Corporate Solutions Limited
 3rd Floor, St George's House
 St George's Road
 Bolton
 BL1 2DD

attach a copy of my proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on 22 May 2014

(b) Insert date

(b)

Signed

Administrator

Dated

20/5/2014

SATURDAY



A38KSXQZ

A06

24/05/2014

#236

COMPANIES HOUSE

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 searches of the public record.

Ideal Corporate Solutions Limited, Third Floor, St George's House, St George's Road, Bolton BL1 2DD	
Tel 01204 663000	
DX Number	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

DX33050 Cardiff

**QUICKDOX LIMITED
(IN ADMINISTRATION)**

**THE ADMINISTRATOR'S STATEMENT OF PROPOSALS IN ACCORDANCE WITH
PARAGRAPH 49(1) SCHEDULE B1 INSOLVENCY ACT 1986**

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1. INTRODUCTION

- 1 1 Andrew David Rosler ("the Administrator") of Ideal Corporate Solutions Limited ("ICS") was appointed Administrator of Quickdox Limited ("the Company") in the Manchester District Registry of the High Court on 28 March 2014 (No 2341 of 2014)
- 1 2 The Administrator has no prior material, professional relationship with the Company, its directors or shareholders
- 1 3 The Company was placed into Administration following the filing of an out of Court application by the Director, Mr Mark Butterwick
- 1 4 The Administrator has agreed to exercise all functions of the Administration under Schedule B1 of the Insolvency Act 1986
- 1 5 It is considered that EC Regulation on Insolvency Proceedings applies to these proceedings and that they are considered to be main proceedings as defined by Article 3 of the EC Regulations (1346/2000)
- 1 6 Under Schedule B1 of the Insolvency Act 1986 the Administrator of a Company must perform his functions with the hierarchical objective of
 - a) Rescuing the company as a going concern, or
 - b) Achieving a better result for the Company's creditors as a whole than would be achievable if the Company were wound up (without first being in Administration), or
 - c) Realising property in order to make a distribution to one or more secured or preferential creditors
- 1.7. This document is produced for the sole purpose of paragraph 49 of Schedule B1 of the Insolvency Act 1986. It will assist creditors in understanding why Administration was necessary by providing a background to the Administration together with an explanation of what has taken place since the appointment of the Administrator

**STATEMENT OF CLAIM
IN THE MATTER OF
QUICKDOX LIMITED
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986**

Administration order granted on 28 March 2014

1 Name of Creditor	
2 Address of Creditor	
3 Total amount of claim including any Value Added Tax and outstanding uncapitalised interest	£
4 Details of any document(s) by reference to which the debt can be substantiated
5 If total amount above includes outstanding uncapitalised interest please state amount	£
6 Do you regard your debt as preferential under Section 386 of, and Schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	<p>Yes/No</p> <p>If Yes, state in what amount</p> <p>£</p>
7 Do you hold security	<p>Yes/No</p> <p>If Yes, provide details</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>What do you consider to be its value</p> <p>£</p>
8. Do you claim to have retained	Yes/No

title in any goods supplied?	If Yes, what do you consider the mount by which your claim will reduce in the event you are able to substantiate your claim to title and rely thereon £
9 Signature of Creditor or person authorised to act on his behalf	
Name in BLOCK LETTERS	.
Position with or relation to Creditor	

Admitted to vote for £

Date

Administrator

2. HISTORY

- 2 1 The Company was incorporated on 19 August 2005 and began to trade at this time
- 2 2 The Company was part of the P2P Group. Please refer to Appendix two for details of the full group structure and each of the Companies' trading activities. The first group structure has been drafted as per the Companies' last annual returns. Following the filing of these returns the Companies underwent some restructuring which is evidenced as per the second group structure. Enquiries are ongoing with the Companies' accountants and legal advisors to establish if these share transfers occurred.
- 2 3 There were a total of eleven companies ultimately owned by P2P Holdings Limited of which, in addition to the Company, the following have now been placed into Administration
- Precision Claims Limited
 - Credit Agreement Limited
 - We Review Limited
 - Wise Review Limited
 - Wise Appointments Limited
 - People to People Group Limited
- 2 4 The Company's primary function was to collect legal and/or financial documents from individuals' homes on behalf of its clients. This was facilitated by a network of self-employed agents who would take instruction from the Company via a bespoke booking system.
- 2 5 The Company's clients tended to be financial institutions, debt advice firms, solicitors and claim management companies.
- 2 6 The Company traded from leasehold premises at Ribble House, Ribble Business Park, Blackburn having relocated there as part of substantial expansion plans.
- 2 7 Accounts for the period ending 31 December 2012 showed turnover of £2,768,718, a net profit before tax of £219,440 and reserves of £97,272.
- 2 8 Despite the strong trading results, the Company's cash flow had been strained due to the funding of the expansion plans of the whole group. This was evidenced by substantial inter-company loan account balances.
- 2 9 In late 2012 the senior management team, which consisted of Mark Butterwick and Paul Brackenridge, were being put under increasing pressure from the operations directors of the various group companies. The latter alleged that they had little or no control over the individual companies they were appointed Directors over and that liabilities had started to increase.
- 2 10 In order to formalise these concerns, a group board meeting was arranged that was attended by the Companies' solicitors. Following this meeting, various individual group company Directors expressed a desire to resign and ultimately a number of Directors left under compromise agreements.
- 2 11 In addition, in November 2012 it was discovered that Paul Brackenridge ("PB") was in fact a disqualified Director. He had been with the group since April 2011.

- 2 12 Internal investigations were made by the Company into PB's conduct and activities and he was subsequently suspended by the Company pending the ongoing enquiries
- 2 13 It was later discovered that the group had escalating levels of debt and obligations that it could not meet
- 2 14 This included a group VAT liability which PB had previously advised the board was approximately £400,000 but which it is believed may have been such that the total liability to HMRC was in the region of £1 2 million
- 2 15 In February 2014 the Managing Director Mark Butterwick approached Ideal Corporate Solutions Limited ("ICS") for advice on the options available to the Companies
- 2 16 It was ICS' initial view that the majority of the group debt related to HMRC and that given the historical accounts and valuation of the pipeline business it was envisaged that a Time to Pay Arrangement or failing that a Company Voluntary Arrangement might be appropriate
- 2 17 Following a short period of investigation, it transpired that the cash flow position of the Group was far more acute than initially thought and that essential obligations including premises costs and wages were unlikely to be paid. The financial projections of the group compiled by ICS suggested that it was not going to return to a level of profitability and cash generation that would allow it to offer any structured repayments to the creditors
- 2 18 On a positive note however, there was still value in the pipeline and ICS were confident that value could be achieved via a disposal through Administration
- 2 19 Unfortunately, in the interim period the landlords of the trading premises in Blackburn made various demands regarding the outstanding rent and sought to enforce their rights under the terms of the lease. The Company was unable to meet these demands and under the advice of ICS, a Notice of Intention to Appoint an Administrator ("NOIA") was filed forthwith to prevent the landlord from exercising his right to forfeiture or distraint
- 2 20 However, the landlord also controlled the Company's telephony and IT infrastructure and the filing of the NOIA did not preclude the landlord's right to terminate this infrastructure. Consequently, the Company vacated the premises and sought alternative premises
- 2 21 In addition the filing of the NOIA was leaked to a local newspaper that ran an article revealing that the Group was insolvent and about to close. This action had an extremely negative impact on the businesses and derailed ICS' attempts to undertake a discreet marketing campaign prior to Administrators being appointed
- 2 22 As a result of the above publicity various clients sought to place their appointments with other firms and several employees began to seek alternative employment due to their concerns regarding the payment of their wages
- 2 23 Furthermore, the Companies' bank placed a number of restrictions on all of the bank accounts and would only allow nominal, essential payments to be made
- 2 24 The Company's invoice finance funder allowed one draw down in order that the Company's monthly payroll could be met
- 2 25 In view of these issues attempts were made to escalate the disposal of the business or to seek additional finance but no suitable offers were received

- 2 26 It was clear that the business was losing any potential value on a daily basis and consequently the Directors placed the Company into Administration on 28 March 2014

3. CONDUCT OF THE ADMINISTRATION TO DATE AND ASSET REALISATIONS

- 3 1 Following my appointment as Administrator an immediate assessment of the status of all previously interested parties was undertaken and approaches were made to other potential purchasers, including private equity companies and trade competitors
- 3 2 Discussions were also continued with Mark Butterwick who had previously submitted various proposals to take the business forward through a new entity.
- 3 3 Numerous impediments were encountered, which made negotiations difficult. Initially the enforced move from the former trading premises had caused substantial IT and telephony issues that for a period of time had made operational trading virtually impossible. Consequently, online appointment setting and co-ordination was delayed for a significant period of time and a number of key phone number and IT related services were never recovered.
- 3 4 The advanced publicity caused by the aforementioned leak to the press, coupled with the operational issues, led to various clients terminating their agreements with the Company.
- 3 5 Furthermore, many representatives utilised by the Company were self-employed and were also contracted to other document collection companies. This led to some of the representatives severing their ties with the Company and they were able to pass referrals freely to other competitors. In addition a number of employees left the Company and took up new positions of employment with local competitors.
- 3 6 The compound effect of all of the above was that the Company's competitors saw no value in the Company as its clients, representatives and employees were readily available and had already begun to move away.
- 3 7 The booking system used by the Company (known as "DASH"), was a unique selling point but was in fact licensed to the Director personally and not the Company.
- 3 8 While the Company eventually moved to new premises in Skelmersdale, these offices were still in a state of partial completion and did not have the requisite IT infrastructure needed for the scale and nature of the Company's operation.
- 3 9 The premises were also a sizeable distance away from where the majority of the employees lived and this would have caused unavoidable resignations in the medium term.
- 3 10 Notwithstanding all of the above issues the Company managed to keep trading and booking appointments with clients, which were facilitated through a core network of representatives.
- 3 11 Alongside the overseeing of trade, negotiations were ongoing with the remaining interested parties, which included a private equity firm, the former landlord and the Director.
- 3 12 Unfortunately, shortly after appointment, a number of key staff resigned en masse with a view to joining a new competitor recently set up by a former senior employee. Such staff included key sales people, co-ordinators and most critically, the existing IT team. In addition, inflammatory communications were issued by the employee who had set up the new business, which suggested the Company would proceed into Liquidation and the representatives and staff would not be paid. The competitor commenced trading from the Company's former trading premises in Blackburn.

- 3 13 In addition to the huge operational damage caused by the above action, it also resulted in one interested party substantially reducing its offer
- 3 14 Due to the heavy reliance on the IT team to
- Manage the day to day operations of the Company
 - Protect the integrity and security of the data
 - Install all of the IT infrastructure across both sites and
 - To assist the Administrators in discharging their responsibility to prospective purchasers
- their resignations threatened to undermine the Company's viability
- 3 15 Prior to appointment independent IT consultants were engaged to oversee the IT and data systems, which ensured the above impediments, were overcome and all crucial data and systems issues were avoided. In addition the co-operation of the former IT team was secured so that most of the urgent tasks were undertaken
- 3 16 Advice was also taken on whether the actions of the former employees who resigned without notice and set up in direct competition, breached the covenants of their contracts of employment. Accordingly, solicitors were instructed to apply for injunctions to mitigate any commercial loss by the alleged breaches
- 3 17 However, shortly before the applications were due to be heard, an agreement was reached with a company controlled by the former landlords operating as PCC Limited ("PCC") for a sale of the Company's business and assets together with certain assets of other group companies
- 3 18 The sale comprised cash on completion and deferred conditional payments in respect of the business of the Company along with certain parts of the business of People to People Group Limited and Wise Appointments Limited. The total sale consideration was agreed at £175,000 of which, to date, the sum of £157,500 has been received with the additional consideration of £17,500 outstanding. This balance of £17,500 is payable upon receipt of a Deed of Release from the Company's invoice finance provider, Aldermore Bank Plc. In addition, all post Administration expenses incurred by the representatives were to be settled in full and other pre Administration expenses incurred by the representatives were also to be satisfied on various terms to be agreed between the parties. Furthermore, the post Administration employee costs and related taxes were adopted and all employee contracts were transferred under the Transfer of Undertaking (Protection of Employment) Regulations 2006
- 3 19 The remaining significant terms of the purchase included the sale of the Company's shareholding in Be The Lender Limited. This was a peer to peer lending company that had facilitated a modest level of deals, one of which was between various representatives and the Company itself. This loan was in default as of the date of the Administration, however, PCC is now in the process of offering commercial settlements to the representatives
- 3 20 Furthermore, Home Visits & Investigations Limited, a document collection company, which was a wholly owned subsidiary of the Company and had an insolvent balance sheet was also included in the sale
- 3 21 The sale included the computer equipment, goodwill, intellectual property, stock and websites. In addition, the debtor book (subject to the invoice finance agreement with

- Aldermore) was also included in the sale. The vast majority of the value lay in the leasehold improvements of the Blackburn premises and the interest held in DASH.
- 3 22 The assets of Wise Appointments Limited, another company within the group (please refer to Appendix Two) was also sold to PCC.
- 3 23 Please refer to Appendix three for a full breakdown of the sale consideration.
- 3 24 In addition, any existing rights of action were acquired under the sale including actions against former employees. The inclusion of these rights of action ultimately led to the vacation of the injunctions as referred to at 3 16.
- 3 25 It is envisaged that the conditional consideration referred to in paragraph 3 18 will be secured within the next four weeks.
- 3 26 Following the completion of the sale of the business enquiries have been ongoing into the activities of the former Directors, including de-facto and shadow Directors.
- 3 27 The Administrator's investigations are ongoing with regards to any antecedent transactions or Directors Loan Accounts. The Administrator has retained the service of an independent financial consultant to assist with specific areas of investigations.
- 3 28 Investigations to date indicate that there are grounds to bring actions against such officers for various breaches of the Companies and Insolvency Act and related statutes. It is possible that such actions may result in criminal proceedings.
- 3 29 Creditors should be aware that there are various additional powers available to a Liquidator over and above those of an Administrator. Accordingly, I consider it appropriate to expedite the exit of the Administration to a Creditors Voluntary Liquidation forthwith and I have nominated a fellow Insolvency Practitioner, experienced in general investigations to act as joint Liquidator.

4. ACHIEVING THE PURPOSE OF ADMINISTRATION

- 4.1 As advised under paragraph 1.6 above, the Administrator must perform his duties with the hierarchical function set out in a) – c)
- a) It was not possible to achieve purpose a) and rescue the company as a going concern and the Administrator is therefore pursuing purpose b) to ensure a better result for the Company's creditors as a whole than would be available if the Company were wound up (without first being in Administration) and also purpose c) realising property in order to make a distribution to one or more secured or preferential creditors

5. ADMINISTRATORS PROPOSALS

- 5.1 Under Schedule B1 of the Insolvency Act 1986 it is necessary for the Administrator to have a number of matters approved in relation to his conduct of the Administration, such as the discharge of his liability and approved exit route from Administration
- 5.2 There are a number of exit routes available to the Administrator, however as per paragraph 3.27 above, I consider it appropriate to expedite the exit of the Administration to a Creditors Voluntary Liquidation forthwith in order that the investigations into the Directors may be progressed and I be afforded the additional powers of a Liquidator to bring any appropriate course of action. Accordingly the proposed resolution dealing with the exit routes is set out below
- 5.3 The Administrator's proposals are as follows

The Administration will be brought to an end by moving the matter to a Creditors Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 in the near future and Andrew David Rosler of Ideal Corporate Solutions Limited and Elliot Green of Oury Clark be appointed as Joint Liquidators

The Administrator shall be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 of the Insolvency Act 1986 in respect of any action of his as Administrator either at a time appointed by a creditors' committee (if one should be appointed), or if there is no creditors' committee then automatically 14 days after the Administrator cease to act as Administrator of the Company. In any event the Administrator shall be at liberty to apply to Court for his discharge from liability

It is proposed under Rule 2.67 of the Insolvency Rules 1986 that the Administrator's fees and expenses incurred prior to his appointment, be paid as an expense of the Administration estate. In accordance with paragraph 49 of Schedule B1 of the Insolvency Act 1986, Rule 2.33 (2B) please find below details of the pre-appointment fees and expenses that it is proposed will be drawn as an expenses of the Administration estate

Expense	Name	Amount (£)	Details of Expense
Disbursement	ICS Ltd	9.60	Mileage
Disbursement	ICS Ltd	6.30	Train Fares
Disbursement	ICS Ltd	35.00	Swearing Fee
Disbursement	Winterhill Largo	250.00 plus VAT	Conducting inventory and valuation of Company assets
Expense of Admin	SNH Capital Management	2,100 plus VAT	Forensic Accountant
Expense of Admin	Regus	1,389.00 plus VAT	Rent
Disbursements	Freeth Cartwright	55.00 plus VAT	Legal fees in assisting with a review of the appointment documentation of the Administrator
Pre Appt time costs	ICS Ltd	23,635.00 plus VAT	Administrator's Pre Appointment Time Costs Time incurred in establishing whether the purpose of

			the Administration is reasonably likely to be achieved Time incurred in assessing the merits of a proposed pre-packaged sale of the business Negotiations with purchasers and other relevant parties, including the landlord, a Private Equity Firm and the Directors
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5 3 1 It is proposed under Rule 2 106 of the Insolvency Rules 1986 that the Administrator's fees will be fixed by reference to time properly given by him and his staff in dealing with the affairs of the Company The charge out rates for ICS are shown at Appendix seven The Administrator be entitled to draw remuneration in respect of their time costs at such time as he deems appropriate

5 3 2 The category 2 disbursements (as defined by Statement of Insolvency Practice 9) shown at Appendix seven be approved.

6. ADMINISTRATOR'S TIME COSTS AND REMUNERATION

6 1 The following grades of staff assigned to the case, together with their hourly charge out rates, are detailed below

Grade:Hourly charge out rate:

Director £300
 Senior Manager £250
 Manager £175
 Assistant Manager £150
 Administrator £100
 Trainee Administrator £75
 Cashier £75

6 2 The Administrator's time costs to date along with the category 2 disbursements are shown at Appendix six The time costs shown exclude VAT

7. RECEIPTS AND PAYMENTS ACCOUNT

- 7.1 A receipts and payments account for the period of Administration to date is attached at Appendix four
- 7.2 The receipts and payments account lists net wages of £59,081.60, which have been paid as an expense of the Administration and relates to the period 1 March 2014 to 31 March 2014. The wages that relate to the period following my appointment as Administrator on 28 March 2014 will be subject to PAYE/NI payable as a further expense of the Administration

8. STATEMENT OF AFFAIRS

- 8 1 To date a Statement of Affairs is yet to be provided by the Director and therefore a schedule of creditors provided by the Director as at the date of Administration is enclosed at Appendix five of this proposal
- 8 2 To date 6 creditors have submitted statement of claim forms totalling £304,677 03
- 8 3 The schedule of creditors at Appendix five lists a number of investors who appear to be owed money from the Company. The investments were arranged by another company within the group, who acted as a broker for the investments and the money was loaned and utilised by the Company. The Administrator is investigating the terms of these loans and as such the outstanding balances have been listed as contingent creditors

9. CREDITOR'S MEETING

- 9 1 Based on the information available to date in respect of the Administration, it is expected that there will be a distribution to unsecured creditors
- 9 2 It is therefore necessary to call a meeting of creditors under Paragraph 51 of Schedule B1 of the Insolvency Act 1986 to consider the Administrator's proposals
- 9 3 It is the Administrators intention to hold a meeting by correspondence and the appropriate forms have been provided. The Administrators must however summon a meeting if required to do so by creditors whose debts amount to at least 10% of the total debts of the Company. The request must be in the prescribed form and be made within 12 days of the date of this notice, in accordance with Rule 2.37 of the Insolvency Rules 1986

10 CREDITORS' COMMITTEE

- 10 1 Under the Insolvency Act 1986 a committee of creditors may be formed to assist the Administrator. The committee must comprise of between three and five members, it cannot have more than five
- 10 2 The function of a creditor's committee is to meet at least twice per annum and assist the Administrator with how he steers the Administration. The committee would also decide upon matters such as the Administrator's remuneration
- 10 3 Creditors who serve on the committee will not be paid for their time but are able to reclaim reasonable costs in attending meetings. It is envisioned that the majority of meetings will be held by post or remotely

APPENDIX I

STATUTORY INFORMATION

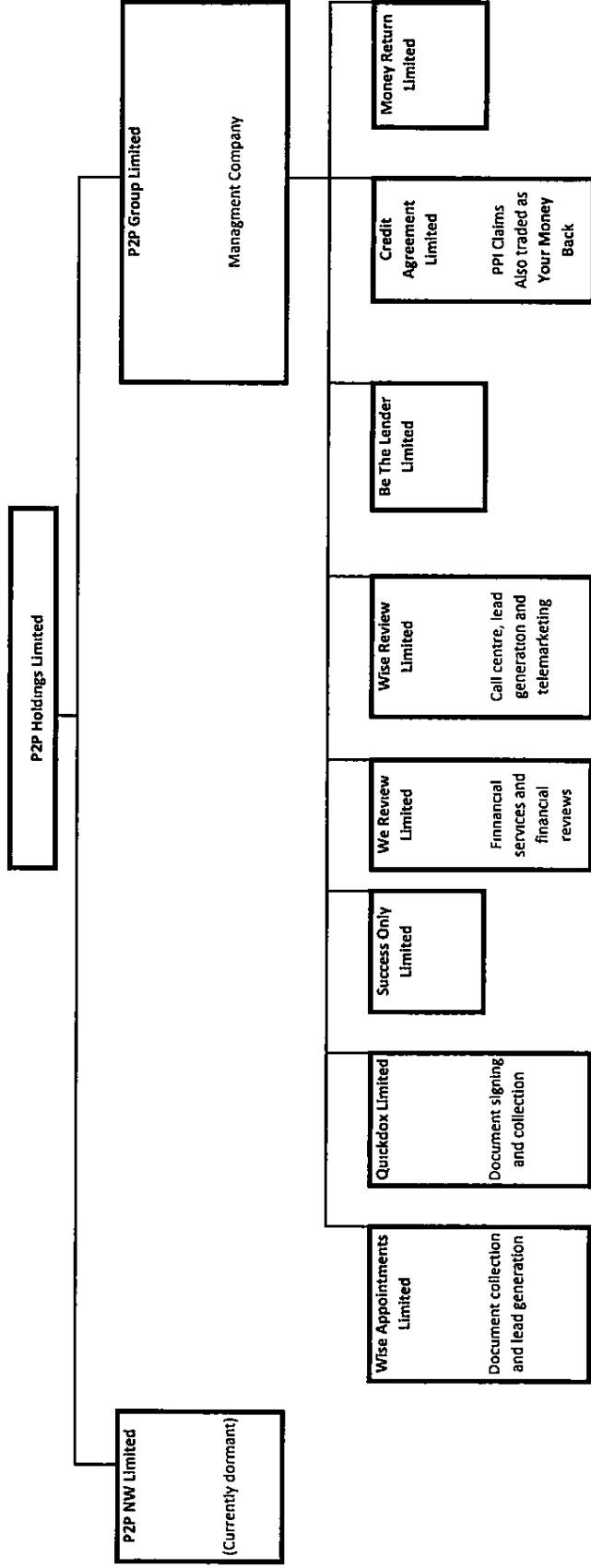
Court Name	Manchester District Registry	
Court Reference No.	2341 of 2014	
Administrator	Andrew David Rosler Ideal Corporate Solutions Limited Third Floor St George's House St George's Road Bolton BL1 2DD	
Date of Appointment	28 March 2014	
Company Name	Quickdax Limited	
Previous Names	N/a	
Company Number	05541283	
Date of Incorporation	19/08/2005	
Principal Activity	Collection of legal/financial documents	
Registered Office	C/o Ideal Corporate Solutions Limited Third Floor St George's House St George's Road Bolton BL1 2DD	
Trading Address	Peel House Peel Road Skelmersdale WN8 9PT	
Previous Trading Address	Ribble House Ribble Business Park Blackburn BB1 5RB	
Directors	Date Appointed	
Mark Butterwick	03/04/2006	To date
Company Secretary	Date Appointed	
Samantha Fearon	02/02/2001	To date

Authorised Share Capital	1,000 ordinary share of £1.00 each
Issued Share Capital	800 ordinary shares of £1 00 each

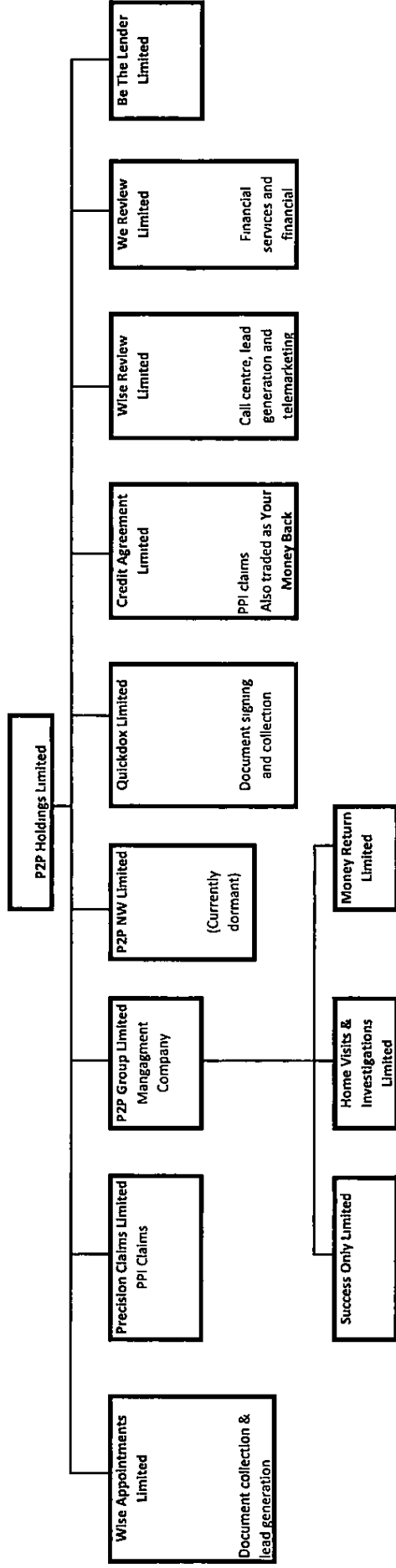
Shareholders	Number held	Class
People to People Holdings Limited	800	Ordinary

Charges	Details	Date Registered
Aldermore Bank Plc	Fixed and floating charge	04/12/2013
Santander UK Plc	Fixed and floating charge	05/07/2011

Group Structure 1- As Per Annual Return



Group Structure 2- After Restructure



Appendix Three

Breakdown of Sale Consideration

Asset	Quickdox Limited
Quickdox Limited	166,800
Wise Appointments Limited	3,200
People to People Group Limited	5,000
Total	<u>175,000</u>

APPENDIX IV

RECEIPTS AND PAYMENTS ACCOUNT FROM 28 MARCH 2014 TO DATE

Receipts and Payments Abstract: Q6041 - Quickdox Limited In Administration

Bank, Cash and Cash Investment Accounts: All Dates

SOA Value £		£	£
	ASSET REALISATIONS		
0 00	Cash at Bank	59,060 02	
0 00	Intercompany Transaction	3,745 00	
0 00	Sale of Assets	149,300 00	212,105 02
	COST OF REALISATIONS		
0 00	Employee Expenses	(2,571 00)	
0 00	Legal Fees	(29,563 05)	
0 00	Net Wages	(59,081 60)	(91,215 65)
0 00			120,889 37
	REPRESENTED BY		
	Bank 1	114,976 76	
	VAT Receivable (Payable)	5,912 61	120,889 37
			120,889 37

Creditor Listing
Q6041 - Quickdox Limited In Administration
All Creditors

PREFERRED (EMPLOYEE) CREDITORS

Creditor Name	Address	SOA	Advised	Claimed	Trans ID
Redundancy Payments Office	Cobalt Square, 83-85 Hagley Road Birmingham B16 8QG	1 00	0 00	0 00	

UNSECURED CREDITORS

Creditor Name	Address	SOA	Advised	Claimed	Trans ID
Be The Lender Limited	Ribble House, Ribble Business Park Blackburn BB1 5RB	170,000 00	170,000 00	0 00	<u>121508</u>
Blackburn Chemicals	Cunliffe Road, Whitebirk Industrial Estate Blackburn BB1 5SX	970,000 00	970,000 00	0 00	<u>121684</u>
Foreland Consulting Ltd	PO Box 356, Broadstairs Kent CT10 9BJ	0 00	0 00	66 00	<u>121382</u>
HM Revenue & Customs	Durrington Bridge House, Barrington Road Worthing BN12 4SE	1,200,000 00	1,200,000 00	273,263 54	<u>121502</u>
Mohsin Investments Limited	Unit 28, Time Technology Park, Blackburn Road, Simonstone Burnley BB12 7TW	63,680 98	63,680 98	0 00	<u>121682</u>
Monster Worldwide Limited	Chancery House, 53-64 Chancery Lane London WC2A 1QS	0 00	0 00	3,911 16	<u>121383</u>
People to People Group Limited	C/O Ideal Corporate Solutions Ltd, St Georges House , St Georges Road Bolton BL1 2DD	44,211 01	44,211 01	0 00	<u>82444</u>
seneca	Head Office, 12 The Parks Merseyside WA12 0JQ	18,000 00	18,000 00	18,000 00	<u>82440</u>
Slater Heelis	Oaklands House, 2nd Floor Suite 2, 34 Washway Road, Sale Manchester M33 6FS	4,080 00	4,080 00	0 00	<u>82441</u>
TPAD Ltd	15 Esplanade, St Helier, Jersey Jersey Channel Islands	20,428 17	20,428 17	0 00	<u>121683</u>
Voice Marketing Limited	Cardinal House, 20 St Marys Parsonage Manchester M3 2LG	0 00	0 00	3,436 33	<u>121507</u>
Wise Marketing	Top Floor, Printware Court, Cumberland Business Centre, Northumberland Road PO5 1DS	3,000 00	3,000 00	6,000 00	<u>82442</u>
Totals for Unsecured Creditors		12	2,493,400 16	2,493,400 16	304,677 03

Totals for All Creditors: 48 2,493,400 16 2,493,400 16 304,677 03

Appendix V

Schedule of Contingent Creditors

Agent	Amount (£)
David Bounds	1 00
David Shaw	1 00
Fred Walsh	1 00
Michael Sharpling	1 00
Colin Jolly	1 00
Marguerite Webb	1 00
Thomas Gurteen	1 00
Jeremy Tatham	1 00
Michael Day	1 00
Susan Feldwick	1 00
Kevin Carter	1 00
Paul Brackenridge	1 00
Billy Bennett	1 00
John Naish	1 00
Michael Goodchild	1 00
Donald Belmore	1 00
Paul Mackie	1 00
Grenville Ward	1 00
John Meggison	1 00
Kenneth Wilkinson	1 00
Brian Burchell	1 00
Joan Thompson	1 00
Jennifer Lodge	1 00
Haider Butt	1 00
Peter Laird	1 00
Martin Jones	1 00
Eddie Wiseman	1 00
David Fretwell	1 00
George Summerskill	1 00
David Cartwright	1 00
John Bennett	1 00

Addington	Ernie
Ahenkora (WA)	Kwame
Akers	Vince
Allen	Vikki
Allen	Mark
Andrews	David
Anjum (WA)	Muhammad
Atwell	Geoff
Atwick	David
Ayers	Jamie
Bailey	Julie
Baker	Kenton
Baker	Bob
Barber	Tracy
Barber	Justine
Barr	Pemela
Barr	Pam
Barrett-Smith	Tim
Barrow	James
Barter	Andrew
Barthel	Michael
Basson	David
BATTELL	GARY
Beardsley (WA)	Jim
Beattie	Catherine
Bell	Rob
Bennett	Billy
Bennett	John
Bentley	Geoffrey
Bickle	Matthew
Bird	Ian
Bohan	Claire
Booth	James
Bouckley	David
Bounds	David
Bowden	David
Bownes	Ken
Boyd	Stephen
Boynton	Bob
BRAGAN	ALAN
Brammer	Ian
Brassington	David
Breeze	Colin
Britton	Richard
Brookes	Philip
Brown	Noel
Brown	Paul
Bruce	Simon
Bull	Richard

Bullivant	Glen
BULLOCK	CHRIS
Burchell	Brian
Burke	Stuart
Burkin	Stephen
Burleigh(WA)	Stephen
Burns	Lynn
Bushnell	Gary
Butt	Haider
Bye	Christopher
Byrne	Gavin
Caldwell	Raymond
Calladine	Gary
Campbell	Michael
Carroll	Eleanor
Carter	Kevin
Cartwright	David
Cassidy	Chris
Chapman	Brian David
Chapman	Keith
Charlton	David
Charlton	Carol
Charnley	Phil
Chester	Mark
Churcher	Ed
Churchman	Keith
Clare	Mark
Clarke	Chris
Clay	Paul
Clegg	Nicholas
Clegg	Martin
Clews	Matt
Clifford	Stewart
Clift	Paul
Cole	Barnaby
Coley	Glenn
Cooke	Graham
Cooke	Allan
Cooke	Paul
Cookney	Jon
Coomber	Ray
Coomber	Kevin
Cotillard	Heidi
Cowey	David
Craig	Tony
Crawford	Andrew
Crawford	Charles
Cresswell	Bernard
Croll	Richard
Crome	Simon

Cross	Andrew / Jennifer
Cross	James
Crotty	Crispin
Crump	David William
Cudmore	Mark
Cumberland	Graeme
Danby	Philip
Davidson	Val
Davies	Nigel
Davise	Anthony
Dawson	Daniel
Day	Michael
Desai	Bharat
Dixon	Ciaran
Dobson	Paul
Docherty (QD)	Lisa
Doherty	Brian
Donnelly	Mary
Dow	Ryan
Dowding	Ian
Duddell	Jeff
Duff	Ian
Dunleavy	Shaun
Dutton	Paul
Eastman(QD)	Samantha
Easton	Jane
Eddington	Craig
Edgar	Kelvin
Edwards	Robert
Ellaby	Kevin
Elson	Steve
England	Mark
Etherington	Ken
Evans	Steve
evans	Bryn
Evans	Peter
Evans(QD)	David
Exon	Phil
Feldwick	Susan
Fernandes	Joe
Fisher	Angela
Fisk	Angela
Flack	Roger
Flatman	Stephen
Forrester	David
Forrester	Andrew
Foster	Carl
Francis	Jonathan
Fretwell	Dave
Gage	Ian

Gallagher	Cameron
Gallagher	Kevin
Gannon	Julian
Gething	Robert
Gibbons	Samuel
Gibson	Emma
Glasspool	Darren
Goodchild	Jamie
Goodchild	Michael
Goodyer	Patrick
Gouldie	Robert
Grant	Sophia
Greenwell(QD)	Barry
Grey	Julie
Grieve	Robert
Griffiths	Ian
Griffiths	Pippa
Gurteen	Tom
Guy	Ian
Haines	Kenny
Haley	Bill
Hall	Mark
Hall	Kevin
Hall	Martin
Hancox	Rob
Hargreaves	Neil
Harper	Isobel
Harris	Mike
Harrison	Steve
Harty	Robert
Harvey	Susan/David
Havard	Allan
Hawkins	Trevor
Healy	Gavin
Heaney	Martyn
Heath	Michael
Henderson	Will
Henderson	Malcolm
Herbert	Kevin Peter
Hewitt	Adam
Hickey	Neil
Hill	Brett
Hillas (WA)	Ian
Hilton	Chris
Ho	Paul
Hoadley	Ben
Hoare	Jason
Hodgson	Paul
Holden	John
Hollingsbee	Mike

Holloway	Stephen
Hopewell	Ian
Hopkins(QD)	Richard
Hopley	Andrew
Hopwood	David
Hough	Andrew
Hughes	Michael
Hughes-Williams	Lynne
Humphery	Patrick
Humphreys	Derek
Humphreys	Stephen
Hutchings	John
Hutchinson	David
Hyman	Bryan
Inglis	Gary
James	Colin
Jarvis	Steven
Johnson	Barry
Johnson	Kit
Johnson	Stephen
Johnston	Iris
Jolly	colin
Jones	Martin
Jones	Derek
Jones	Bill
Jones	Ian
Jones (QD)	Dafydd
Jones(QD)	Neil
Jordan	Philip
Kember	David
Kemp	Michael
Kiloh	Charles
Kind	Sharon
Kircher	Michael
Lackey	Paul
Laird	Peter
Lakhesar	Vijay
Lamb	Thomas
Lamb	David
Lambert	Ian Neil
Lane	Stephen
Lang	Kenneth
Leonard	Martin
Lewis	Glenn
Lindsay	Bob
Lloyd	Andrew
Long	Gary
Lovell	Steven
Lowry	Collette
Lucey	Aidan

Luckett	Karen
Luckett	David
Lye	Andrew
Mackie	Stuart
Maddocks	Nick
Maher (QD)	Patrick
Mann	Martin
Marshall	Lawrence
Martin	Donald
Martin	Trevor
Martin	Julie
Martland	David
Mason	Barry
Matthews	Julian
Mayne	Alan
McCabe	Damian
McCann	Roisin
McConnell	Andrew
McCullagh (WISE ONLY)	Thomas
McDaid	Patrick
McDaid	James
Mcdonald	Lynn
McFeely (QD)	Tony
McGahey	Kim
McGoldrick	Lynne
McIntosh	Cliff
Mckillen	Norman
McLaren	Jacki
McLauchlan	Bill
McMillan	Barry
McMullan	William
McNab	David
Meggison	John
Meldrum	Alastair
Metcalfe	Alan
Meyler	Alan
Middleton	Ron
Miles	Andrew
Miller	Richard
Millward	Michael
Mitchell	Tony
Morgan	Philip/Hayley
Morrell	Peter
Morris	Richard
Murray	John
Naish	John
Natha	Benjamin
Nawaz (WA)	Faisal
Newby	John
Nicholson	Calum

Nixon	Alex
Nixon	David
Noel	Roy
Norbury	Tony
NURSE	GRAHAM
Oades	Mark
Oakley	Glen
Oarton	Alison
ODonnell (WA)	Michael
ONeill	Patrick
Owen	Stuart
Owen (QD)	David
Padden	Sean
Page	Peter
Palmer	James
Parks	John
Parmar	Manoj
Parr	Alan
Parry	Jon
Parry	Helen
Patel	Devang
Patel	Rahim
Pearce	William
Peel (WA)	Andrew
Percival	Alan
Perkin	Roger
Pethick	Mike
Phillips	Guy
Pickles(QD)	Tim
Pike	Martin
Pollock	Terry
Potter (QD)	Lewis
Power	Catherine
Pregon	Jon
Price (WA)	Steven
Putland	Shaun
Radcliffe	Paul
Rahmatullah(QD)	Asrar
Rawley	Tom
Read	Graham
Reid	James
Riches	Chris
Rickards	Julie
Ridley	Mark
Roberts	John
Roberts	Mark
ROBERTSON	IAN
Robinson	Greg
Robinson	Derek
Robinson	Martin

Robinson	Brian
Roche	Rebecca
Roebuck	Andrew
Rogers	Keith
ROLLINSON	GRAHAM
roots	Julian
Roper	Paul
Rose	Peter
Ross	Alistair
Rostance	Simon
Rowe	Paul
Roythorne	Dave
Rume-Tabiowo	Peniel
Russell	Edward Chris
Rutherford	Michael
Rutter	Neil
Saboo	Ahsan
Samuels	Donavan
Sayles	Stephen
Schofield	Debby
Scott	Phil
Service	Customer
Shah(Wise)	Jay
Shallcross	Charles
Sharp	Roy
Sharpling	Michael
Shaverin	Mark Louis
Shaw	David
Shea	Desmond
Shields	Kerrie
Silcock	Daniel
Singh (WISE ONLY)	Amrik
Skidmore	Craig
Slack	Gordon
Slade	Rufus
Slater(QD)	Bill
Smith	Sharon
Smith	Robert
Smith	Steve
Smith	Thomas
Smith	Brian
Smith(QD)	Barrie
Smyth	David
Snelling	Richard
Sourou	George
Sprangle	David
Spriggs	Alan
Stacey	Robert
Stacey	Mick
Steel	Ian

Steele	Jill
Steere	Stephen
Stephen	Derek
Stephenson	Jane
Steven	William
Stewart	Michael
Stewart	George
Stockton	Geoff
Street	Sarah
Stuart	Ian
Summerskill	George
Swanston	Frank
Swatton	Peter
Sweet	Steven
Sykes	Christine
Sykes	Paul
Tatham	Jeremy
Taylor	Michael
Taylor	Louise
Templeton	Debbie
Terry	Geoff
Thomas	Jackie
Thomas	Mark
Tilsley(QD)	Warren
Tobin	Paul
Todd	Stephen
Toop	Michael
Torne	Joseph
Townsend	Stuart
Turton	John
Tyler	Patrick
Unallocated	
Uzoukwu (WISE ONLY)	John
Veale	Brendon
Walker	Stephen
Walker	Anne-Marie
Walker(QD)	Gary
Wallis	Tracy
Walsh	Fred
Walton	Jonathan
Walton	Kenneth
Ward	Grenville
Wemyss	Stuart
West	John
Whitaker	Stephen
Whitbred	Clive
white	michael
White	Neil
White	John
Whiteford	William

Whitehead (QD)	Stephen
Whitehouse	Tim
Whitney	Simon
Wickham	John
Wigglesworth	Andy
Wigglesworth	Amy
Wilcox	Ian
Wilkinson	Malcolm
Wilkinson	Bob
Wilkinson	Ken
Wilkinson	Andrew
Wilkinson	Geoffrey
Williams	John
Williams	Vivian
Williams	Paul
Williamson	Bill
Williamson	Paul
Wilson	Michelle
Wilson	Rosie
Wilson (WA)	Mark
Witcomb (WA)	Mark
Woodward	George
Woodward	Hayley
Woodward (WA)	Phil
Worsley	Richard
Wright	Patrick
Wright	Stuart
Wright	Gary
Wynn	Stephen
York	Ray

deal Corporate Solutions

TIME & CHARGEOUT SUMMARIES					Quickdox Limited		
Classification Of work Function	Director	Manager	Other Senior Professional	Assistants & Support	Total Hours	Time Cost £	Average Hourly Rate
Administration & Planning	13 00	42 20	0 00	0 00	55 20	10,452 50	189 36
Realisation of Assets	29 00	29 10	0 00	0 00	58 10	15,215 00	261 88
Trading	52 50	57 10	0 00	1 00	110 60	28,315 00	256 01
Creditors	22 50	16 70	0 00	0 50	39 70	9,392 50	236 59
Investigations	42 50	0 60	0 00	0 00	43 10	12,840 00	297 91
Total Fees Claimed £	47,850 00	28,227 50	0 00	137 50		76,215 00	
Total Hours	159 50	145 70	0 00	1 50	306 70		
Average Rate	300 00	193 74	0 00	91 67			

CATEGORY 2 DISBURSEMENTS

Type & Purpose			Amount £
30/04/2014	File Set-Up	File setup	45 00
30/04/2014	Mileage	Mileage	620 78
30/04/2014	Subsistence	Subsistence	6 10

APPENDIX VII

ICS CHARGE OUT RATE AND DISBURSEMENTS POLICY

REMUNERATION AND POLICY ON DISBURSEMENTS INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

INTRODUCTION

This policy applies where a licensed insolvency practitioner in this firm is seeking appointment, or is currently acting, as an office holder of an insolvent estate and a resolution will be proposed or has been approved authorising fees to be drawn on a time cost basis and category 2 expenses (defined below) to be paid as outlined below.

REMUNERATION

Time is charged in 6 minute units. Charge out rates per hour are as follows:

	With effect from 01 April 09 £
Director/Office Holder	300
Senior Manager	250
Manager	175
Assistant Manager	150
Senior Administrator	125
Administrator	100
Trainee Administrator	75
Cashier	75

DISBURSEMENTS

Category 1 disbursements are expenses that are directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges. Approval is not required for these disbursements.

Category 2 disbursements are expenses that are of an incidental nature and cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost. Where the cost of the expense incurred is an estimated, unutilised cost, the charging policy will be based on external costs or opportunity costs. They are charged as follows:

- Car mileage is re-charged at the rate of 50 pence per mile;
- Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;
- Printing and photocopying at 15p per copy;
- File set up at £45.00 per file.

Please note that charge out rates and disbursements are reviewed annually on 1 May and are subject to change.

APPENDIX VIII

CREDITOR'S GUIDE TO ADMINISTRATOR'S FEES

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or, if the administrator thinks neither of these objectives is reasonably practicable
 - realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:
- as a percentage of the value of the property which the administrator has to deal with,
 - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or as a set amount.

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

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

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with

4 2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4 3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4 3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4 4 A resolution of creditors may be obtained by correspondence.

5 Review of remuneration

5 1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 Approval of pre-administration costs

6 1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6 2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4 3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

6 3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When seeking remuneration approval

7 1 1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

7 1 2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

7 1 3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4 1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

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

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

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

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

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

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

8 Progress reports and requests for further information

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

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

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

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

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

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

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information

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

9 Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office

10 What if a creditor is dissatisfied?

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

10 2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing

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

11 What if the administrator is dissatisfied?

- 11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to remuneration

- 12 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

13. Effective date

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

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