

2.24B

The Insolvency Act 1986

Administrator's progress report

| | |
|---|------------------------------------|
| Name of Company A & J Exhibitions Limited | Company number 03578745 |
| In the High Court of Justice (full name of court) | Court case number 15477 of 2009 |

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

We
Darren Wilson & Paul Atkinson
Vantis Business Recovery Services
43/45 Butts Green Road
Hornchurch
Essex
RM11 2JX

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

(b) Insert date

| | |
|--------------------------|---------------------------|
| From (b) 30 June 2009 | To (b) 29 January 2010 |
|--------------------------|---------------------------|

Signed


Joint / Administrator(s)

Dated

29 January 2010

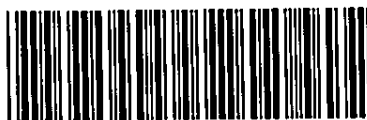
Contact Details:

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

D Wilson & P Atkinson
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DX Number

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION**

NO. 15477 OF 2009

IN THE MATTER OF THE INSOLVENCY ACT 1986

AND

**A & J EXHIBITIONS LIMITED
(IN ADMINISTRATION)**

COMPANY NO: 03578745

**The Joint Administrators "Final Progress Report" pursuant to
Rules 2.47 and 2.110 of the Insolvency Rules 1986**

This report has been prepared for the sole purpose of updating creditors on the progress of the Administration to date. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them, or any other person for any purpose whatsoever.

Dated: 29 January 2010



A & J Exhibitions Limited – In Administration
High Court of Justice No. 15477 of 2009
Progress & Exit Report – 29 January 2010

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1. Introduction

This report has been prepared in accordance with Rules 2.47 and 2.110 of the Insolvency Act 1986 to update creditors on progress in the Administration of AJE.

AJE was placed into Administration upon the filing of the prescribed notice of appointment in the High Court of Justice by the directors on 30 June 2009. Darren Wilson MABRP MIPA and Paul Atkinson MABRP MIPA of Vantis Business Recovery Services ("VBRs") were duly appointed Joint Administrators ("the Administrators") on that date.

The Administrators agreed to exercise all of the functions of the administrator under Schedule B1 of the Insolvency Act 1986 jointly.

2. Statutory Details

Key Statutory Information is reproduced at Appendix 1, which also provides relevant information regarding the Administrators' appointment.

3. Objectives of Administration

A summary of the hierarchal purposes for which the Company was placed into Administration is reproduced in paragraph 11 below.

4. Joint Administrators' Proposals

The Administrators convened an initial meeting of creditors, pursuant to paragraph 51 of Schedule B1 of the Insolvency Act 1986 on 3 September 2009. At that meeting, creditors approved the Administrators' proposals in accordance with the Insolvency Act and Rules 1986, and the proposals are re-produced at Appendix 2.

5. Background to Administration

The Company was incorporated by Tony Allery ("TA") on 10 June 1998 and commenced trading shortly thereafter. Ben Norton ("BN") was appointed director on 11 March 2002 and resigned on 18 May 2009. Please refer to Appendix 1 for all other statutory information.

AJE was set up as car transporters, moving further into specialist deliveries in 2001. By 2003, the Company had increased its fleet and moved to a new site in Purfleet, Essex, where there was a purpose built workshop and warehouse facility. Here they were able to work alongside an associated company, Ingetrans Limited, who provided repairs and servicing to AJE's vehicles.

The Company continued to grow and expand its client base, employing over 60 staff at its peak. Unfortunately, the credit crunch in 2007/2008 led to a dramatic decline in car delivery across the UK which directly affected AJE's business, especially as many of their customers were advertising and marketing companies. In an attempt to survive the financial difficulties that it was experiencing as a result of the downturn in work, AJE was able to secure a delivery contract with a major auction company, on the condition that the Company dramatically reduced its rates.

The Company also reduced its overheads and moved to cheaper trading premises in Wix, Colchester. Despite the cost cutting exercises carried out by the Company, the combined effect of the above mentioned circumstances caused AJE's financial problems to escalate. With demands from HM Revenue & Customs and creditors increasing on a daily basis, realising the Company could not meet its liabilities as they fell due, the directors sought advice from the Company's accountants and, subsequently, VBRS.

Having considered their options, the directors decided that it would not be beneficial to continue trading and that the most appropriate course of action was to place the Company into Administration.

6. Conduct of the Administration to Date

6.1 Initial Actions

Immediately upon my appointment, independent agents and valuers were instructed to provide a valuation and to advise on the disposal of the Company's tangible assets.

6.2 Statutory/Other Actions Taken

All formalities required by the Insolvency Act and Rules 1986 were duly complied with, including filing the appropriate documentation at Companies House and the High Court. The appointment of Joint Administrators was also advertised in the London Gazette, The Times and a local newspaper circulating in the Purfleet, Essex area.

All known creditors were duly notified of the Joint Administrators' appointment on 1 July 2009. Enquiries from creditors continue to be addressed on a day-to-day basis.

All employees of the Company were made redundant prior to the administration.

As previously mentioned, agents and valuers were instructed to undertake a review of the Company's tangible assets and provide a valuation thereof. The Administrators also took possession of the Company's books, papers and other records.

6.3 Debtors

As advised in my report to creditors dated 14 August 2009, the Company book debt ledger of £316,156 at the time of the Administration included £188,182 of debts due from associated companies, Verso Automotive Limited, Ingetrans Limited and Diamond Components Limited. All of these companies were subsequently placed into Liquidation with no prospect of a dividend being paid to unsecured creditors, therefore these debts are considered irrecoverable.

There were a couple of debtors that a solicitor that the Company had instructed prior to the Administration was pursuing and has continued to pursue. The Administrators have also passed one of the larger contentious debtors to an enforcement office to pursue, and payments totalling £16,662.87 have been received from debtors into the Administration to date.

The remaining ledger was passed to Else Commercial Solicitors ("Else") to pursue and to date they have received payments of £4,389. It appears that the majority of the ledger of c. £70k is disputed or were paid into the Company's bank account prior to the Administration, however Else are continuing to pursue those debts that are believed to still be outstanding, amounting to c. £33k.

7. Receipts & Payments Account

Attached at Appendix 3 is an abstract of the Joint Administrators receipts and payments account for the first six months of the Administration, being 30 June 2009 to 29 December 2009, and for the entire duration of the Administration to 29 January 2010.

7.1 Receipts

7.1.1 Goodwill and Office Furniture & Equipment

As previously reported, the sum of £2,000 has been received in respect of the sale of goodwill of the Company, consisting of the name, website and telephone numbers. In addition, £1,000 plus VAT was received for the sale of the Company's minimal office furniture and equipment, all of which were valued by independent chattel agents.

7.1.2 Cash at Bank

The sum of £5,820 was received in respect of funds held on the Company's bank account with Svenska Handelsbanken AB.

7.1.3 Book debts

As detailed in paragraph 6.3 of this report, debtors received in the Administration to date total £16,663, and Else have collected a sum of £4,389. Else are continuing to pursue the remaining debtors with a view to issuing legal proceedings where applicable in due course.

7.1.4 Other Receipts

Other receipts relate to refunds for tax, rates, toll and operator's license amounting to £489, £987, £451 and £1,052 respectively.

Total realisations to date therefore amount to £28,462.

7.2 Payments

7.2.1 Joint Administrators' Remuneration & Disbursements

The Joint Administrators' proposals included, inter alia, the following resolutions:

- (i) that the joint administrators remuneration be fixed on a time cost basis, at the rates chargeable by VBRS from time to time;
- (ii) that VBRS be permitted to draw "category 2 disbursements" (as defined in Statement of Insolvency Practice 9) at prevailing rates;

Administrators' time costs for the period 30 June 2009 to 29 January 2010 amount to £78,189 plus VAT, against which costs of £19,180 have been drawn to date.

In accordance with guidelines issued by the Association of Business Recovery Professionals, I attach at Appendix 4 an analysis of VBRS' time costs for the currency of the Joint Administrators' appointment. A creditors' guide to Administrators' fees is attached at Appendix 5.

Details regarding Category 2 disbursements are attached at Appendix 6; no disbursements have been drawn during the Administration. It should be noted that some disbursements including photocopying, etc. may include an element of profit.

7.2.2 Debt Collection Fees

As mentioned in paragraph 6.3 of this report, the Company's former solicitor has assisted the Administrators with attending some of the Court hearings in respect of the ongoing action with a few of the debtors, and he has been paid the sum of £200 in this regard. In addition, fees of £888.36 have been paid to First Enforcement Limited in respect of their fees and expenses for assistance with debtor collections.

7.2.3 Accountancy Fees

Accountancy fees of £250 were paid to the Company's former accountants, Barnes Roffe, in respect of their assistance with providing the Administrators with various financial information and accounts for the Company.

7.2.4 Legal Fees

Fees of £4,059 have been paid to solicitors Francis Wilks & Jones LLP during the Administration in relation to their assistance with preparing the necessary documentation to facilitate the Administrators' appointment, assistance with creditors queries and various other issues throughout the Administration.

7.2.5 Other Payments

Other payments made during the period are £187 in respect of the fee for advertising the appointment of Administrators. There is also an amount of VAT to be reclaimed of £263, and the Administrators are awaiting a refund of VAT from HM Revenue & Customs of £3,260.

Total payments therefore amount to £28,287, with the current cash at bank figure totalling £175. This sum will be subsequently transferred to the duly appointed liquidator.

8. Creditors' Claims and Dividend Prospects

8.1 Preferential Creditors

Preferential claims for employees in respect of arrears of wages and holiday pay were estimated at £44,455 in the Administrators' Estimated Statement of Affairs which was included in the report to creditors dated 14 August 2009.

A preferential claim of £14,143 has been received from The Insolvency Service in relation to payments made to employees from the Redundancy Payments Office. The remaining preferential employee claims have not been calculated as there is no prospect of a dividend being paid to preferential creditors in this matter.

8.2 Non-preferential Creditors

Non-preferential creditor claims as at the date of administration were estimated at £1,154,452, including £695,027 for trade and expense creditors, £311,393 to HM Revenue & Customs, and £54,514 for estimated employee claims. To date, claims in the sum of £2,029,538 have been submitted, however these claims have not been adjudicated as there is no prospect of a distribution being made to non-preferential creditors in this matter. Creditors should therefore take this as formal notice of the same, and are advised to make full provision for their loss.

9. Assets still to Realise

As reported above, Else Commercial Solicitors are continuing to pursue and collect the debtor ledger.

10. Investigations

I confirm that the Joint Administrators statutory investigation into the conduct of the officers of the Company under the Company Directors Disqualification Act of 1986 is ongoing. Creditors should note, however, that the Joint Administrators are prohibited from releasing any further information in this regard due to confidentiality imposed by the Department for Business, Innovation and Skills.

11. Achieving the Purpose of the Administration/Exit from Administration

As set out elsewhere in this report, the Administrator of a Company must perform his functions with the hierarchical purpose of:

- (a) rescuing the company as a going concern; or
- (b), if (a) is not reasonably practicable, achieving a better result for the Company's creditors than would be likely if the company was wound up (without first being in administration); or
- (c), if (a) and (b) are not reasonably practicable, realising property in order to make a distribution to one or more secured or preferential creditors.

It is evident that the Administrators are unable to rescue the Company as a going concern, pursuant to objective (a). They therefore sought to achieve at least one of the two remaining purposes.

The Administrators believe that they have achieved objective (b) on the basis that the assets would have realised far less if they had been sold on a forced sale basis which would have been the case in liquidation. In addition, many of the debtors would have proved far more difficult to collect if the Company had been placed into liquidation.

12. Summary/Exit from Administration

As reported above, debtor collections are very much ongoing, therefore this "Final Progress Report" has been prepared to conclude the Administration and to simultaneously place the Company into Creditors' Voluntary Liquidation ("CVL") pursuant to the provisions of Paragraph 83 of Schedule B1 of the Insolvency Act 1986.

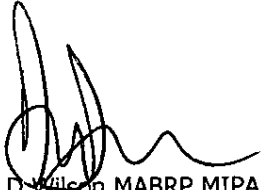
In accordance with paragraph 6(a) of the proposals Joint Administrators' proposals dated 14 August 2009, which are reproduced at Appendix 2, Darren Wilson and Paul Atkinson of VBRS will be the duly appointed Liquidators.

Recoveries in respect of the outstanding debtor ledger will continue after the Company has entered into liquidation. The Administrators propose to continue their investigations into the Company's affairs and resolve any other outstanding issues under the auspices of liquidation. Any outstanding fees and expenses relating to the Administration will rank as a first charge on the liquidation estate.

Form 2.34b, a Notice Moving from Administration to Liquidation will be filed with the Registrar of Companies immediately following the issue of this report. A copy of this Notice is attached at Appendix 7. Upon registration of this Notice at Companies House, the Administration will automatically end, and the Company will be deemed to have entered CVL.

**A & J Exhibitions Limited – In Administration (“the Company” or “AJE”)
The High Court of Justice No. 15477 of 2009
Progress Report – 29 January 2010**

Should creditors have any queries or require further information relating to the conduct of the Administration to date, please do not hesitate to contact Julie Gearing at this office.



D Wilson MABRP MIPA
Joint Administrator of A & J Exhibitions Limited

Dated 29 January 2010

D Wilson & P Atkinson of Vantis Business Recovery Services appointed Joint Administrators of A & J Exhibitions Limited on 30 June 2009.

The Joint Administrators act as agents for the Company and without personal liability.

D Wilson & P Atkinson are licensed to act as Insolvency practitioners by the Insolvency Practitioners Association.

STATUTORY INFORMATION

Administration Appointment

| | |
|-------------------------------------|--|
| Court in which proceedings brought: | High Court of Justice |
| Court Reference No: | 15477 of 2009 |
| Names of Joint Administrators: | Darren Wilson Vantis Business Recovery Services 43/45 Butts Green Road Hornchurch Essex RM11 2JX Paul Atkinson Vantis Business Recovery Services 43/45 Butts Green Road Hornchurch Essex RM11 2JX |
| Date of Appointment: | 30 June 2009 |
| Appointer: | Directors |
| Powers: | The Joint Administrators act jointly and severally |

Company Information:

| | |
|------------------------|---|
| Date of Incorporation: | 10 June 1998 |
| Company Number: | 03578745 |
| Nature of Business: | Freight Transport |
| Trading Address: | The Haulage Yard Clacton Road Wix CO11 2RU (Formerly Beacon Hill Industrial Estate, Botany Way, Purfleet, Essex, RM19 1SR) |
| Registered Office: | 43/45 Butts Green Road Hornchurch, Essex, RM11 2JX Formerly:- Beacon Hill Industrial Estate Botany Way Purfleet Essex, RM19 1SR |

STATUTORY INFORMATION CONTINUED

Directors: Antony Allery
Ben Norton (Resigned 18/05/2009)
Hallmark Registrars Ltd (Resigned 10/06/1998)

Company Secretary: Ben Norton
Hallmark Secretaries Ltd (Resigned 10/06/1998)
Paul Shell (Resigned 03/04/2002)

Share Capital: Authorised 200 Ord £1 shares

Issued & Fully Paid: 200 Ord £1 shares

Shareholders:

Verso Automotive Limited 100 Ordinary "A"
Verso Automotive Limited 100 Ordinary

200 Ordinary

Previous Names: None

It is considered that the EC Regulation on Insolvency Proceedings applies to these proceedings, which are main proceedings as defined in Article 3 of the EC Regulations (136/2000).

1. The Joint Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
2. The Joint Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Acts 1985-2006 or the IA86. In addition, the Joint Administrators shall do all such other things and generally exercise all their powers as Joint Administrators as they in their absolute discretion consider desirable in order to achieve one of the purposes of the Administration or to protect and preserve the assets of the Company to maximise their realisations or for any other purpose incidental to these proposals.
3. If the Joint Administrators determine that funds should become available for unsecured creditors, the Joint Administrators may at their absolute discretion establish in principle the claims of the unsecured creditors for adjudication by a subsequent Liquidator and that the costs of so doing be met as a cost of the Administration, as part of the Joint Administrators remuneration.
4. A creditors committee will be established pursuant to Paragraph 57 of Schedule B1 of the IA86, if sufficient creditors are willing to act upon it. The Joint Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Joint Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of creditors.
5. The Joint Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. If a creditors' committee is not established, the Joint Administrators shall either apply to the Court or seek consent from the appropriate classes of creditors for an extension.
6. The Joint Administrators may use any or a combination of the "exit route" strategies in Paragraphs 76 to 80 and 83 to 84 of Schedule B1 of the IA86 in order to bring the Administration to an end, but in this particular instance the Joint Administrators consider that options vi (a-c) listed below are likely to be the most cost effective and practical in the present circumstances, though will wish to retain options vi (d), in case of need: -
 - a) Once the asset disposals are complete, or substantially so, the Joint Administrators may place the Company in Creditors' Voluntary Liquidation. In these circumstances, it is proposed that D Wilson & P Atkinson of VBRS be appointed as Joint Liquidators and any act required or authorised to be done by either or both of them. In accordance with Paragraph 83 (7) Schedule B1 IA86 and Rule 2.117(3) Insolvency Rules 1986, creditors may nominate alternative liquidators, provided that nominations are made after the receipt of these proposals and before they are approved. A CVL is the most likely route to be taken by the Joint Administrators.

OR

- b) Once the asset realisations are complete, the Joint Administrators may apply to Court to allow the Joint Administrators to distribute surplus funds, if any, to non-preferential unsecured creditors. In such circumstances, the Administration will be brought to an end either:-
 - i. automatically at the end of one year after the Joint Administrators appointment pursuant to Paragraph 76(1) Schedule B1 IA86 or

- ii. by notice to the Registrar of Companies on completion of the Administration under Paragraphs 80 or 84 Schedule B1A86.

OR

- c) If it transpires that there are insufficient funds available to make a distribution in respect of non-preferential claims, then once all of the assets have been realised and the Joint Administrators have concluded all work within the Administration, the Joint Administrators will file notice under Paragraph 84 (1) Schedule B1 IA86 with the Registrar of Companies, following which the Company will be dissolved three months thereafter.

OR

- d) Should the Administrators consider it appropriate, to file a petition for the winding up on the Company prior to the expiry of the Administration, in order to place the Company into Compulsory Liquidation.

- 7. The Joint Administrators shall be discharged from liability pursuant to Paragraph 98, Schedule B1 IA86 in respect of any action of theirs as Joint Administrators either at a time appointed by the creditors' committee, or, if there is no creditors' committee, then automatically 14 days after the Joint Administrators cease to act as Joint Administrators of the Company. In any event, the Joint Administrators shall be at liberty to apply to Court for their discharge from liability.
- 8. It is proposed under Rule 2.106 of the Insolvency Rules 1986 that the Joint Administrators fees will be fixed by reference to the time properly given by them and the various grades of their staff according to VBRS' usual charge out rates for work of this nature and that Category 2 disbursements (as defined by Statement of Insolvency Practice 9) be charged in accordance with VBRS policy. Such fees are to be drawn generally on account at the Joint Administrators' discretion. Please note that hourly charge out rates are varied from time to time.

Receipts & Payments

| | 6 Month Period 30-06-09 to 29-12-09 | Period 30-06-09 to 29-01-10 |
|------------------------------|---|-----------------------------------|
| Receipts | £ | £ |
| Goodwill | 2,000 | 2,000 |
| Office Furniture & Equipment | 1,000 | 1,000 |
| Cash at Bank | 5,820 | 5,820 |
| Book Debts | 16,663 | 16,663 |
| Tax Refund | 489 | 489 |
| Rates Refund | 987 | 987 |
| Toll Refund | 451 | 451 |
| Operator's License Refund | 1,052 | 1,052 |
| | <u>£28,462</u> | <u>£28,462</u> |
| Payments | | |
| Office Holders Fees | 18,180 | 19,180 |
| Debt Collection Fees | 1,088 | 1,088 |
| Accountancy Fees | 250 | 250 |
| Legal Fees (1) | 3,559 | 4,059 |
| Statutory Advertising | 187 | 187 |
| VAT Receivable | 263 | 263 |
| VAT Control | 3,260 | 3,260 |
| | <u>£26,787</u> | <u>£28,287</u> |
| Balance in Hand | | <u>£175</u> |

**A & J Exhibitions Limited - In Administration
Time Cost Analysis for the period 30 June 2009 to 29 January 2010**

| Classification of Work Function | Hours | | | | Total Hours | Total Cost £ | Average Hourly Rate £ |
|---------------------------------|------------------|-----------------|----------------------------|----------------------------|---------------|------------------|-----------------------|
| | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | | | |
| Administration and Planning | 33.60 | 3.00 | 136.55 | - | 173.15 | 30,070.00 | 173.66 |
| Investigation | 2.00 | 3.20 | 62.80 | - | 68.00 | 12,849.50 | 188.96 |
| Realisation of Assets | 14.20 | - | 65.10 | - | 79.30 | 16,266.00 | 205.12 |
| Trading | 1.30 | - | - | - | 1.30 | - | - |
| Creditors | 5.40 | - | 95.60 | - | 101.00 | 18,587.50 | 184.03 |
| Total Hours | 56.50 | 6.20 | 360.05 | - | 422.75 | - | 184.95 |
| Total Fees | 18,428.00 | 1,860.00 | 57,901.00 | - | - | 78,189.00 | - |

Appendix 5

A Creditor's Guide to Administrators' Fees England and Wales

1. Introduction

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

2. The nature of administration

Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court in order to achieve the following purpose:

- 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 likely 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.

Administration may be followed by a company voluntary arrangement or liquidation.

3. The Creditors Committee

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

4. Fixing the Administrator's Fee

The basis for fixing the administrator's remuneration is set out in Rule 2.47 of the Insolvency Rules 1986, which states that it shall be fixed either:

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

It is for the creditor's committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.47 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 with which the administrator has to deal

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

5. What information should be provided by the administrator?

When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgment as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The administrator should always make available an up to date receipts and payments account. Where the fee is to be charged on a time basis the administrator should be prepared to disclose the amount of time spent on the case and the charge-out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case. Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be contracted out which would normally be undertaken directly by an administrator or his staff.

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

6. What if a creditor is dissatisfied?

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

7. What if the administrator is dissatisfied?

If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decided to apply to the court he must give at least 14 days notice to the members of the creditors committee and the

committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8. Other matters relating to fees

Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors. If the administrator is a solicitor and employs his own firm to act on behalf of the company profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9 Charge-Out Rates

In the event that the administrator is authorised to charge fees on a time costs basis, the following rates will apply:

| | | |
|----|--------------------------|---------------|
| a) | Managing Director | £400 per hour |
| b) | Director | £380 per hour |
| c) | Client Partner | £340 per hour |
| d) | Associate Director | £320 per hour |
| e) | Senior Manager | £300 per hour |
| f) | Manager | £230 per hour |
| g) | Assistant Manager | £200 per hour |
| h) | Creditor Services | £210 per hour |
| i) | Senior Administrator | £180 per hour |
| j) | Administrator | £125 per hour |
| k) | Trainee Administrator | £95 per hour |
| l) | Administrative Assistant | £70 per hour |

Creditors should note that the above rates are correct as at 1 May 2009. Vantis Business Recovery Services reserve the right to increase the rates as may be required from time to time. Creditors are entitled to request a copy of the current charge out rates which will be provided free of charge.

Disbursements Paid to Vantis Business Recovery Services or Associates

Disbursements charged will include: -

| | |
|--------------|----------------|
| Letters | 60p per letter |
| Photocopying | 25p per letter |
| Faxes | £1 per sheet |
| Mileage | 40p per mile |
| Telephone | £50 per annum |

The following costs will be reimbursed to Vantis Business Recovery Services at cost : -

Specific Penalty Bond

Statutory Advertising

Secretary of State Fees

Company Searches

Storage

Any Other Costs Incurred