

The Insolvency Act 1986

**Administrator's progress report**Name of Company  
**MERETEC LIMITED (IN ADMINISTRATION)**Company number  
**03659285**In the  
**HIGH COURT OF JUSTICE**Court case number  
**9603 of 2008**(a) Insert full name(s) and  
address(es) of  
administrator(s)

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

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

from

to

(b) Insert dates

(b) 5 November 2008

(b) 4 May 2009

Signed

Joint / Administrator(s)

Dated

316/09

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

SFP c/o Lewis Tunncliffe

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

Tel 020 7538 2222

DX Number

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**Meretec Limited (In Administration)**

**Report to Creditors**

**Simon Franklin Plant MIPA MABRP**

**Daniel Plant MIPA MABRP**

**SFP  
9 Ensign House  
Admirals Way  
Marsh Wall  
London  
E14 9XQ**

**Tel: +44 (207) 5382222  
Fax: +44 (207) 5383322  
Email: [simonp@sfplant.co.uk](mailto:simonp@sfplant.co.uk)  
[danielp@sfplant.co.uk](mailto:danielp@sfplant.co.uk)**

This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986 and the Enterprise Act 2002. It may not be disclosed, disseminated or copied without my prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

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## **CONTENTS**

1. Introduction
2. General Background
3. Asset Realisations / Miscellaneous
4. Investigations
5. Dividend Prospects
6. The Joint Administrators' Costs
7. Additional Points and Conclusion

## **APPENDICES**

- I. Income and Expenditure Account
  - II. Breakdown of Administrators Fees / Activity Codes
  - III. Breakdown of SFP Forensic Limited Fees
  - IV. Breakdown of SFP Recoveries Limited Fees
  - V. Breakdown of SFP Property Limited Fees
  - VI. Breakdown of SFP Datastore Limited Fees
  - VII. SFP and Associated Entity Charge Out Rates
  - VIII. Guide to Administrators Fees
  - IX. Category 2 Disbursement Summary Charge Sheet
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**1. Introduction**

- 1.1** This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 ("the Rules") in relation to Meretec Limited (in Administration) (Co. Number 03659285) ("the Company"). The Rules provide that a progress report is drafted every six months, commencing on the date that the company entered into Administration. Further, that the appointed Administrator(s) should send a copy of the report to, inter alia all creditors within one month of the end of the period covered by the report.
- 1.2** A report was previously circulated on 19 December 2008, enclosing the Joint Administrators Report and Proposals ("the First Report"). This detailed progress up to 19 December 2008 and set out the Joint Administrators proposals to creditors. A subsequent letter was circulated to creditors on 19 January 2009 updating them as to the outcome of the meeting and confirming that the proposals had been approved.
- 1.3** In view of the information that has already been imparted to the creditors, this Report simply provides an update as to the general progress of the Company's Administration since the First Report, to 4 May 2009. This Report also sets out certain additional information which must be provided to creditors, pursuant to the Rules.

**2. General Background**

- 2.1** On 5 November 2008, Notice of Appointment of an Administrator by Holder of a Qualifying Floating Charge ("the Notice of Appointment") was presented to the High Court of Justice by the Company's Security Trustee, Zenith Trustees Limited, pursuant to a security trust and inter-creditor deed.
- 2.2** The Notice of Appointment was endorsed with the No. 9603 of 2008. Both Simon Franklin Plant and Daniel Plant of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London E14 9XQ were appointed Joint Administrators ("the Joint Administrators"). Pursuant to Schedule B1, Paragraph 100(2) of the Act, the Joint Administrators act jointly and severally.

**3. Asset Realisations / Miscellaneous**

**Cash at bank / miscellaneous refund**

**Pre-Appointment VAT Refund**

- 3.1** As detailed in the First Report, the Company received a VAT refund of £162,231.75. This has been paid into the Company's estate account. No further realisations are anticipated from this source.

**CMA Dividend**

- 3.2** As detailed in the First Report, an application for the payment of a dividend from CMA Corporation Limited ("CMA") of £187,500 was made by the Company prior to the Joint Administrators appointment and was expected imminently.
- 3.3** CMA has since advised that a mistaken payment of AUD 120,000 was made to the Company prior to the Joint Administrators appointment and have sought to offset against the dividend payment.
- 3.4** The Joint Administrators have since instructed Nabarro LLP ("Nabarro") to advise whether or not CMA is entitled to set off and the options going forward. Nabarro are currently in correspondence with CMA's solicitors in order to attempt to reach a resolution in relation to this matter. If this cannot be reached,
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proceedings may be the only option. In the event of a set off taking place it should leave a balance of AUD\$ 67,500. However, CMA has also refused to pay this amount.

#### **Realisation of the Company's shareholding in CMA**

- 3.5 The only remaining asset in the Company's Administration is the 37,500,000 shares held in CMA ("the CMA Shares"). As detailed in the First Report, these are subject to a lock out agreement which is due to elapse in Aug 2009. The Joint Administrators have instructed specialist valuers and strategists to assist them in relation to the realisation of the shares.
- 3.6 The Joint Administrators shall formulate a strategy in relation to the realisation of the CMA Shares and it is anticipated that this will involve instructing Australian solicitors in order to deal with this in the most effective manner.

#### **The Company's Trading Premises**

- 3.7 As advised in the First Report, the Company did not occupy a trading premises. In order to deal with any UK operations it utilised a serviced office address at 23 Berkeley Square, London. There is no agreement in place in relation to this and they were ceased to be used some time prior to the Joint Administrators appointment. There is therefore no property to deal with.

#### **4. Investigations**

- 4.1 In accordance with the Joint Administrators duties, investigations were made into the conduct of the Company's current and former directors by a company associated to the Joint Administrators firm, SFP Forensic Limited ("SFP Forensic"). The requisite D Form was submitted to the Insolvency Practitioners Compliance Unit ("IPCU") on 14 April 2009. All information contained in the D form is strictly confidential and the Joint Administrators are not permitted to divulge details of their recommendations to the IPCU.
- 4.2 SFP Forensic is currently in the process of carrying out a general investigation into the demise of the business. In the event that their findings highlight any wrongdoing the Joint Administrators will take an appropriate course of action.

#### **5. Dividend Prospects**

##### **Preferential Creditors**

- 5.1 As stated in the previous report, the Company did not have any employees at the date on which it was placed into Administration. In light of this, the Joint Administrators do not anticipate there being any preferential claims.

##### **Non-Preferential Creditors**

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

<b>Creditor</b>	<b>Estimated Statement of Affairs £</b>	<b>Claims Received as at 19 January 2009 £</b>
HM Revenue and Customs – VAT	Unknown	34,476.00
HM Revenue and Customs – PAYE/NIC	Unknown	Unknown
Trade and Expense	Unknown	2,559,944.56

- 5.3 On present information, any potential dividend distribution to unsecured creditors is dependent upon realisations achieved from any recoveries made from SFP Forensics investigations. These would also be subject to any further associated costs. Based upon current realisations, it is unlikely there will be sufficient funds to pay a dividend to unsecured creditors.

## 6 The Joint Administrators' Costs

- 6.1 At **Appendix I** is the Company's Income and Expenditure Account as at 04 May 2009. These are in the main self explanatory.
- 6.2 At **Appendix II** is a breakdown of the time that has been incurred by the Joint Administrators' firm to date, together with details of charge out rates / activity summaries. At **Appendix VIII** is a Guide to Administrators Fees, being set out in Statement of Insolvency Practice 9. The Joint Administrators fees have previously been authorised by the creditors.
- 6.3 The First Report detailed the position in relation to disbursements and certain types of expenditure. To ensure that creditors are aware of how this operates, this Report reiterates the position. Disbursements and specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made, if funds are available from the insolvent estate. If funds are not available the payment is made from the Joint Administrators' firm's office account which is reimbursed from the insolvent estate if and when funds become available.
- 6.4 Payments made out of a firms office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the Expenses and Disbursements heading in the Guide to Administrators fees, at **Appendix VIII**. The Joint Administrators have incurred the following Category 1 Disbursements to date:

Misc	£	276.49
Bordereau	£	125.00
Courier Charges	£	105.50
Mail Redirection	£	49.80
Company Search	£	46.00
Expenses	£	27.00

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

Postage	£	1,923.69
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As detailed in the First Report, SFP Forensic and SFP Datastore Limited ("SFP Datastore") remuneration will be treated as a Category 2 Disbursement. Creditors have previously provided sanction to recover disbursements of this type.

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

**7. Additional Points and Conclusion**

- 7.1 Should any creditor have any questions or queries in relation to the above, please contact either the Administrator dealing with this matter, Lewis Tunnicliffe or the Joint Administrators on 020 7538 2222.

**Dated this 4th day of May 2009**



**Simon Plant**  
**Joint Administrator**

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX I**

- **Income and Expenditure Account**



**Meretec Limited**  
**(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 05/11/2008 To 04/05/2009 £
<b>RECEIPTS</b>		
VAT Refund	0.00	162,231.75
Cash at Bank	0.00	4,215.97
Bank Interest Gross	0.00	805.07
Miscellaneous Refund	0.00	810.88
Vat Control Account	0.00	13,125.64
	0.00	181,189.31
<b>PAYMENTS</b>		
SFP Datastore Fees		100.00
SFP Datastore Expenses		154.82
SFP Forensic Fees		19,500.00
SFP Forensic Disbursements		16.00
Joint Administrator's Remuneration		64,000.00
Joint Administrator's CAT 1 Disb		629.79
Joint Administrator's CAT 2 Disb		1,923.69
Legal Fees (1)		28,913.58
Legal Disbursements		16.00
Tax Advisors Fees		250.00
Professional Fees		1,186.00
Statutory Advertising		169.92
Vat Receivable		17,143.85
		134,003.65
<b>BALANCE - 04 May 2009</b>		<b>47,185.66</b>

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX II**

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

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## MERETEC LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 05 NOVEMBER 2009 TO 04 MAY 2009

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total		
Administration and Planning	40.70	-	-	98.00	1.20	2.50	13.90	19.20	16.70	192.20
Investigation	2.00	-	-	7.70	-	-	-	-	-	9.70
Realisation of assets	8.00	-	-	4.30	-	-	-	1.80	-	14.10
Trading	-	-	-	-	-	-	-	-	-	0.00
Creditors	4.50	-	-	36.10	-	-	-	-	17.40	58.00
Total hours	55.20	-	-	148.10	1.20	2.50	13.90	21.00	34.10	274.00
Average rate £ per hour	450.00	-	-	250.00	225.00	200.00	150.00	100.00	75.00	251.38
Total costs £	24,840.00	-	-	36,525.00	270.00	500.00	2,085.00	2,100.00	2,557.50	68,877.50
Remuneration drawn on account										64,000

See Appendix for Summary Charge Out Rates for staff

NB: During the course of this current year the practice rates have increased which would account for variances in the charge out rates.

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX III**

- **Breakdown of SFP Forensic Limited Fees**

SFP



FORENSIC



MERETEC LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 5 NOVEMBER 2008 TO 4 MAY 2009

## CLASSIFICATION OF WORK FUNCTION

CLASSIFICATION OF WORK FUNCTION	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total		
Investigation	12.40	-	-	43.6	-	114.20	17.5	9.90	197.60
Total hours	12.40	-	-	43.60	-	114.20	-	17.5	197.60
Average rate £ per hour	450.00	-	-	250.00	-	200.00	-	100.00	211.60
Total costs £	5,580.00	-	-	10,900.00	-	22,840.00	-	1,750	41,812.50

Remuneration drawn on account

19,500

See Appendix for Summary Charge Out Rates for staff

NB: During the course of this current year the practice rates have increased which would account for variances in the charge out rates.

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX IV**

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



MERETEC LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 5 NOVEMBER 2008 TO 4 MAY 2009

CLASSIFICATION OF WORK FUNCTION

	Storage Tasks Staff Costs	Inventorising Staff Costs	Total
Boxing Up / Collection / Inventorising of Records	4.3	1.40	5.70
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Total hours	4.30	1.40	5.70
Average rate £ per hour	25.00	75.00	100.00
Total costs £	107.50	105.00	212.50
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Remuneration and disbursements drawn on account			100.00
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See Appendix for Summary Charge Out Rates for staff

Disbursements Incurred	£
Mileage 125.1 miles @ £1.10 per mile	137.61
Retrial Costs	45.00
Storage cost	8.17
Congestion Charge	
Total Disbursements	190.78

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX V**

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



## A CREDITORS' GUIDE TO LIQUIDATORS' FEES

### ENGLAND AND WALES

#### 1 Introduction

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope 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 practitioners appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

#### 2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and a member of The Insolvency Service, an executive agency within the Department of Trade and Industry. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by the Secretary of State for Trade and Industry. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

#### 3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within 3 months of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

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 liquidator'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 liquidator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

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

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

#### 5.2 After the approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

#### 4 Fixing the liquidator's fees

- 4.1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed either:

- as a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation.

It is for the liquidation committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to be applied. Rule 4.127 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 liquidator in connection with the insolvency,
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the assets which the liquidator has to deal with

- 4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as the committee would. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with a scale set out in the Rules.

#### 5 What information should be provided by the liquidator?

##### 5.1 When seeking fee approval

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

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

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

- 5.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator 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 liquidator has achieved and how it was achieved to enable the value of the services to be assessed (what the liquidator 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 liquidator to provide an

#### 5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the liquidator 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 liquidator'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.

#### 5.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 8.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in his reports to the assets to creditors.

#### 5.5 Reporting in compulsory liquidations

It should be borne in mind that in compulsory liquidations there is no statutory requirement for the liquidator to report to creditors until the conclusion of the assignment. In most such cases, therefore, creditors will receive no information during the course of the liquidation unless they specifically request it.

#### 6 What if a creditor is dissatisfied?

- 6.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing.

- 6.2 If a creditor believes that the liquidator'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 liquidator 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 out of the assets of the insolvent company.

#### 7 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the 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 or in accordance with the statutory scale is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as he 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 out of the assets.

#### 8 Other matters relating to fees

- 8.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

- 8.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 8.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 8.4 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.
9. **Provision of information – additional requirements**
- In any case where the liquidator is appointed on or after 1 April 2005 he must provide certain information about the time spent on the 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 liquidator 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 liquidator'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 liquidator, and requests must be made within two years from vacation of office.

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX VI**

- **Guide to Administrators Fees**

SFP



### Charge out Rates for SFP main practice and associated entities

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

SFP Datastore Limited		
Grade	Rate p/hr	Retrieval Rates Guide
Storage Tasks (Retrieval and Collection)		
Staff Costs	25	Box Storage A4 18p / box / week A3 21p / box / week Transit Cases 6p / box / week
Inventorising and Additional		
Staff Costs	75	Retrieval costs from site Same Day Delivery (up to 10 items) £1.10 per mile Next Day Delivery (up to 10 items) £22.50 Delivery to third party offices (up to 10 items / £1.50 per item thereafter) £15.00 £25.00

**MERETEC LIMITED (IN ADMINISTRATION)**

**Report to Creditors**

**APPENDIX VII**

- **Category 2 Disbursement Summary Charge Sheet**

SFP



### **DIRECT EXPENSES (Category 1 Disbursements)**

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

### **INDIRECT EXPENSES (Category 2 Disbursements)**

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

<b>Stationery / Photocopying</b>	<b>Cost Per Page / Envelope</b>
* 1 page of headed paper	0.12
* 1 page of continuation paper	0.10
* 1page of photocopying paper	0.02
* Envelopes (all sizes)	0.10

  

<b>Postage</b>	<b>Postage Rate</b>
Postage – 1 <sup>st</sup> class (small)	0.32
Postage – 1 <sup>st</sup> class (large)	0.44
Postage – 2 <sup>nd</sup> class (small)	0.22
Postage – 2 <sup>nd</sup> class (large)	0.36

### **Travel**

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

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