

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company VG Realisations Limited (Formerly Vegastream Group Limited)	Company number 04790808
In the High Court of Justice, Chancery Division (full name of court)	Court case number 7416 of 2011

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a) James Sleight
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XFStephen Goderski
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF(b) Insert name and
address of
registered office of
company

having been appointed administrator(s) of (b) VG Realisations Limited (Formerly Vegastream Group Limited) c/o Geoffrey Martin & Co, 7-8 Conduit Street, London W1S 2XF

(c) Insert date of
appointment
(d) Insert name of
applicant/appointor

on (c) 22 August 2011 by (d) Noble Venture Finance I Limited

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

1 August 2012

Contact DetailsYou 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
formThe contact information that you give
will be visible to searchers of the
public recordJames Sleight
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF

DX Number

020 7495 1100
DX ExchangeWhen you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

THURSDAY



**GEOFFREY
MARTIN
& CO**

7-8 Conduit Street
London
W1S 2XF

1 August 2012

To all known creditors

Telephone 020 7495 1100
Fax 020 7495 1144

E-Mail: info@geoffreymartin.co.uk
www.geoffreymartin.co.uk

*when telephoning please
ask for—*

Our Ref JAS/SG/PW/JD/VEGA401/RB2

Jessica Dmochowska

Dear Sirs

**VG Realisations Limited - In Administration ("the Company")
(formerly Vegastream Group Limited)**

I write pursuant to Rule 2 110 and Rule 2 118 of the Insolvency Rules 1986 ("the Rules") to provide creditors with my final report on the progress of the Administration following my appointment as Joint Administrator on 22 August 2011

This report should be read in conjunction with my previous report to creditors issued in accordance with the guidelines set out in the Statement of Insolvency Practice ("SIP") 16, dated 30 August 2011, Schedule B1 to the Insolvency Act 1986 ("the Act"), dated 10 October 2011, and my progress report to creditors issued in accordance with Rule 2 47 of the Rules, dated 19 March 2012

The information which I am required to disclose in accordance with Rule 2 47(a) to (c) of the Rules is attached at Appendix A

Executive Summary

In accordance with Rule 2 47(2) of the Rules, I attach at Appendix B and B1 the Joint Administrators' Abstract of Receipts and Payments accounts for the periods 22 August 2011 to 1 August 2012 and 22 February 2012 to 1 August 2012 respectively

In summary, all asset realisations have been concluded and from the proceeds, Noble Venture Finance Limited ("Noble"), the secured creditor, has been paid £511,768 from realisations subject to the security provided by its fixed charge. Due to insufficient floating charge assets, it has not been possible to make a distribution to Noble under its floating charge, resulting in a shortfall of £163,329 in respect of the guarantee given by the Company.

There have been no preferential claims received against the Company. It was agreed with Sangoma Technologies Inc, ("Sangoma"), under the terms of its purchase of the Company's business, that any employee liabilities arising in respect of the pre-Administration period could be claimed against funds held in an escrow account which formed an integral part of Sangoma's purchase. Consequently, no additional preferential claims have been lodged against the Company.

The Prescribed Part provisions of the Insolvency Act 1986 do apply to the Company, however following settlement of the costs of the Administration there are insufficient assets to enable a distribution from floating charge realisations to unsecured creditors.



The objective of the Administration, to achieve a better result for creditors as a whole than would have been likely if the Company were to have been wound up without first being Administration, has been achieved pursuant to Schedule B1 of the Act. Whilst unsecured creditors will not receive funds from the Administration, the objective can be demonstrated to have been achieved through the significant mitigation of the claims of the Landlord and employees due to the sale of the business, continued occupation of the former trading premises and transfer of all employees to the purchaser. In addition, higher realisable values for the Company's intangible assets and book debts have been achieved through the Administration which would not have occurred in a winding up scenario.

Joint Administrators' Proposals

My Proposals for achieving the purpose of the Administration were deemed to have been approved by creditors without modification on 25 October 2011 in accordance with Rule 2.33(5) of the Rules. An Executive Summary of the Key Proposals is attached at Appendix C. Please note there have been no deviations from the Proposals at any time during the course of the Administration.

Asset Realisations

Final asset realisations as at 1 August 2012 together with asset realisations that have occurred since 22 February 2012 are summarised below. All available assets have now been realised.

Sale of Business

The business and certain assets of the Company were sold to Sangoma immediately following the Joint Administrators' appointment for a net consideration of £622,056. A schedule of assets included in the sale together with the consideration paid, is provided below, however, for further details concerning the sale please refer to my previous reports.

	£
Intellectual Property	605,390
Goodwill	1
Shares (Vegastream Networks Private Ltd)	6,662
Plant, Machinery and office Equipment	10,000
Stock	1
WIP	1
Company Records	1
	<hr/>
	£622,056

In addition to the above consideration funds equating to £75,000 were deposited into an escrow account. It was agreed that Sangoma was entitled to draw against the funds held in the escrow account in respect of any pre-Administration employment liabilities subsequently paid by them. A claim totalling £83,220 was submitted by Sangoma and it was agreed, following a thorough review of the claim, that the full balance of funds held in the escrow account be transferred to Sangoma. Details of the liabilities drawn against the escrow account are detailed in my previous reports of 10 October 2011 and 19 March 2012.

Debtors

The Company's debtor ledger has been fully recovered, realising £23,281. The amount received was greater than the anticipated sum of £19,597 stated in the Company's records as no credits were offset as initially anticipated by the Company's records.

Return on Shares in VDL

Prior to my appointment, the Company held a 1% shareholding in VD Realisations Limited (formerly Vegastream Distribution Limited) ("VDL") with the remaining 99% being owned by a third party investor, Mr Giovanni Amati. Subsequently, due to the terms of the restructuring of the Vegastream Group, Mr Amati's involvement ceased and his shareholding was transferred to the Company.



The value of this shareholding has been investigated during the Administration and it has been concluded that there is no value to extract for the benefit of the Company's creditors due to VDL's current insolvent position. Furthermore, it has been confirmed by my solicitors that any realisations from this source would have been treated as falling under Noble's fixed charge.

The shareholding in VDL has been transferred for no consideration to Vegastream Holdings Ltd ("VHL"), the Company's parent, in order that the orderly wind down of VDL can be finalised. Noble is the largest creditor of both VDL and VHL.

VAT Refund

Following the Joint Administrators' appointment, the director completed and submitted the Company's outstanding pre-Administration VAT returns to HM Revenue & Customs ("HMRC"). These returns detailed a refund of £7,012 due to the Company, however HMRC applied this refund in set-off against the PAYE liability due by the Company thereby reducing its claim in the Administration.

Bank Interest (Gross)

At all material times during the Administration funds held have been held on an interest bearing account. Interest of £257 has accrued on the Administration bank account since my appointment, of which £40 has accrued in the period commencing 22 February 2012 to 1 August 2012.

Sundry Receipt

A repayment of £44 was received from HSBC Bank in respect of a BACs payment erroneously transferred subsequent to my instruction to freeze all payments leaving the Company's bank account.

Investigations

My investigations have been finalised and my statutory report on the conduct of the Company's sole director was submitted to The Department of Business, Innovation and Skills on 2 December 2011. For further details regarding the matters investigated, please refer to my previous reports. Please note that none of the identified issues have proved worthy of pursuance in the interests of creditors.

Corporation Tax

I am obliged to prepare and submit Corporation Tax returns relating to the period of the Administration and can confirm all returns have been submitted to HM Revenue & Customs.

Outcome for the Secured Creditor – Noble Venture Finance Limited ("Noble")

Noble provided financing to the Company's parent company, VHL, who in turn provided funding to the Company. The Company was a party to the agreements between VHL and Noble and are liable in respect of any sums due to Noble under a cross guarantee scheme. Noble also provided funding to VDL, which in turn was also guaranteed by the Company.

It was confirmed by my solicitors that the following three loan facilities were captured under Noble's fixed charge.

	Initial Lending	Balance as at 5 September 2011
	£	£
Loan agreement dated November 2005	500,000	268,713
Loan agreement dated November 2006	250,000	144,386
Loan agreement dated August 2011	260,000	261,998
	<u>1,010,000</u>	<u>675,097</u>



A distribution from fixed charge realisations totalling £413,000 was paid on 23 September 2011. Two further distributions of £80,000 and £18,768 were paid on 1 March 2012 and 21 June 2012 respectively, leaving a shortfall to Noble of £163,329.

Floating charge realisations have been insufficient to enable any distribution to Noble under their floating charge.

In addition to the secured loan agreements between VHL, the Company and Noble, VHL also entered into a number of loan agreements with Noble Venture Finance II SA ("Noble II"). At the date of my appointment the balance outstanding on these loans was £270,802. It has been confirmed by my solicitors that these loans are not captured under Noble's security and rank as an unsecured liability in the Administration. Noble II will not receive any distribution in respect of these loan agreements as there are insufficient funds to pay a distribution to unsecured creditors.

Outcome for the Preferential Creditors

There were no preferential claims submitted against the Company as all claims were mitigated following the transfer of all employees to Sangoma.

Outcome for Unsecured Creditors and the "Prescribed Part"

The provisions of Section 176A of the Act, concerning the setting aside of a 'Prescribed Part' of floating charge monies, do apply in this case. There are, however, insufficient funds to make a distribution to the unsecured creditors as all floating charge realisations have been used to defray the costs of the Administration.

Joint Administrators' Remuneration

The Basis of the Joint Administrators' Remuneration

In my report dated 10 October 2011, prepared pursuant to Paragraph 49 of Schedule B1 of the Act setting out my Proposals, it was explained that I would seek agreement from Noble that the underlying basis of my remuneration and disbursements would be fixed by reference to time costs incurred in attending to matters arising in respect of the Administration. In addition, I requested that my disbursements be drawn in line with my firm's charging and disbursements policy. The requisite approval was received from Noble on 21 October 2011.

Time Costs Incurred

Pre-Administration

Geoffrey Martin & Co's pre-Administration costs amounted to £29,161 (including disbursements of £161) and have been drawn, with the approval of Noble, from fixed charge realisations. For further details of these costs and those of other professional advisors, please refer to Appendix F of my report dated 10 October 2011.

Post-Administration

Details of the Joint Administrators' time costs incurred since appointment are attached at Appendix E. I have provided this information in this format as required by the provisions of SIP 9. The Joint Administrators have accrued time costs amounting to £99,303 since appointment, of which £18,716 related to time costs specifically incurred in dealing with fixed charge assets. The balance of time costs relate to time incurred in dealing with the floating charge assets and the day to day administration of the case.



Time costs of £27,310 have been incurred from 22 February 2012 to date, of which £8,382 relate to matters subject to Noble's fixed charge and £18,928 to the floating charge. Further details are provided at Appendix E and E1 of this report.

Disbursements Incurred

The drawing of disbursements relates to the recovery of costs incurred. Category 1 disbursements relate to specific costs incurred, such as Companies House searches, direct travelling expenditure and advertising costs. Category 2 disbursements relate to the recovery of general costs such as an annual charge per creditor to cover postage, stationery and telephone expenses and mileage charges. These are charged in accordance with the firm's Charging and Disbursement Policy attached at Appendix F.

As at 1 August 2012, I have incurred Category 1 and 2 disbursements of £188 and £351 respectively. A summary of these can be found at Appendix E.

Remuneration and Disbursements Drawn

I have drawn £31,000 in respect of post-appointment remuneration from fixed charge realisations and £32,043 from floating charge realisations. All fees have been drawn in the period 22 February 2012 to 1 August 2012 with the specific approval of the secured creditor. The balance of time costs has been written off as irrecoverable.

The Joint Administrators have drawn £188 in relation to Category 1 disbursements, of which £88 relates to the period covered by this report. Furthermore, a total of £351 has been drawn in respect of Category 2 disbursements, all of which were drawn in the period covered by this report.

Expenses Incurred and Paid

Details of the professional costs incurred in the Administration can be found at Appendix E.

Creditors' Guide to Fees and Statement of Creditors' Rights

If you require further information relating to the Joint Administrators' remuneration, expenses and disbursements please see Appendix G. This also gives details of your rights as a creditor.

Exit from Administration

It was agreed by Noble on 21 October 2011 that the Joint Administrators be authorised to determine the most appropriate exit route from Administration based on the circumstances of the case and available funds for unsecured creditors.

Further to the above, it was also agreed by Noble that upon discharge of the Administration by way of whichever exit route was applicable, the Joint Administrators will be discharged from all liability incurred in respect of the Administration.

There are insufficient funds available to enable a distribution to unsecured creditors. Accordingly, I intend to send notice on Form 2 35B, to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Act. The appointment of the Joint Administrators ceases to have effect with the filing of Form 2 35B at Companies House. The Company will then be dissolved after a period of three months.

A copy of Form 2 35B is attached at Appendix D. On the registration of Form 2 35B by the Registrar of Companies the Joint Administrators will be discharged from liability in accordance with Paragraph 98 of Schedule B1 of the Act.



Should you have any queries concerning the conduct of the Administration please do not hesitate to contact Jessica Dmochowska at this office

Yours faithfully
For and on behalf of
VG Realisations Limited

James Sleight
Joint Administrator
Acting as agent of the Company
and contracting without personal liability

The affairs, business and property of the Company are managed by the Joint Administrators who act as the Company's agents and without personal liability

James Sleight and Stephen Goderski are licensed in the United Kingdom by the Insolvency Practitioners Association

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX A

STATUTORY INFORMATION

VG Realisations Limited – In Administration ("the Company")
(Formerly Vegastream Group Limited)

Statutory Information

Details relating to the appointment of Joint Administrators of the Company are provided below

Court Details	In the High Court of Justice, Chancery Division, Companies Court	
Court Number	7416 of 2011	
Date of Appointment	22 August 2011	
Administrators' Details	James Sleight Geoffrey Martin & Co 7-8 Conduit Street London W1S 2XF	Stephen Goderski Geoffrey Martin & Co 7-8 Conduit Street London W1S 2XF
Appointment By	The qualifying floating charge holder, Noble Venture Finance I Limited in accordance with Paragraph 14 of Schedule B1 to the Insolvency Act 1986	

In accordance with paragraph 100(2) to Schedule B1 of the Insolvency Act 1986 the Joint Administrators confirm that any act required or authorised under any enactment to be done by an Administrator may be done by either of us individually or jointly

The EC Regulations on Insolvency Proceedings 2000 do apply and the Company's centre of main interest is in the United Kingdom. In accordance with these Regulations, the Administration represents main proceedings

The statutory information of the Company as extracted from the Company's file at Companies House is as follows

Company Number	04790808	
Registered Office	c/o Geoffrey Martin & Co 7-8 Conduit Street London W1S 2XF	
Former Registered Office	Eagle House, The Ring Bracknell Berkshire United Kingdom RG12 1HB	
Share Capital	The Company has authorised share capital of £5,694,167 divided into 0 1p ordinary shares	
Shareholder	Vegastream Holdings Limited	Ordinary 0 1p shares 5,694,167,000

Directors:	Mr Timothy Burne	Appointed 06/06/2003	Resigned N/a
	Mr Ernest Richardson	10/09/2003	16/09/2008

Company Secretary:	Mr Timothy Burne	Appointed 10/09/2003	Resigned N/a
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Previous Names:	Date Name Changed	
	Vegastream Group Limited	25/08/2011

Registered Charges: The Company has eight charges, two of which are outstanding and six are satisfied Details of the two outstanding charges are below

A fixed and floating charge in favour of Noble Venture Finance I Limited, created on 23 November 2006 and registered on 12 December 2006, securing against all liabilities due or to become due by the Company by way of a fixed charge over the Company's uncalled capital, the goodwill and intellectual property and a floating charge over all other Company assets

A legal charge in favour of Noble Venture Finance I Limited, created on 16 November 2005 and registered on 29 November 2005, securing against all liabilities due or to become due by the Company by way of a charge over the Company's fixed assets

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX B

**JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS & PAYMENTS B
AND
JOINT ADMINISTRATORS' PERIOD ABSTRACT OF RECEIPTS & PAYMENTS B1**

VG Realisations Limited (Formerly Vegastream Group Limited)
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
Period from 22 August 2011 to 1 August 2012

	Statement of Affairs £	Fixed Charge £	Floating Charge £	Total £
RECEIPTS				
Intellectual Property	605,390 00	605,390 00	-	605,390 00
Shares (Vegastream Networks Private Ltd)	6,662 00	6,662 00	-	6,662 00
Goodwill	1 00	1 00	-	1 00
Bank Interest	-	209 00	47 52	256 52
Plant, Machinery and Office Equipment	10,000 00	-	10,000 00	10,000 00
Stock	1 00	-	1 00	1 00
WIP	1 00	-	1 00	1 00
Company Records	1 00	-	1 00	1 00
Book Debts	Uncertain	-	23,281 28	23,281 28
VAT Reclaim	Uncertain	-	Nil	Nil
Sundry Receipts	-	-	44 32	44 32
	<u>622,056 00</u>	<u>612,262 00</u>	<u>33,376 12</u>	<u>645,638 12</u>
PAYMENTS				
<u>Pre-Administration Costs</u>				
Geoffrey Martin & Co		29,000 00	-	29,000 00
Geoffrey Martin & Co - Category 1 Disbursements		63 94	-	63 94
Geoffrey Martin & Co - Category 2 Disbursements		96 75	-	96 75
Advertisement for Sale of Business		126 25	-	126 25
Charles Russell - Legal Fees		25,000 00	-	25,000 00
Edward Symmons - Agents' Fees		7,500 00	-	7,500 00
Edward Symmons - Disbursements		215 15	-	215 15
Haysmacintyre - Tax Advice		850 00	-	850 00
<u>Post-Administration Costs</u>				
Joint Administrators' Fees		31,000 00	32,043 09	63,043 09
Joint Administrators' Category 1 Disbursements		-	187 60	187 60
Joint Administrators' Category 2 Disbursements		-	351 00	351 00
Storage Costs		-	217 21	217 21
Charles Russell - Legal Fees		4,500 00	500 00	5,000 00
Charles Russell - Disbursements		116 70	-	116 70
Haysmacintyre - Tax Advice		1,950 00	-	1,950 00
Corporation Tax		-	65 22	65 22
Bank Charges		75 00	12 00	87 00
<u>Distribution to Secured Creditor</u>				
Noble Venture Finance I Limited		511,768 21	-	511,768 21
	<u>612,262 00</u>	<u>33,376.12</u>		<u>645,638 12</u>
Balances in Hand	<u>0.00</u>	<u>0 00</u>		<u>0 00</u>
	<u>612,262 00</u>	<u>33,376 12</u>		<u>645,638 12</u>
Balance - 1 August 2012				<u>0.00</u>
Made up as follows				
Current Account - Interest Bearing				<u>0 00</u>

VG Realisations Limited (Formerly Vegastream Group Limited)
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
Period from 22 February 2012 To 1 August 2012

	Statement of Affairs £	Fixed Charge £	Floating Charge £	Total £
RECEIPTS				
Intellectual Property	605,390 00	-	-	-
Shares (Vegastream Networks Private Ltd)	6,662 00	-	-	-
Goodwill	1 00	-	-	-
Bank Interest		20 25	19 99	40 24
Plant, Machinery and Office Equipment	10,000 00	-	-	-
Stock	1 00	-	-	-
WIP	1 00	-	-	-
Company Records	1 00	-	-	-
Book Debts	Uncertain	-	-	-
VAT Reclaim	Uncertain	-	-	-
Sundry Receipts		-	-	-
	<u>622,056 00</u>	<u>20.25</u>	<u>19.99</u>	<u>40.24</u>
PAYMENTS				
<u>Pre-Administration Costs</u>				
Geoffrey Martin & Co		-	-	-
Geoffrey Martin & Co - Category 1 Disbursements		-	-	-
Geoffrey Martin & Co - Category 2 Disbursements		-	-	-
Advertisement for Sale of Business		-	-	-
Charles Russell - Legal Fees		-	-	-
Edward Symmons - Agents' Fees		-	-	-
Edward Symmons - Disbursements		-	-	-
Haysmacintyre - Tax Advice		-	-	-
<u>Post-Administration Costs</u>				
Joint Administrators' Fees	31,000 00	32,043 09		63,043 09
Joint Administrators' Category 1 Disbursements	-	87 85		87 85
Joint Administrators Category 2 Disbursements	-	351 00		351 00
Storage Costs	-	217 21		217 21
Charles Russell - Legal Fees	4,500 00	500 00		5,000 00
Charles Russell - Disbursements	116 70	-		116 70
Haysmacintyre - Tax Advice	1,950 00	-		1,950 00
Corporation Tax	-	65 22		65 22
Bank Charges	50 00	-		50 00
<u>Distribution to Secured Creditor</u>				
Noble Venture Finance I Limited	98,768 21	-		98,768 21
	<u>136,384 91</u>	<u>33,264 37</u>		<u>169,649 28</u>
Funds b/f as at 21 February 2012	136,364 66	33,244 38		169,609 04
Net receipts/payments in the period	(136,364 66)	(33,244 38)		(169,609 04)
Closing funds	<u>0.00</u>	<u>0 00</u>		<u>0.00</u>

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX C

JOINT ADMINISTRATORS' KEY PROPOSALS

VG Realisations Limited - In Administration ("the Company")
(Formerly Vegastream Group Limited)

Executive Summary of the Joint Administrators' Key Proposals

In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 ("the Act") and Rule 2.33(1) of the Insolvency Rules 1986 ("the Rules"), James Sleight and Stephen Goderski, the Joint Administrators of the Company ("the Joint Administrators"), make the following proposals for achieving the purposes of the Administration, following their appointment on 22 August 2011, to the creditors of the Company for consideration and, if thought fit, approval

The Joint Administrators propose

- (1) To manage the business, affairs and property of the Company
- (2) To continue to take any action consider expedient and in particular that
 - (i) they continue to wind down the Company's remaining affairs following the going concern sale,
 - (ii) they continue to collect the Company's outstanding debts,
 - (iii) they research any return on VDL shares,
 - (iv) that they do all such things they may consider expedient with a view to enhancing or preserving the value of the Company assets prior to realisation.
- (3) That they be authorised to make a distribution to any preferential creditors and floating charge holders as appropriate
- (4) That they be at liberty to investigate and if appropriate pursue, any claims that the Company may have against any person
- (5) That they complete the asset realisations and investigations and then address the most appropriate method of exiting the Administration
- (6) That their remuneration be fixed by time properly incurred by them and their staff
- (7) That they will incur and shall pay such costs and expenses, including professional fees, that they consider to be incidental to the achievement of the proposals
- (8) That they be authorised to charge disbursements in accordance with their firms' current disbursement policy
- (9) It is proposed that the Joint Administrators do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve a purpose of the Administration or protect and preserve the assets of the Company or maximise realisations of those assets, or for any other purpose incidental to these proposals. Without limitation to the general powers of the Joint Administrators, they shall have the power and discretion to compromise claims if, in their opinion, it is beneficial to the achievement of the proposals outlined above to do so

For full details of the Joint Administrators' Proposals please refer to the report issued to creditors dated 10 October 2011



James Sleight
Joint Administrator of VG Realisations Limited
(Formerly Vegastream Group Limited)

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX D

**FORM 2.35B
NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION**

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company

 VG Realisations Limited
 (Formerly Vegastream Group Limited)

Company number

04790808

 In the
 High Court of Justice, Chancery Division
 (full name of court)

 Court case number
 7416 of 2011

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

 I/We (a) James Sleight
 Geoffrey Martin & Co
 7-8 Conduit Street
 London
 W1S 2XF

 Stephen Goderski
 Geoffrey Martin & Co
 7-8 Conduit Street
 London
 W1S 2XF

 (b) Insert name and
 address of
 registered office of
 company

having been appointed administrator(s) of (b) VG Realisations Limited (Formerly Vegastream Group Limited) c/o Geoffrey Martin & Co, 7-8 Conduit Street, London W1S 2XF

 (c) Insert date of
 appointment

on (c) 22 August 2011 by (d) Noble Venture Finance I Limited

 (d) Insert name of
 applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I attach a copy of the final progress report

Signed


 Joint / Administrator(s)

Dated

1 August 2012

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

 James Sleight
 Geoffrey Martin & Co
 7-8 Conduit Street
 London
 W1S 2XF

DX Number

 020 7495 1100
 DX Exchange

Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX E

**JOINT ADMINISTRATORS' TIME COSTS ANALYSIS
& ANALYSIS OF EXPENSES**

VEGA404 VG Realisations Limited

SIP 9 - Time & Cost Summary

Period 22/08/11 01/08/12

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	0 00	1 70	0 00	30 50	32 20	4,634 50	143 93
Administrative Setup	0 00	0 00	0 20	0 20	0 40	48 00	120 00
Appointment, Notification / Filing	0 50	2 10	0 00	0 00	2 60	707 50	272 12
Post Appointment VAT & Tax Re	0 20	0 30	0 00	2 10	2 60	445 50	171 35
Case Monitoring	11 30	5 20	0 40	6 80	23 70	6,451 00	272 19
Secretarial / Filing	0 00	1 30	0 00	22 80	24 10	3,120 50	129 48
Cashier for Non Trading	0 00	0 00	6 80	11 20	18 00	2,422 00	134 56
Travelling	2 00	1 00	0 00	1 20	4 20	1,160 00	276 19
Other Statutory matters	0 20	0 80	0 00	86 30	87 30	12,925 50	148 06
Case Strategy	0 00	0 60	0 00	0 00	0 60	150 00	250 00
Administration & planning	14 20	13 00	7 40	161 10	195 70	32,064 50	163 85
Investigations	1 40	6 30	0 00	29 80	37 50	6,538 50	174 36
CDDA Reports	0 50	1 10	0 00	5 20	6 80	1,237 50	181 99
Investigations	1 90	7 40	0 00	35 00	44 30	7,776 00	175 53
Property	1 30	4 70	0 00	3 30	9 30	2,142 00	230 32
Book Debts	0 70	7 10	0 00	7 20	15 00	3,110 50	207 37
Other Assets	6 70	26 60	0 00	1 60	34 90	9,335 50	267 49
Going Concern Sale Assets/Busi	3 80	0 70	0 00	3 30	7 80	2,057 00	263 72
Realisations of assets	12 50	39 10	0 00	15 40	67 00	16,645 00	248 43
Preferential Creditors	0 00	0 00	0 00	0 30	0 30	45 00	150 00
Unsecured Creditors	0 00	2 40	0 00	23 70	26 10	4,122 50	157 95
Employee Matters (Claims)	0 50	2 00	22 00	13 10	37 60	6,098 50	162 19
Statutory Reporting to Creditors	10 30	30 30	0 00	66 50	107 10	21,405 50	199 86
Report / Secured Creditor	9 70	10 50	0 00	8 00	28 20	7,365 50	261 19
Pension Issues	0 50	3 20	7 00	10 30	21 00	3,655 00	174 05
Shareholders - Communication	0 00	0 50	0 00	0 00	0 50	125 00	250 00
Creditors	21 00	48 90	29 00	121 90	220 80	42,817 00	193 92
Total Hours	49 60	108 40	36 40	333 40	527 80	99,302 50	188 14
Total Fees Claimed						63,043 09	

VEGA404 VG Realisations Limited

SIP 9 - Time & Cost Summary

Period 22/02/12 01/08/12

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	0 00	0 10	0 00	7 30	7 40	1,071 00	144 73
Case Monitoring	5 80	2 00	0 00	0 40	8 20	2 672 00	325 85
Secretarial / Filing	0 00	0 00	0 00	6 70	6 70	794 50	118 58
Cashier for Non Trading	0 00	0 00	2.70	6 90	9 60	1 231 50	128 28
Other Statutory matters	0 10	0 00	0 00	14 80	14 90	2,179 00	146 24
Case Strategy	0 00	0 60	0 00	0 00	0 60	150 00	250 00
Administration & planning	5 90	2 70	2.70	36 10	47 40	8,098 00	170 84
Investigations	0 00	0 00	0 00	2.40	2 40	380 00	150 00
CDDA Reports	0 20	0 00	0 00	0 00	0 20	73 00	365 00
Investigations	0 20	0 00	0 00	2.40	2 60	433 00	168 54
Other Assets	5 90	18 30	0 00	1 30	25 50	6,923 50	271 51
Realisations of assets	5 90	18 30	0 00	1 30	25 50	6,923 50	271 51
Unsecured Creditors	0 00	0 40	0 00	0 60	1 00	180 00	180 00
Employee Matters (Claims)	0 00	0 00	0 90	0 00	0 90	144 00	160 00
Statutory Reporting to Creditors	3.20	16 10	0 00	31 90	51 20	10,042.00	196 13
Report / Secured Creditor	3 30	0 60	0 00	0 90	4 80	1,489 50	310 31
Creditors	6 50	17 10	0 90	33 40	57 90	11,855 50	204 76
Total Hours	18 50	38 10	3 60	73 20	133 40	27,310 00	204 72
Total Fees Claimed						63,043 09	

**VG Realisations Limited – In Administration (“the Company”)
(Formerly Vegastream Group Limited)**

Overview of Administrators’ time spent

I detail below the key areas of work undertaken by the Joint Administrators and their staff in respect of the Administration

Administration and planning

- Collection of the Company's books and records
- Liaising with the director
- Statutory requirements imposed by the Insolvency Act and Rules 1986 and Insolvency Bodies
- Administrative setup and filing of all statutory paperwork
- Accounting for receipts and payments in the Administration
- Monitoring the progress of the Administration
- Liaising with tax advisors regarding completion of Corporation Tax returns

Realisation of assets

- Liaising with the Company's management team in respect of the collection of the pre-appointment debts
- Liaising with the purchasers and former landlords in respect of the leased property and source of rent deposits
- Liaising with the Company's bank in respect of the recovery of cash at bank balances
- Discussions and meetings regarding clarification of ownership concerning various assets
- Resolving post-completion issues with purchaser
- Liaising with Charles Russell LLP regarding the sale purchase agreement
- Detailed analysis and investigations into the value of the shares held in VDL
- Detailed reconciliation of the escrow account
- Liaising with the purchaser of VDL's business and assets regarding
 - Refund of debtor receipts received by Sangoma
 - Funds paid by VDL on behalf of Sangoma
 - Analysis of amounts claimed by Sangoma against the £25,000 held in escrow
 - Mediating points of dispute between Sangoma and the director of VDL in order to expedite wind down of VDL.
- Arranging transfer of shares held in VDL to parent company following determination that these held no value to the Company
- Review of assets and liabilities to determine net asset value of VDL

Investigations

- Statutory investigations into the affairs of the Company and its officers and in accordance with Statement of Insolvency Practice 2
- Completion of Directors' Conduct Report in accordance with the Company Directors Disqualification Act 1986
- Dealing with enquires and information provided by creditors
- Investigating the accuracy of the Company's Statement of Affairs and comparing the financial statement prepared
- Reviewing the Company's records in order to identify unusual or exceptional items
- Investigations relating to transactions with associated companies and connected persons
- Reviewing asset movements in the fixed and current assets for additions and disposals

Creditors

- Managing the transfer of employees under the Transfer of Undertakings (Protection of Employment) Regulations to the Purchaser
- Liaising with the landlord regarding the lease and deposits
- Dealing with creditor queries and claims, both oral and written

- Statutory reporting to Creditors
- Pension issues
- Employee expense issues
- Liaising with Noble Venture Finance I Limited
- Liaising with the Pension Regulator Office
- Dealing with contracted employee claims and employee tribunal claims

Joint Administrators' time costs of the Administration

Details of the Joint Administrators' time costs incurred and paid between the onset of the Administration and the date of this report are detailed below

	Costs Incurred In period 22/02/12 - 01/08/12 £	Total costs Incurred 22/08/11 - 01/08/12 £	Costs Paid 22/02/12 - 01/08/12 £	Total Costs paid 22/08/11 - 01/08/12 £	Costs Written Off 22/08/11 - 01/08/12 £
Fixed					
Joint Administrators' Time costs	8,382	18,716	31,000	31,000	(12,284)
Floating					
Joint Administrators' Time Costs	18,928	80,587	32,043	32,043	48,544
Total	27,310	99,303	63,043	63,043	36,260

Whilst you will note that time costs paid from fixed charge realisations exceed the specific quantum of time costs accrued on this classification of asset, this is a result of the lack of floating charge realisations on the case. It should be noted that all fees have been drawn with the specific consent of the secured creditor, who is the only creditor impacted by fees drawn

Other professional costs of the Administration

Details of professional advisers who have been engaged by the Joint Administrators, and their respective charges, are detailed below

- 1 Charles Russell LLP were instructed to advise on all legal aspects arising during the Administration. Charles Russell LLP were chosen due to their experienced knowledge of insolvency matters. Their charges are incurred on the basis of time properly spent advising on the various issues in this case.
2. Haysmacintyre were instructed to complete all necessary pre and post appointment tax returns. Their charges are on the basis of time properly spent in advising on the various issues of this case.

The level of costs and disbursements incurred by my professional advisors between the onset of the Administration and the date of this report, together with details of any payments made to them in respect of these costs, is given below

Name	Description	Incurred in period 22/02/12- 01/08/12 £	Total Costs Incurred 22/08/11 - 01/08/12 £	Paid in period 22/02/12- 01/08/12 £	Total Costs Paid 22/08/11 - 01/08/12 £	Costs Written Off 22/8/11 - 01/08/12 £
Fixed						
Charles Russell	Solicitors	-	5,525	4,500	4,500	1,025
Charles Russell – disbursements	Solicitors	-	116	116	116	-
Haysmacintyre	Tax Advisors	-	1,950	1,950	1,950	-
		-	7,591	6,566	6,566	1,025
Floating						
Charles Russell	Solicitors	-	500	500	500	-
		-	500	500	500	-

Administration expenses

Details of expenses incurred and paid during this reporting period are as follows -

Expenses	Incurred and paid in period 22/2/12- 01/08/12 £	Total Incurred and Paid 22/08/11- 01/08/12 £
Storage costs	217	217
Bank charges	50	87
	<u>267</u>	<u>304</u>

Disbursements

Category 1 disbursements are in respect of expenses that are directly attributable to the case and were all incurred and drawn in the period covered by this report, as follows -

Analysis of "Category 1 disbursements"

Category 1 disbursements	Incurred and Paid in period 22/2/12- 01/08/12 £	Total Incurred and Paid 22/08/11- 01/08/12 £
Statutory Advertising costs	-	70
Specific Bond	-	30
Search Fees	35	35
Travel Expenses	53	53
	<u>88</u>	<u>188</u>

Category 2 disbursements

Category 2 disbursements require specific authorisation and consist of disbursements that are not specifically identifiable to the case. These are charged in accordance with the firm's disbursement policy found at Appendix F.

Analysis of "Category 2 disbursements"

Category 2 disbursements	Incurred and paid in period 22/2/12- 01/08/12 £	Total Incurred and paid 22/08/11- 01/08/12 £
Postage, stationery and telephone	351	351

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX F

CHARGING AND DISBURSEMENTS POLICY

Case Name	VG Realisations Limited (Formerly Vegastream Group Limited)
Court and Number	High Court of Justice, Chancery Division No 7416 of 2011
Office Holders	James Sleight and Stephen Goderski
Firm	Geoffrey Martin & Co
Address	7-8 Conduit Street London W1S 2XF
Telephone	020 7495 1100
Reference	VEGA404/JS/SG/PW/DO
Type of Appointment	Administration
Date of Appointment	22 August 2011

CHARGING AND DISBURSEMENTS POLICY (Combined London & Leeds Offices)

Time Costs

The firm's hourly charge out rates are revised annually from 1 May. The rates currently in use are within the following bands

	£
Partner	325 – 400
Senior Manager	300
Manager	220 – 285
Senior Administrator	140 – 250
Junior Administrator and Support Staff	65 – 150

Secretarial and cashiers time is charged to the case and their rates are included within the above hourly rates identified above as appropriate. Time is charged in units of 6 minutes.

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Company Searches and Electronic Verification of Identity

Where these are undertaken on a case, the cost is recharged to the case as follows:

Company Searches - £1 plus VAT per document searched
Electronic Verification of Identity - £2 plus VAT for each search

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Traveling expenses are charged at the rate of 45p per mile.

**VG REALISATIONS LIMITED
IN ADMINISTRATION
(Formerly Vegastream Group Limited)**

APPENDIX G

'A CREDITORS' GUIDE TO ADMINISTRATORS' 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