

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company
Accelerate Recruitment (Northampton) Limited

Company number
05260355

In the Bristol District Registry
(full name of court)

Court case number
1438 of 2009

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

I/We (a) Simon Franklin Plant
SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

Daniel Plant
SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

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

having been appointed administrator(s) of (b) Accelerate Recruitment (Northampton) Limited of 9
Ensign House, Admirals Way, Marsh Wall, London E14 9XQ

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

on (c) 3 June 2009 by (d) Hitachi Capital Invoice Finance

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

We attach a copy of the final progress report

Signed

Dated

Joint / Administrator(s)

26/5/10

Contact Details:

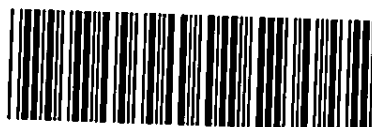
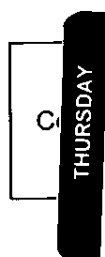
You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
form

The contact information that you give
will be visible to searchers of the
public record

Jamie Davies
S F P
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

DX Number

020 7538 2222
DX Exchange



A20 27/05/2010 398
COMPANIES HOUSE

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

Strictly Private and Confidential

Accelerate Recruitment (Northampton) Limited (in Administration)

Final Progress Report to Creditors

24 May 2010

Simon Franklin Plant MIPA MABRP

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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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1 Introduction

- 1 1 This Report is prepared pursuant to Rule 2.117 of the Insolvency Rules 1986 (as amended) ("the Rules") in relation to Accelerate Recruitment (Northampton) Limited (in Administration) (Co Number 05260355) ("the Company"). The Act and the Rules provide that if an Administrator finds that a company has no property which might permit a distribution to its creditors, he shall send Notice of moving from Administration to dissolution to the Registrar of Companies, together with a final progress Report. Further, that the appointed Administrator should send a copy of the Notice and the Report to, inter alia, all creditors.
- 1 2 To date, creditors have received the Joint Administrators Report and Proposals circulated to creditors on 3 July 2009 ("the First Report") and a six monthly update on 7 December 2009 ("the Second Report"). In the light of the information contained in these previous reports, this Report simply provides an additional update.
- 1 3 Following the First Report, the Joint Administrators proposals were approved. The Joint Administrators are moving the Company from Administration to Dissolution as they are now of the view that there are no further outstanding issues in relation to this matter and do not anticipate any further recoveries.

2 Asset Realisations / Miscellaneous

- 2 1 The Second Report provided you with a further summary of the position at the time in respect of asset realisations. A further update in this regard is provided below.

Debtors

- 2 2 As previously reported, as at the date of placing the Company into Administration, Hitachi Capital Plc ("Hitachi") had a commitment outstanding of circa £303,000 with the sales ledger at circa £424,000.
- 2 3 An entity associated with the Joint Administrators firm, SFP Recoveries Limited ("SFP Recoveries") was instructed to monitor the progress of the debtor collections and provide assistance to Hitachi, if required.
- 2 4 Hitachi subsequently recovered its commitment in full and arranged for the sales ledger to be reassigned to the Company, whereupon SFP Recoveries continued with collections and recovered a further £33,404 for the benefit of the Administration estate.
- 2 5 SFP Recoveries have advised that the remaining sales ledger is uncollectible and accordingly has closed its files.

The Company's Trading Premises

- 2 6 As previously reported, it is understood that the Company operated from two Trading Premises at 105 Abbey Street, Nuneaton, Warwickshire, CV11 5BX ("the Abbey Street Premises") and 4A Basset Court, Loake Road, Northampton NN3 5EZ ("the Basset Court Premises"), respectively.
- 2 7 An entity associated with the Joint Administrators firm, SFP Property Limited ("SFP Property") was instructed to review the terms of occupation at the Abbey Street Premises and the Basset Court Premises to determine whether or not there is any value attributable to the leases and to assist with any subsequent assignment or surrender.
-

- 2.8 SFP Property have confirmed that an informal surrender of the lease was completed on 15 September 2009 in respect of the Abbey Street Premises. SFP Property have further advised that ARN's occupation at the Basset Court Premises was not formalised by the landlord and therefore, the Company had no formal interest. Accordingly, SFP have confirmed that the Company's interest has been relinquished in respect of both premises, and now closed their files.

3. Investigations

- 3.1 In accordance with the Joint Administrators' duties, investigations were made into the conduct of the Company's current directors by another entity associated with the Joint Administrators firm, SFP Forensic Limited ("SFP Forensic"). The requisite D Form was submitted to the Insolvency Practitioners Compliance Unit ("IPCU") on 2 December 2009. All information contained in the D form is strictly confidential and the Joint Administrators shall not be permitted to divulge details of their recommendations to the IPCU.
- 3.2 SFP Forensic have advised the Joint Administrators that further to undertaking their investigations, they have exhausted all avenues and conclude there are no further potential recoveries available for the benefit of creditors.

4. Dividend Prospects / Payments

Preferential Creditors

- 4.1 Given that a sale of the Company's business and assets did not complete on a going concern basis, it was anticipated that there would be preferential claims. The Redundancy Payments Office ("RPO") has not yet submitted its claim, although based on current information the preferential element of its claim is expected to be circa £216.
- 4.2 The employees are entitled to submit a preferential claim in addition to the RPO, in respect of arrears beyond the statutory limitations. To date, preferential claims from employees total £257.

Non-Preferential Creditors

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

Creditor	Estimated Statement of Affairs £	Claims Received as at 24 May 2010 £
HM Revenue & Customs – VAT	135,000.00	209,422.00
HM Revenue & Customs – PAYE / NIC	Uncertain	254,379.00
Employee / RPO Claims	Uncertain	10,330.00
Trade and Expense	1,334.00	41,077.00

- 4.4 Given the realisations that have been recovered during the Administration, there will be no dividend distribution to unsecured creditors.

5. The Joint Administrators' Costs

- 5.1 At Appendix I is the Company's Final Income and Expenditure Account as at 24 May 2010. These are in the main self-explanatory.
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- 5.2 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.
- 5.3 At **Appendix III** is a breakdown of the time that has been incurred by SFP Forensic to date.
- 5.4 At **Appendix IV** is a breakdown of the time that has been incurred by SFP Recoveries to date.
- 5.5 At **Appendix V** is a breakdown of the time that has been incurred by SFP Property to date.
- 5.6 At **Appendix VI** is a breakdown of the time that has been incurred by SFP Datastore Limited ("SFP Datastore") to date. Details concerning SFP Datastore are set out in paragraph 5.11.
- 5.7 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.
- 5.8 Payments made out of a firm's 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:

Bordereau	£ 330.00
Courier Charges	£ 176.26
Statutory Advertising	£ 146.70
Mail Redirect	£ 52.05
Company Search	£ 44.00
Land Registry Search	£ 8.00

- 5.9 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**. There have been Category 2 Disbursements incurred to date, which have been re-charged to the estate:

Postage	£ 511.64
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As detailed in the First Report, SFP Forensic, SFP Recoveries and SFP Datastore remuneration will be treated as a Category 2 Disbursement. Creditors have previously provided sanction to recover disbursements of this type.

- 5.10 At **Appendix IX**, is a summary of Category 1 and Category 2 Disbursements, detailing the rates of the latter.
-

- 5.11 The fees incurred by valuation agents Edward Symmons, SFP Forensic, SFP Recoveries, SFP Datastore and the solicitors assisting in this matter, Clarke Willmott 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.

6 Conclusion

- 6.1 Creditors will recall that one of the Joint Administrators approved proposals was to seek the dissolution of the Company.
- 6.2 The requisite form is now in the process of being filed at Companies House to seek the dissolution of the Company.
- 6.3 Should any creditor have any questions or queries in relation to the above, please contact the Administrator dealing with this matter, Richard Hunt on 0207 538 2222.

Dated this 25th May 2010


Daniel Plant
Joint Administrator

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX I

- **Income and Expenditure Account / Comparison to Estimated Statement of Affairs**

Accelerate Recruitment (Northampton) Limited
(In Administration)

Income and Expenditure Account

	Statement of affairs £	From 03/06/2009 To 02/12/2009 £	From 03/06/2009 To 24/05/2010 £
RECEIPTS			
Book Debts		39,079 26	39,079 26
Monies received from Hitachi		10,000 00	10,000 00
VAT Refund		0 00	7,353 45
Cash at Bank		3,548 05	3,548 05
Council Tax Refund		0 00	734 21
Bank Interest Gross		6 34	11 36
Vat Control Account		4,103 28	14,836 33
		56,736 93	75,562 66
PAYMENTS			
SFP Datastore Fees		552 50	552 50
SFP Datastore Disbursements		367 72	367 72
SFP Forensic Fees		3,500 00	6,500 00
SFP Property Fees		3,000 00	4,000 00
Joint Administrator's Remuneration		34,000 00	39,000 00
Joint Administrator's CAT 1 Disb		720 01	757 01
Joint Administrator's CAT 2 Disb		326 26	511 64
Agents/Valuers Fees		0 00	3,950 00
Agents/Valuers Disbursements		0 00	185 43
Legal Fees		2,000 00	2,000 00
Legal Disbursements		965 00	965 00
Corporation Tax		0 00	2 80
Re-Direction of Mail		0 00	52 00
Insurance of Assets		355 80	355 80
Bank Charges		1 00	2 36
Vat Receivable		6,810 22	16,360 40
		52,598 51	75,562 66
BALANCE - 24 May 2010		4,138 42	0 00

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX II

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

SFP



ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 3 JUNE 2009 TO 24 MAY 2010

CLASSIFICATION OF WORK FUNCTION

Managing Partner Partner Senior Manager Manager Senior Administrator Administrator Assistant Total

Administration and Planning

2 00 22 90 - - - 6 80 22 80 1 20 85 20 50 50 24 10 215 50

Investigation

- 1 40 - - - - - - 0 20 - - 1 60

Realisation of assets

- 14 00 - - - 0 10 0 30 - 11 20 0 90 - 26 50

Trading

- - - - - - - - - - - 0 00

Creditors

- - - - - 0 80 8 30 7 50 1 70 0 90 8 20 27 40

Total hours

2 00 38 30 - - - 7 70 31 40 8 70 98 30 52 30 32 30 271 00

Average rate £ per hour

450 00 400 00 - - - 250 00 225 00 200 00 150 00 100 00 75 00 182 09

Total costs £

900 00 15,320 00 - - - 1,925 00 7,065 00 1,740 00 14,745 00 5,230 00 2,422 50 49,347 50

Remuneration drawn on account

39,000 00

See Appendix for Summary Charge Out Rates for staff

SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment and notification Maintenance of records Statutory reporting Estate accounting Schedule company books and records
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection – pre and post appointment Property, business and asset sales Communication and negotiations with secured creditors
Trading	Planning Management of operation Communication/negotiation with suppliers Communication/negotiation with landlord Communication/negotiation with third parties Monitor goods outward/inwards Stock take On-going employee issues Travel
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX III

- **Breakdown of SFP Forensic Limited Fees**



ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)
SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 3 JUNE 2009 TO 24 MAY 2010

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Investigation	6 70	-	-	0 20	-	2 20	50 50
<hr/>							
Total hours	6 70	-	-	0 20	-	2 20	50 50
Average rate £ per hour	450 00	-	-	250 00	-	100 00	204 26
Total costs £	3 015 00	-	-	50 00	-	220 00	10,315 00
							<hr/>
Remuneration drawn on account							<hr/>
							<hr/>
							6,500 00

See Appendix for Summary Charge Out Rates for staff

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX IV

- **Breakdown of SFP Recoveries Limited Fees**

SFP



RECOVERIES

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 3 JUNE 2009 TO 24 MAY 2010

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Debt Collection	-	-	-	14 20	5 30	12 30	31 80
Total hours	-	-	-	14 20	5 30	12 30	31 80
Average rate £ per hour	-	-	-	200 00	150 00	100 00	152 99
Total costs £	-	-	-	2,840 00	795 00	1,230 00	4,865 00

Remuneration drawn on account

0 00

See Appendix for Summary Charge Out Rates for staff

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX V

- **Breakdown of SFP Property Limited Fees**

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 3 JUNE 2009 TO 24 MAY 2010

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Property Issues	17 90	-	-	-	-	5 60	23 50
<hr/>							
Total hours	17 90	-	-	-	-	5 60	23 50
Average rate £ per hour	275 00	-	-	-	-	75 00	227 34
Total costs £	4922 50	-	-	-	-	420 00	5,342 50

4,000 00

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX VI

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

SFP



DATASTORE

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 3 JUNE 2009 TO 24 MAY 2010

CLASSIFICATION OF WORK FUNCTION

Boxing Up / Collection / Inventorising of Records

Total hours

Average rate £ per hour

Total costs £

Remuneration and disbursements drawn on account

See Appendix for Summary Charge Out Rates for staff

Storage Tasks Staff Costs	Inventorising Staff Costs	Total
12 90	4 20	17 10
12 90	4 20	17 10
25 00	7 5 00	37 28
322 50	315 00	637 50
		552 50

Disbursements	£
Storage boxes purchased 6 boxes @ £5 00 per box	30 00
Mileage 267 3 miles @ £1 10 per mile	293 70
Travel & subsistence	0 00
Van & man hire	0 00
Storage boxes	180 00
Storage cost	32 80
Disbursements incurred	536 50
Disbursements drawn on account	367 72

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX VII

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

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
Storage Tasks (Retrieval and Collection)	
Staff Costs	25
Inventorising and Additional	
Staff Costs	75
Retrieval Rates Guide	
Box Storage	18p / box / week
A4	21p / box / week
A3	6p / box / week
Transit Cases	
Retrieval costs from site	£1 10 per mile
Same Day Delivery (up to 10 items)	£22 50
Next Day Delivery (up to 10 items)	£15 00
Delivery to third party offices (up to 10 items / £1 50 per item thereafter)	£25 00

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX VIII

- **Guide to Administrators Fees**

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

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 and explains the basis on which fees are fixed.

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 objectives:

- 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 fees

- 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 either:

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

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and if it is fixed as a percentage fix the percentage to be applied. 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.

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 sub-contractors, 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 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.

5.2 After fee 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. 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

- 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, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways it will be fixed by the court on application by the administrator.

- 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 requested 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 What information should be provided by the administrator?

5.1 When seeking fee approval

- 5.1.1 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.

- 5.1.2 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.

- 5.1.3 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

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 administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

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 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.

6 What if a creditor is dissatisfied?

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

7 What if the administrator is dissatisfied?

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he 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.

8 Other matters relating to fees

- 8.1 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.

- 8.2 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.

9 Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2003 he 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

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 practitioner appointed to act as liquidator. The insolvency liquidation 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 initiated by resolution of the shareholders, or compulsory when it is initiated 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 1 month 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 fee 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 - 4.127(1) 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 proposal for a 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 exercise to be assessed (whilst recognising that 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 that 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 any reports he sends 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 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 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 proceedings 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.

ACCELERATE RECRUITMENT (NORTHAMPTON) LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX IX

- **Category 2 Disbursement Summary Charge Sheet**

SFP

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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:

Stationery / Photocopying	Cost Per Page / Envelope
* 1 page of headed paper	0 12
* 1 page of continuation paper	0 10
* 1 page of photocopying paper	0 02
* Envelopes (all sizes)	0 10

Postage	Postage Rate
Postage – 1 st class (small)	0 32
Postage – 1 st class (large)	0 44
Postage – 2 nd class (small)	0 22
Postage – 2 nd 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.