

The Insolvency Act 1986

Administrator's progress report

Name of Company

Autobody Workshop Limited
T/A Fix Auto

Company number

06962526

In the
Birmingham District Registry

(full name of court)

Court case number
8425 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)We
Tyrone Shaun Courtman
Cooper Parry LLP
1 Colton Square
Leicester
LE1 1QHNicholas John Edwards
Cooper Parry LLP
14 Park Row
Nottingham
NG1 6GR

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

(b) Insert date

From

(b) 31 August 2011

To

(b) 29 February 2012

Signed

Joint Administrator(s)

Dated

15/3/12

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
formThe contact information that you give
will be visible to searchers of the
public recordTyrone Shaun Courtman
Cooper Parry LLP
1 Colton Square
Leicester
LE1 1QH

DX Number E-Mail thought@cooperparry.com

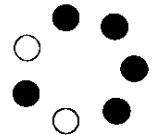
Tel 0116 262 9922
DX Exchange

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

FRIDAY

A15 23/03/2012 #269
COMPANIES HOUSE



14 Park Row
Nottingham
NG1 6GR

T: 0115 958 0212

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E: julieh@cooperparry.com

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TO ALL KNOWN CREDITORS

Your ref:

Our ref: CE/JLH/CWC/ZA030/ADM2010-B8.7

19 March 2012

When telephoning please ask for
Julie Hefter

Dear Sirs

Autobody Workshop Limited T/A Fix Auto - In Administration
Registered in England No. 06962526 at 14 Park Row Nottingham NG1 6GR
Birmingham District Registry No 8425 of 2011
Report to creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules
2003

1 Introduction

As previously reported, Tyrone Courtman, and I were appointed Joint Administrators of the above company on 31 August, 2011 by the Director, of the company which traded from premises at Featherbed Lane Shrewsbury and 32 Station Road Acocks Green Birmingham. All functions are to be exercised by any or all of the persons appointed.

This report has been prepared pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003, for the 6 month period from 31 August 2011 to 29 February 2012 and should be read in conjunction with the Joint Administrators' previous report to creditors dated 19 October 2011 and 8 November 2011 and the abstract of receipts and payments enclosed.

2 Enclosures

Creditors are being sent with this report:-

Appendix

Joint Administrators' abstract of receipts and payments to 29 February 2012	I
Estimated outcome statement as at 29 February 2012	II
Joint Administrators' remuneration notification	III

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Copy of rule 2.48A and rule 2.109, which sets out creditors' rights to	V
Request further information and to challenge remuneration and expenses	

3 Joint Administrators' abstract of receipts and payments to 29 February 2012

Attached at Appendix I is a copy of the Joint Administrators' abstract of receipts and payments to 29 February 2012, showing a balance in hand of £21,836 including VAT receivable of £5,000.

The principal items of income received and expenditure incurred to date are discussed in more detail below.

4 Estimated outcome of the Administration

I comment on the realisations made to date, future anticipated asset realisations and associated costs, as detailed on the attached estimated outcome statement at Appendix II as follows.

5. Assets Specifically Pledged

5.1 Books Debts Factored

As you are aware the majority of the Company's book debts were subject to a factoring facility with Panel Financial UK ("Panel"). Panel has confirmed that the amount outstanding to it is currently £50,445. Panel has confirmed that it has concluded its debt collection and will be seeking to recover the shortfall from the director under his personal guarantee. There will therefore be no recovery to the Company in this regard.

5.2 National Westminster Bank Plc ("Nat West")

The Company held funds of £41,347 in a Nat West bank account at the date Administrators were appointed.

An amount of £37,000 has been set off in respect of a loan to the company, which was secured under its fixed and floating charge dated 10 August 2009.

The balance of £4,601 has been received from Nat West.

6. Assets Not Specifically Pledged

6.1 Plant & Machinery Office Equipment & Stock

As you are aware there was some uncertainty in respect of the ownership of the assets at the Birmingham site. Our investigations have concluded that only 2 pieces of plant & equipment were owned by the company and an amount of £1,450 has been received following the disposal of these items on the recommendation of our agents, King Sturge LLP, agents and valuers of Nottingham.

Since our last report the Administrators have received an inventory of assets that have been removed from the Shrewsbury site by the vendor of the original

purchase Asset Agreement dated 20 July 2010, who is claiming that title has not passed as the assets have not been paid for in full.

The Administrators have referred this matter to solicitors in order to determine the ownership of those assets and to seek confirmation that they are still held in storage on a third party site and have not been disposed of.

For the purposes of the estimated outcome statement I have assumed that £2,550 will be recoverable in respect of the Shrewsbury assets.

6.2 Work In Progress

There were approximately 31 vehicles held on site in various states of repair, with an estimated to realise value of some £21,000. On further investigation it would appear that some of the work in progress had already been invoiced by the company to the insurance companies and as such an amount of £10,481 has been written off.

WNS Assistance are currently disputing the amount of £3,168 which is due and this has been referred to our solicitors for collection as we believe the disputes are unsubstantiated.

An amount of £7,435 has been received in this regard to date.

6.3 Book Debts Non Factored

Debts of £23,172 have been collected to date, which were not subject to the factoring facility.

A debtor balance of £4,878 is considered doubtful as the debtor is being pursued by Panel for non-payment off factored book debts, which were actually paid by the debtor incorrectly into the Company's bank account prior to Administration.

Debts totalling some £14,171 are currently being pursued and we are not aware of any specific disputes.

An amount of only £2,000 has been included as recoverable for the purpose of the estimated outcome statement. The Administrators are currently reviewing the position and seeking legal advice for recovery of those debts that are not disputed.

6.5 Cash at Bank

A balance of £3,592 which was previously held by Cooper Parry LLP in the client account relating to debtor cheques received immediately prior to Administration. This money has been transferred into the case. Cash at bank also includes the funds transferred from Nat West as detailed in section 5.2 above.

6.6 Funds held re Trading Expenditure

Funds are currently being held in respect of settling trading creditor liabilities for orders placed immediately prior to the appointment of Administrators.

6.7 Petty Cash

An amount of £786 was held in respect of petty cash on the appointment of Administrators.

6.8 Collection Charges

An amount of £338 has been received in respect of collection charges for delivering car parts to a third party garage in order for works to be completed.

6.9 Suspense Account – Panel Financial

Funds of £4,246 have been received in settlement of a factored book debt which is due to Panel, which will be paid to them once the funds have cleared the bank account.

7. Costs and Expenses

The costs of realisations on the attached Receipt and Payments account are largely self explanatory, however, the most pertinent points are summarised below:-

7.1 Joint Administrators' Fees and Disbursements

The basis of Joint Administrators' fees was set out in the proposals circulated to creditors on 19 October 2011 and this was subsequently deemed to be approved by creditors on 2 November 2011.

Time costs to 4 March 2012 total £76,766 of which £67,886 relates to the period covered by this report and to date, £22,000 fees on account have been drawn leaving £45,886 outstanding.

Further costs are anticipated in respect of dealing with the ongoing collection of work in progress, book debt collection and dealing with the Shrewsbury assets.

Enclosed at Appendix III is the Joint Administrators' remuneration notification which provides an explanation of my firm's charging and disbursement policies, a description of the work conducted, and a summary of the time spent in the period to 29 February 2012. Expenses have been incurred in relation to mail redirection, specific penalty, company searches, computer consumables, travel and lunch expenses in the sums of £1,285 respectively, however, these have not yet been paid.

The current average hourly charge for dealing with this case is £151.44.

Cont/d ...

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Autobody Workshop Limited T/A Fix Auto
To All Known Creditors
19 March 2012

It is my firm's policy to revise its hourly rates for the provision of professional services on an annual basis. Details of any specific increases relating to this case are stated at Appendix III.

Pre-appointment costs

Prior to my appointment on 31 August 2011, Christopher Harris engaged Cooper Parry LLP to review and comment on the management strategy and action plan.

The time costs and expenses incurred totalled £8,880, of which £3,011 has been paid by Mr Harris.

Unpaid costs incurred which are not directly attributable to obtaining the administration order and which are therefore not subject to approval total £5,869.

Fees and expenses attributable to the administration are both subject to approval as an expense pursuant to Rule 2.67A of the Insolvency Rules 1986.

The costs of realisations on the attached Receipts and Payments account are self explanatory, however, detailed below are the pertinent points:-

7.2 Professional Fees

Fees of £650 plus VAT have been paid to Peach & Co, the company's former accountant in relation to the preparation of the payroll for the Administrators trading period, issuing P45's to the former employees of the company and submitting the P35 to H M Revenue & Customs.

7.3 Legal Fees

Legal costs of £3,047 plus VAT relate to advice received in relation to the appointment of Administrators, preparation and filing of appointment documents and general advice given in respect of the factoring agreement, employee related matters and the chattel assets.

7.4 Wages & Salaries

An amount of £1,764 has been paid in respect of wages and salaries for those employees retained by the Administrators during the trading period. These were required to deal with the vehicles held on site at the date of appointment and to assist in the updating of accounting information.

8. Preferential Creditors

The preferential claims in respect of employees' arrears of pay and holiday pay total £34,747, however, there will be no distribution to preferential creditors.

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Autobody Workshop Limited T/A Fix Auto
To All Known Creditors
19 March 2012

9. Unsecured creditors

Unfortunately, there is no prospect of a dividend to the non-preferential, unsecured creditors.

10. Investigations

The investigation that has been carried out by the Joint Administrators has been conducted in order to report on the conduct of the directors in accordance with the Company Directors Disqualification Act 1986. As the content of the report is confidential, I am not empowered to release any further information with regard to this aspect of my work.

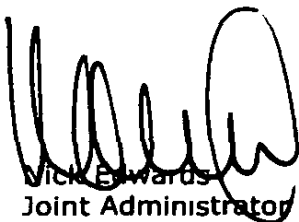
11. Conclusion

The Administration will automatically terminate on its first anniversary unless an extension is sought or an alternative exit route approved. This may be required if assets remain unrealised at this point or if extension is needed to resolve other issues. Creditors may be asked to provide consent to extension for up to 6 months and following this, or as an alternative, application may be made to the Court for an extension. Any creditor who has any objection to such a court application being made should inform me in writing giving reasons for the objection. Based on the information currently available, it is unlikely that an application an extension will be required.

I will report to you again following the first anniversary, unless the administration is brought to a close at an earlier point.

If you have any points to raise please contact Julie Hefter.

Yours faithfully
For and on behalf of
Autobody Workshop Limited T/A Fix Auto - In Administration



Nick Edwards
Joint Administrator

Enclosures

AUTOBODY WORKSHOP LIMITED
ESTIMATED OUTCOME STATEMENT AS AT 29 FEBRUARY 2012

Appendix II

	Realised to Date	Future Realisations	Estimated Final Position
	£	£	£
ASSETS SPECIFICALLY PLEDGED			
Book debts	-	44,326	44,326
Due to Panel Financial	-	(92,281)	(92,281)
Surplus	-	(47,955)	(47,955)
Bank Balance	41,601	-	41,601
NatWest Bank EFG Loan	(37,000)	-	(37,000)
Surplus	4,601	-	4,601
ASSETS NOT SPECIFICALLY PLEDGED			
Surplus from plus from Panel Financial	-	-	-
Surplus from NatWest Bank	4,601	-	4,601
Plant & Machinery/Office Equipment/Stock	1,450	2,550	4,000
Motor Vehicles	-	-	-
Work in Progress	7,435	3,167	10,602
Book Debts non factored	23,172	2,000	25,172
Cash at Bank	3,592	-	3,592
Funds held re Trading Expenditure	8,849	(8,849)	-
Bank Interest	44	-	44
Petty Cash	786	-	786
Collection Charges	388	-	388
Sundry Refunds	259	-	259
Suspense Account - Panel Financial	4,246	(4,246)	-
VAT on Receipts	1,855	-	1,855
ESTIMATED ASSETS AVAILABLE	56,877	(5,378)	51,299
EXPENSES OF ADMINISTRATION			
Administrators Fees	(22,000)	(9,445)	(31,445)
Administrators Disbursements	-	-	-
Professional Fees	(650)	-	(650)
Mail Redirection	(54)	-	(54)
Other Property Expenses	(115)	-	(115)
Wages & Salaries	(1,764)	-	(1,764)
Agents Fees	-	(3,000)	(3,000)
Legal Fees	(3,047)	(2,312)	(5,359)
Debt collection fees	-	(1,000)	(1,000)
Statutory Advertising	(77)	-	(77)
Insurance of Assets	(281)	(700)	(981)
Corporation Tax	-	-	-
Contingency	-	(5,000)	(5,000)
VAT on Payments	(5,145)	5,000	(145)
VAT Control	(1,709)	-	(1,709)
ESTIMATED ASSETS AVAILABLE TO PREFERENTIAL CREDITORS	21,835	(21,835)	-
PREFERENTIAL CREDITORS			
Arrears of Wages	-	(22,433)	(22,433)
Arrears of Holiday Pay	-	(12,314)	(12,314)
ESTIMATED ASSETS AVAILABLE TO FLOATING CHARGE CREDITORS	21,835	(56,582)	(34,747)
Prescribed Part	-	-	-
ESTIMATED ASSETS AVAILABLE TO UNSECURED CREDITORS	21,835	(56,582)	(34,747)
PRESCRIBED PART AVAILABLE TO UNSECURED CREDITORS	-	-	-
UNSECURED CREDITORS			
Deficit for Panel Financial	-	(47,955)	(47,955)
Trade & Expense	-	(128,163)	(128,163)
Employees Wages	-	(16,514)	(16,514)
Employees Notice Pay	-	(15,413)	(15,413)
Employees Redundancy Pay	-	(21,691)	(21,691)
HMRC - PAYE	-	(159,102)	(159,102)
HMRC - VAT	-	(84,285)	(84,285)
Director's Loan Account - C Harris	-	23,020	23,020
FUNDS HELD / SHORTFALL TO UNSECURED CREDITORS	21,835	(506,685)	(402,148)
	21,835		
Anticipated Dividend to Unsecured Creditors		p in k	-

**REMUNERATION NOTIFICATION
FOR THE PERIOD 31 AUGUST 2011 TO 4 MARCH 2012**

Case Name:	Autobody Workshop Limited t/a Fix Auto
Office Holder(s):	Tyrone Shaun Courtman Nicholas John Edwards
Firm:	Cooper Parry LLP
Address:	14 Park Row Nottingham NG1 6GR
Telephone:	0115 958 0212
Reference:	ZA030
Type of Appointment:	Administration
Date of Appointment:	31 August 2011

CONTENTS

Case overview

Description of work carried out

Summary of time costs incurred for the period 31 August 2011 to 4 March 2012

Summary of category 2 Disbursements paid

CASE OVERVIEW

Further to my report dated 19 October 2011 the office holders' remuneration be based on time costs incurred in dealing with the case was deemed approved by creditors on 2 November 2011.

The office holders' report dated 29 February 2012 outlines the case strategy and conduct of the case. In particular, the following matters have had an impact on the time spent:-

DESCRIPTION OF WORK CARRIED OUT

Statutory

- Setting initial case strategy other than trading strategy
- Periodic review and update of case strategy
- Conducting file reviews to ensure compliance and identify any other matters requiring attention
- Considering requirement for solicitors and assessing the appropriate firm to be instructed and giving instructions for legal advice to be sought
- Dealing with accounting set up and case set up to ensure ability to comply with statutory reporting requirements.
- Obtaining specific penalty for the appropriate sum and reviewing
- Prepare inventory of company books and records for storage and complying with SIP 1
- Posting of initial appointment letters including to the Registrar of Companies and to creditors
- Advertise the appointment in the appropriate papers
- Post appointment VAT return completion
- Statutory reporting including reports to creditors and convening and holding any meetings required
- Preparing and submitting statutory receipts and payments accounts including compliance with SIP 11
- Dealing with statutory requirements under the appropriate Statements of Insolvency Practice
- Seeking validity of appointment if appropriate
- Reporting to creditors in accordance with any agreement or legislation including compliance with SIPs 7 and 9
- Cashiering including processing receipts & payments

Investigations

- Sending questionnaires to apparent directors and shadow directors
- Reviewing the responses
- Consideration of investigation strategy
- Review of company records and requests to creditors for information to identify any matters requiring further detailed examination
- Completion of SIP 2 investigation work as appropriate
- Liaising with creditors including the Crown to obtain any supporting information required
- Completing report to the Insolvency Services

Asset Realisations

- Identifying, securing and insuring assets
- Instructing and meeting agents and discussing strategy
- Identifying and segregating assets potentially subject to reservation of title clauses, issuing questionnaire to creditors for completion and reviewing the contents of received questionnaires to assess validity of reservation of title claims
- Seeking legal advice where appropriate
- Arranging for the return of assets subject to valid reservation of title clauses
- Reconciliation of asset proceeds

Work in Progress

- Meeting with insurance companies and negotiating value of work in progress
- Raising invoices for agreed sums in respect of work in progress
- Dealing with collection of monies in respect of work in progress invoices
- Dealing with release of vehicles from site

Debtor Realisations

- Collating information and supporting documents regarding book debt collections
- Corresponding with debtors to request amounts outstanding including issuing any follow up letters and subsequent telephone calls
- Negotiating with debtors regarding disputed accounts
- Instructing other advisors including but not necessarily limited to lawyers and other professionals where appropriate entering into legal proceedings
- Monitoring and accounting for proceeds received

Trading

- Ongoing employee liaison and updates
- Redundancy notification
- Other general trading matters including travelling to and from site

Creditors/Other Matters

- Preparation and submission of pre-appointment tax returns for the purposes of the Crown claims to be agreed.
- Corresponding with the HMRC with regard to pre-appointment taxation matters that may result in refunds
- Scheduling claims received from creditors
- Liaising with landlords/hire purchase/lease companies etc and arranging for the return of leased vehicles
- General creditor liaison

Employment

- Dealing with Health & Safety matters
- Submission of RP1 and RP14 forms to Redundancy Payments Office
- Other general employee liaison

Bank/Chargeholder Reporting

- Discussing matters with any chargeholder including any factor or invoice discounter

Sale of Business

- Liaising with interested parties

SUMMARY OF CATEGORY 2 DISBURSEMENTS PAID

Type and Purpose:	£:
Photocopying	-
Telephone & Faxes	-
Mileage	-
Meeting Rooms	-
Total	£Nil

Autobody Workshop Limited t/a Fix Auto															
TIME COSTS ANALYSIS															
Time costs from 31 August 2011 to 4 March 2010															
Navigation Work Undertaken															
06	Statutory	3.2	1,174	-	-	0.2	60	18.3	4,734	129.9	21,253	59.2	4,751	210.8	31,971
16	Investigations	1.2	438	-	-	-	-	0.9	234	5.0	634	-	-	7.1	1,306
26	Asset Realisation	12.8	4,678	-	-	-	-	26.7	6,942	37.7	5,278	8.7	696	85.9	17,594
27	Debtor Realisation	0.5	189	-	-	-	-	7.3	1,898	53.1	6,582	0.4	23	61.3	8,692
36	Trading	-	-	-	-	-	-	-	-	10.4	1,456	-	-	10.4	1,456
46	Other Matters/Creditors	0.3	110	-	-	-	-	9.8	2,548	11.2	1,082	3.7	278	25.0	4,017
53	Employment	0.7	256	-	-	-	-	0.2	42	14.3	1,942	2.6	221	17.8	2,461
56	Bank Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	Pre - appointment	30.0	10,959	-	-	0.4	120	6.7	(6,659)	39.3	3,588	10.7	872	87.1	8,880
83	Sale of business	-	-	-	-	-	-	1.5	390	-	-	-	-	1.5	390
	Total	48.7	17,802.5	-	-	0.6	180.0	71.4	10,128.9	300.9	41,814.5	85.3	6,840.6	506.9	76,766.5
	Average Hourly Rate														151.44
	Expenses														
	Royal Mail Redirection												54.40		54.40
	Lunches												18.00		18.00
	Statutory Bond												135.00		135.00
	Company searches												6.00		6.00
	Mileage												1,058.27		1,058.27
	flash drive												13.31		13.31
	Total														1284.98

COOPER PARRY LLP – BUSINESS RECOVERY AND INSOLVENCY CHARGING AND DISBURSEMENT RATES AND POLICIES

1.1 Standard Hourly Rates

	Rate effected from 1 May 2010 £:	Rate effected from 1 May 2011 £:
Partners/ Directors	345-395	345-395
Senior Manager/Consultant	300	300
Manager/Assistant Manager	200-250	210-260
Insolvency Administrator	65-150	80-155
Cashier	85	80-85
Administrative and Support	70	75
Tax Consultancy	-	221-287
Vat Consultancy	-	393
London Specialist Rate	595	595

1.2 Uplifts on Standard Hourly Rates

In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a % uplift on standard hourly rates may be sought. The % uplift sought will vary depending upon the circumstances of each case.

1.3 Charging Policies

Time is recorded and charged to the case in units of not less than 6 minutes.

Where possible work is delegated to staff with the appropriate experience and charge out rate.

Time spent by all grades of staff are charged to the case.

It is the firm's policy to revise its charge out rates periodically. Details of revised rates are available on request and will be circulated with statutory reports to creditors and to the Creditors' Committee (if constituted).

2.1 Category One Disbursements (payable at cost)

External record storage, retrieval, destruction and archive boxes

Postage, stationery and files

Advertising

Legal and professional fees

Specific penalty bond

Insurances

External room hire

2.2 Category Two Disbursements (rates chargeable)

Photocopying	10p per sheet
Telephone and faxes	£1 per each debtor and creditor
Mileage	45p per mile
Use of small meeting room	£50 per half day
Use of large meeting room	£100 per half day

2.3 Disbursement policies

Category one disbursements represent payments made to Cooper Parry LLP in respect of the specific costs incurred attributable to the case.

Category two disbursements are paid to Cooper Parry LLP calculated on the rates set out above which are reviewed periodically. Details of revised rates are available on request and will be circulated with statutory reports to creditors and to the Creditors' Committee (if constituted).

3.0 Legal and professional fees

Proposed fees are reviewed to consider work undertaken and its effectiveness.

Where proposed fees are considered to be excessive, a reduction in the fee payable is negotiated.

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 preadministration 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.

Statement of the Provisions of Rules 2.48A and 2.109

Pursuant to Rule 2.48A

(1) If -

(a) within 21 days of receipt of a progress report Under Rule 2.47 -

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

(b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, asks the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2).

(2) The administrator complies with this paragraph by either -

(a) providing all of the information asked for, or
(b) so far as the administrator considers that -

- (i) the time or cost of preparation of the information would be excessive or,
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
- Giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -

- (a) the giving by the administrator of reason for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just.

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such period as the court thinks just.

Pursuant to Rule 2.109 -

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

(1A) An application may be made on the grounds that -

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106,
- (c) expenses incurred by the administrator

Is or are in the circumstances, excessive, or in the case of an application under sub-paragraph (b), inappropriate.

- (1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders –
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge;
 - (b) an order fixing the basis of remuneration at a reduced rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration;
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

And may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

(Note that if the basis of fees has not been fixed at the date of this report, details the steps taken in the period to do so)