

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

Name of Company
PROBOX PACKAGING LIMITED
(IN ADMINISTRATION)

Company number
04238708

In the
HIGH COURT OF JUSTICE

Court case number
288 of 2088

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

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

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

having been appointed administrators of (b) Probox Packaging Limited, whose registered office
is at SFP, 9 Ensign House, Admirals Way, Marsh Wall, Docklands, London E14 9XQ
on (c) 14 January 2008 by (d) Lloyds TSB Commercial Finance Limited

(c) Insert date of
appointment

hereby give notice that:

(d) Insert name of applicant /
appointor

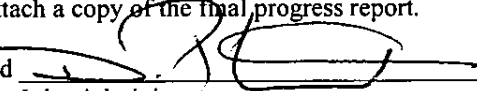
the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

and it is proposed that (e) Simon Franklin Plant and Daniel Plant, both of SFP, 9 Ensign House,
Admirals Way, Marsh Wall, Docklands, London E14 9XQ

(e) Insert name(s) and
address(es) of liquidator(s)

will be the liquidators of the company (IP Nos Simon Franklin Plant - 9155 and Daniel Plant -
9207)

We attach a copy of the final progress report.

Signed 
Joint Administrator

Dated 17/12/08

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

Michael Quinn, c/o SFP

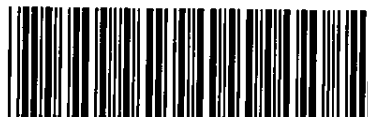
9 Ensign House, Admirals Way, Marsh Wall, Docklands

London E14 9XQ

Tel: 020 7 538 2222

DX Number

DX Exchange



A34 18/12/2008 240
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

THURSDAY

SFP



TO ALL KNOWN CREDITORS & SHAREHOLDERS

Date: 17 December 2008
Contact: Chris Hilbert
Direct Dial: 020 7531 2382

Our Ref: PBP0001/SFP/mq171208.P10

Dear Sirs

Probox Packaging Limited (In Administration) ("PBP")

I refer to my letter dated 7 August 2008 enclosing a copy of the Joint Administrators six month report.

Pursuant to Rule 2.117 of the Insolvency Rules 1986 (as amended), I now provide you with form 2.34B enclosing my final report in relation to PBP's Administration.

Should you have any further queries, please contact the Manager dealing with this matter, Chris Hilbert or me.

Yours faithfully



Daniel Plant
Joint Administrator

End Form 2.34B
 Final Progress Report

In accordance with paragraph 45 of Schedule B1 of the Insolvency Act 1986, notice is hereby given that the affairs, business and property of Probox Packaging Limited (in Administration) are being managed by Simon Plant and Daniel Plant of SFP, acting as Joint Administrators. Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators act as agents of the company and without personal liability.

Strictly Private and Confidential

Probox Packaging Limited (in Administration)

Final Progress Report to Creditors

16 December 2008

**Simon Franklin Plant
MIPA MABRP**

**Daniel Plant
MIPA MABRP**

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

**Tel: +44 (207) 5382222
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Email: simonp@sfplant.co.uk
danielp@sfplant.co.uk**

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

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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 Probox Packaging Limited (in Administration) (Co. Number 04238708) ("the Company"). This provides that when the Administrator of a company sends notice of moving from Administration to a Creditors Voluntary Liquidation, he shall attach to that notice a final progress report.
- 1.2 To date, creditors have received the Administrators Report and Proposals circulated to creditors on 7 March 2008 ("the First Report") and a six monthly update on 7 August 2008 ("the Second Report") In the light of the information contained in these previous reports, this Report simply provides an additional update.

2. Asset Realisations / Miscellaneous

- 2.1 The First Report provided you with a summary of the position at the time in respect of asset realisations. A further update in this regard is provided below.
- 2.2 As previously advised, the Company's business and assets were sold pre-administration as a going concern to PC Packaging Limited ("PCP") for £10,925 plus VAT. A Company associated with the Joint Administrators Firm, SFP Forensic Limited ("SFP Forensic") has been instructed to carry out an investigation into the circumstances surrounding the sale. Investigations are still ongoing as to whether or not the realisations achieved were of fair value.
- 2.3 As was revealed in the Second Report, the Joint Administrators have received £7,285.55 in respect of the sale proceeds, being the net balance after the deduction of the proposed Liquidators costs in this matter.

Debtors

- 2.4 As previously advised, a company associated with the Administrator's firm, SFP Recoveries Limited ("SFP Recoveries") were instructed to assist Lloyds TSB Commercial Finance Limited ("Lloyds") in pursuing the Company's sales ledger. After Lloyds had recovered their indebtedness, the remaining sales ledger of £18,110.94 was reassigned to the Company.
- 2.5 SFP Recoveries have pursued the outstanding sales ledger balances and have, to date, recovered £7,316.01. SFP Recoveries has advised that there are no further realisations anticipated from the sales ledger.

The Company's Trading Premises

- 2.6 As previously reported, a company associated with the Administrators firm, SFP Property Limited ("SFP Property") was instructed to undertake a review of the Company's trading premises that it had already vacated.
- 2.7 SFP Property has confirmed that the premises were occupied pursuant to a lease agreement, which the landlord had forfeited due to the arrears of rent by peaceable re-entry prior to the Joint Administrators Appointment. Accordingly, the Joint Administrators have no further interest in respect of the property.

3. Investigations

- 3.1 In accordance with the Joint Administrator's duties, investigations are being made into the conduct of the Company's current directors by SFP Forensic. The requisite D Form was submitted to the
-

Insolvency Practitioners Compliance Unit ("IPCU") on 11 July 2008. All information contained in the D form is strictly confidential and the Joint Administrators are not permitted to divulge details of his recommendations to the IPCU.

- 3.2 As previously reported, SFP Forensic has identified various areas of concern in relation to the circumstances surrounding the sale of the Business and Assets to PBP. These are currently being investigated. However, the Administrator does not wish to divulge any further information in relation to this at this stage since it may hamper enquiries / future recoveries.

4. Dividend Prospects / Payments

Preferential Creditors

- 4.1 The Joint Administrators have received a preferential claim of £2,013.97 from the Redundancy Payments office.

Non-Preferential Creditors

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

Creditor	Estimated Statement of Affairs £	Claims Received as at 16 December 2008 £
HM Revenue & Customs – VAT	Uncertain	20,816.08
HM Revenue & Customs – PAYE / NIC	Uncertain	Uncertain
Redundancy/Pay in lieu of notice claims	Nil	2,013.97
Trade and Expense	395,906.00	327,365.09

- 4.3 The quantum of any dividend distribution to unsecured creditors is dependent upon realisations achieved from any recoveries made from SFP Forensics investigations. These would also be subject to any further associated costs. Based upon current realisations, there will not be sufficient funds to pay a dividend to unsecured creditors.

5. The Joint Administrators' Costs

- 5.1 At Appendix I is the Company's final Income and Expenditure Account as at 16 December 2008 compared to the estimated statement of affairs figures as at the date of the Joint Administrator's appointment. This is in the main self explanatory.
- 5.2 At Appendix II is a breakdown of the time that has been incurred by the 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 Administrator's 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 can be found at paragraph 5.12.

5.7 At Appendix VII is a breakdown of SFP and its associated entities charge out rates.

5.8 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 Administrators' firm's office account which is reimbursed from the insolvent estate if and when funds become available.

5.9 Payments made out of a firms office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the expenses and Disbursements heading in the Guide to Administrators fees, at Appendix VIII. There have been Category 1 Disbursements incurred to date in respect of the following:

Courier Charges	£	316.50
Statutory Advertising	£	151.38
Expenses	£	99.25
Bordereau	£	70.00
Postage (redirect)	£	47.90
Company Search	£	36.00

5.10 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 in respect of the following:

Postage	£	67.09
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As detailed in the First Report, SFP Forensic, SFP Recoveries, SFP Property and SFP Datastore remuneration will be treated as a Category 2 Disbursement. Creditors have previously provided sanction to recover disbursements of this type.

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

5.12 The fees incurred by the valuation agents instructed in this matter, SHM Smith Hodgkinson, SFP Forensic, SFP Recoveries, SFP Property and the solicitors assisting in this matter, PDT are calculated on a time cost basis. SFP Datastore has been employed by the Joint Administrators to retrieve, index and store the Company's books and records. Its fees are calculated on a fixed fee basis and on a time cost basis for any further work carried out.

6. Additional Points and Conclusion

6.1 Creditors will recall that the Joint Administrator's approved proposals were to place the Company into creditors' voluntary liquidation. Further, for the Joint Administrators to take the appointment as Joint Liquidators without recourse to the creditors.

- 6.2** The requisite form is now in the process of being filed at Companies House to seek to place the Company into Liquidation. Following this, the Liquidator will continue investigations into the Company's affairs.
- 6.3** Should any creditor have any questions or queries in relation to the above, please contact the Manager dealing with this matter, Chris Hilbert on 020 7538 2222.

Dated this 17th December 2008

A handwritten signature in black ink, appearing to read 'D. Plant', with a large, sweeping loop at the end.

Daniel Plant
Joint Administrator

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX I

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

Probox Packaging Limited
(In Administration)

JOINT ADMINISTRATORS' INCOME AND EXPENDITURE ACCOUNT

	Statement of affairs £	From 14/01/2008 To 16/12/2008 £	From 14/01/2008 To 16/12/2008 £
RECEIPTS			
Sale of business and assets	10,925.00	7,285.55	7,285.55
Book Debts	582.00	7,316.01	7,316.01
Rates Refund		1,003.30	1,003.30
Bank Interest Gross		211.17	211.17
		<u>15,816.03</u>	<u>15,816.03</u>
PAYMENTS			
Professional Fees		1,000.00	1,000.00
Postages		24.90	24.90
SFP Datastore Fees		2,159.40	2,159.40
SFP Datastore Additional Costs		1,058.56	1,058.56
SFP Property Fees		445.00	445.00
Legal Fees		995.80	995.80
Legal Fees		940.00	940.00
Re-Direction of Mail		24.90	24.90
		<u>6,648.56</u>	<u>6,648.56</u>
BALANCE - 16 December 2008			
VAT Receivable			155.66
Floating Current Account			9,011.81
			<u>9,167.47</u>

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX II

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

SFP



PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 14 JANUARY 2008 TO 16 DECEMBER 2008

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total					
Administration and Planning	5.00	-	5.90	-	41.90	0.20	4.50	5.90	44.00	21.10	130.20		
Investigation	-	-	3.1	-	-	0.60	-	-	-	-	3.70		
Realisation of assets	2.10	-	23.30	-	-	3.20	-	-	1.80	-	30.40		
Trading	-	-	-	-	-	-	-	-	1.70	-	1.70		
Creditors	-	-	0.8	-	-	1.40	-	-	0.70	4.50	7.40		
Total hours	7.10	-	33.10	-	1.70	-	46.50	0.80	4.50	5.90	48.20	25.60	173.40
Average rate £ per hour	420.42	-	308.46	-	275.00	-	228.66	225.00	200.00	150.00	100.00	75.00	190.31
Total costs £	2,985.00	-	10,210.00	-	467.50	-	10,632.50	180.00	900.00	885.00	4,820.00	1,920.00	33,000.00

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

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

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)

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX III

- **Breakdown of SFP Forensic Limited Fees**

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 14 JANUARY 2008 TO 16 DECEMBER 2008

CLASSIFICATION OF WORK FUNCTION								
Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total		
Investigation	6.00	-	28.80	-	12.6	-	14.50	61.90
Total hours	6.00	-	28.80	-	12.6	-	14.50	61.90
Average rate £ per hour	446.67	-	250.00	-	200.00	-	75.00	217.89
Total costs £	2,680.00	-	7,200.00	-	2520	-	1,087.50	13,487.50

Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

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

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX IV

- **Breakdown of SFP Recoveries Limited Fees**

SFP



RECOVERIES

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 14 JANUARY 2008 TO 16 DECEMBER 2008

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Debt Collection	-	-	-	29.10	0.10	-	46.00

Total hours

	-	-	-	29.10	0.10	-	46.00
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Average rate £ per hour

	-	-	-	200.00	150.00	-	163.37
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Total costs £

	-	-	-	5,820.00	15.00	-	7,515.00
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Remuneration drawn on account

See Appendix for Summary Charge Out Rates for staff

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

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX V

- **Breakdown of SFP Property Limited Fees**

SFP



PROPERTY

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 14 JANUARY 2008 TO 16 DECEMBER 2008

CLASSIFICATION OF WORK FUNCTION

	Managing Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Property Issues	1.90	-	-	-	-	1.50	3.40

Total hours

1.90 - - - - - 1.50 3.40

Average rate £ per hour

175.00 - - - - - 75.00 130.88

Total costs £

332.50 - - - - - 112.50 445.00

Remuneration drawn on account

445

See Appendix for Summary Charge Out Rates for staff

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

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX VI

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



PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 7 JANUARY 2008 TO 16 DECEMBER 2008

CLASSIFICATION OF WORK FUNCTION

	Storage Tasks Staff Costs	Inventorising Staff Costs	Total
Boxing Up / Collection / Inventorising of Records	77.1	1.80	78.90
Total hours	77.10	1.80	78.90
Average rate £ per hour	25.00	75.00	26.14
Total costs £	1927.50	135.00	2062.50
Remuneration drawn on account			3,217.96

See Appendix for Summary Charge Out Rates for staff

Disbursements Incurred	£
Storage Boxes Purchased	50.00
Mileage 573 @ £1.10 per mile	630.30
Retrival Costs	224.71
Storage cost	330.68
Expenses	58.33
Total Disbursements	1294.02

PROBOX PACKAGING 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	325	Senior Manager 2	325
Partner 1	350	Senior Manager 1	300	Senior Manager 1	300	Senior Manager 1	300
Senior Manager 2	325	Manager 2	275	Manager 2	275	Manager 2	275
Senior Manager 1	300	Manager 1	250	Manager 1	250	Manager 1	250
Manager 2	275	Senior Administrator 2	225	Senior Administrator 2	225	Senior Administrator 2	225
Manager 1	250	Senior Administrator 1	200	Senior Administrator 1	200	Senior Administrator 1	200
Senior Administrator 2	225	Administrator 2	150	Administrator 2	150	Administrator 2	150
Senior Administrator 1	200	Administrator 1	100	Administrator 1	100	Administrator 1	100
Administrator 2	150	Assistant	75	Assistant	75	Administrator 1	100
Administrator 1	100					Assistant	75
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 A4 18p / box / week A3 21p / box / week Transit Cases 6p / box / week 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	

PROBOX PACKAGING 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 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 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
- Investigation
- 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.

- 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 the approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the 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 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 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 2005 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.

PROBOX PACKAGING LIMITED (IN ADMINISTRATION)

Report to Creditors

APPENDIX IX

- **Category 2 Disbursement Summary Charge Sheet**

SFP



DIRECT EXPENSES (Category 1 Disbursements)

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

INDIRECT EXPENSES (Category 2 Disbursements)

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

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