

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

<b>Name of Company</b> William Hollins & Company Limited (formerly t/a Viyella)
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<b>Company number</b> 00151652
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In the High Court of Justice, Chancery Division, Birmingham District Registry <small>(full name of court)</small>
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<b>Court case number</b> 8004 of 2009
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
A Turpin  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

M T Coyne  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

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

(b) Insert date

<b>From</b> (b) 7 January 2009
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<b>To</b> (b) 6 July 2009
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Signed *A Turpin*  
Joint / Administrator

Dated 07/08/09

### Contact Details:

You do not have to give any contact information in the box opposite but if contact you if there is a query on the

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

A Turpin Poppleton & Appleby 35 Ludgate Hill Birmingham B3 1EH	01782 382930 DX Exchange
DX Number	

WEDNESDAY



A22

12/08/2009

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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

24  
pleton & appleby

ate Hill  
ham B3 1EH  
T. 0121 200 2962  
F. 0121 236 8340  
E. info@poppletonandappleby.co.uk  
www.poppletonandappleby.co.uk

LUDGATE

TO ALL KNOWN MEMBERS AND CREDITORS

Our Ref: TJL/LSW/H4R/4  
7 August 2009

Dear Sirs

William Hollins & Company Limited (formerly t/a Viyella)  
In Administration (the "Company")

Further to my earlier letters and proposals and in accordance with Rule 2.47 of the Insolvency Rules 1986, I am writing to provide a report on the progress of the above Administration. This report should be read in conjunction with my proposals of 27 March 2009.

#### Statutory Information

A schedule of statutory information is attached, in support of my report.

#### Joint Administrators' Receipts and Payments Account

I attach a copy of my Receipts and Payments Account which covers the six month period from the date of my appointment, being 7 January 2009 to 6 July 2009.

#### Trading

VAT inclusive sales during the Joint Administrators' period of trading amounted to approximately £1.2m through the Company's free standing and concession stores. At the time of reporting, I have been unable to provide a full report on the Company Administration trading period as the reconciliation of the concession store sales is still ongoing.

It is envisaged that a full analysis will be available in my next report, where I will seek to place the company into Creditors' Voluntary Liquidation.

#### Sale of the Business and Assets

As previously reported, the business and assets of the Company were sold to ARG (Property) Limited and Laskari Holdings Limited, both subsidiaries of the Austin Reed Group ("ARG"), on 5 February 2009.

continued

LUDGATE finance  
LUDGATE risk management  
LUDGATE insolvency

Partners: MT Coyne FCA FABRP, MD Hardy MIPA MABRP, A Turpin MIPA MABRP.  
Licensed to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

The value of assets and the offer received is summarised as follows:

Assets Description	Consideration Received (£)
Concession Agreements	1
Equipment	149,997
Stock	450,000
Leases	1
Goodwill	1
Intellectual Property	700,000
<b>Total</b>	<b>£1,300,000</b> (exclusive of VAT)

**Property Matters**

As previously reported, a significant amount of time has been spent by my staff, together with my appointed Solicitors, Lewis Onions Solicitors, and Property Agents, Twenty Retail, in dealing with the Company's property portfolio, consisting of 40 leasehold properties.

Negotiations with landlords are ongoing with regard to the assignment of those leases forming part of the sale of the Company's business and assets to ARG.

All other landlords, where formal assignments are unlikely, have been offered a surrender of the lease and negotiations continue to this effect. Where a surrender is not accepted, it is envisaged that those leases will be disclaimed once the Company is placed into Creditors' Voluntary Liquidation.

**Debtors**

The majority of the debtor ledger relates to amounts owed from the various concession stores through which the Company traded. To date, £103,648 has been recovered of an estimated to realise value of £499,991.

Efforts to collect the outstanding concession debtors continue, however, one of the larger concessions disputes the debt and is withholding payment.

**Creditor Position**

**Secured Creditors**

**Landsbanki Commercial Limited**

As previously reported, Landsbanki Commercial Finance holds a debenture created on 14 March 2006 and registered at Companies House on 22 March 2006. It is understood that there is no debt under this security.

**Waterlinks Investments Limited / Harris Watson Holdings Limited**

As previously reported, Waterlinks Investments Limited hold a debenture created on 10 December 2008 and registered at Companies House on 13 December 2008, although it is understood that there is no debt due under this security.

continued

### Preferential Creditors

The Statement of Affairs disclosed an estimated liability of £188,433. The Redundancy Payments Office is still processing residual employee claims and as such, I am not yet able to establish a definitive position.

Once the Redundancy Payments Office has submitted its final claim, I will then be in a position to make a distribution to the preferential creditors. At this stage, it is anticipated that this class of creditor will be paid in full. Therefore, settlement of preferential claims will take place once the Company is placed into Creditors' Voluntary Liquidation.

### Unsecured Creditors

The claims of unsecured creditors were estimated to be in the region of £7,201,908. Total claims received to date amount to £4,370,532.

Having regard to the projected costs of the Administration and the anticipated realisations, a dividend should be available to the Company's unsecured creditors. I will provide further information in my next report, where I will seek to place the company into Creditors' Voluntary Liquidation.

### Joint Administrators' Remuneration

Creditors have previously resolved that the Joint Administrators should be remunerated in accordance with the time properly spent by them and their staff in attending to matters arising in the Administration.

My post appointment time costs dealing with all aspects of this Administration currently total £208,817 which represents 1,268.95 hours of my firm's time, at an hourly rate of £164.56.

A detailed analysis of the time costs is attached, together with a summary of Category 2 Disbursements covering the period to 6 July 2009.

You will see that a significant amount of time was spent on trading activities, which includes attending the Company's head office and effecting redundancies, liaising with suppliers and customers, in particular those in relation to loyalty/gift vouchers, and implementing adequate controls to facilitate trading, such as setting up new purchase order systems.

A substantial amount of time has also been spent dealing with the marketing and sale of the Company's business and assets and in particular, dealing with the assignment of leases which form part of the sale to ARG.

Due to the volume of the Company's workforce, a considerable amount of time has been spent liaising with employees in respect of their preferential and non-preferential entitlements.

With effect from 5 January 2009, the basis on which certain shared or allocated disbursement costs was revised. This is not retrospective but has resulted in a small adjustment to charge our rates which are not considered material.

All fees and disbursements have been drawn in accordance with resolutions passed at the first meeting of Creditors.

A Creditors' Guide to Administration Fees, which includes details of this firm's charge out rates, is available upon request.

continued

**Conclusion**

It is envisaged that the Administration will end via a Creditors' Voluntary Liquidation. There are a number of issues outstanding which need to be resolved prior to placing the Company into Creditors' Voluntary Liquidation and I envisage finalising these matters towards the end of August. Therefore, I will take steps to place the Company into Creditors' Voluntary Liquidation in early September 2009.

Should any creditor wish to discuss the content of this report, please do not hesitate to contact me or my case manager, Tony Lozano.

Yours faithfully  
For and on behalf of  
William Hollins & Company Limited (formerly t/a Viyella)



A Turpin  
Joint Administrator

Please note that the Joint Administrators are agents of the Company and act without personal liability.

**WILLIAM HOLLINS & COMPANY LIMITED (FORMERLY T/A  
VIYELLA)**

**STATUTORY INFORMATION**

<b>Company Number</b>	00151652						
<b>Date of Incorporation</b>	12 October 1918						
<b>Nature of Business</b>	Retail sale of clothing						
<b>Registered Office</b>	c/o Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH.						
<b>Trading Address</b>	57 Broadwick Street, London, W1F 9QS						
<b>Directors</b>	<table><thead><tr><th>Name</th><th>Appointed</th></tr></thead><tbody><tr><td>John Graham Harris</td><td>12.03.2003</td></tr><tr><td>Susan Margaret Watson</td><td>12.03.2003</td></tr></tbody></table>	Name	Appointed	John Graham Harris	12.03.2003	Susan Margaret Watson	12.03.2003
Name	Appointed						
John Graham Harris	12.03.2003						
Susan Margaret Watson	12.03.2003						
<b>Company Secretary</b>	Terence John Ansell 13.05.2004						
<b>Share Capital</b>	£7,500,000 divided into 750,000,000 1p ordinary shares, which have been issued and are held as follows:						
<b>Shareholders</b>	<table><thead><tr><th>Name</th><th>Shares</th><th>Type</th></tr></thead><tbody><tr><td>Waterlinks Investments Limited</td><td>750,000,000</td><td>ordinary</td></tr></tbody></table>	Name	Shares	Type	Waterlinks Investments Limited	750,000,000	ordinary
Name	Shares	Type					
Waterlinks Investments Limited	750,000,000	ordinary					
<b>Bankers</b>	Landsbanki Commercial Finance						
<b>Charges Registered</b>	<p>Debenture created 14.03.2006 and registered at Companies House on 22.03.2006 providing fixed and floating charges over the company's assets in favour of the Landsbanki Commercial Finance.</p> <p>Debenture created 10.12.2008 and registered at Companies House on 13.12.2008 providing fixed and floating charges over the company's assets in favour of Waterlinks Investments Limited.</p>						

**William Hollins & Company Limited (formerly t/a Viyella)**  
**(In Administration)**  
**Joint Administrators' Trading Account**  
**To 06/07/2009**

S of A £	£	£
<b>POST APPOINTMENT SALES</b>		
Funds From Trading	706,594.00	
Concession Sales	708.17	707,302.17
<b>COST OF SALES</b>		
Purchases	6,053.40	(6,053.40)
<b>TRADING EXPENSES</b>		
Wages & Pension Contributions	5,354.14	
Rent & Rates	86,962.61	
Repairs & Maintenance	48.00	
Carriage & Packing	12,568.55	
Rental of Equipment	366.01	
Bank Charges & Interest	60.00	
Consultancy Fees	13,800.86	
Internet	149.50	
IT Support	8,432.90	
Employees' Expenses	14.50	
Concession Commission	159.34	
Business Rates	40,344.30	
Utilities	1,376.39	(169,637.10)
<b>TRADING SURPLUS/(DEFICIT)</b>		<b>531,611.67</b>

**William Hollins & Company Limited (formerly t/a Viyella)**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 06/07/2009**

S of A £		£	£
	<b>FIXED CHARGE ASSETS</b>		
1.00	Goodwill	NIL	
700,000.00	Intellectual Property	NIL	NIL
	<b>ASSETS NOT PLEDGED</b>		
387,164.00	Cash at Bank and in hand	NIL	
450,000.00	Stock	NIL	
149,997.00	Equipment	NIL	
2.00	Lease & Concession agreements	NIL	
71,270.00	Other debtors - royalties	10,000.00	
449,991.00	Concession Debtors	103,648.22	
	Book Debts	3,409.17	
16,229.00	Prepayments	9,214.77	
	Interest Gross	3.84	
	Rents Receivable	30,000.00	
	Sale of Business	1,000,000.00	
	Pension Refund	398.78	
	Petty Cash	38.50	
	Trading Surplus/(Deficit)	531,611.67	
	Business Rates Refund	65.02	
	TP Funds - ARG Rent	162,339.24	1,850,729.21
	<b>COST OF REALISATIONS</b>		
	Agents Costs	17,043.73	
	Solicitors Fees	4,050.80	
	Statutory Advertising	394.73	
	Stationery, Printing & Carriage	3,263.18	
	Corporation Tax	0.76	
	Bank Charges & Interest	135.13	
	Duress Creditors	250.00	
	Consultancy Fees	4,700.00	
	Storage Costs	1,696.10	
	Re-Direction of Mail	24.90	
	Joint Administrators' Fees	145,000.00	(176,559.33)
	<b>PREFERENTIAL CREDITORS</b>		
(111,366.00)	Employees - Arrears of Wages	NIL	
(77,067.00)	Employees - Holiday Pay	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(718,025.00)	HMRC - PAYE & NI	NIL	
(1,453,946.00)	HMRC - VAT	NIL	
(1,194,310.00)	Trade & Expense Creditors	NIL	
(43,378.00)	General Accruals	NIL	
(420,658.00)	Landlord delapidation & rent accruals	NIL	
(1,216,061.00)	Intercompany - Harris Watson Group	NIL	
(818,200.00)	Equipment Lease Liability	NIL	



**William Hollins & Company Limited (formerly t/a Viyella)**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 06/07/2009**

S of A £		£	£
(454,029.00)	Unredeemed gift and loyalty vouchers	NIL	
(10,222.00)	Employees - Balance of Pay Arrears	NIL	
(214,300.00)	Employees - Redundancy Pay	NIL	
(658,779.00)	Employee - Wages in Lieu of Notice	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(7,500,000.00)	Ordinary Shareholders	NIL	NIL
<u>(12,665,687.00)</u>			<u>1,674,169.88</u>

REPRESENTED BY

VAT Input	38,961.70
Bank	473,527.47
Treasury Account	400,000.00
Treasury Account	800,000.00
VAT Output	(461.52)
Vat Control Account	<u>(37,857.77)</u>
	<u>1,674,169.88</u>



Post Appt - Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	67.20	132.10	4.40	0.00	203.70	46,199.50	226.80
Trading	23.10	43.70	14.00	0.00	80.80	17,296.00	214.06
Management of operations	0.00	158.30	61.10	0.00	219.40	39,422.50	179.68
Accounting for trading	0.00	0.00	0.50	0.00	0.50	70.00	140.00
On-going employee issues	5.00	2.00	155.70	0.00	162.70	23,663.00	145.44
Post Appt - Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	28.10	204.00	231.30	0.00	463.40	80,451.50	173.81
Creditors	13.40	45.70	48.20	76.50	183.80	23,470.50	127.70
Communication	1.50	1.20	90.70	10.30	103.70	13,889.50	133.94
Claims inc. emp. prefs	0.60	13.10	0.00	20.05	33.75	3,734.00	110.64
Report/secured creditor	0.00	0.00	18.00	0.00	18.00	2,520.00	140.00
Committee Reporting	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Final Report	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payment of dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	15.50	60.00	156.90	106.85	339.25	43,614.00	128.56
Case Specific	6.00	0.00	0.00	0.00	6.00	1,770.00	295.00
Case Specific 1	1.00	0.00	0.00	0.00	1.00	285.00	295.00
Case Specific 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Appt - Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case specific matters	7.00	0.00	0.00	0.00	7.00	2,065.00	295.00
Total Hours	150.80	459.50	466.80	192.05	1,268.85	208,817.00	164.56
Total Fees Claimed						145,000.00	

H4R

William Hollins & Company Limited

**SIP 9 - Time & Cost Summary**

Period: 07/01/09..06/07/09

Category 2 Disbursements

Other amounts paid or payable to the office holder's firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type And Purpose	Amount
22/01/09	Motor Expenses	296.77
13/02/09	Motor Expenses	219.60
13/02/09	Motor Expenses	73.81
20/02/09	Motor Expenses	240.95
	<hr/>	
	Total	831.13

## 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 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 fix the basis of the administrator'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 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 order to consider his proposals. The administrator must call the first meeting of the committee within 6 months 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;
  - 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 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.
- 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 a 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. When subsequently reporting to creditors on the progress of the administration, 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 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 out of the assets of the insolvent company.
- 7 What if the administrator is dissatisfied?
- If the administrator 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 official receiver's 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 administrator'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 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. 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.
- 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.

**A CREDITORS' GUIDE TO ADMINISTRATORS' FEES  
ENGLAND AND WALES**

**Poppleton and Appleby**

**Fees and Disbursements in Administrations**

**Fees**

The fees of the Administrator are fixed by reference to time properly spent by the Administrator and his staff in attending to all matters arising in the administration unless otherwise agreed with the creditors. The Administrator and his staff charge time to all insolvency cases in units of 6 minutes. The following charge out rates are applicable from 5<sup>th</sup> January 2009.

	<i>£/hour</i>
Partner	295
Managers	160 - 195
Administrators	80 - 140
Cashier	120
Secretarial and support staff	no charge

**Disbursements**

In dealing with the administration, the Administrator will incur expenses and disbursements that are recoverable from the assets available in the administration in accordance with Rule 2.67 of the Insolvency Rules. In addition to out of pocket expenditure, the Administrator will also recover shared or allocated costs. Where applicable, these costs are calculated as follows:

<b>Expense Type</b>	<b>Basis of Charge</b>
Room Hire (for each statutory meeting of creditors)	£175.00 per meeting*
Mileage	40 - 75p per mile
Storage of company books and records	£2.50 per box per month**

\* A charge for room hire will still be made if there are no attendees at the meeting.

\*\* Where funds permit, a charge for storage of boxes for 12 months after closure of the administration is made to cover storage costs until such time as destruction of the records is permitted.

Should any creditor require further clarification in respect of fees or expenses, then please contact the Administrator or case manager as identified in the correspondence concerning the administration in question.

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