

The Insolvency Act 1986

Notice of move from Administration to dissolution

Name of Company
THE POP CULTURE COMPANY LIMITED T/A PULP

Company number
06651555

In the LEEDS DISTRICT REGISTRY

Court case number 1812 of
2011

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

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

(c) Insert date of
appointment

(d) Insert name of applicant /
appointor

I Kate Elizabeth Breese having been appointed administrator of The Pop Culture Company Limited T/A Pulp on 09 December 2011 by the Directors of the Company hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I attach a copy of the final progress report

Signed

Administrator

Dated

4.12.12

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

	Tel
DX Number	DX Exchange

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



A1NCMV71

08/12/2012

#46

A41

COMPANIES HOUSE

SATURDAY

Our Ref KB/ZC/THE0008/ADM303/2204



TO ALL KNOWN CREDITORS

Walsh Taylor Business &
Corporate Recovery Specialists Limited
Oxford Chambers
Oxford Road
Guiseley
Leeds
LS20 9AT

T: 0871 222 8308
F: 0871 222 8309
W: www.walshataylor.co.uk

06 December 2012

Dear Sirs

**The Pop Culture Company Limited t/a Pulp – In Administration
Administrators' Final Progress Report**

Please find enclosed the Administrators final progress report together with form 2 35b

Yours faithfully

For and on behalf of The Pop Culture Company Limited t/a Pulp

A handwritten signature in black ink, appearing to read 'K E Breese'.

K E Breese
Administrator

Enc

The affairs, business and property of the Company are being managed by the Administrator
The Administrator acts as agent of the Company and without personal liability



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DX 33050 Cardiff

Administrators' Final Progress Report

**For the period
09 December 2011 to 08
December 2012**

**The Pop Culture Company
Limited t/a Pulp
- In Administration**

The Pop Culture Company Limited t/a Pulp - In Administration

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THE ADMINISTRATOR'S FINAL PROGRESS REPORT

1 Statutory information

1.1 Kate Elizabeth Breese of Walsh Taylor, Oxford Chambers, Oxford Road, Guiseley, Leeds, LS20 9AT was appointed Administrator of the Company on 09 December 2011 by The High Court of Justice Leeds District Registry Chancery Division. The application for the appointment of an Administrator was made by the Company.

1.2 I enclose at Appendix A an account of the Administrator's Receipts and Payments for the period ended 08 December 2012 with a comparison to the Directors' Statement of Affairs values.

1.3 The Administration is being handled by The High Court of Justice Leeds District Registry Chancery Division, reference number 1812 of 2011.

1.4 The trading addresses of the Company were as follows:

Manchester - Unit 27, Barbirolli Mall, Manchester Arndale Centre, Manchester, M4 2HU

Milton Keynes - 34 Midsummer Arcade, The Centre MK, Milton Keynes, MK9 3BB

Glasgow - Unit 338, First Floor, St Enoch's Centre, Glasgow, G1 4BW

Wakefield - Unit G42, Teall Way, Trinity Walk Centre, Wakefield, WF1 1QS

Edinburgh - Unit 10, Princes Mall, Princes Street, Edinburgh, EH1 1BQ

Liverpool - Unit 47, 51 South John Street, Liverpool, L1 8BU

London - Unit SU0053, 64 The Arcade, Westfield Stratford City, London, E20 1EH

Derby - Unit 24 Albion Walk, Westfield Centre, Derby, DE1 2PQ

Nottingham - Unit 311 Victoria Centre, Nottingham, NG1 3QN

Chester - 14 Newgate Row Grosvenor Centre, Chester, CH1 1EE

Cardiff - 33 Town Wall South St David's Dewi Sant Cardiff CF10 2EW

Cambridge - 12 Petty Cury, Cambridge, Cambridgeshire, CB2 3NE

Bristol - 85 The Horsefair Bristol, Avon BS1 3JP

Birmingham - Unit L6, The Bullring Shopping Centre Birmingham B5 4BS

Aberdeen - Unit GS20 Union Square Shopping Centre Aberdeen AB11 5RG

1.5 The registered office of the Company is now Oxford Chambers, Oxford Road, Guiseley, Leeds, LS20 9AT and its registered number is 06651555.

The Pop Culture Company Limited t/a Pulp - In Administration

2 Administrators' Proposals

2.1 As previously advised, the Administrator must perform his functions with the purpose of achieving one of the following objectives

- Rescuing the Company as a going concern, or
- Achieving a better result for the company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors

2.2 The strategy for achieving these objectives was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)

2.3 The purpose of the Administration has been achieved by way of limiting the level of liabilities. If the Company had entered into Liquidation, significantly increased creditor claims would have been made, in respect of but not limited to employees and landlord claims.

3 Progress of the Administration

3.1 Attached at Appendix A is my Receipts and Payments Account for the period from 09 December 2011 to 08 December 2012.

3.2 On 9 December 2011, shortly after my appointment, the Company's business and assets were sold to the Heaven or Hell Limited, in situ upon the recommendation of independent agents, Charterfields. This sale being in excess of the agent's valuation of the assets on a forced sale basis.

3.3 The agreed sale consideration was £70,000.00 (exclusive of VAT). The apportionments of the proceeds are as follows:

Asset	£
Shop Fittings & Equipment	13,124.00
Stock	61,873.00
Commercial Records	1.00
Goodwill	1.00
Equipment	1.00
	<u>70,000.00</u>

The Pop Culture Company Limited t/a Pulp - In Administration

- 3 4 It was agreed that the Purchaser would pay the sum of £35,002 by way of cleared funds on completion for the stock and Fixture and Fittings (excluding those claimed subject to ROT) The offer including all stock items with the remaining balance to be paid by way of cleared funds as follows
- £11,666 00 on the last business day of January 2012,
- £11,666 00 on the last business day of February 2012,
- £11,666 00 on the last business day of March 2012,
- 3 5 On 9 January 2012 £35,000 00 was received from Heaven or Hell Limited in respect of the purchase of assets
- 3 6 On 7 February 2012 £11,666 00 was received from Heaven or Hell Limited in respect of the purchase of assets
- 3 7 On 27 March 2012 £11,666 67 was received from Heaven or Hell Limited in respect of the purchase of assets
- 3 8 On 27 April 2012 £11,666 66 was received from Heaven or Hell Limited in respect of the purchase of assets
- 3 9 All funds have now been received from the Purchaser
- 3 10 The Purchaser undertook the responsibility to settle all valid ROT claims against the purchased stock
- 3 11 GL Damek Limited, an associated Company of the purchaser has provided a guarantee in relation to the completion monies and deferred consideration due to the Company under the terms of the sale agreement
- 3 12 In accordance with Statement of Insolvency Practice No 13 (SIP13), I can confirm that Ian Hopkins and Stewart Ebbins, Directors of the Company are Directors of Heaven or Hell Limited
- 3 13 On 4 January 2012 £3,221 05 was received from Milton Keynes Council in respect of a rate s refund
- 3 14 On 29 May 2012 £17,921 78 was received from HSBC Bank Plc in respect of cash at bank
- 3 15 On 30 November 2012 £7,934 26 was received from CMK Britel Nominees No 1 Limited in respect of a rent deposit on the Milton Keynes Store

The Pop Culture Company Limited t/a Pulp - In Administration

3 16 On 04 December 2012 £14,173 35 was received from Liverpool One in respect of a rent deposit on the Liverpool Store

3 17 As stated in my last report the Administrator granted a license to occupy to Heaven or Hell Limited on 9 stores situated, Derby, Glasgow, Edinburgh, Liverpool, Manchester, Milton Keynes, Nottingham, Stratford and Wakefield for the period 9 December 2011 to 29 February 2012, the license to occupy being subsequently extended to 30 November 2012

3 18 I can confirm that all leases which a license to occupy was granted have now been surrendered

4 Assets still to be realised

4 1 There are no assets of the Company which remain unrealised

5 Administrators' Remuneration

5 1 The Creditors Committee approved the Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration

5 2 The Administrators' time costs at 08 December 2012 are £77,793 Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period To date the sum of £45,000 01 plus disbursements of £138 95 has been drawn on account

5 3 Attached as Appendix C is additional information in relation to our policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 4 Pursuant to Rule 2 47(a) creditors have the right to request information under Rule 2 48A and their right to challenge the Administrators remuneration and expenses under Rule 2 109

6 Estimated outcome for creditors

6 1 There are no secured creditors of the Company While HSBC Bank Plc hold a debenture, there are no monies due under it

6 2 Preferential creditor claims received to date total £27,386 80

6 3 Unsecured creditor claims received to date total £1,704,620 These claims have not been formerly adjudicated on to date

The Pop Culture Company Limited t/a Pulp - In Administration

- 6 4 There is no requirement to set aside an 'Unsecured Creditors' Fund ' as outlined in s176A of the Act due to their being no secured creditors in this matter
- 6 5 All funds realised have been utilised to discharge the expenses of the administration and therefore no dividend is payable to any class of creditor

7 Investigations

- 7 1 In accordance with the Company Directors Disqualification Act 1986 the Administrator has submitted a report on the conduct of the Director of the Company to the DTI As this is a confidential report, I am not able to disclose the contents
- 7 2 The Administrator also has a duty to investigate the extent of the Company's assets including potential claims against third parties including the Directors', and to report her findings, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised
- 7 3 The preliminary assessment of the conduct of the Company's affairs prior to entering into Administration did not reveal any matters that it was in the interest of creditors for the Administrator to pursue
- 7 4 Accordingly I am not conducting or proposing to conduct any further, more detailed investigations
- 7 5 The creditors committee however requested that certain specific areas of concern be investigated Such matters were fully investigated and legal advice obtained
- 7 6 It was concluded that no action be taken

8 Creditors Committee

- 8 1 At the first meeting of creditors a creditors committee was formed
- 8 2 The function of the committee is to assist the administrator in discharging her functions and act in relation to her in such manner as may be agreed from time to time The committee may also require the administrator to attend before it at any reasonable time and furnish it with information relating to the exercise of her functions

The Pop Culture Company Limited t/a Pulp - In Administration

- 8 3 The purpose of the committee is to represent the interests of the creditors as a whole, not just the interests of its individual members. In addition to its statutory functions, it may also serve to assist the administrator generally and act as a sounding board for her to obtain views on matters pertaining to the administration.
- 8 4 Three committee meetings were held to discuss the progress of the administration. The First committee meeting was held on 28 March 2012, the second on 1 June 2012, this meeting being inquorate and the Third meeting being held on 27 June 2012.
- 8 5 At the first meeting of the creditors committee two resolutions were passed confirming that that the administrator's remuneration be fixed by reference to the time properly given by the administrator (as administrator) and the various grades of her staff calculated at the prevailing hourly charge out rates of Walsh Taylor for attending to matters arising in the administration.
- 8 6 The second resolution confirming that the administrator be authorised to draw disbursements, including disbursements for services provided by her firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with her firm's policy, a further copy is attached for ease of reference.
- 8 7 It came to my attention that the firm of one of the members of the creditor's committee was acting personally for Heaven or Hell Limited which in my view created a conflict of interest for that member. This member resigned from the committee resulting in members being less than the minimum 3 required. Therefore the creditors committee was disbanded.

9 Ending the Administration

- 9 1 The exit route for the Administration, is that Paragraph 84 of Schedule B1 to the Act will be implemented. Under these provisions on the registration of a notice sent to the Registrar of Companies, my appointment as Administrator ceases to have effect and at the end of three months the Company will automatically be dissolved.
- 9 2 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon her appointment as Administrator ceasing to have effect.

For and on behalf of
The Pop Culture Company Limited t/a Pulp


K E Breese
Administrator

**The Pop Culture Company Limited t/a Pulp
(In Administration)**

**Income and Expenditure Account
09 December 2011 to 08 December 2012**

INCOME	Total (£)
Shop Fittings & Equipment	13,124 00
Stock	56,873 00
Rates Refund	3,221 05
Cash at Bank	17,921 78
Rent arrears	38,875 20
Rent Deposit Stores	22,107 61
Rent Deposits - Heaven or Hell	108,827 96
Commercial Records	1 00
Goodwill	1 00
Equipment	1 00
Post appointment sales	22,333 15 [1]
	<u>283,286.75</u>
 EXPENDITURE	
Post appointment sales	22,333 15 [1]
Bordereau	508 00
Office Holders Expenses	155 10
Administrators Fees	70,351 05
Agents/Valuers Fees (1)	5,820 51
Administrators Disbursements	138 95
Legal fees	29,140 56
Telephone Telex & Fax	7 00
Postage (Cat1) - no VAT	501 44
Stationery (Cat2) with VAT	2,100 15
Storage Costs	202 40
Statutory Advertising	63 40
Rent Deposits	108,827 96
Rent arrears	38,875 20 [2]
Insurance	2,464 50 [3]
Irrecoverable VAT	1,797 38
	<u>283,286.75</u>
 Balance	 <u>0.00</u>
 MADE UP AS FOLLOWS	 <u>0.00</u>

Notes

- 1 A rent deposit was paid by Heaven or Hell Limited in respect of the stores subject to the license to occupy This deposit has been repaid to Heaven or Hell Limited upon confirmation that the leases subject to the license had been surrendered
- 2 Post appointment sales are in respect of monies received into the Company's account after the date of Administration that were due to Heaven or Hell Ltd This was due to the an issue with PDQ systems being transferred over to Heaven or Hell Ltd after the date of Administration
- 3 Monies in respect of rent arrears were received from Heaven or Hell Ltd and paid over to the respective Landlords within the license to occupy period
- 4 Insurance costs are in relation to the leasehold premises subject to the license to occupy

Time Entry - SIP9 Time & Cost Summary

THE0008 - The Pop Culture Company Limited t/a Pulp
Project Code POST
To 08/12/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	60 30	49 55	0 00	112 00	0 00	241 85	47,531 00	196 53
Case Specific Matters	0 00	30 30	0 00	0 00	0 00	30 30	5,454 00	180 00
Cashier	1 40	1 00	0 00	21 10	4 20	27 70	4,480 00	161 73
Creditors	14 10	24 50	0 00	28 80	0 00	67 40	12,816 00	190 15
Investigations	3 10	18 20	0 00	0 00	0 00	21 30	4,144 00	184 55
Realisation of Assets	6 00	3 80	0 00	1 90	0 00	11 70	2,728 00	233 16
Trading	0 00	0 00	0 00	4 00	0 00	4 00	640 00	160 00
Total Hours	104 90	127 35	0 00	167 80	4 20	404 25	77,793 00	192 44
Total Fees Claimed							25,166 66	
Total Disbursements Claimed							935 45	

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. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.

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 fixing bases of remuneration

7 1 1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

7 1 2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

7 1 3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7 1 4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.2 After the bases of remuneration have been fixed

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8.1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.3 Disbursements and other expenses

7.3.1 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories:

- **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the administration and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the administrator or his or her staff.
- **Category 2 disbursements** These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made.

7.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),

- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8 2, and their right to challenge the administrator's remuneration and expenses

8 2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court

8 3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

9. Provision of Information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office

10 What if a creditor is dissatisfied?

- 101 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
- 102 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
- 103 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?

- 111 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

- 121 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
- 122 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.
- 123 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
- 124 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 1 November 2011

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case,
- any exceptional responsibility falling on the administrator,
- the administrator's effectiveness,
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration,
- 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,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested 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 level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted

**ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9**

1 Policy

Detailed below is Walsh Taylors policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any subcontractors in this case.

1.2 Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Ward Hadaway Solicitors	Hourly rate & disbursements
Charterfields International Asset Consultants	Fixed rate & expenses
Rennie McInnes LLP	Hourly rate & disbursements

The Pop Culture Company Limited t/a Pulp - In Administration

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

13 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder. On this case the following costs have been incurred:

Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	£
Mileage/Subsistence	269 05
Telephone/Fax	7 00
Stationary	1,594 35
Photocopying	505 80
Storage	127 11
Case Set Up	20 00
Company Search	5 00
Total	2,528 31



Walsh Taylor Insolvency Practitioners

Charge Out Rates

	Rate per hour £
Director/Insolvency Practitioner	280
Senior Manager	220
Manager	180
Senior Administrator	160
Administrator	125
Cashier	125
Support staff (inc secretarial)	75-100

- Time is charged in units of 6 minutes
- Support and secretarial staff time is charged to cases on the basis of time spent at the rates stated above

Disbursements Recovery Policy

Category 1	<p>Direct costs are recovered at actual cost to the case</p> <p>Includes for example and where relevant insurance and bonding, advertising, courier, registration fees, search fees, postage (including re-direction), storage, subsistence and public transport</p> <p>No charge is made for telephone calls</p>
Category 2	<p>Apportioned costs are recovered on the following tariff -</p>
Fax	£1 per page sent
Photocopying	15p per copy – irrespective of size
Room hire	£150 for room hire for creditors' meetings - charge is only be made when attendance of debtor/ director and/or creditors is likely and a meeting room has been set aside
Stationery	<p>Initial case set-up fee per corporate case</p> <p>£20 to 30th April 2012,</p> <p>£25 from 1st May 2012,</p> <p>£15 per personal case</p> <p>Annual case/ file maintenance charges of £10</p>
Car travel	65p per mile

Fax, photocopying and stationery charges are based on the average costs of consumables

Room hire is based on an average of charges levied by four local providers