

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company

Hilton Fashions Limited

Company number

02561647

In the

High Court of Justice, Chancery Division, Companies Court

Court case number

534 of 2012

We

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IP number 9121

IP number 8370

IP number 9077

IP number 9284

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

from

20 January 2012

to

19 July 2012

Signed

Ea Boyle

Joint Administrators

Dated

8 August 2012

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.

Thomas Swiers

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Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE



**Hilton Fashions Limited, Inhoco 336 Limited
and
Wiltex by Wilson Limited (all in
Administration)**

**Progress Report
for period from 20 January 2012 to
19 July 2012**

KPMG LLP

8 August 2012

This report contains 22 pages



*Hilton Fashions Limited, Inhoco 336 Limited and
Wiltex by Wilson Limited (all in Administration)
for period from 20 January 2012 to 19 July 2012
KPMG LLP
8 August 2012*

About this Report

This report ("Report") has been prepared by Christine Lavery, Richard Fleming, Edward Boyle and Mark Firmin, the Joint Administrators of Hilton Fashions Limited, Inhoco 336 Limited and Wiltex by Wilson Limited, solely to comply with their statutory duty under the Insolvency Act 1986 and Insolvency Rules 1986 to provide creditors with an update on the progress of the administration of the estate, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Hilton Fashions Limited, Inhoco 336 Limited or Wiltex by Wilson Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than the Insolvency Act and Insolvency Rules 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report.

Christine Mary Lavery and Richard Dixon Fleming are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

Edward George Boyle and Mark Granville Firmin are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

The Joint Administrators act as agents for Hilton Fashions Limited, Inhoco 336 Limited and Wiltex by Wilson Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administrations.

All figures contained within the Report, unless otherwise stated, are net of VAT.



*Hilton Fashions Limited, Inhoco 336 Limited and
Wiltex by Wilson Limited (all in Administration)
for period from 20 January 2012 to 19 July 2012
KPMG LLP
8 August 2012*

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Glossary

Administration	The Administration Order granted by the High Court of Justice, Chancery Division, Companies Court over Hilton Fashions Limited, Inhoco 336 Limited and Wiltex by Wilson Limited on 20 January 2012. Respective court case reference numbers 534, 533 and 532 of 2012.
Companies	Hilton Fashions Limited, Inhoco 336 limited and Wiltex by Wilson Limited (all in administration)
Hilton	Hilton Fashions Limited (in administration)
Inhoco	Inhoco 336 Limited (in administration)
Joint Administrators	Christine Mary Lavery, Richard Dixon Fleming, Edward George Boyle and Mark Granville Firmin of KPMG
Lenders	Consortium of banks that provided secured senior facilities to LMB and other Peacocks entities
LMB	LMB Realisations Limited (Formerly Bon Marche Limited) (in administration)
Group	The LMB business, comprising LMB, Hilton, Inhoco and Wiltex
Peacocks	The Peacock group of companies (including the Companies)
Purchaser	Bluebird UK Bidco Limited, a purchasing vehicle set up for Sun European Partners LLP which has subsequently undergone a name change to Bonmarche Limited
SPA	Sale and Purchase Agreement relating to the sale of the business and assets of the Companies, dated 20 January 2012
Transitional Services Agreement or TSA	Agreement between The Peacock Group plc, Peacock's Stores Limited, Dorsman Estates Co Limited, Peacocks (Nantgarw) Limited (all in administration) and the Purchaser, dated 20 January 2012
Wiltex	Wiltex by Wilson Limited (in administration)



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1 **Executive Summary**

- This Report covers the period from appointment to 19 July 2012
- The Administrators' Statement of Proposals were approved on 26 March 2012 and have not been modified (see Section 2 - Statement of Proposals)
- There was no prospect of either saving the Companies or of a sale of business and the administrator's role has been limited to the disposal of the remaining assets
- Based on the expected level of realisations, there is no prospect of funds being available for unsecured creditors
- Full details of the Joint Administrators progress report are attached, together with all the relevant statutory information, which are included by way of Appendices to this report

Ed Boyle

Joint Administrator – Edward Boyle



2 Statement of Proposals

The Administrators' Statement of Proposals was circulated on 13 March 2012

No meeting of creditors was convened or requisitioned to consider these proposals. As a result the Statement of Proposals as circulated was deemed approved on 26 March 2012

3 Progress to date

3.1 Background

The Companies are wholly owned subsidiaries of LMB, which was the main trading entity of the Bonmarche business, one of the UK's largest retailers of affordable, quality, plus size women's clothing. The Group business operated from a head office and distribution centre in Wakefield, West Yorkshire and primarily traded from 392 leasehold stores, three concession stores and through www.bonmarche.co.uk. LMB also entered Administration on 20 January 2012.

The Companies held between them, 42 of the 392 leasehold stores from which the Group traded. All risks and associated revenue and costs in respect of these 42 leases were borne by LMB up until the date of the sale of the Bonmarche business on 20 January 2012.

Although the Companies have been non-trading since before Peacocks purchased LMB in 2002, they were also part of a VAT group with the wider Peacocks group. The Companies were removed from the VAT group on 19 January 2012, upon the administration of certain subsidiaries within Peacocks.

There is an intermediate holding company in respect of Wiltex, James Hartley Limited. This company is not in administration.

At the date of appointment the Companies had no employees.

3.2 Events leading to the Joint Administrators appointment

The Group received funding from the Lenders and these borrowings are subject to cross guarantees from Peacocks companies and are secured by debentures. In addition, Peacocks had significant additional funding with other financiers totalling in excess of £600 million.

Whilst LMB historically traded profitably, it was under increasing margin pressure as it discounted prices to maintain sales volumes. As sales and margins reduced, the viability of ongoing trading came into question due to the relatively high operating cost base of LMB, including its ability to contribute to the wider Peacocks cost base.

From mid 2011, Peacocks considered its options with the Lenders. KPMG LLP was involved in these discussions, acting as advisors to the Lenders. As a result of these discussions, further finance was sought by Peacocks from the existing shareholders, alternative providers of capital finance and the Lenders in order to enable Peacocks (including the Group) to continue trading and avoid insolvency. Discussions regarding funding for the Group ran into January 2012.

As with many retail businesses, the Group's trading was traditionally weak in January and February and its forecasts showed it had a funding requirement during this period to continue trading. The Group was reliant on Peacocks facilities for this funding, and Peacocks was already in the process of restructuring. Therefore, in December 2011, having identified the Group's working capital requirements, Peacocks management decided to explore a sale of the shares of the LMB. An agreement for a sale was not completed. As a result, the Group explored other options open to it, including administration.

On 22 December 2011, LMB instructed a firm of corporate finance advisors, DC Advisory Partners Ltd to assist it in seeking a buyer for the Group's business and assets. The proposed Joint Administrators monitored the process closely from the outset and was summarised in the SIP16 memorandum, which was circulated to all creditors on 26 January 2012.

Following the marketing, the proposed Joint Administrators reviewed all offers received. Based on the information available to the proposed Joint Administrators at that time, the offer from Sun European Partners LLP provided an enhanced return to creditors when compared to the other offers received, the outcome under liquidation of the stock in stores.

The proposed Joint Administrators communicated with the Lenders on a regular basis throughout the bidding process and discussed the proposed pre-packaged sale with HM Revenue & Customs.

The trading entities of Peacocks other main business, the Peacocks retail chain, were placed into administration on 19 January 2012.

On 20 January 2012, Christine Lavery, Richard Fleming, Edward Boyle and Mark Firmin of KPMG LLP were appointed Joint Administrators over the Companies and a sale of the business and assets was completed shortly after the appointment.

3.3 Strategy & trading

In order to achieve the Joint Administrators proposals, the following courses of action were considered:

- managed wind down through a trading administration,
- a sale of the business from a trading administration, and



- a pre packaged sale of the business immediately following the appointment of Joint Administrators

The proposed Joint Administrators concluded that a pre-packaged sale immediately following their appointment, rather than a sale following a period of trading during administration, produced the best return to creditors

As previously reported, the Joint Administrators concluded a pre-packaged sale of the business and certain assets of the Group to Bonmarche Limited (formerly Bluebird UK Bidco Limited, a purchasing vehicle for Sun European Partners LLP) immediately following their appointment

This included a sale of LMB's interest in the Head Office and Warehouse, 389 of the 392 leasehold stores, the three concession stores, store equipment, goodwill, IT systems, motor vehicles, stock, certain company records, the www.bonmarche.co.uk website and the majority of book debts

The total consideration of £12 million was received by LMB on completion and can be analysed as follows

(i)	the Equipment, the sum of	£6,600,000
(ii)	the Completion Cash Amount, the sum of	£150,000
(iii)	the Stock, the sum of	£5,249,989
(iv)	*Other assets, the sum of	£11
TOTAL		£12,000,000

*Other assets included, but were not limited to, properties, goodwill, IT systems, employee records, the website, book debts All such other assets have a £1 consideration

As part of the sale agreement, a licence to occupy was entered into with the Purchaser for 389 retail stores

3.4 **Communication**

The Joint Administrators wrote to all known creditors on 24 January 2012 advising them of their appointment

Following this, the Administrators' Statement of Proposals was circulated to all known creditors of the Companies on 13 March 2012

3.5 **Assets**

3.5.1 **Leasehold Properties**

Under the terms of the SPA, the Group granted the Purchaser a licence to occupy 371 of the 374 leasehold stores in the Group's portfolio In addition, and under the terms of a separate licence agreement and TSA, Peacocks granted the Purchaser of the LMB the right to occupy 18 stores on a temporary basis, where Peacocks and LMB shared the store

During the period the Purchaser has been negotiating with the various landlords of the stores which it occupies under licence from LMB a view to completing assignment of the existing lease or the grant of a new lease

Of the 389 stores that were originally occupied by the Purchaser at the beginning of the Period, it was anticipated that 156 of these stores were unlikely to be kept on in the long-term. To date, 122 stores have been closed and surrender of the leases have been offered to the landlords

The leases on 167 of the stores originally occupied have either been assigned to the Purchaser or surrendered and a new lease granted to them. The Group's past, present and future liabilities under the leases of these stores has been extinguished

The remaining 100 stores are currently occupied by the Purchaser under licence from the Group, who remain liable for the charges under the leases. The process of assignment or surrender of the leases of these stores will continue until the licence period expires

The Joint Administrators have engaged Hogan Lovells to provide legal advice regarding this process in respect of the Group's obligations under the leases

3.6 Liabilities

3.6.1 Secured creditors

The Lenders have the benefit of a debenture dated 23 January 2006, providing a floating charge over LMB's assets. Such assets include the shareholdings in the Companies

Based upon current information, the Joint Administrators anticipate that the Lenders will not recover their debt in full

3.6.2 Preferential and unsecured creditors

The Joint Administrators are not aware of any preferential or unsecured creditors, other than potential landlord claims

3.7 Expenses for the period

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this report are also attached (see Appendix 3)

The Joint Administrators' Proposals included the following resolutions

- that in the event that no creditors' committee is formed, the Joint Administrators will seek approval from the secured and preferential creditors that they be authorised to draw fees on account from the assets of the Companies from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. In the event that Christine Lavery,



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KPMG LLP
8 August 2012*

Richard Fleming, Edward Boyle and Mark Firmin be appointed Joint Liquidators then they will be able to draw fees on the same basis as the Joint Administrators as agreed by the Companies creditors,

- that the costs of KPMG LLP in respect of Health and Safety, Pension, Tax, Receivables Realisation Group and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Companies, and
- that the Joint Administrators will be authorised to draw disbursements from time to time to include category 2 disbursements. A Schedule of such expenses incurred by the Joint Administrators to 19 July 2012 is included at Appendix 4

The Joint Administrators have not drawn any remuneration during the period covered by this report

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2 48A IR86 and to challenge the administrator's remuneration and expenses under Rule 2 109 IR8 are included in Appendix 4 should creditors wish to do so

Please note that all staff who have worked on these assignments, including cashiers and secretarial staff, have charged time directly to the assignments and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

The statutory provisions relating to remuneration are set out in Rule 2 106 of the Rules

A creditors' guide to Administrators' fees can be found at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.pdf

However, if you are unable to access this guide and would like a copy please contact Thomas Swiers at KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW

The basis of the fees was approved on 26 March 2012 by the Secured Creditor. Please note that no fees have been drawn to date

Creditors are reminded that the quantum of office holder remuneration can be challenged by unsecured creditors representing at least 10% by value of total unsecured claims, including that creditor's claim, by making an application to court in accordance with Rule 2 109 of the Rules. The full text of this rule can also be provided on request

4 Comments on the Appendices

4.1 Appendix 1: Statutory information

A summary of key statutory information for the Companies, including previous names and addresses, is included in Appendix 1

4.2 Appendix 2: Receipts & payments account for the period

The only assets of the Companies following the transfer of the leases, were intercompany debts however, due to the administration of certain companies within the wider Peacocks group, those debts are unlikely to be repaid

The Joint Administrators did not hold any funds in respect of any of the Companies as at 19 July 2012

4.3 Appendix 3: Analysis of office holders' time costs

4.3.1 Statutory and compliance

Across all three Companies, time costs of £28,528 (75 hours) have been incurred in relation to statutory and compliance activities around appointment. This includes strategy documents, statutory advertising and appointment and related formalities

4.3.2 Tax

Across all three Companies, time costs of £5,923 (15 hours) have been incurred in respect of initial tax reviews, and post appointment VAT returns

4.3.3 Creditor correspondence

Across all three Companies, time costs of £14,856 (36 hours) have been incurred in respect of creditors. This is in relation to the notification of appointment and the drafting of statutory reports

4.3.4 Investigations

Across all three Companies, time costs of £3,844 (15 hours) have been incurred in relation to statutory investigations. This relates to the Directors questionnaires and statement of affairs, and the drafting of investigation reports

4.4 Appendix 4: Expenses for the period

Expenses for the period are summarised in Appendix 4 which include the time costs as analysed in Appendix 3

5 Appendix 1

5.1 Statutory information

Appointment	
Company name & Trading style	Hilton Fashions Limited, Inhoco 336 Limited and Wiltex by Wilson Limited
Administration	The Administration Orders were made on 20 January 2012 in High Court of Justice number 534, 533 and 532 of 2012, application by Directors
Date of appointment	20 January 2012
Extension obtained	N/A
Office holders details	<p>Christine Mary Lavery, Richard Dixon Fleming were appointed on 20 January 2012 and are authorised to act as an insolvency practitioners by the Insolvency Practitioners Association</p> <p>Edward George Boyle and Mark Granville Firmin were appointed on 20 January 2012 and are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales</p>
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company Information	
Company registration number	2561647, 2931581, 631531
Previous registered office	Atlantic House, Tyndall Street, Cardiff, CF10 4PS
Present registered office	KPMG LLP, 1 The Embankment Neville Street Leeds LS1 4DW



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6 Appendix 2

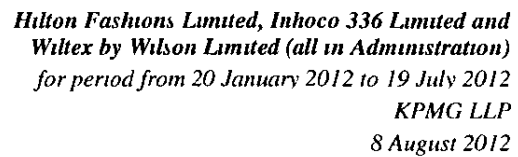
6.1 Office holders' receipts and payments account

6.1.1 Hilton Fashions Limited

Hilton Fashions Limited (In Administration) Administrators' Abstract of Receipts & Payments		
Statement of Affairs	From 20/01/2012 To 19/07/2012	From 20/01/2012 To 19/07/2012
100 00 OTHER REALISATIONS Amount receivable from group companies	<u>NIL</u> NIL	<u>NIL</u> NIL
(100 00) DISTRIBUTIONS Ordinary shareholders	<u>NIL</u> NIL	<u>NIL</u> NIL
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>

6.1.2 Inhoco 336 Limited

Inhoco 336 Limited (In Administration) Administrators' Abstract of Receipts & Payments		
Statement of Affairs	From 20/01/2012 To 19/07/2012	From 20/01/2012 To 19/07/2012
2 00 OTHER REALISATIONS Amounts owed by group companies	<u>NIL</u> NIL	<u>NIL</u> NIL
(2 00) DISTRIBUTIONS Ordinary shareholders	<u>NIL</u> NIL	<u>NIL</u> NIL
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>



Wiltex by Wilson Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

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*Hilton Fashions Limited, Inhoco 336 Limited and
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7 Appendix 3

7.1 Analysis of office holders' time costs for the period 20 January 2012 to 19 July 2012

7.1.1 Hilton Fashions Limited

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
General							
Books and records	0.00	0.70	0.00	0.00	0.70	£294.00	£420.00
Statutory and compliance							
Appointment and related formalities	0.00	1.25	9.60	0.50	11.35	£2,875.50	£253.35
Bonding and border run	0.00	0.00	0.50	0.30	0.80	£151.00	£188.75
Checklist & reviews	0.00	8.50	0.40	0.00	9.90	£4,479.50	£452.47
Statutory advertising	0.00	0.20	0.25	0.00	0.45	£160.25	£356.11
Strategy documents	2.00	2.45	0.00	0.00	4.45	£2,299.00	£516.63
	2.00	13.40	10.75	0.80	26.95	£9,965.25	£368.77
Tax							
Initial reviews - CT and VAT	0.00	1.00	0.00	0.00	1.00	£420.00	£420.00
Post appointment VAT	0.00	2.30	1.75	0.00	4.05	£1,610.00	£397.53
	0.00	3.30	1.75	0.00	5.05	£2,030.00	£401.98
Creditors							
Creditors and claims							
Notification of appointment	0.00	0.10	0.00	0.00	0.10	£42.00	£420.00
Statutory reports	2.00	6.50	3.50	0.00	12.00	£4,910.00	£409.17
	2.00	6.60	3.50	0.00	12.10	£4,952.00	£409.26
Employees							
Discussions reviews	0.00	0.20	0.00	0.00	0.20	£84.00	£420.00
Investigation							
Directors							
D form drafting and submission	0.00	0.00	3.50	0.00	3.50	£805.00	£230.00
Directors' questionnaire / checklist	0.00	0.25	0.00	0.00	0.25	£105.00	£420.00
Statement of affairs	0.00	0.00	1.30	0.00	1.30	£381.50	£293.46
	0.00	0.25	4.80	0.00	5.05	£1,291.50	£255.74
Realisation of assets							
Asset Realisation							
Health & safety	0.00	0.20	0.00	0.00	0.20	£84.00	£420.00
Total in period					50.25	£18,700.75	£372.15

Notes: All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



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7.1.2 Inhoco 336 Limited

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
General							
Books and records	0.00	0.80	0.00	0.00	0.80	£336.00	£420.00
Statutory and compliance							
Appointment and related formalities	0.00	1.25	4.60	0.50	6.35	£1,725.50	£2,717.3
Bonding and bondsmen	0.00	0.00	0.50	0.00	0.50	£115.00	£230.00
Checklist & reviews	0.00	9.75	0.40	0.00	10.15	£4,374.50	£430.99
Statutory advertising	0.00	0.20	0.25	0.00	0.45	£160.25	£356.11
Strategy documents	2.00	2.20	0.00	0.00	4.20	£2,194.00	£522.38
	2.00	13.40	5.75	0.50	21.65	£8,569.25	£395.81
Tax							
Initial reviews - CT and VAT	0.00	1.00	0.00	0.00	1.00	£420.00	£420.00
Post appointment VAT	0.00	2.20	1.25	0.00	3.45	£1,442.50	£418.12
	0.00	3.20	1.25	0.00	4.45	£1,862.50	£418.54
Creditors							
Creditors and claims							
Notification of appointment	0.00	0.10	0.00	0.00	0.10	£42.00	£420.00
Statutory reports	2.00	6.50	3.50	0.00	12.00	£4,910.00	£409.17
	2.00	6.60	3.50	0.00	12.10	£4,952.00	£409.26
Employees							
Pensions reviews	0.00	0.30	0.00	0.00	0.30	£126.00	£420.00
Investigation							
Directors							
D form drafting and submission	0.00	0.00	3.50	0.00	3.50	£805.00	£230.00
Directors' questionnaire / checklist	0.00	0.25	0.00	0.00	0.25	£105.00	£420.00
Statement of affairs	0.00	0.00	1.20	0.00	1.20	£351.00	£292.50
	0.00	0.25	4.70	0.00	4.95	£1,261.00	£254.75
Realisation of assets							
Asset Realisation							
Health & safety	0.00	0.20	0.00	0.00	0.20	£84.00	£420.00
Total in period					44.45	£17,190.75	£386.74

Notes: All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



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713 Wiltex by Wilson Limited

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
General							
Books and records	0.00	0.70	0.00	0.00	0.70	£294.00	£420.00
Statutory and compliance							
Appointment and related formalities	0.00	1.25	7.10	0.50	8.85	£2,300.50	£258.94
Bonding and bond release	0.00	0.00	0.50	0.60	1.10	£187.00	£170.00
Checklist & reviews	0.00	10.35	0.40	0.00	10.75	£4,836.50	£449.91
Statutory advertising	0.00	0.20	0.25	0.00	0.45	£160.25	£356.11
Strategy documents	2.00	2.95	0.00	0.00	4.95	£2,509.00	£506.87
	2.00	14.75	8.25	1.10	26.10	£9,983.25	£382.88
Tax							
Initial reviews - C.F and VAT	0.00	1.00	0.00	0.00	1.00	£420.00	£420.00
Post appointment VAT	0.00	2.30	1.75	0.00	4.05	£1,680.00	£397.53
	0.00	3.30	1.75	0.00	5.05	£2,030.00	£401.98
Creditors							
Creditors and claims							
Notification of appointment	0.00	0.10	0.00	0.00	0.10	£42.00	£420.00
Statutory reports	2.00	6.50	3.50	0.00	12.00	£4,910.00	£409.17
	2.00	6.60	3.50	0.00	12.10	£4,952.00	£409.26
Employees							
Pensions reviews	0.00	1.00	0.00	0.00	1.00	£420.00	£420.00
Investigation							
Directors							
D form drafting and submission	0.00	0.00	3.50	0.00	3.50	£805.00	£230.00
Directors' questionnaire / checklist	0.00	0.25	0.00	0.00	0.25	£105.00	£420.00
Statement of affairs	0.00	0.00	1.30	0.00	1.30	£381.50	£293.46
	0.00	0.25	4.80	0.00	5.05	£1,291.50	£255.74
Realisation of assets							
Asset Realisation							
Health & safety	0.00	0.20	0.00	0.00	0.20	£84.00	£420.00
Total in period					50.20	£19,064.75	£379.78

Notes: All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



*Hilton Fashions Limited, Inhoco 336 Limited and
Wiltex by Wilson Limited (all in Administration)
for period from 20 January 2012 to 19 July 2012
KPMG LLP
8 August 2012*

714 Joint Administrators' charge out rates

Chargeable rates from 1 October 2010

Grade	Rate per hour £
Partner	725
Associate Partner	635
Director	635
Senior Manager	525
Manager	420
Assistant Manager	305
Assistant	230
Support	120



*Hilton Fashions Limited, Inhoco 336 Limited and
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KPMG LLP
8 August 2012*

7.2 Administrators' disbursements

7.2.1 Hilton Fashions Limited

Category 1 Expenses	£
Train travel	14 00
Advertising	447 23
Bordereau	40 00
Total	501.23

7.2.2 Inhoco 336 Limited

Category 1 Expenses	£
Train travel	14 00
Advertising	447 23
Bordereau	40 00
Total	501.23

7.2.3 Wiltex by Wilson Limited

Category 1 Expenses	£
Train travel	14 00
Advertising	447 23
Bordereau	40 00
Total	501.23

KPMG Restructuring policy for the recovery of disbursements

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows



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Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question 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 officeholder or his or her staff.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.

The only Category 2 disbursements that KPMG Restructuring currently charges is mileage, this is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 40p per mile

Use of company car – 60p per mile

Use of partner's car – 60p per mile

For all of the above car types, when carrying passengers an additional 5p per mile per passenger will also be charged where appropriate.



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8 Appendix 4

8.1 Schedule of expenses for the period 20 January 2012 to 19 July 2012

Section	Account	Accrued	Paid	Total
			£	£
Cost of realisations	KPMG Fees	54,956 25	-	54,956 25
	KPMG	1503 69	-	1503 69
	Disbursements			
TOTAL		56,459.94	-	56,459.94

Creditors are reminded that the basis on which fees have been reported has been agreed however to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2 48A IR86 This request must be made within 21 days receipt of the report The full text of that rule can be provided on request In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2 109 IR86 The full text of this rule can also be provided on request

9 Extract from the Insolvency Rules 1986

Insolvency Rules 1986

2.48A Creditors' request for further information

- (1) If- (a) **within 21 days of receipt of a progress report** under Rule 2 47-
- (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of **at least 5% in value** of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

2.109 Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of **at least 10% in value of the unsecured creditors** (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) An application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106,
 - (c) expenses incurred by the administrator,
- is or are in all the circumstances, excessive, or in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give

notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,

(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

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

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