

TO ALL KNOWN CREDITORS

9 March 2023

Ref: CGJK/BL/SPIC01
Email:
spicersadministration@uk.ey.com

Dear Sirs

Spicers Limited (in Administration) (“the Company”)

As you will be aware, the Company entered Administration on 14 May 2020 and R H Kelly and I were appointed to act as Joint Administrators (“the Administrators”). In accordance with a Court Order dated 27 June 2022, R H Kelly was replaced by Samuel James Woodward as he retired from the EY Partnership.

On 8 June 2020 our remuneration was agreed by creditors in the sum of £1,737,685 plus VAT, in accordance with our fee estimate dated 21 May 2020 (“the Original Estimate”).

A number of matters have arisen in the Administration that have resulted in the Original Estimate being exceeded. These matters were not foreseen when preparing the Original Estimate and include, inter alia:

- Significant levels of additional work have been required due to the complex nature of the Company’s debt guarantee structure;
- The debtor collection exercise has required significantly greater effort than initially anticipated, which is primarily a result of i) a greater level of disputes than expected and ii) five large and complex debtor claims which it has been necessary to pursue. As a result of the significant level of additional work, to date we have been able to collect funds of £10.7m. This equates to 76% of the ledger (excluding the remaining large debt which we are continuing to pursue) and includes recoveries of £1.4m from four debtors, each of which initially disputed that anything was due or payable to the Company, citing various counter claims and other reasons for non-payment. The Administrators are of the opinion that the additional time spent has resulted in significantly increased recoveries which are for the benefit of the unsecured creditors;
- Additional time has been spent, beyond that which was anticipated in the Original Estimate, in dealing with the c.330 employees that were made redundant. This increased work principally relates to i) a pre-appointment furlough claim and ii) the retention of employees to facilitate increased asset recoveries;
- In addition to the anticipated property work that was included in the Original Estimate to agree the initial licence to occupy (“LTO”) and sell the Company’s freehold property, further work was undertaken to maximise recoveries for the Company. These additional activities primarily relate to i) an extension of the LTO and ii) an expanded freehold property sale process; and
- A number of other matters that have arisen in the Administration, but where the additional time spent and to be spent is not deemed to have resulted in additional recoveries for the direct benefit of the creditors and therefore, the Administrators are not seeking to increase their remuneration in relation to these tasks and instead propose to write off these costs.

Accordingly, I am therefore writing to you to seek your approval to an increase in our remuneration from £1,737,685 plus VAT to £3,329,145 plus VAT. I enclose a revised fee estimate which includes a detailed explanation of the work undertaken and a receipts and payments account as at 9 March 2023.

I intend to seek decision on this matter by correspondence. Accordingly, I enclose formal notice of the decision procedure and a voting form and notice of claim form. Please would you complete both the voting form and the notice of claim form and return them to me, either by email to Spicers Administration spicersadministration@uk.ey.com or post to Ben Leach, Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR to arrive no later than 23:59 hours on 24 March 2023.

The Insolvency (England and Wales) Rules 2016 require that whenever a decision is sought from creditors, they must also be invited to establish a creditors' committee if, as in this case, a committee is not already in existence. Accordingly, the attached notice and voting form include a resolution on whether a committee should be formed. In order for a committee to be formed, at least 3 creditors must be willing to serve on the committee and they must give their consent in writing.

If you vote in favour of establishing a committee, please also complete the nomination section of the voting form and, unless you are nominating yourself, include the appropriate written consent(s) to act with your completed voting form. If there are fewer than 3 valid nominations, a committee will not be established. If there are at least 3 and no more than 5 valid nominations, a committee will be formed with the nominated creditors. In the event that there are more than 5 valid nominations, I shall put the nominations to a vote by the general body of creditors.

Should you have any questions please contact Ben Leach at this office on 0113 298 2224.

Yours faithfully
for the Company



C G J King
Joint Administrator

Enc: Revised fee estimate
Receipts and payments account
Notice of decision procedure with voting form
Claim form for voting purposes
Invitation to form a creditors committee

S J Woodward and C G J King are licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the administration.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and C G J King, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Spicers Limited – in Administration

Original fee estimate and revised fee estimate

The Joint Administrators expect that time costs dealing with the Administration will total £3,769,123, which is £2,031,438 more than estimated in the Original Estimate. Consequently, the Administrators are seeking approval for an increase in their remuneration from £1,737,685 plus VAT to £3,329,145 plus VAT. The Administrators estimate that this will result in costs of £439,978 being written off.

	Original Fee Estimate		Expected additional work versus Original Estimate		Total expected costs		Costs to be written off		Revised Fee Estimate	
	Total hours	Total costs (£)	Total hours	Total costs (£)	Total hours	Total costs (£)	Total hours	Total costs (£)	Total hours	Total costs (£)
Accounting & Administration	195	99,839	545	201,678	741	301,517	(545)	(201,678)	195	99,839
Bank & Statutory Reporting	237	124,498	123	113,886	360	238,384	(123)	(113,886)	237	124,498
Creditors and unsecured distribution	484	246,808	293	137,338	777	384,146	-	-	777	384,146
Debtors	411	213,702	1,724	1,237,271	2,136	1,450,973	-	-	2,136	1,450,973
Employee Matters	453	255,246	394	111,151	847	366,397	-	-	847	366,397
Immediate Tasks	55	30,288	(9)	(3,265)	46	27,023	-	-	46	27,023
Investigation & CDDA	93	49,719	(6)	(5,227)	87	44,492	-	-	87	44,492
Job Acceptance & Strategy	61	32,271	(8)	(9,474)	54	22,797	-	-	54	22,797
Other Assets	107	65,695	(6)	5,837	101	71,532	-	(5,837)	101	65,695
Other Matters	138	73,519	116	58,090	254	131,609	(116)	(58,090)	138	73,519
Property	275	139,057	212	131,864	486	270,921	-	-	486	270,921
Public Relations	10	6,188	(7)	(4,283)	3	1,905	-	-	3	1,905
Retention of Title	352	205,574	44	(3,914)	396	201,660	(44)	-	352	201,660
Statutory Duties	217	120,948	7	6,533	224	127,481	(7)	(6,533)	217	120,948
VAT & Taxation	116	74,333	107	53,955	222	128,288	(107)	(53,955)	116	74,333
	3,204	1,737,685	3,528	2,031,438	6,732	3,769,123	(941)	(439,978)	5,791	3,329,145

The revised estimate reflects an increase in the Administrators' remuneration of £1,591,460 plus VAT. In accordance with Rule 18.30(3) of the Insolvency (England and Wales) Rules 2016, the Administrators have set out below their estimate of remuneration to be charged.

An explanation of the additional work undertaken and proposed to be undertaken is set out overleaf.

The Joint Administrators do not anticipate further revisions to be made to the fee estimate during the Administration.

	Original Fee Estimate			Change in Fee Estimate			Revised Fee Estimate		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Accounting & Administration	195	99,839	511	-	-	-	195	99,839	511
Bank & Statutory Reporting	237	124,498	525	-	-	-	237	124,498	525
Creditors and unsecured distribution	484	246,808	510	293	137,338	469	777	384,146	495
Debtors	411	213,702	520	1,724	1,237,271	718	2,136	1,450,973	679
Employee Matters	453	255,246	563	394	111,151	282	847	366,397	433
Immediate Tasks	55	30,288	553	(9)	(3,265)	359	46	27,023	591
Investigation & CDDA	93	49,719	535	(6)	(5,227)	917	87	44,492	510
Job Acceptance & Strategy	61	32,271	526	(8)	(9,474)	1,215	54	22,797	426
Other Assets	107	65,695	615	(6)	-	-	101	65,695	651
Other Matters	138	73,519	532	-	-	-	138	73,519	532
Property	275	139,057	506	212	131,864	623	486	270,921	557
Public Relations	10	6,188	645	(7)	(4,283)	649	3	1,905	635
Retention of Title	352	205,574	584	-	(3,914)	-	352	201,660	573
Statutory Duties	217	120,948	557	-	-	-	217	120,948	557
VAT & Taxation	116	74,333	641	-	-	-	116	74,333	641
	3,204	1,737,685	542	2,587	1,591,460	615	5,791	3,329,145	575

Explanation of additional work undertaken and proposed to be undertaken

As set out on the previous page and below, the Administrators have incurred and expect to incur additional time costs relating to various matters, some of which they are seeking an uplift in their remuneration for (£1,591,460), and others where it is proposed that time costs will be written off (£439,978).

The overarching factor that has led to a significant amount of additional time costs being incurred is that of Covid-19 and the delays and disruption that it has caused. At the time of preparing the Original Estimate in May 2020, the extent and duration of disruption was not foreseen and therefore was not factored into the estimated time costs.

Where relevant, the Administrators have sought to reference specific impacts of Covid-19 which have caused additional costs to be incurred by the Administrators. However, it is also relevant to mention the more general inefficiencies which Covid-19 has caused that have resulted in additional time needing to be spent to deal with various matters.

By way of example, there has been disruption and delays resulting from various stakeholders (i.e. working from home and being unable to attend the Company's sites due to UK Government lockdowns and measures). Additionally, an enhanced level of delays has resulted from stakeholders furloughing employees and temporarily closing their doors.

Activities where an uplift in the Administrators' remuneration is sought

The Joint Administrators have incurred additional time relating to the following matters where, as set out in the table above, they are seeking an increase in remuneration.

- **Creditors and unsecured distribution** – Due to the complex nature of the Company's debt guarantee structure, significant levels of additional work have been required in relation to the distributions to secured lenders. This has included, inter alia:
 - i) Review and validation of the secured creditors security instruments to confirm the validity and nature of the security given;
 - ii) Assessment of the tax implications of distributions to be made to the secured creditors, with a view to minimising the secured creditor claims and ensuring compliance with the relevant withholding tax requirements; and
 - iii) A highly complex distribution exercise has been required to be undertaken understand the quantum of subrogated claims which the Company may have against other guarantors of the secured creditors' indebtedness and that other guarantors may have against it in relation to these payments.

This has required careful consideration of the intercompany balances owed between the Company and another 26 corporate group entities which guaranteed the liabilities due to the secured creditors and has required detailed discussions with the Administrators' legal advisors. Further work is also anticipated in respect of lodging and agreeing subrogated secured claims against certain of the corporate group entities.

Additionally, due to backlogs in processing transactions up to the date of Administration, further work beyond that which was originally anticipated has been required to bring the Company's purchase ledger up to date. This additional work was conducted for the purpose of the Directors' preparing their statement of affairs and to assist with the invitation and eventual adjudication of creditors' claims and subsequent distribution.

The Administrators have incurred time costs which are £137,338 higher than the Original Estimate and are seeking the approval for an uplift of £137,338.

- **Debtors** – The debtor collection exercise has required significantly greater effort than initially anticipated, which is primarily a result of i) a greater level of disputes than expected and ii) five large and complex debtor claims which it has been necessary to pursue.

- i) The trade debtor collection exercise raised a significantly greater level of disputes than anticipated from the c.800 debtors and these have required detailed interrogation as well as collating and reviewing of supporting documentation in order to maximise recoveries.

A significant number of these disputes were made worse by a lack of supporting documentation being readily available from Company records, which has resulted in additional time being spent in recovering disputed debts.

The debtor collection exercise has also been disrupted by Covid-19 because of protective measures enforced by the UK Government, which prevented the Administrators from enforcing on due and payable debts. It is believed that many of the Company's debtors have sought to take advantage of these measures which has resulted in significant additional time being required to pursue and recover debtor balances.

Additionally, because of the widespread impact of Covid on businesses generally, the Administrators and their team have had to have careful consideration of the impact of Covid-19 on the ability of debtors to repay their debts and have been required to reach agreements on payment plans or consider alternate collection methods on an unusually high number of customer accounts.

- ii) Significantly more work has also been required in relation to five of the Company's largest debtor balances, with each of the debtors raising significant counter claims which have had to be worked through and assessed.

This has involved consideration of a high quantum of supporting documents, the assessment of counter claims which have been lodged, significant amounts of discussions with our legal advisors and high levels of formal correspondence and meetings with these debtors.

As a result of the significant level of additional work, to date we have been able to collect funds of £10.7m. This equates to 76% of the ledger (excluding the remaining large debt which we are continuing to pursue) and includes recoveries of £1.4m from four debtors, each of which initially disputed that anything was due or payable to the Company, citing various counter claims and other reasons for non-payment. The Administrators are of the opinion that the additional time spent has resulted in significantly increased recoveries which are for the benefit of the unsecured creditors.

The Administrators have incurred time costs which are £1,237,271 higher than the Original Estimate and are seeking the approval for an uplift of £1,237,271.

- **Employee Matters** – Additional time has been spent, beyond that which was anticipated in the Original Estimate, in dealing with the c.330 employees that were made redundant. This increased work principally relates to i) a pre-appointment furlough claim and ii) the retention of employees as explained in more detail below:

- i) The Administrators made a claim under the Government furlough scheme for pre-Administration wages for those employees that had been placed onto furlough prior to the Administration.

This activity was not foreseen when the Original Estimate was prepared, but resulted in a receipt of funds of £128,869, which were in turn remitted to the relevant employees. The additional time spent undertaking this work has reduced the level of preferential claims from employees against the Company and therefore resulted in

additional realisations being available for the unsecured creditors.

- ii) Further time has also been spent in dealing with the retention of certain staff (whose employment was funded by OTG) for the purpose of collecting trade debtors on behalf of the Company (on which commission was earned).

This retention of employees by OTG lasted for a period in excess of the that which was anticipated and therefore more time has been incurred than expected in processing payroll and other tasks for the employees that were retained for the purpose of assisting with debtor collections. These additional costs have facilitated increased asset recoveries, which are to the benefit of the creditors.

The Administrators have incurred time costs which are £111,151 higher than the Original Estimate and are seeking the approval for an uplift of £111,151.

- **Property** – In addition to the anticipated work that was included in the Original Estimate to agree the initial licence to occupy (“LTO”) and sell the Company’s freehold property, additional work has been undertaken to maximise recoveries for the Company. These additional activities primarily relate to i) an extension of the LTO and ii) an expanded freehold property sale process:

- i) As a result of the uncertainty caused by Covid-19, there was an initial softening of commercial property market. Consequently, the Administrators made a decision following discussions with their commercial property agents to delay the sale of the Company’s freehold property. In delaying the marketing process, the Administrators were able to bring the property to market at a time where demand for commercial properties was strong.

To facilitate the extended holding period and in an effort to maximise the sale value, it was appropriate to seek an extension of the initial 12-month LTO with OTG (the occupier).

In addition to enabling the property to be sold at a preferable time which is likely to have had a beneficial impact on realisations, the time costs incurred in extending the LTO also resulted in additional rent receipts during the extended period.

- ii) Due to the significant level of interest which the sale of the property attracted, it was appropriate to conduct an extended marketing process, which attracted 24 parties and 9 initial offers and involved managing additional rounds of bidding which resulted in significant increases in offer values.

The sale process also involved protracted information provision processes and negotiations with the highest bidder. This additional time spent was deemed to be required to secure enhanced offers and to maximise realisations.

Whilst this enhanced sale process was significantly more time consuming than anticipated, it enabled the Company to secure the sale to the highest bidder at a sale price which was significantly above both the initial offers received, as well as the sale price estimate provided by our property agents.

The Administrators have incurred time costs which are £131,864 higher than the Original Estimate and are seeking the approval for an uplift of £131,864.

Activities where an uplift in Administrators’ remuneration is not sought

In addition to the work detailed above which the Administrators are seeking an increase in remuneration for, a number of other matters have arisen in the Administration that have resulted in time costs per the Original Estimate being exceeded. This can be summarised as £131,003 of time costs already incurred and £308,975 of time costs expected to be incurred. However, as this additional time spent and to be spent is not deemed to have resulted in additional recoveries for the

direct benefit of the creditors, the Administrators are not seeking to increase their remuneration in relation to these tasks and instead propose to write off these costs.

- **Accounting & Administration** - The work undertaken is required under legislation and professional best practice to progress the Administration.

Time has been incurred and is forecast to be incurred on general administrative duties, such as case management aspects, cashiering and treasury, filings, as well as maintaining the Joint Administrators' accounting records. Additional time has also been spent due to the length of the Administration meaning that two extensions have been required. Further time costs have also been incurred due to one of the original Administrators retiring and therefore needing to appoint a replacement Administrator.

- **Bank & Statutory Reporting** - The work undertaken is required under legislation and professional best practice to progress the Administration and does not necessarily result in a direct financial benefit to creditors. However, providing six-monthly progress reports to all creditors and members is a statutory requirement.

This additional time spent includes statutory reporting to all classes of creditors. Reports include the six-monthly progress reports and regular reporting to the secured creditors regarding progress of the administration, realisations and other ad-hoc reporting.

- **Other Assets** - This primarily relates to time spent dealing with other realisable assets and the realisation of intellectual property, deposits, prepayments and apportionments.
- **Other Matters** – Time costs incurred in respect of various unforeseen matters arising during the course of the Administration, including time spent in relation to managing the sale and purchase agreement in place with OTG.
- **Statutory Duties** - The work undertaken has not resulted in a direct financial benefit to creditors, however it is required under legislation and professional best practice. The additional time will include work undertaken to extend the Administration, which was not originally envisaged, but which has been required to facilitate asset realisations and to allow the Administrators to fulfil their statutory duties.
- **VAT & Taxation** - This time is spent investigating the Company's VAT and corporation tax position up to the date of appointment, preparation and submission of VAT and corporation tax returns for the post appointment period and dealing with VAT group matters.

Estimate of return for the creditors

Secured creditors

As previously advised, work undertaken by the Administrators has enabled the secured creditors indebtedness of c.£22.3m to be settled in full.

Preferential creditors

Preferential creditor claims of c.£0.3m are to be settled in full in the coming months.

Non-preferential creditors

Based on realisations to date, anticipated future costs and our current understanding of the potential outcome from the distribution exercise noted previously, we are able to estimate the impact of the requested uplift in fees on the outcome for the Company's non-preferential creditors.

Based on the quantum of creditors outlined in the Company's Statement of Affairs, it is estimated that the dividend available to unsecured creditors may be c.13p in the £ after allowing for the requested uplift in Administrators' remuneration. Without any uplift in the Administrators remuneration, it is estimated that, other things being equal, the dividend to unsecured creditors may be c.16p in the £.

Spicers Limited (in Administration)

Joint Administrators' Receipts and Payments from 14 May 2020 to 9 March 2023

Statement of Affairs Estimated to Realise Values (£)	1,2	Period from		Total	
		14 May 2020 to 13 May 2022 (£)	14 May 22 to 9 Mar 2023 (£)		
Fixed charge receipts (excludes debts assigned to LBG)					
70,000		Intellectual Property	120,000	-	120,000
13,000,000		Freehold Property	15,005,000	-	15,005,000
12,659,015	3	Debtors to be transferred to IDF account	60367.15	-	60,367
		Debtors received in the Administration account	906,483	195,838	1,102,321
	4	Bank interest	811	13,775	14,586
			<u>16,092,662</u>	<u>209,612</u>	<u>16,302,274</u>
Fixed charge payments					
		Property Agent Fees	112,538	-	112,538
	3	Debtor Collection Agent Commission	655,113	68,603	723,716
		Erroneous Debtor Receipts Returned	510	-	510
		Transfer to Debtor Collection Account	60,367	-	60,367
		Agents fees - Intellectual Property Sale	10,200	-	10,200
		Legal fees settled for OTT and Other Co-Guarantors	2,604	6,000	8,604
		Bank charges	1	-	1
			<u>841,333</u>	<u>74,603</u>	<u>915,936</u>
Payments to Secured Creditors					
		Secured Creditor Distribution to LBG (Property Loan)			1,915,028
		Secured Creditor Distribution to BECAP12	8,901,521	205,477	9,106,998
		Withholding Tax on BECAP12 Distribution	258,437	-	258,437
			<u>11,074,986</u>	<u>205,477</u>	<u>11,280,463</u>
Net fixed charge realisations					
<u>4,176,342</u>					
<u>(70,467)</u>					
<u>4,105,875</u>					
Floating charge receipts					
Asset realisations					
		Stock	821,521	-	821,521
125,000		Fixtures and Fittings	150,700	-	150,700
412,220		Cash at bank at date of appointment	440,246	-	440,246
		Freehold Property Rent	807,876	-	807,876
111,169		Apportionments	110,391	-	110,391
12,449		Deposits and Prepayments	318,853	34,195	353,048
Transfer receipts					
		HMRC Furlough Receipt	128,869	-	128,869
		Employee Costs Funded by OTG	302,281	(6,394)	295,887
		Property Costs Funded by OTG (LTO Property)	47,674	-	47,674
		Property Costs Funded by OTG (Non-LTO Properties)	161,520	-	161,520
	3	Transfer From Debtor Collection Account for Commission	629,869	-	629,869
Other receipts					
	4	Bank Interest	821	1,221	2,042
			<u>3,920,622</u>	<u>29,022</u>	<u>3,949,644</u>
Floating charge payments					
		Pre-Administration Costs	107,794	-	107,794
Costs of realisations:					
		Purchase Ledger Update Cost	6,250	-	6,250
		Contractor Costs (Debtors, Rebates and Customer Cont)	20,532	8,279	28,812
		Other Costs	1,949	-	1,949
Expenses:					
		Bank Charges	217	6	223
		Insurance	6,928	666	7,594
		Storage Charges	10,468	2,865	13,333
		Statutory Costs	95	-	95
Employees:					
		Employee Costs (Property Exit)	140,367	-	140,367
		Employee Costs (Debtor Realisation)	87,250	-	87,250
		Employee Costs (Furlough)	131,875	-	131,875
		Employee Costs (Other)	68,269	-	68,269
Property:					
		Property Payments (LTO Properties)	44,167	-	44,167
		Property Payments (Non-LTO Properties)	161,520	-	161,520
Professional Fees:					
		Legal Fees	289,490	9,554	299,044
		Other Professional Fees	34,748	-	34,748
Administrators' Expenses:					
		Administrators' Remuneration	1,737,684	-	1,737,684
		Administrators' Disbursements	2,773	-	2,773
			<u>2,852,377</u>	<u>21,370</u>	<u>2,873,747</u>
Net floating charge realisations					
<u>1,068,245</u>					
<u>7,652</u>					
<u>1,075,897</u>					
Total net realisations					
<u>5,244,587</u>					
<u>(62,816)</u>					
<u>5,181,772</u>					
Funds in Hand					
		Cash at bank	5,069,143	93,109	5,162,253
		VAT Receivable / (Payable)	175,444	(155,925)	19,519
			<u>5,244,587</u>	<u>(62,816)</u>	<u>5,181,772</u>

Notice to creditors of decision procedure

Rules 3.39, 15.8 and 18.24 of the Insolvency (England and Wales) Rules 2016

Spicers Limited (in Administration) (“the Company”)

Name of court: Business and Property Courts in Birmingham
Insolvency and Companies List (ChD)

Case number: CR-2020-BHM-000302

Registered name of the Company: Spicers Limited

Other trading name(s) or style(s) of the Company: n/a

Any other registered name in the 12 months prior to Administration: n/a

Registered number: 00425809

Registered office address: Ernst & Young LLP, 1 Bridgewater Place, Water
Lane, Leeds, LS11 5QR

Principal trading address (if different from above): n/a

Date on which the Company entered Administration: 14 May 2020

Date of appointment of Joint Administrators: 14 May 2020

Details of the Joint Administrators

C G J King Ernst & Young LLP 1 Bridgewater Place, Leeds, LS11 5QR	S J Woodward Ernst & Young LLP 1 Bridgewater Place, Leeds, LS11 5QR
Office holder number: 8985 / 12030	
Telephone number: 0113 298 2224	
Name of alternative person to contact about the Administration: Ben Leach	

NOTICE IS HEREBY GIVEN that the Joint Administrators of the above-named company are seeking a decision from creditors by correspondence on the following matter:

1. The approval of an increase in the Joint Administrators' remuneration from £1,737,685 plus VAT per the fee estimate dated 21 May 2020 to £3,329,145 plus VAT

Rule 3.39(4) of the Insolvency (England and Wales) Rules 2016 provides that at any time when an administrator seeks a decision from creditors and a creditors' committee has not already been formed, creditors must be invited to decide whether to establish a creditors' committee if sufficient creditors are willing to be members of the committee. A formal invitation and nomination form is attached.

Creditors wishing to vote on the proposed increase in remuneration, including any creditors who have opted out of receiving notices but nonetheless wish to vote, must complete and return the attached voting form and claim form, and return them to me by email to spicersadministration@uk.ey.com or post to Ben Leach, Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR to be received no later than 23:59 hours on 24 March 2023 (**the decision date**). Votes in respect of claim forms received after this time will be disregarded.

Creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a claim form if they wish to vote.

A creditor may apply to court to appeal a decision on eligibility to vote in the decision procedure. Any appeal must be made no later than 21 days after **the decision date**.

Creditors who meet the thresholds set out in section 246ZE of the Insolvency Act 1986 (namely 10% in value of creditors, 10% in number of creditors or 10 creditors) may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the proposed resolution on remuneration.

Signed
C G J King
Joint Administrator



Date

9 March 2023

Spicers Limited (in Administration) (“the Company”)

Voting form

Resolutions

1. That the Joint Administrators’ remuneration be increased from £1,737,685 plus VAT per the fee estimate dated 21 May 2020 to £3,329,145 plus VAT

FOR/AGAINST

Signature _____

Name of signatory _____

On behalf of
(name of creditor) _____

Date _____

The Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

Administration Notice of Claim for Voting Purposes

Spicers Limited (in Administration) (“the Company”)

Date of Administration: 14 May 2020

PLEASE NOTE: Once completed, this form will be used by the Joint Administrators ONLY for the purposes of voting in a creditors’ decision procedure or a requisitioned meeting of creditors. The form will not constitute admission of the claim to rank for dividend in this or any subsequent procedure. For further information see Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016.

Name of creditor	
Address	
Amount claimed, after deductions for payments made post-administration or adjustments for set off (see notes overleaf)	
Is the claim preferential or secured?	
If secured, value of security	
If you have made a retention of title claim against the company please attach details (see over)	
Signature on behalf of creditor	
Date	

Notes to Administration Notice of Claim for Voting Purposes:

1. Please attach a detailed statement of your account as at the date on which the company entered administration.
2. If you have claimed retention of title please provide details, including the value of any payments made, or goods returned, to you in respect of your claim.
3. If your claim is preferential (e.g. for wages, holiday pay or certain pension arrears) or secured please give details and attach supporting documentation.
4. VAT bad debt relief may usually be claimed six months after the date of supply.

Notice to creditors – invitation to form a creditors’ committee

Rule 3.39, Insolvency (England and Wales) Rules 2016

Spicers Limited (in Administration) (“the Company”)

Name of court: Business and Property Courts in Birmingham
Insolvency and Companies List (ChD)

Case number: CR-2020-BHM-000302

Registered name of the Company: Spicers Limited

Other trading name(s) or style(s) of the Company: n/a

Any other registered name in the 12 months prior to Administration: n/a

Registered number: 00425809

Registered office address: Ernst & Young LLP, 1 Bridgewater Place, Water Lane,
Leeds, LS11 5QR

Principal trading address (if different from above): n/a

Date on which the Company entered Administration: 14 May 2020

Date of appointment of Joint Administrators: 14 May 2020

Details of the Joint Administrators

C G J King Ernst & Young LLP 1 Bridgewater Place, Leeds, LS11 5QR	S J Woodward Ernst & Young LLP 1 Bridgewater Place, Leeds, LS11 5QR
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Office holder number: 8985 / 12030

Telephone number: 0113 298 2224

Name of alternative person to contact about the Administration: Ben Leach

Invitation to form a creditors’ committee

Creditors are invited to decide whether a creditors’ committee should be formed if sufficient creditors are willing to be members of the committee. Information on the role of committees can be found at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

To be validly established, a committee must have at least three and not more than five members, who must have agreed to act.

Should you wish to form a committee, please follow the instructions in the nomination form attached to this notice and return the completed nomination form, with written agreements to act where appropriate, to me at the above address to arrive no later than 24 March 2023. Nominations can only be accepted if I am satisfied as to the creditor's eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Signed
C G J King
Joint Administrator



Date

9 March 2023

Spicers Limited (in Administration) (“the Company”)

Nominations for creditors’ committee

You may nominate up to five creditors of the company. Please note that before a person can act as a member of a creditors’ committee that person must agree to do so.

In the event that more than five valid nominations are received, the five receiving the most votes will be appointed.

When you have completed this form, please return it with the creditor’s written agreement to act (unless you are nominating yourself or your own organisation) to spicersadministration@uk.ey.com or post to Ben Leach, Ernst & Young LLP, 1 Bridgewater, Water Lane, Leeds, LS11 5QR to arrive no later than the closing date stated on the notice of invitation to form a committee.

I nominate:

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

to be appointed as (a) member(s) of the creditors' committee.

Signature _____

Name of signatory _____

On behalf of
(name of creditor) _____

Date _____