

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

BTL Realisations (2009) Limited (formerly Bertram Trading Limited) (In Administration)

Company number

03425946

In the

High Court of Justice, Chancery Division, Birmingham District

[full name of court]

Court case number

8209 of 2009

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

I / We (a) Tom Lukic and Ian BestErnst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ

administrator(s) of the above company attach a progress report for the period


from

to

(b) Insert date

(b) 20 March 2010(b) 19 September 2010

Signed



Joint Administrator(s)

Dated

1.10.10**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.

Rachel McCarthy

Ernst &amp; Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ

Tel 0121 535 2248

DX Number

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COMPANIES HOUSE

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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

TO ALL KNOWN CREDITORS

1 October 2010

Ref BER18/DD/RMc/SD/D16 1

Sarah Dunkley

Direct line 0121 535 2789  
Direct Fax 0121 535 2448

Dear Sirs

**Bertram Group Limited (the "Group")  
BTL Realisations (2009) Limited (formerly Bertram Trading Limited)  
(together "the Companies") (Both in Administration)**

**High Court of Justice, Chancery Division, Birmingham District Registry, numbers 8211 of 2009 and 8209 of 2009**

**Registered office address: c/o Ernst & Young LLP, No.1 Colmore Square, Birmingham, B4 6HQ**

I write, in accordance with Rule 2.47 of The Insolvency Rules 1986, to provide creditors with a report on the progress of the Administrations. This report covers the period from 20 March 2010 to 19 September 2010 and should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") dated 28 April 2009 and previous reports dated 15 October 2009 and 19 February 2010.

The Companies entered administration on 20 March 2009 and Ian Best and Tom Lukic of Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ, were appointed to act as Joint Administrators. The appointment was made by the directors of the Companies under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by either of them.

**Extensions to the Initial Period of Appointments**

The application to Court to extend the Administrations of the Companies to 19 March 2011, to enable the Joint Administrators to finalise all outstanding matters appropriately, was granted on 5 March 2010.

**Summary of Progress**

Since the last report the following key areas have been progressed:

- ▶ Novated the necessary contracts held by BTL Realisations 2009 Limited;



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The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC305001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office.

- ▶ Continued to review and coordinate non preferential creditor claims,
- ▶ Obtained approval from the Court to make a distribution to the non preferential creditors in the Administrations, and
- ▶ Continued to perform statutory and administrative duties

### **Remaining Assets**

There are no assets remaining to realise

### **Receipts and Payments Accounts**

I enclose a receipts and payments account for each of the Companies for the period from 20 March 2009 to 19 September 2010 (Appendix 2). This does not reflect estimated future realisations or costs

### **Joint Administrators' Remuneration and Disbursements**

The Administrators' remuneration was fixed on a time-cost basis by a resolution of the creditors passed on 18 May 2009. To date the Administrators have incurred time costs of £169,554 against which the sum of £160,678 has been drawn. An analysis of the time spent is attached as Appendix 3 to this report. Appendix 4 is a statement of the Administrators' policy in relation to charging time and disbursements

To date, the sum of £453 has been incurred and drawn in respect of disbursements, as recorded in the analysis of time spent attached as Appendix 3.

No Category 2 disbursements (i.e. those disbursements paid to the Joint Administrators' firm) have been incurred

### **Secured Creditors**

Lloyd TSB Commercial Finance Limited ("LTSBCF"), the Companies' principal secured lender, had a total indebtedness of £7,562,000 as at 20 March 2009 including interest.

The secured lender has been paid in full

### **Preferential Creditors**

All employees transferred to Smiths News 2009 Limited on the sale of the business and assets of the Companies on 20 March 2009. It is also my understanding that there are no pension contributions outstanding. As a result there are no preferential creditors in the Companies.

### **Non-preferential Creditors**

Below is a table of the non preferential creditors' position as at 19 September 2010

£'000	Bertram Group Limited	BTL Realisations 2009 Limited
Trade creditors	-	157
Inter-company creditor	8,526	-
Non trade creditors		
ABL creditors	39,738	39,738
PPF	564,000	564,000
HMRC	1,044	20
	613,308	603,915

#### **Trade creditors**

The non preferential trade creditor claims received to date total approximately £157,000. I do not anticipate the final non preferential trade creditor to differ materially from this amount.

#### **Inter-company creditor**

The balance of £8,526,000 is an inter-company debt due to BTL Realisations 2009 Limited (In Administration) as stated in the directors' statement of affairs.

#### **ABL creditors**

As detailed in my previous reports, in August 2008, following the sale of the Companies to Entertainment UK Limited ("EUK"), a wholly owned subsidiary of Woolworths Group plc ("Woolworths"), the Companies acceded as guarantors to four asset based lenders ("ABLs") to Woolworths, giving rise to a second charge over the assets of the Companies.

I have received confirmation from the senior agent that no claim will be submitted by the two senior lenders against the Companies. However, a claim has been submitted by the agent representing the two second lien facility providers totalling £39,738,437.

As both of the Companies are guarantors under the second lien agreement, the ABLs are able to submit a claim in both Companies. Therefore the full non preferential claim of £39,738,437 is included for each of the Companies.

#### **Pension Protection Fund**

As previously reported, following the purchase by EUK, the Companies became sponsoring employers to the Woolworths Group Pension Scheme ("the Scheme"). I have received a provisional claim from the Pension Protection Fund (the "PPF") for £564 million in relation to the Woolworths Group Pension Scheme.

I have been informed that the PPF will revisit the claim once it has finalised its apportionment approach to the Scheme's deficit and completed its data review. I understand that the PPF will be in a position to submit a final claim in the Administrations shortly. However, as it is not clear at this time whether the claim for £564 million will be significantly reduced, I continue to show the provisional claim as the PPF's non preferential creditor claim and to liaise with the PPF to establish the final quantum of their claim.

Similarly to the ABLs, as both of the Companies are sponsoring employers to the Scheme, the PPF is able to submit a claim in full in both Companies. However, as stated above, the PPF's claim may be reduced in one or both of the Companies once it has completed its review of the Scheme's deficit position.

#### ***H M Revenue & Customs ("HMRC")***

I have received HMRC's final claim for direct taxes totaling £1,064,138 comprising the PAYE/NIC and corporation tax liabilities arising on appointment.

#### **The Prescribed Part**

The Prescribed Part is a proportion of floating charge assets set aside for non preferential creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

As the secured lender has been paid in full under the fixed charge and there are no further floating charge creditors, the prescribed part will not apply.

#### **Distributions to Creditors**

Since my last report dated 19 February 2010, the Court has granted the application to make a distribution to the non preferential creditors in the Administrations.

I intend to declare a final dividend to the non preferential creditors of the Companies and attach at Appendix 1 Notice of intended dividend.

The creditors of the Companies may continue to lodge proofs of their debt with me at the registered address up to 19 November 2010 ("the last date for proving") quoting the name of the Companies.

If the creditor fails to prove their debt by the last date for proving the creditor may be excluded from the dividend which I intend to declare within a period of two months from that date.

The value of the assets to be distributed is estimated to be 0.00007p/£ to the non preferential creditors of Bertram Group Limited and of 0.0013p/£ to the non preferential creditors of BTL Realisations 2009 Limited. However, should the final claim from the PPF be significantly reduced, the level of distribution to the non preferential creditors of the Companies could notably increase.

#### **End of the Administrations**

I currently anticipate that I will be in a position to close the Administrations of the Companies by the second anniversary, being 19 March 2011. I will report to you again at the conclusion of the Administrations or in six months' time, whichever is the sooner.

Yours faithfully  
for the Companies

A handwritten signature in black ink, appearing to read 'I Best'.

I Best  
Joint Administrator

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- Appendix 1 Notice of intended dividend
- Appendix 2 Joint Administrators' receipts and payments accounts
- Appendix 3 Summary of Joint Administrators' time-costs and disbursements
- Appendix 4 Joint Administrators' policy on fees and disbursements

I Best and T Lukic are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Companies are being managed by the Joint Administrators, I Best and T Lukic, who act as agents of the Companies only and without personal liability

**Bertram Group Limited  
BTL Realisations 2009 Limited (formerly Bertram Trading Limited)  
(Both in Administration)**

**Notice of Intended Dividend**

**In the Matter of the Insolvency Rules 1986**

**And**

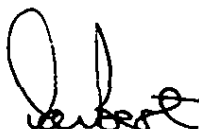
**Bertram Group Limited  
BTL Realisations 2009 Limited (formerly Bertram Trading Limited)  
(Both in Administration) (together "the Companies")**

NOTICE IS HEREBY GIVEN pursuant to Rule 2.95 of the Insolvency Rules 1986 that the Joint Administrators in this matter intend declaring a first and final dividend to non preferential creditors who are required on or before 19 November 2010, being the last date for proving, to submit their proofs of debt to the undersigned and if so requested to provide such further details or produce such documentation or other evidence as may appear to the Joint Administrators to be necessary. A creditor who has not proved his debt before the last date for proving is not entitled to disturb, by reason that he had not participated in it, any dividend subsequently declared.

Should you wish to submit a claim the enclosed Proof of Debt form and documentation in support of your claim must be sent to the Joint Administrators.

The dividend will be declared within the period of two months from the last date for proving

1 October 2010



I Best  
Joint Administrator

## Appendix 2

### Joint Administrators' receipts and payments accounts from 20 March 2009 to 19 September 2010

#### Bertram Group Limited (In Administration)

£	Estimated realisations as per directors' Statement of Affairs	20 March 2009 to 20 September 2009	21 September 2009 to 5 February 2010	6 February 2010 to 19 March 2010	20 March 2010 to 19 September 2010	Total
<b>Receipts</b>						
Bank interest	-	140	59	26	62	287
Licence fee	-	221,550	-	-	-	221,550
Plant and machinery	40,000	40,000	-	-	-	40,000
Prepayments and other debtors	63,717	63,717	-	-	-	63,717
VAT received	-	-	-	1,473	-	1,473
	103,717	325,407	59	1,499	62	327,027
<b>Payments</b>						
Administrators' fees and disbursements	-	(21,362)	(9,817)	-	(12,378)	(43,557)
Bank interest and charges	-	(233)	(102)	(20)	(122)	(477)
Corporation tax fees	-	-	-	-	(4,000)	(4,000)
Insurance	-	(63)	-	-	-	(63)
Public notices	-	(604)	-	-	-	(604)
Rent	-	(221,550)	-	-	-	(221,550)
Specific bond	-	(264)	-	-	-	(264)
VAT receivable	-	-	(1,473)	-	-	(1,473)
	-	(244,076)	(11,392)	(20)	(16,500)	(271,968)
Balance at bank at 19 September 2010		81,331	(11,333)	1,479	(16,438)	55,039

#### BTL Realisations 2009 Limited (formerly Bertram Trading Limited) (In Administration)

£	Estimated realisations as per directors' Statement of Affairs	20 March 2009 to 20 September 2009	21 September 2009 to 5 February 2010	6 February 2010 to 19 March 2010	20 March 2010 to 19 September 2010	Total
<b>Receipts</b>						
Bank interest	-	1,753	900	420	1,213	4,286
Cash	137,000	137,000	-	-	-	137,000
Other debtors	11,283	11,283	-	-	-	11,283
Plant and machinery	628,000	628,000	-	-	-	628,000
Property	900,000	900,000	-	-	-	900,000
Stock	170,000	170,000	-	-	-	170,000
Trade debtors	6,662,200	6,662,000	-	-	-	6,662,000
VAT received	-	-	-	3,547	-	3,547
	8,508,483	8,510,036	900	3,967	1,213	8,516,116
<b>Payments</b>						
Administrators' fees and disbursements	-	(74,993)	(23,385)	-	(18,743)	(117,121)
Agents' fees	-	(423)	-	-	-	(423)
Legal fees	-	-	-	-	(15,966)	(15,966)
Bank interest and charges	-	(147)	(101)	(20)	(121)	(389)
Corporation tax fees	-	-	-	-	(7,000)	(7,000)
Hire of room	-	(261)	-	-	-	(261)
Insurance	-	(63)	-	-	-	(63)
LTSBCF	-	(7,562,000)	-	-	-	(7,562,000)
Public notices	-	(604)	-	-	-	(604)
Specific bond	-	(528)	-	-	-	(528)
VAT receivable	-	(39)	(3,508)	-	(2,744)	(6,291)
	-	(7,639,058)	(26,994)	(20)	(44,574)	(7,710,646)
Balance at bank at 19 September 2010		870,978	(26,094)	3,947	(43,361)	805,470



## Summary of Joint Administrators' time-costs and disbursements from 20 March 2009 to 19 September 2010

### Bertram Group Limited (In Administration)

Classification of work function	Hours				Total hours	Total time costs £	Average rate £
	Partner / director	Manager	Other senior professionals	Assistants & support			
Accounting and administration	1.0	5.1	55.0	52.2	113.3	18,314.00	161.64
Bank & statutory reporting	0.3	5.7	22.4	3.6	32.0	6,857.50	214.30
Creditors	5.4	1.4	14.5	28.1	49.4	8,814.00	178.42
Employee matters	-	-	1.0	-	1.0	200.00	200.00
Immediate tasks	0.8	2.5	8.0	0.5	9.8	2,518.50	258.99
Investigation/CDDA	0.4	-	11.0	-	11.4	2,398.00	210.35
Legal issues	0.8	-	-	-	0.8	396.00	495.00
Other assets	1.4	-	-	-	1.4	893.00	495.60
Other matters	1.3	-	15.5	3.8	20.6	4,143.50	201.14
Statutory duties	0.9	2.5	1.0	0.6	5.0	1,580.50	316.10
VAT & taxation	-	2.3	2.5	1.5	6.3	1,590.00	252.38
<b>Total hours</b>	<b>12.3</b>	<b>18.5</b>	<b>128.8</b>	<b>80.3</b>	<b>251.0</b>	<b>47,505.00</b>	<b>185.26</b>
<b>Time costs £</b>	<b>6,088.50</b>	<b>6,865.00</b>	<b>25,702.50</b>	<b>8,748.00</b>		<b>47,505.00</b>	
<b>Disbursements</b>			<b>193.88</b>	<b>218.88</b>		<b>410.54</b>	
<b>Average rate £</b>	<b>495.00</b>	<b>357.18</b>	<b>199.40</b>	<b>88.89</b>			

### BTL Realisations 2009 Limited (formerly Bertram Trading Limited) (In Administration)

Classification of work function	Hours				Total hours	Total time costs £	Average rate £
	Partner / director	Manager	Other senior professionals	Assistants & support			
Accounting and administration	1.7	8.4	75.5	79.7	165.30	26,189.50	158.32
Bank & statutory reporting	3.4	21.5	39.9	32.0	96.80	19,687.50	203.45
Creditors	20.7	8.0	64.5	65.8	159.00	32,348.50	202.20
Debtors	-	0.5	-	-	0.50	205.00	410.00
Employee matters	-	-	3.0	-	3.00	840.00	213.33
General	-	0.5	2.0	8.7	11.20	798.50	71.26
Immediate tasks	14.2	15.0	8.0	-	37.20	13,479.00	362.93
Investigation/CDDA	3.4	-	6.0	0.7	12.10	3,342.50	276.24
Legal issues	1.3	-	1.0	-	2.30	843.50	366.74
Other assets	3.7	-	-	0.6	4.30	1,882.50	437.79
Other matters	2.7	-	48.0	2.3	53.00	10,035.00	196.75
Property	-	-	1.5	-	1.50	300.00	200.00
Retention of file	-	1.5	4.0	0.9	6.40	1,401.50	218.98
Statutory duties	2.5	8.0	4.5	7.8	22.80	5,705.50	250.24
VAT & taxation	-	7.4	8.5	1.5	17.40	5,012.50	288.07
<b>Total hours</b>	<b>53.8</b>	<b>71.7</b>	<b>284.4</b>	<b>200.0</b>	<b>549.70</b>	<b>122,049.00</b>	<b>204.97</b>
<b>Time costs £</b>	<b>26,497.00</b>	<b>25,105.00</b>	<b>52,780.00</b>	<b>17,757.00</b>		<b>122,049.00</b>	
<b>Disbursements</b>	<b>42.00</b>					<b>42.00</b>	
<b>Average rate £</b>	<b>492.87</b>	<b>350.14</b>	<b>199.82</b>	<b>88.79</b>			

### Charge out rates

		Hourly rate to 30 June 2010 (£)	Hourly rate from 1 July 2010 (£)
Partner/director	Partner	495	520
	Director	405	425
Manager	Assistant director	350	370
	Senior executive tax	360	380
	Senior executive	275	290
Other senior professionals	Executive	200	210
	Assistant executive	155	165
Assistants and support	Analyst 3 tax	160	165
	Analyst 3	120	125
	Analyst 2	100	105
	Analyst 1	85	90
	Cashier	100	105
	Account co-ordinator	95	100
	Placement	60	85

**Bertram Group Limited  
BTL Realisations 2009 Limited (formerly Bertram Trading Limited)  
(Both in Administration)**

**Office Holders' charging policy for fees**

A resolution of the creditors passed on 18 May 2009 has determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Administrators and their staff in attending to matters arising in the Administrations

The Administrators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 3, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

**Office holders' charging policy for disbursements**

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. It was resolved at the meeting of creditors that the Joint Administrators could draw Category 2 disbursements in accordance with the statement of charging policy set out in the Proposals. To date no Category 2 disbursements have been drawn.