

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A8J5Y60R

A09

07/12/2019

#128

COMPANIES HOUSE

1 Company details

Company number 04787106

Company name in full Bench Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Martha

Surname Thompson

3 Administrator's address

Building name/number

Street 55 Baker Street

Post town London

County/Region

Postcode W1U7EU

Country

4 Administrator's name ①

Full forename(s) Antony

Surname Nygate

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street 55 Baker Street

Post town London

County/Region

Postcode W1U7EU

Country

② Other administrator
Use this section to tell us about
another administrator.

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ¹
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment.

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

¹ You can use this continuation page with the following forms.

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Kerry
Surname	Bailey

3 Insolvency practitioner's address

Building name/number	3 Hardman Street
Street	Spinningfields
Post town	Manchester
County/Region	
Postcode	M 3 3 A T
Country	

AM10

Notice of administrator's progress report

6

Period of progress report

From date	d	1	d	0	m	0	m	5	y	2	y	0	y	1	y	9
To date	d	0	d	9	m	1	m	1	y	2	y	0	y	1	y	9

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X

[Handwritten signature]

X

Signature date

d	0	d	6	m	1	m	2	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Joe Wells
Company name	BDO LLP
Address	3 Hardman Street Spinningfields
Post town	Manchester
County/Region	
Postcode	M 3 3 A T
Country	
DX	
Telephone	0161 833 8360



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Bench Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 10/05/2019 To 09/11/2019 £	From 10/05/2018 To 09/11/2019 £
POST APPOINTMENT SALES		
Retail Sales	NIL	1,507,515.96
Wholesale Sales	2,938.88	368,022.40
	<u>2,938.88</u>	<u>1,875,538.36</u>
COST OF SALES		
Consumables	NIL	4,590.51
Direct Labour	NIL	319,613.00
	NIL	(324,203.51)
TRADING EXPENSES		
Bank Charges	NIL	6,674.95
Cash Collection & Payment Processing	NIL	24,126.39
Electricity	3,238.56	11,754.70
Gift Vouchers	NIL	5,662.95
Insurance	NIL	29,884.55
Internet & Telephones	NIL	24,988.65
Leased Equipment & Vehicles	NIL	1,233.40
Rates	5,316.36	78,213.70
Rent	6,027.00	215,001.25
Security and Maintenance	NIL	1,306.51
Service Charges	3,885.17	47,237.51
Staff Expenses	NIL	10,351.31
Sub Contractors	NIL	81,799.90
Sundry Expenses	507.00	5,244.46
Wages	NIL	119,582.70
Warehousing and Logistics	NIL	360,614.78
Water Rates	429.85	1,030.58
	(19,403.94)	(1,024,708.29)
TRADING SURPLUS/(DEFICIT)	<u>(16,465.06)</u>	<u>526,626.56</u>

Bench Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 10/05/2019 To 09/11/2019 £	From 10/05/2018 To 09/11/2019 £
ASSET REALISATIONS		
Book debts	NIL	1,061,260.81
Cash at Bank	1,445.69	2,746,029.01
Costs Recharged	9,557.00	9,557.00
Furniture & Equipment	NIL	7,034.16
Intellectual Property	NIL	6,054,532.63
Interest Gross	4,712.73	16,719.70
Licence Fee Debtor	NIL	445,467.37
Motor Vehicles	NIL	4,500.00
Rates Refund	4,799.06	30,264.85
Rent	NIL	180,352.46
Stock	50,000.00	1,463,485.55
Sundry Refunds	333.93	3,317.03
Trading Surplus/(Deficit)	(16,465.06)	526,626.56
	54,383.35	12,549,147.13
COST OF REALISATIONS		
Agents' Fees	NIL	202,000.00
Agents' Fees & Disbs	NIL	60,753.60
Bank Charges	293.90	1,858.83
Book Debt Collection Fees	NIL	63,897.49
Force Majeure Payments	NIL	200,000.00
Force Majeure Payments (Pre-appt)	NIL	147,583.89
IT costs	NIL	36,480.00
Joint Administrators' Fees	400,000.00	400,000.00
Legal Fees & Disbs	31,097.91	340,381.53
Preparation of S.of A.	NIL	5,750.00
Rents Paid	NIL	180,042.50
Stationery & Postage	NIL	459.91
Stock Realisation Costs (stores)	27,467.30	101,569.24
Stock Realisation Costs (warehouse)	NIL	182,505.41
Storage Costs	720.00	2,757.00
Sundry Expenses	NIL	8,935.52
VAT Paid	NIL	103.04
	(459,579.11)	(1,935,077.96)
FLOATING CHARGE CREDITS		
Distribution to Secured Creditor	1,260,138.71	8,508,786.07
	(1,260,138.71)	(8,508,786.07)
	(1,665,334.47)	2,105,283.10
REPRESENTED BY		
Floating Current Account		2,333,471.32
Input VAT		37,113.74
Output VAT		(10,220.76)
Realisations Account		2,147.81
Suspense account		(257,229.01)
		2,105,283.10

TO ALL KNOWN CREDITORS AND MEMBERS

6 December 2019

Our Ref MHT/AD/00283064/A6

Please ask for Alice Denmark
0151 237 4497
BRCMT@bdo.co.uk

Dear Madams/Sirs

Bench Limited - In Administration ('the Company')

It is now eighteen months since my appointment in respect of the Company. In accordance with Rule 18.6 of the Insolvency (England and Wales) Rules 2016 ('the Rules') I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration for the period from 10 May 2019 to 9 November 2019 ('the Period').

The background to this matter was set out in the Joint Administrators' proposals dated 29 June 2018, and this report should be read in conjunction with those proposals and my previous reports.

1 Statutory Information

The Joint Administrators are Martha Thompson (officeholder number: 8678) and Antony Nygate (officeholder number: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU and Kerry Bailey (officeholder number: 8780) of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT. The Joint Administrators were appointed in respect of the Company on 10 May 2018.

Under the provisions of Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the Administrators carry out their functions jointly and severally and no Administrator has exclusive power to exercise any function.

The Joint Administrators were appointed by the Court pursuant to Paragraph 12 of Schedule B1 to the Insolvency Act 1986, following the application of Beechbrook Mezzanine II Jersey Ltd, as security agent for Beechbrook Mezzanine II Sarl ('Beechbrook') in its capacity as a secured creditor of the Company. The Administration proceedings are dealt with in the High Court of Justice, Business and Property Courts of England and Wales in Leeds, Insolvency and Companies List and the Court case number is 378 of 2018.

The Company's registered office is situated at 3 Hardman Street, Spinningfields, Manchester, M3 3AT and the registered number is 04787106.

We enclose, for your information, a summary of our receipts and payments to date showing a balance in hand of £2.33m, together with a copy of our summary account covering the Period.

2 Trading in Administration

As previously reported, following the appointment of the Joint Administrators the Company continued to trade during the period from 10 May 2018 to 17 July 2018 ('the Trading Period'). A separate summary of receipts and payments is provided in relation to the Trading Period.

Since our last report, the sales shown on the receipts and payments summary have increased by £2,939 following receipt of some sundry amounts for wholesale sales. In addition, further payments of £19,404 have been made which relate to rents, service charges, rates and utility costs that arose during the Trading Period.

The receipts and payments summary for the Trading Period indicates a current surplus of £526,627. We await final invoices for certain trading costs which will reduce the trading surplus figure. We currently anticipate that the final trading surplus will be in the region of £428,000. The trading surplus has reduced slightly since my last report, given costs are now anticipated to be approximately £13,000 higher.

3 Receipts

Intellectual Property

Details in relation to the sale of the Company's brand were provided in the Joint Administrators' proposals and our previous progress reports.

The brand, together with certain licence fees associated with the brand, were sold to two entities unconnected with the Company for £6.5m. The sale included the right to collect licence fees owed by a licensee totalling US\$500,000 (£445,467).

Licence Fee Debtors

Certain licence fees did not transfer as part of the sale of the brand and have instead been collected within the Administration. No further realisations were made in the Period in this respect and as such the licence fee realisations total £865,203. This comprises the realisation for the licence fee associated with the sale of the brand of £445,467 and further licence fees of £419,736 received thereafter. The variance to the amounts stated from the previous report reflects exchange rate differences at the time the reports were issued for amounts held in currency other sterling.

Further realisations in relation to the licence fees are expected to be minimal.

Stock

The sum of £50,000 was received in the Period in relation to the sale of some Company stock situated in a third party warehouse in Germany. There will be no further realisations in relation to stock.

Cash at Bank

The Company had cash at bank of £2.6m and cash in transit of £0.2m at the date of our appointment as Administrators. This was located across various accounts with different banks within the UK, Germany, France and Spain. A total of £2.8m has been transferred

to the Administration bank accounts, of which the final £17,402 was received in the Period. All cash at bank, at the time of appointment, has now been received.

Book Debts

The Company's debtors were primarily wholesale customers, a large proportion of which were located in mainland Europe.

The Company's book debt ledger totalled £2.4m at the date of our appointment, although following an initial review we identified that a number of accounts were likely to be difficult to collect due to existing disputes, potential offset amounts and the age of the debts.

Total book debts of £1.35m have been collected, of which £62,039 was collected during the Period. No further book debt realisations are expected.

Other Receipts

A total of £9,557 was received from the purchaser of the Company's intellectual property following the recharge of certain costs incurred in providing assistance to them.

The other receipts shown on the attached summary are self-explanatory.

4 Costs in the Administration

Stock Realisation Costs - Stores

Further payments were made in the Period for costs in relation to the retail stores (primarily rent, rates and utilities) that were incurred after completion of the sale of the Company's stock but pending its removal. A total of £27,467 was paid in the Period, bringing the total paid to £101,569. We await receipt of a small number of further supplier invoices in this regard.

Legal Fees and Disbursements

The Joint Administrators have instructed Pinsent Masons LLP ('Pinsents') to provide legal advice on a number of matters in the Administration. A total of £328,160 has been paid to Pinsents during the Administration, of which £21,098 was paid in the Period.

Simmons and Simmons LLP were also paid £10,000 in the Period for legal fees with respect to advice on the Company's agreement with a third party warehouse provider.

Pinsents continue to provide advice on various matters and further payments are anticipated to be made to Pinsents in due course. Further legal fees are currently being agreed. I will provide further details in relation to legal fees in my next report.

Other Costs

The other costs paid in the Period are self-explanatory.

5 Future of the Administration

Significant time has been incurred within the Administration in seeking to finalise the Company's taxation position given the material effect of this on the outcome for creditors. *The relevant submissions have been made to HMRC in this respect and, following their response, we have been able to make further distributions to Beechbrook as secured creditor as detailed at section 7 of this report.*

The remaining matters in the Administration include finalising the costs of the Administration (including trading costs), payment of preferential creditors in full and payment of a dividend via the prescribed part as discussed at section 7 of this report.

In addition, as confirmed to creditors in our previous reports, prior to the Joint Administrators' appointment the Company had commenced a legal action against a third party logistics provider. The claim was commenced in the German Courts for a total of €10m.

The claim has been assigned to a secured creditor, Emeram Private Equity Fund I GmbH & Co KG ('Emeram'), albeit it is necessary for the Company to remain party to the proceedings at this stage. Emeram will progress and fund the litigation and it has been agreed that a percentage of any realisations will be paid to the Joint Administrators. Due to the nature of the legal claim we are not in a position to provide further detail at this stage.

An Administration remains in force for a period of one year unless extended with the consent of creditors (for a maximum of 12 months) or by order of the Court. Given that matters remained ongoing, we applied to the Court for an extension of the Administration for a period of two years, to 9 May 2021. This extension was granted by Court order on 1 May 2019 and confirmation of the same has previously been provided to creditors. The Joint Administrators will report further in due course should further extensions prove necessary.

Once all matters in the Administration are concluded, it is anticipated that the Company will be dissolved in accordance with the approved proposals.

6 Investigations

The Joint Administrators have a duty to investigate the affairs of the Company and also the conduct of its directors and, in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

We have completed our review of the Company's affairs and assets to establish whether there are any actions that can be investigated for the benefit of the creditors and concluded there are no causes of action to be pursued.

7 Prospects for Creditors

Secured Creditors

The first secured creditor is Beechbrook, which holds a debenture dated 1 May 2014 conferring fixed and floating charges over the Company's assets. At the date of our

appointment, Beechbrook was owed approximately €10.2m (£9.1m) before interest, costs and exchange rate movements.

Distributions to Beechbrook of £9.2m are reflected on the attached receipts and payments summary. Of this, £1.5m was distributed in the Period. Following a final reconciliation of the position, to include interest, costs and exchange rate movements, a small final distribution of £4,666 was made after the end of the Period. Beechbrook has therefore now been repaid in full.

The second secured creditor is Emeram, which holds three charges over the assets and undertaking of the Company, having taken an assignment of the security previously granted by the Company in favour of its prior secured lender.

Emeram are owed approximately £25m, of which £10m is secured. It is currently uncertain if there will be sufficient funds available to enable any distribution to be made to Emeram.

Preferential Creditors

Preferential claims are estimated to total £25,718. We await confirmation of the final claim of the Redundancy Payment Service in order that the preferential claims can be reviewed and agreed. Once this claim is received and the review process completed, we will proceed to make a distribution in full to preferential creditors as soon as possible.

Unsecured Creditors and the Prescribed Part

The total of unsecured claims received to date is £4.26m. It is expected that this total will increase significantly once all unsecured creditor claims have been submitted.

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted a floating charge to a creditor, a proportion of the net property of that company must be made available purely for the unsecured creditors. The Company has granted a floating charge to a creditor after 15 September 2003, and therefore the Prescribed Part will apply in this Administration.

Based on present information, the value of the Company's net property will be at a sufficient level to generate a prescribed part of £600,000 before costs, being the maximum level prescribed by the insolvency legislation. I attach a proof of debt form and request that those creditors that have not already proved their claim do so.

Other than in relation to the prescribed part, there will be no dividend available to unsecured creditors in this matter.

8 Joint Administrators' Remuneration

The Joint Administrators are obliged to fix our remuneration in accordance with Rule 18.16 of the Rules. This permits remuneration to be fixed either:

- (1) as a percentage of the assets realised and distributed; and/or
- (2) by reference to the time the Joint Administrators and the staff have spent attending to matters in the administration; and/or

(3) as a set amount; and/or

(4) as a combination of the above.

In respect of this Administration we have sought approval of our remuneration on a time cost basis.

The only funds available for distribution to unsecured creditors in this matter will be via the prescribed part as detailed at section 7 above. Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 therefore applies, meaning that approval of our remuneration and category 2 disbursements was requested from the secured and preferential creditors.

Approval was received from the secured creditors (Beechbrook and Emeram) and the preferential creditors for the Joint Administrators' remuneration to be calculated on the basis of time properly spent in dealing with issues in the Administration.

In addition to Beechbrook and Emeram, there were three other parties who had security registered at Companies House, which related to rent deposit deeds. These parties were understood not be owed any amounts by the Company but it was not possible to obtain confirmation of the same. We therefore applied to the Court for directions, and the Court has confirmed that there is no requirement to obtain the approval of these parties in relation to the Joint Administrators' remuneration.

I attach two schedules detailing the time costs incurred to date. The first schedule covers the Period of this report, 10 May 2019 to 9 November 2019. This records time costs of £109,384 which represents 284 hours spent at an average charge out rate of £385 per hour.

The second schedule covers the whole period of appointment and records time costs of £1,281,719 which represents 3,830 hours spent at an average charge out rate of £335 per hour.

To date, £400,000 has been drawn on account of Joint Administrators' remuneration in accordance with the approval received. This sum was drawn in the Period as shown on the enclosed receipts and payments account.

A comparison of the total time costs accrued to date and the fee estimate dated 27 February 2019 is enclosed with this report. The time costs to date have exceeded the fee estimate and accordingly a revised estimate is also provided. A summary of the current time costs, along with the original fee estimate and revised fee estimate is shown overleaf.

Description	Fee Estimate 27 Feb 2019			Actual to 9 Nov 2019				Revised Fee Estimate		
A Pre Appointment Matters			30,000.00			30,000.00				30,000.00
			30,000.00			30,000.00				30,000.00
	Total Hours	Blended Rate	Estimated Fee	Total Hours	Blended Rate	Current Time Costs	Estimated Further Hours	Total Hours	Blended Rate	Revised Estimated Fee
		£	£		£	£			£	£
B Steps on Appointment	179.95	258.94	46,595	183.90	260.75	47,952	0.00	183.90	260.75	47,952
C Planning and Strategy	49.00	607.12	29,749	46.40	421.89	19,576	25.00	71.40	421.89	30,123
D General Administration	636.65	295.47	188,109	825.60	341.75	282,152	55.00	880.60	341.75	300,945
E Asset Realisation/Dealing	905.35	443.06	401,129	972.95	430.55	418,902	50.00	1,022.95	430.55	440,431
F Trading Related Matters	1,139.25	306.31	348,966	1,130.20	298.91	337,825	9.05	1,139.25	306.31	348,966
G Employee Matters	190.65	251.53	47,955	173.75	190.40	33,082	16.90	190.65	251.53	47,955
H Creditor Claims	126.67	256.30	32,466	104.00	150.70	15,673	22.67	126.67	256.30	32,466
I Reporting	294.55	329.94	97,183	368.75	314.28	115,891	30.00	398.75	314.28	125,319
J Distribution and Closure	76.00	235.09	17,867	24.00	444.42	10,666	52.00	76.00	235.09	17,867
Total	3,598.07		1,210,019	3,829.55		1,281,719	260.62	4,090.17		1,392,024

For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

9 Pre Appointment Costs

The Joint Administrators' proposals included details of outstanding pre appointment costs totalling £75,456, including the fees incurred by our firm and by Pinsents prior to the Administration appointment. These costs have been approved but not yet drawn.

10 Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Since my last report category 1 disbursements of £27 have been incurred in respect of staff travel and document storage costs.

In addition, costs of £6,778 have been incurred by BDO in Germany in relation to assistance with the Company's tax obligations in that jurisdiction. Given that these fees were incurred by a firm associated with the officeholders' firm, these amounts will be treated in the same way as the Administrators' remuneration and only drawn in line with the approval received.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements.

The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Period.

Total disbursements of £20,260 have been incurred in this Administration as detailed below. No disbursements have been drawn to date.

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Statutory Advertising	79.00	-	79.00
Bonding Costs	200.01	-	200.01
BDO Germany	6,778.36	-	6,778.36
Courier/Delivery Costs	76.53	-	76.53
Staff Sustenance	349.28	-	349.28
Staff Travel	10,850.26	-	10,850.26
Mileage	-	1,727.84	1,727.84
Document Storage	198.32	-	198.32
Total	18,531.76	1,727.84	20,259.60

11 Creditor Rights and Enquiries

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules, within 14 days of a request we will provide further information or explain why further information is not being provided.

Creditors may access information setting out creditors' rights in respect of the approval of Administrators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

Creditors with the concurrence of at least 10% of the creditors may apply to the Court if they consider that the remuneration of the Joint Administrators, the basis fixed for the remuneration of the Joint Administrators, or the expenses charged by the Joint Administrators are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.



The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

If you require any further information please contact me or my colleague Alice Denmark at BRCMT@bdo.co.uk.

Yours faithfully
for and on behalf of
Bench Limited

A handwritten signature in black ink, appearing to read 'Martha Thompson', is written over a horizontal line.

Martha Thompson
Joint Administrator
Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures

Receipts and Payments Account
Proof of Debt Form
SIP 9 Time Cost Report for the Period of Report
SIP 9 Time Cost Report for the Period of Administration
Fees Estimate to Accrued Time Comparison
BDO LLP Policy in Respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements
Proof of debt form

Bench Limited
(In Administration)
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TRADING SURPLUS/(DEFICIT)	<u>(16,465.06)</u>	<u>526,626.56</u>

Notes

Amounts processed via the Euro denomination account have been converted using the exchange rate as at 9 November 2019 for the purposes of this summary of receipts and payments.

The amounts shown as Statement of Affairs summarises the information contained in the Statement of Affairs submitted by the Directors. A copy of the Directors Statement of Affairs can be obtained from Companies House.

Statement of Affairs	From 10/05/2019 To 09/11/2019	From 10/05/2018 To 09/11/2019
£	£	£
	ASSET REALISATIONS	
6,000,000	Intellectual Property	6,054,532.63
	Licence Fee Debtors	865,203.36
3,191,441	Stock	1,463,485.55
2,722,973	Cash at Bank	2,776,135.73
487,262	Book debts	1,346,129.21
	Rent	180,352.46
	Interest Gross	14,108.54
	Rates Refund	30,264.85
	Sundry Refunds	3,317.03
	Costs Recharged	9,557.00
76,095	Fixtures, Furniture & Equipment	7,034.16
	Motor Vehicles	4,500.00
108,394	Leasehold Property	Nil
	Trading Surplus / (Deficit)	526,626.56
	130,885.91	13,281,247.08
	COST OF REALISATIONS	
	Stock Realisation Costs (stores)	101,569.24
	Stock Realisation Costs (warehouse)	182,505.41
	Agents' Fees (Intellectual Property Sale)	202,000.00
	Agents' Fees & Disbs (Other)	60,753.60
	Book Debt Collection Fees	63,897.49
	Force Majeure Payments	200,000.00
	Force Majeure Payments (Pre-appt)	147,583.89
	IT costs	36,480.00
	Joint Administrators' Fees	400,000.00
	Legal Fees & Disbs	340,381.53
	Preparation of Statement of Affairs	5,750.00
	Rents Paid	180,042.50
	Stationery & Postage	459.91
	Storage Costs	2,757.00
	Sundry Expenses	8,935.52
	VAT Paid	9,531.03
	Bank Charges	2,702.96
	(469,038.77)	(1,945,350.08)
	Distribution to Secured Creditor	9,231,704.05
	(1,488,954.88)	(9,231,704.05)
	(1,827,107.74)	2,104,192.95
	REPRESENTED BY	
	Floating Current Account	2,334,528.98
	Input VAT	37,113.74
	Output VAT	(10,220.76)
	Funds from Stock Purchaser	(257,229.01)
		2,104,192.95

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Notes to summary of receipts and payments

Amounts processed via the Euro denomination account have been converted using the exchange rate as at 9 November 2019 for the purposes of this summary of receipts and payments

The Statement of Affairs balances shown summarise the information contained in the Statement of Affairs submitted by the Directors. A copy of the Directors' Statement of Affairs can be obtained from Companies House.

The stock purchaser advanced additional funds of £257,229 at the time of the stock sale which remain held by the Joint Administrators. The terms of the stock sale provide for the recharge of certain costs to the stock purchaser, and this recharge is currently being progressed. Any surplus in excess of the final cost recharge will be refunded to the purchaser. These funds are shown in a suspense account pending the position being finalised.

Prior to the Administration, the Company utilised a third party warehouse to hold stock. It was necessary to make a payment of £200,000 to the warehouse operator in order to allow the release of the stock from their warehouse. Further payments totalling £147,584 were made in relation to costs that arose prior to the Administrators' appointment, but which it was necessary to settle to ensure continuation of service. The costs are noted as 'force majeure' payments on the receipts and payments summary

Proof of Debt/Claim Form
Bench Limited - In Administration
Company No: 04787106

Debt as at the date of the appointment of Administrators: 10 May 2018

1	Name of creditor (If a company please also give company registration number and where registered).	
2	Address of creditor including email address for correspondence.	
3	Total amount of claim, including any Value Added Tax at the above date.	
4	If amount in 3 above includes outstanding un-capitalised interest please state amount.	£
5	Particulars of how and when debt incurred. (If you need more space append a continuation sheet to this form).	
6	Particulars of any security held, the value of the security, and the date it was given.	
7	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
8	Provide details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Joint Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convener of any meeting).	
9	Signature of creditor or person authorised to act on his behalf	Dated
<hr/>		<hr/>
Name in BLOCK LETTERS		
<hr/>		
Position with or in relation to creditor		
<hr/>		
Address of person signing (if different from 2 above)		
<hr/>		

Deliver to the Joint Administrator, Martha Thompson, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.

Detail of Time Charged and Rates Applicable for the Period From 10/05/2019 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
B Steps on Appointment														
11 Setting up Internal Files									1.95	290.55			1.95	290.55
sub total				0.00					1.95	290.55			1.95	290.55
C Planning and Strategy														
17 Strategy Planning			1.25	403.75									1.25	403.75
sub total			1.25	403.75									1.25	403.75
D General Administration														
02 VAT			21.85	8,185.05									21.85	8,185.05
03 Taxation	29.50	26,318.00	23.90	8,592.10									53.40	34,920.10
07 Receipts Payments Accounts	0.10	51.10	4.60	1,581.55			3.40	107.80	22.55	2,337.03	0.65	75.40	31.30	4,172.90
09 Secondary Matters									9.90	1,825.25			9.90	1,825.25
12 General Meetings									0.50	59.50			0.50	59.50
14 General Discussions	6.00	4,612.00											6.00	4,612.00
15 Gen. Admin Correspondence	0.10	53.50	16.85	5,902.20			0.70	89.70	4.40	359.55			22.05	6,404.75
16 Maintain Internal Files									3.25	386.75			3.25	386.75

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2019 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -	35.70	31,084.40	67.70	24,160.90			4.10	197.50	40.00	4,988.10	0.65	75.40	148.25	66,006.30
D General Administration														
E Asset Realisation Dealing														
06 Property Related Matters									1.30	155.80			1.30	155.80
07 Debt Collection									0.50	92.50			0.50	92.50
33 Dealing with Charitable Assets			0.25	78.50									0.25	78.50
09 Dealing with other Assets	3.30	2,540.50	7.00	2,247.50					0.50	90.00			11.00	5,078.00
11 Disclaiming Assets			2.00	641.50									2.00	641.50
14 Sale of Business Assets			1.00	369.00									1.00	369.00
99 Other Matters			29.50	11,210.00	0.20	56.20							29.70	11,266.20
sub total -	35.50	2,546.50	39.75	14,546.50	0.20	56.20			2.30	333.30			45.75	17,646.50
E Asset Realisation Dealing														
F Trading Related Matters														
03 Trading Accounts									2.80	313.20			2.80	313.20
99 Other Matters									0.50	58.00			0.50	58.00
sub total -									3.30	391.20			3.30	391.20
F Trading Related Matters														
G Employee Matters														
04 Pension Issues			3.20	991.40									3.20	991.40

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2019 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
99 Other Matter:			0.20	49.40									0.20	49.40
sub total :			3.40	1,048.80									3.40	1,048.80
G Employee Matter:														
H Creditor Claims:			1.50	553.50									1.50	553.50
02 Secured Creditors			0.85	209.95					6.80	516.10			7.65	726.05
24 Non-Prefential Creditors					0.15	19.65							0.15	19.65
99 Other Matter:			2.35	763.45	0.15	19.65			6.80	516.10			9.30	1,299.20
sub total :														
H Creditor Claims:														
I Reporting	8.00	6,080.00	6.10	1,915.40	1.50	190.50	0.20	25.40	3.40	339.80			19.20	8,551.10
01 Statutory Reporting			18.00	6,573.00					9.75	1,755.00			27.75	8,328.00
24 Reporting to Creditors:			6.25	2,375.00									6.25	2,375.00
99 Other Matter:			30.35	10,863.40	1.50	190.50	0.20	25.40	13.15	2,094.80			53.20	19,254.10
sub total :														
I Reporting														
J Distribution and Closure	3.00	2,349.00	14.00	4,320.00									17.00	7,669.00
02 Distribution														
99 Other Matter:	1.00	783.00											1.00	783.00

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2019 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Sub Total - J Distribution and Closure	4.00	3,137.00	14.00	5,270.00									18.00	8,452.00
Net Total 100,384.00														
Secretarial Expense 0.00														
Other Disbursements 0.00														
Billed 0.00														
Grand Total 100,384.00														

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
B. Steps on Appointment														
02 Statutory Documentation			10.75	3,618.00					27.30	3,218.85			38.05	6,836.85
06 Third Party Discussions			69.50	21,887.75	11.75	2,828.25	11.25	2,193.75	22.60	3,301.95			115.10	30,211.70
07 Attendance at Prebises	2.00	1,066.00	2.15	440.75					1.50	792.00			6.50	1,858.00
08 Detail Documentation Review									9.40	744.40			11.55	1,185.15
09 Preparation of Proposals									1.95	290.55			1.95	290.55
12 Setting up Internal Files	10.00	7,410.00	0.75	159.75									10.75	7,569.75
99 Other Matters														
sub total -	12.00	8,476.00	83.15	26,106.25	11.75	2,828.25	11.25	2,193.75	65.75	8,347.75			183.90	47,952.00
B. Steps on Appointment														
C. Planning and Strategy														
05 Review Options Available	3.00	1,599.00											3.00	1,599.00
07 Strategy Planning	17.00	9,061.00	9.40	3,076.65					1.50	270.00			27.90	12,407.65
99 Other Matters			15.50	5,569.00									15.50	5,569.00
sub total -	20.00	10,660.00	24.90	8,645.65					1.50	270.00			46.40	19,575.65
C. Planning and Strategy														
D. General Administration														
01 Insurance Matters									0.50	88.00			0.50	88.00

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	£	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	£
02 VAT			103.85	39,687.05					6.35	896.60			110.20	40,583.65
03 Taxation	63.10	57,218.40	51.40	19,698.40									114.50	76,916.80
05 Investigations									1.50	270.00			1.50	270.00
06 Conduct Reports			3.25	1,020.50									3.25	1,020.50
07 Receipts Payments Accounts	0.10	51.10	28.10	6,985.05	3.05	387.70	31.80	3,660.65	33.75	26,936.05	4.70	390.65	305.50	38,406.20
08 Remuneration Issues			1.10	264.00									1.10	264.00
09 Statutory Matters			23.35	8,416.00	4.50	562.50	0.65	78.95					43.75	11,580.15
13 General Meetings			3.00	1,050.00					1.50	230.50			4.50	1,280.50
14 General Discussions	50.00	38,030.25	8.75	3,062.50									58.75	41,092.75
15 Gen Admin Correspondence	42.20	30,392.50	93.55	35,089.85	2.30	358.90	8.00	977.00	27.85	2,019.00			173.90	68,837.25
16 Maintain Internal Files			4.25	1,334.50	0.50	63.50			3.25	386.75			8.00	1,784.75
99 Other Matters					0.15	18.60							0.15	18.60
sub-total -	155.40	125,692.25	320.60	116,607.85	10.50	1,386.20	40.45	4,716.60	293.95	33,556.60	4.70	390.65	825.60	282,152.15
D General Administration														
E Assets Realisation/Dealing														
04 Agent Instruction Liaison			14.50	1,511.00					1.00	180.00			15.50	4,691.00

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
05 Sales Info Preparation					35.00	10,325.00							35.00	10,325.00
06 Property Related Matters	2.00	1,520.00	4.00	1,256.00					5.05	825.80			11.05	3,601.80
07 Debt Collection	5.00	3,705.00	274.50	120,808.00					0.50	92.50			280.00	124,605.50
08 Dealing with Chattel Assets			50.00	15,676.00									50.00	15,676.00
09 Dealing with other Assets	22.00	16,800.50	77.75	25,592.00					0.50	90.00			99.75	42,482.50
11 Disclaiming Assets			19.00	5,979.50									19.00	5,979.50
14 Sale of Business Assets	112.40	83,677.90	249.50	90,401.50			0.30	58.50	1.75	315.00			363.95	174,452.90
99 Other Matters	1.00	760.00	97.50	36,302.00	0.20	26.20							98.70	37,088.20
sub total -	142.40	106,463.40	786.25	300,526.00	35.20	10,351.20	0.30	58.50	8.80	1,502.30			972.95	418,902.40
E Assets Realisation/Dealing														
F Trading Related Matters														
01 Establish Business Control			5.00	1,800.00					0.00	1,581.00			11.00	3,381.00
02 Trading other Projections	23.50	17,594.00											23.50	17,594.00
05 Attendance at Premises			54.00	19,243.40	0.70	42.40	5.75	1,190.25	36.25	6,156.00			96.20	26,633.05
06 Monitor Supervise Trading			214.35	68,011.10	107.10	36,689.10							321.45	104,700.20
07 Business Management	30.20	22,334.00	82.45	27,798.85	69.40	20,431.30			28.50	5,104.00			169.55	121,613.15

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
05 Trading Accounts	4.00	2,964.00	34.50	12,101.00					8.10	1,076.00			46.60	16,141.00
09 Business Closure			73.80	22,410.95	14.60	3,095.20	9.70	1,522.85	7.35	688.10			105.45	27,717.10
99 Other Matters			54.50	19,775.25			0.50	100.00	1.15	168.20			56.15	20,043.45
sub total -	57.70	42,892.00	518.60	171,140.55	191.30	60,261.00	15.95	2,813.10	346.65	60,718.30			1,130.20	337,834.95
F. Trading Related Matters														
6. Employee Matters														
02 Dealing with Employees			26.10	9,126.90	14.00	3,332.50	2.30	436.45			3.55	243.45	45.95	13,139.30
03 IPA Matters			0.70	206.50							30.75	2,081.85	31.45	2,288.35
04 Pension Issues			19.05	3,923.00							5.15	355.15	24.20	4,278.35
99 Other Matters			72.15	13,376.10									72.15	13,376.10
sub total -			118.00	26,632.50	14.00	3,332.50	2.30	436.45			39.45	2,680.65	173.75	33,082.10
G. Employee Matters														
H. Creditor Claims														
02 Secured Creditors	6.00	4,560.00	1.50	553.50	0.55	69.25	0.60	120.00	88.60	8,938.95			7.50	5,113.50
04 Non-Preferential Creditors			2.80	751.20									92.55	9,879.40
99 Other Matters			3.30	597.30	0.65	82.40							3.95	679.70

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -	6.00	4,560.00	7.60	1,902.00	1.20	151.65	0.60	120.00	88.60	8,938.95			104.00	15,672.60
H. Creditor Claims														
I Reporting														
01 Stationary Reporting	23.00	17,347.00	49.25	12,966.90	4.75	603.25	0.20	25.40	79.25	11,171.40			146.45	42,113.95
02 Reporting to Appraiser	5.50	4,180.00	36.75	13,560.75			0.20	40.00					42.45	17,780.75
04 Reporting to Creditors	8.00	6,080.00	72.20	25,737.00	1.50	190.50			62.20	10,844.05			143.90	42,851.55
08 Reporting to Court			7.20	2,588.05									7.20	2,588.05
99 Other Matters			28.25	10,493.00	0.50	63.50							28.75	10,556.50
sub total -	36.50	27,607.00	183.65	65,345.70	6.75	857.25	0.40	65.40	141.45	22,018.45			368.75	115,890.80
I Reporting														
J Distribution and Closure														
02 Distributions	3.00	2,349.00	14.00	5,320.00									17.00	7,669.00
99 Other Matters	1.00	783.00	6.00	2,214.00									7.00	2,997.00
sub total -	4.00	3,132.00	20.00	7,534.00									24.00	10,666.00
J Distribution and Closure														
Net Total														1,281,718.65
Secretarial Expense														0.00
Other Disbursements														0.00
Billed														0.00

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/11/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
		£		£		£		£		£		£		£
Grand Total													1,381,718.65	

Bench Limited - In Administration

Revised Fees Estimate dated 6 December 2019

Below is the Joint Administrators' fees estimate dated 27 February 2019 annotated with the current time costs accrued in respect of each activity and our revised fees estimate.

Description	Fee Estimate 27 Feb 2019			Actual to 9 Nov 2019				Revised Fee Estimate		
A Pre Appointment Matters	30,000.00			30,000.00				30,000.00		
	30,000.00			30,000.00				30,000.00		
	Total Hours	Blended Rate	Estimated Fee	Total Hours	Blended Rate	Current Time Costs	Estimated Further Hours	Total Hours	Blended Rate	Revised Estimated Fee
		£	£		£	£			£	£
B Steps on Appointment	179.95	258.94	46,595	183.90	260.75	47,952	0.00	183.90	260.75	47,952
C Planning and Strategy	49.00	607.12	29,749	46.40	421.89	19,576	25.00	71.40	421.89	30,123
D General Administration	636.65	295.47	188,109	825.60	341.75	282,152	55.00	880.60	341.75	300,945
E Asset Realisation/Dealing	905.35	443.06	401,129	972.95	430.55	418,902	50.00	1,022.95	430.55	440,431
F Trading Related Matters	1,139.25	306.31	348,966	1,130.20	298.91	337,825	9.05	1,139.25	306.31	348,966
G Employee Matters	190.65	251.53	47,955	173.75	190.40	33,082	16.90	190.65	251.53	47,955
H Creditor Claims	126.67	256.30	32,466	104.00	150.70	15,673	22.67	126.67	256.30	32,466
I Reporting	294.55	329.94	97,183	368.75	314.28	115,891	30.00	398.75	314.28	125,319
J Distribution and Closure	76.00	235.09	17,867	24.00	444.42	10,666	52.00	76.00	235.09	17,867
Total	3,598.07		1,210,019	3,829.55		1,281,719	260.62	4,090.17		1,392,024

The above table summarises the Joint Administrators' fees estimate dated 27 February 2019, which was previously disclosed to creditors via the creditor portal on 13 March 2019. The fees estimate totalled £1,210,019.

A further column is shown to reflect the time costs incurred in the Administration to 9 November 2019. The level of the time costs incurred to date is £1,281,719. The fees estimate has therefore been exceeded as a consequence of the work carried out.

A revised fees estimate has therefore been prepared, which totals £1,392,024. We summarise below the work that has been undertaken in this Administration and the key variances of the revised estimate to the expected costs set out in our 27 February 2019 estimate.

As there will be insufficient funds available to enable a distribution to be made to unsecured creditors other than from the prescribed part, Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 applies and accordingly our remuneration and category 2 disbursements are subject to the approval of the secured and preferential creditors. We will liaise directly with the secured and preferential creditors in due course in relation to the revised fees estimate.

Detail of Work Undertaken

A Pre Appointment

Prior to our appointment as Administrators we attended meetings with key stakeholders in both Germany and in the UK, undertook a detailed review of financial information, provided advice regarding any options available, set a strategy for the appointment including preparing detailed trading forecasts and outcome statements, and considered the ethical, technical, practical and legal requirements relevant to the appointment. This work was led by me as the partner together with a director or senior manager, with support from staff at manager and executive level.



Total fees of £30,000 will be charged in this respect. £20,000 has already been paid directly by the Company and the approval of the secured and preferential creditors has previously been obtained to draw a further £10,000 as set out in the Administrators' proposals.

B Steps upon Appointment

It was necessary for preparation of the day one store attendance documents to be circulated to all BDO employees to ensure readiness to attend stores upon appointment.

Immediately upon appointment, BDO employees attended the Company at all locations, including 20 retail stores in the UK to advise employees of the Company that BDO had been appointed Administrators and the Company would continue trading for the foreseeable future.

Attendance was also required at the offices in Germany where certain administrative functions were performed. This was necessary in order to establish controls over the ongoing trading and to protect the value of the Company's assets.

Further work undertaken included reviewing appointment and statutory documents, undertaking further review of financial and organisational information, interviews and meetings with key stakeholders including third parties, establishing internal responsibilities regarding staffing of elements of the work and steps to protect assets. This work is primarily led by a director or senior manager with the majority of work delegated to staff below manager.

The total time costs incurred in this respect were £47,952 and no further time costs are anticipated within this category.

C Planning and Strategy

Work in relation to this category includes reviewing historic records and business performance, establishing the current financial position and reviewing the business processes and systems, liaising with key stakeholders and any committee and engaging with specialists and planning overarching strategy.

This area of work is led by me as partner in conjunction with a director or senior manager, with some support below Manager level in documenting and recording proposed strategy.

Time costs of £19,576 have been incurred to date and we anticipate that the final level of costs in this regard will be £30,123.

D General Administration

Work undertaken in relation to general administration included reviewing and regularising affairs regarding insurance, VAT, taxation, and dealing with press enquiries and PR matters.

This category also incorporates the work we have undertaken investigating the conduct of the directors and reporting thereon, as well as investigations into the affairs and transactions of the entity. It also included recovery and storage of company books and records, and engaging and liaising with solicitors.

Day to day management of the Company's assets included the requirement to manage accounting and the investment of realisations, including suitable banking arrangements and processing of transactions. Also included in this category was the preparation of reports on Receipts & Payments, ensuring appropriate approval of all costs including approval of remuneration and matching costs of specialists against their expense estimates.

Bench International GmbH ('BIG') undertook certain back office functions. BIG was based in Munich, Germany. It was necessary to attend BIG's offices. It was necessary to undertake detailed discussions with the directors of BIG and its preliminary Administrator.



It is also necessary to deal with statutory, regulatory and licensing matters, dealing with Court hearings regarding the insolvency (excluding third party litigation), and managing general administrative matters and basic enquiries.

Given the nature of the asset realisations and trading during the Administration, it was necessary for significant work to be undertaken in confirming the Company's tax position in relation to both Corporation Tax and VAT.

With regard to Corporation Tax, in order to prepare the computations we undertook a review of the historic position and a detailed analysis of trading results in support of the calculations, together with a review of sale documentation. Calculations were prepared and submitted to HMRC in this regard and we have liaised with HMRC thereafter to seek to finalise the position.

This work was ongoing until October 2019. Based on the response received from HMRC, we have been able to make further distributions to Beechbrook which have led to them being repaid in full.

We additionally liaised with HMRC to ensure the correct VAT treatment was applied to the asset sales within the Administration. Work has been carried out in this respect in liaison with HMRC, in particular to obtain their confirmation of the position in relation to trading receipts and the residual sale of stock. It was also necessary to communicate with the tax authorities in Germany in relation to the Company's VAT registration in that jurisdiction.

Significant time was expended in agreeing the tax position given the material difference this made to the outcome for creditors. Due to the nature of this work it has required input from senior staff including those specialising in taxation matters. As a result time costs dealing with tax matters, which are recorded within the General Administration category, have been higher than was set out in our 27 February 2019 estimate. The majority of this work is now concluded although there will be an ongoing requirement to make submissions to HMRC as the Administration progresses.

As discussed above a significant amount of administrative functions were undertaken by a German subsidiary. Given the German subsidiary ceased to provide services and records significant work was required to investigate the affairs of the Company.

It is also a requirement of the Joint Administrators' to collect the books and records of the Company. This has included uplift of records from the head office in the UK, offices in Germany and from the third party warehouse to our own storage facility. It is anticipated that these books and records will be reviewed in due course.

General administration costs are accrued at all grades and consist of work undertaken from the case management team, which includes; arranging meetings, reviewing documents, ad-hoc emails, scanning documents.

Given the issues that have arisen during the Administration it has been necessary for there to be high level of internal discussion and correspondence to agree strategy to ensure the position was maximised for the benefit of creditors.

The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and where possible is delegated to executives with suitable levels of experience, supervised by directors or managers. Work in this category inevitably involves dealing with some issues which will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the office holder.

The figure estimated on 27 February 2019 for this category of work was £188,109. For the reasons detailed above, in particular the work done in relation to the tax position, the total time costs incurred to date are £282,152 and our revised estimated total figure is £300,945.

E Asset Realisation/Management

The key asset realisations have been:

- The sale of the Brand, along with associated licence fee;
- The stock;
- Book debts; and
- Legal action commenced by the Company prior to the Administration.

The post completion requirements following the sale of the Brand required significant work beyond that originally envisaged, in particular the transfer of information to the Purchaser.

The sale of stock became significantly protracted. Under the terms of the Brand sale we were required to obtain certain assurances from the stock purchaser regarding their intentions in relation to the stock. This required a contract for the sale of the stock to be agreed with the purchaser of both the stock and the Brand. In addition, the third party warehouse provided exercised a lien over the stock. As a result, significant negotiations were required to release the stock. Had the stock not been released and terms agreed with the stock purchaser the level of realisations would have been minimal.

The book debt ledger comprised a large number of low quantum debts. As such, significant work, beyond that originally envisaged, has been required to ensure that the debts are collected. The increased level of work has ensured book debt realisations has been maximised.

The Company commenced a legal action, in Germany, against a third party warehouse provider prior to the commencement of the Administration. The legal action is currently ongoing. The claim has been assigned Emeram and the Company will receive of a set percentage of any realisations. However, significant work has been required by employees at director grade to ensure realisations are maximised and the Company's risks associated with the legal action have been mitigated.

The work undertaken was necessary in order to realise the key assets discussed. In the absence of the additional work being undertaken we would have expected realisations to have been significantly lower.

Our fees estimate dated 27 February 2019 detailed estimated time costs within this category totalling £401,129. Work undertaken since that time has included dealing with the final balance of cash at bank and book debt realisations, in particular entailing work to release these funds from a former Company bank account in Spain, completing the sale of a some stock located in a third party warehouse in Germany and progressing discussions with third parties with a view to recovering certain amounts in relation to costs associated with asset sales under the terms of the respective agreements.

As a result of this further work, the time costs incurred to date total £418,902. We now estimate total costs of £440,431 to conclude the matters set out above.

F Trading Related Matters

At the outset of this Administration it was identified that continued trading would be beneficial to maximising the realisable value of the Company's assets. This conclusion had been reached following detailed review in the pre-appointment phase, and this review continued subsequent to my appointment to ensure that the appropriate strategy was pursued, including an assessment of the forecast outcomes from a trading period.

Attendance at premises in both the UK and Germany was required to ensure continued business controls. A number of Company staff were retained to assist in trading, including staff at retail stores, and we worked to oversee the work of Company staff and ensure all matters arising were dealt with appropriately.



Work required included preparation of integrated accounts to monitor the trading performance and compare this with the budgets prepared. Negotiations were required with a number of suppliers and third parties to ensure continued supply of key services. Liaison was undertaken with the administrator acting for the German subsidiary companies together with the staff retained by those companies.

This work was necessarily time-intensive as it required a high level of responsiveness to issues arising to ensure continuity of business and ensure that the optimum business structure was retained.

In addition, the Company's books and records were not up to date. As such, my staff have had to undertake additional work to ensure the trading accounts are finalised. Finalisation of the trading position is ongoing.

The trading period continued for longer than originally anticipated at the outset of the Administration due to issues surrounding the ultimate stock sale. This enabled ongoing sales and has enabled a better level of realisation than would otherwise have been the case.

Our estimate for the work within this category remains in line with our 27 February 2019 fees estimate, at £348,966.

G Employee Matters

Work in this category includes dealing with notices to employees upon appointment and addressing them as regards issues arising during the trading period and in relation to accrued entitlements.

In addition employees were addressed in relation to redundancy processes and we will liaise with and assist employees in submitting claims in order to ensure they are not prevented from recovering statutory sums protected by legislation, including computing, processing and checking employee claims and liaising with the Redundancy Payments Service.

We expect to make preferential and unsecured distributions to employees and the Redundancy Payment Service. As such it will be necessary to liaise with agents instructed to calculate the claims.

To estimate costs in respect of administering employee matters we generally consider the known number of employees and in this case the number of Company employees at the time of our appointment was 171.

Our estimated time costs within this category of £47,955 remain unchanged from our 27 February 2019 estimate.

H Creditor Claims

Work required in dealing with the Company's creditors will include liaison with creditors by email and telephone, including a number of suppliers based overseas. This will include receiving and recording all creditor claims.

It is expected that a distribution will be made to preferential creditors and a dividend will be available to unsecured creditors by virtue of the prescribed part and therefore it will be necessary to identify where additional supporting evidence is necessary from the creditor and to review the validity of all claims submitted.

It may be necessary to take legal advice where an unsecured claim is made which is significantly in excess of any value recorded by the insolvent entity and the claim is inadequately evidenced. No provision has currently been made for dealing with any creditor's claims where the matter is referred to Court.



To estimate costs in respect of administering creditor claims we consider the volume of known creditors and the nature of the insolvent entities business. Our estimated time costs within this category of £32,466 remain unchanged from our 27 February 2019 estimate.

I Reporting

This work includes preparing periodic progress reports to creditors, including summarising a Receipts & Payments accounts, preparing a suitable analysis of time costs accrued and conducting a review of actual and accrued costs as against fees and expenses estimate.

A director or senior manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. Much of the basic accounting and analysis is conducted by various grades of executives.

The Company has a number of stakeholders. The consent of the stakeholders has been required to implement our strategies to maximise realisations. Given the matters discussed above it has been necessary to provide an increased level of reporting than original envisaged to ensure the relevant stakeholders agree to the strategy. In particular a number of detailed updates have been provided to each of the secured creditors.

In addition, in estimating costs in respect of reporting we form a view of the likely duration of the insolvency and estimate how many reports will be required. The duration of the insolvency was previously estimated at 24 months, however it is now anticipated that the duration of the Administration may be up to 48 months.

Certain costs have also been incurred in reporting to the Court to seek an extension of the Administration and to obtain the release of rent deposit security registered at Companies House where the relevant parties could not be contacted.

Reporting activities do not contribute to the financial outcome for creditors, rather they are statutory duties imposed by the relevant legislation. However, they do contribute to creditors' understanding of the work being undertaken on their behalf.

Our 27 February 2019 estimate set out expected time costs of £97,183. Due to the above matters, time costs to date total £115,981. Our revised estimate for time within this category is £125,319.

J Distribution and Closure

Work in this regard is expected to include giving notice to relevant creditors to prove their claims, adjudicating upon the claims issuing formal rejection of any relevant claims, dealing with any appeal to court concerning a rejected claim, establishing the distributable funds in the estate, calculating the dividend, issuing payment with suitable notification to creditors, and reconciling payments and accounting for unclaimed dividends.

No provision is made for additional time costs for dealing with an appeal concerning a rejected cost because the likelihood of such an eventuality is small, (although the costs could be significant).

The work will also include preparing a final report to creditors together with a Receipts & Payments accounts, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate, and completing all administrative arrangements including storage of any records for statutory periods and filing final statutory documentation.

The work is supervised by a director or senior managers and final decisions and release of funds are authorised by a Partner. The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements.

Time costs of £17,967 are expected to arise within this category, which is unchanged from our 27 February 2019 estimate.



Bench Limited - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency follows:

GRADE	£
Partner	533-760
Manager/Director	336-586
Assistant Manager	302
Senior Administrator	283-302
Administrator	105-255
Other Staff	105

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



(a) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

(b) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
6 December 2019

Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(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 office-holder is entitled to charge;
- (b) an order reducing any fixed 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 is not to be treated as expenses of the administration, winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(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 office-holder is entitled to charge;
- (b) an order reducing any fixed 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 or winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.