

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A96J70YR

A12

05/06/2020

#341

COMPANIES HOUSE

1 Company details

Company number 0 4 7 8 7 1 0 6

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 55 Baker Street

Street

Post town London

County/Region

Postcode W 1 U 7 E U

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 55 Baker Street

Street

Post town London

County/Region

Postcode W 1 U 7 E U

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report
☒ I attach a copy of the progress report
8 Sign and dateAdministrator's
signature

Signature

X



X

Signature date

^d0^d5^m0^m6^y2^y0^y2^y0

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 **Martha Thompson**

Company name **BDO LLP**

Address **55 Baker Street**

Post town **London**

County/Region

Postcode **W 1 U 7 E U**

Country

DX

Telephone **01512 374 500**



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

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

Bench Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 10/11/2019 To 09/05/2020 £	From 10/05/2018 To 09/05/2020 £
POST APPOINTMENT SALES		
Retail Sales	NIL	1,507,515.96
Wholesale Sales	NIL	368,022.40
	NIL	1,875,538.36
COST OF SALES		
Direct Labour	NIL	319,613.00
Consumables	NIL	4,590.51
	NIL	(324,203.51)
TRADING EXPENSES		
Wages	NIL	119,582.70
Sub Contractors	NIL	81,799.90
Electricity	NIL	11,644.91
Internet & Telephones	NIL	24,988.65
Rates	NIL	78,213.70
Water Rates	NIL	1,030.58
Rent	NIL	215,001.25
Insurance	NIL	29,884.55
Service Charges	NIL	47,237.51
Leased Equipment & Vehicles	NIL	1,233.40
Cash Collection & Payment Processing	NIL	24,126.39
Staff Expenses	NIL	10,351.31
Warehousing and Logistics	NIL	360,614.78
Gift Vouchers	NIL	5,662.95
Sundry Expenses	NIL	5,244.46
Bank Charges	NIL	6,674.95
Security and Maintenance	NIL	1,306.51
	NIL	(1,024,598.50)
TRADING SURPLUS/(DEFICIT)	NIL	526,736.35

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

Statement of Affairs £	From 10/11/2019 To 09/05/2020 £	From 10/05/2018 To 09/05/2020 £
ASSET REALISATIONS		
Book debts	NIL	1,061,260.81
Cash at Bank	NIL	2,746,029.01
Costs Recharged	NIL	9,557.00
Furniture & Equipment	NIL	7,034.16
Intellectual Property	NIL	6,054,532.63
Interest Gross	2,884.29	20,501.75
Licence Fee Debtor	NIL	445,467.37
Motor Vehicles	NIL	4,500.00
Rates Refund	NIL	30,264.85
Rent	NIL	180,352.46
Stock	NIL	1,463,485.55
Sundry Refunds	NIL	3,317.03
Trading Surplus/(Deficit)	NIL	526,736.35
	<u>2,884.29</u>	<u>12,553,038.97</u>
COST OF REALISATIONS		
Agents' Fees	NIL	202,000.00
Agents' Fees & Disbs	NIL	60,753.60
Bank Charges	48.00	1,922.83
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	790,000.00	1,190,000.00
Legal Fees & Disbs	150,000.00	490,381.53
Preparation of S.of A.	NIL	5,750.00
Rents Paid	NIL	180,042.50
Stationery & Postage	NIL	459.91
Stock Realisation Costs (stores)	NIL	101,679.03
Stock Realisation Costs (warehouse)	NIL	182,505.41
Storage Costs	NIL	2,757.00
Sundry Expenses	NIL	8,935.52
VAT Paid	NIL	103.04
	<u>(940,048.00)</u>	<u>(2,875,251.75)</u>
FLOATING CHARGE CREDTS		
Distribution to Secured Creditor	4,665.97	8,513,452.04
	<u>(4,665.97)</u>	<u>(8,513,452.04)</u>
	<u>(941,829.68)</u>	<u>1,164,335.18</u>
REPRESENTED BY		
Floating Current Account		1,310,912.61
Input VAT		118,000.00
Output VAT		(9,500.00)
Realisations Account		2,151.58
Suspense account		(257,229.01)
		<u>1,164,335.18</u>



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Fax: +44 (0)151 237 4545
www.bdo.co.uk

5 Temple Square
Temple Street
Liverpool
L2 5RH

TO ALL KNOWN CREDITORS

05 June 2020

Our Ref MT/EM/00283064/A6

Please ask for
Eleanor McGowan
0151 237 4515
BRCMT@bdo.co.uk

Dear Madams/Sirs

Bench Limited - In Administration ('the Company')
Company Number: 04787106

It is now twenty four 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 November 2019 to 9 May 2020 ('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 meaning any action can be done by any one Administrator or by all of them.

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.

I enclose, for your information, a summary of receipts and payments to date showing a balance in hand of £1.31m together with a copy of the summary account covering the Period.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of Bench Limited. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies>

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.

The receipts and payments summary for the Trading Period indicates a current surplus of £526,736. This represents a slight increase from our previous report due to a refund of electricity costs. We await final invoices for certain trading costs which will reduce the trading surplus figure. The finalisation of the trading costs is taking longer than anticipated given we have not received invoices for the correct periods from utility suppliers, despite numerous requests. We currently anticipate that the final trading surplus will be in the region of £428,000.

3 Receipts and Payments

The only receipts during the Period were for bank interest totalling £2,051.

A payment was made in the Period on account of Joint Administrators' fees, which are detailed in section 7 of this report.

The Joint Administrators have instructed Pinsent Masons LLP ('Pinsents') to provide legal advice on a number of matters in the Administration. Legal fees of £150,000 were paid in the Period, bringing the total payments in respect of legal fees to £490,382.

Pinsents continue to provide advice on various matters and further legal fees will be agreed and paid in due course. I will provide an update in this respect in my subsequent reports.

The only other payments in the Period were for bank charges of £570.

Following the conclusion of the sale of the stock there was a dispute with the stock purchaser over the reimbursement of costs associated with storage of the stock. A settlement has been agreed that has resulted in the stock purchaser contributing £157,229 towards the cost of storage.

An additional £257,229.01 was received from the stock purchaser at the time of the sale. This is shown in the suspense account on the attached receipts and payments account. As a result of the settlement £100,000 held in the suspense account will be repaid to the stock purchaser. The balance will be offset against storage costs already paid. The settlement has occurred outside the Period.

4 Future of the Administration

The remaining matters in the Administration include finalising the costs of the Administration (including the final trading costs), payment of preferential creditors in full and payment of a dividend via the prescribed part as discussed in section 6 of this report.

In addition, prior the Joint Administrators' appointment, the Company had commenced a legal action against a third party logistics provider in the German Courts for a total of €10m. As reported previously, the claim was 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 I am not in a position to provide further detail at this stage.



The Administration is currently due to end on 9 May 2021 after an extension was granted by Court order on 1 May 2019. The Joint Administrators will report accordingly 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.

5 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.

I have completed my 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.

6 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.

Following a final reconciliation of the position, to include interest, costs and exchange rate movements, a small final distribution of £4,666 was made during the Period. A total of £9.25m has been distributed to Beechbrook as reflected on the attached receipts and payments summary. Beechbrook has 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 is 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.

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

7 Joint Administrators' Remuneration

Pursuant to the Rules, the Joint Administrators are obliged to fix their remuneration in accordance with Rule 18.16. 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.

The Joint Administrators' remuneration has been approved on the basis of time properly spent in dealing with issues in the Administration. Given that the only funds available for distribution to unsecured creditors in this matter will be via the prescribed part, Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 applies, meaning that this approval was sought and obtained from the secured and preferential creditors.

I attach two schedules detailing the time costs incurred to date. The first schedule covers the Period. This records time costs of £66,177 which represents 197 hours spent at an average charge out rate of £336 per hour.

The second schedule covers the whole period of appointment and records time costs of £1,356,288 which represents 4,054 hours spent at an average charge out rate of £335 per hour.

To date, the Joint Administrators have drawn £1,190,000 in respect of remuneration as shown on the enclosed Receipts and Payments summary, of which £790,000 was paid in the Period.

I attach a summary of my Fees Estimate dated 6 December 2019, annotated with a column showing the time costs accrued in respect of each activity.

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

8 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.

9 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.

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.

During the Period the only disbursements accruing were costs of £984 that were incurred by BDO in Germany in relation to assistance with the Company's tax obligations in that jurisdiction, bringing the total incurred in this respect during the Administration to £7,762. 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.

Total disbursements of £21,243 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	7,762.22	-	7,762.22
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	19,515.62	1,727.84	21,243.46

10 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.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>

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 <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>

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 Eleanor McGowan 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', with a long horizontal line extending to the right.

Martha Thompson
Joint Administrator

Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures:

Receipts and Payments Account

SIP 9 Time Cost Report for the Period

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

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	Nil	368,022.40
	Nil	1,875,538.36
COST OF SALES		
Direct Labour	Nil	319,613.00
Consumables	Nil	4,590.51
	Nil	(324,203.51)
TRADING EXPENSES		
Wages	Nil	119,582.70
Sub Contractors	Nil	81,799.90
Electricity	Nil	11,644.91
Internet & Telephones	Nil	24,988.65
Rates	Nil	78,213.70
Water Rates	Nil	1,030.58
Rent	Nil	215,001.25
Insurance	Nil	29,884.55
Service Charges	Nil	47,237.51
Leased Equipment & Vehicles	Nil	1,233.40
Cash Collection & Payment Processing	Nil	24,126.39
Staff Expenses	Nil	10,351.31
Warehousing and Logistics	Nil	360,614.78
Gift Vouchers	Nil	5,662.95
Sundry Expenses	Nil	5,244.46
Bank Charges	Nil	6,674.95
Security and Maintenance	Nil	1,306.51
	Nil	(1,024,598.50)
TRADING SURPLUS/(DEFICIT)	Nil	526,736.35

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

Statement of Affairs £		From 10/11/2019 To 09/05/2020 £	From 10/05/2018 To 09/05/2020 £
	ASSET REALISATIONS		
6,000,000	Intellectual Property	Nil	6,054,532.63
	Licence Fee Debtors	Nil	870,901.96
3,191,441	Stock	Nil	1,463,485.55
2,722,973	Cash at Bank	Nil	2,776,544.48
487,262	Book debts	Nil	1,349,996.76
	Rent	Nil	180,352.46
	Interest Gross	2,051.24	17,022.10
	Rates Refund	Nil	30,264.85
	Sundry Refunds	Nil	3,317.03
	Costs Recharged	Nil	9,557.00
76,095	Fixtures, Furniture & Equipment	Nil	7,034.16
	Motor Vehicles	Nil	4,500.00
108,394	Leasehold Property	Nil	Nil
	Trading Surplus/(Deficit)	Nil	526,736.35
		<u>2,051.24</u>	<u>13,294,245.33</u>
	COST OF REALISATIONS		
	Stock Realisation Costs (stores)	Nil	101,679.03
	Stock Realisation Costs (warehouse)	Nil	182,505.41
	Agents' Fees (Intellectual Property Sale)	Nil	202,000.00
	Agents' Fees & Disbs (Other)	Nil	60,753.60
	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	790,000.00	1,190,000.00
	Legal Fees & Disbs	150,000.00	490,381.53
	Preparation of Statement of Affairs	Nil	5,750.00
	Rents Paid	Nil	180,042.50
	Stationery & Postage	Nil	459.91
	Storage Costs	Nil	2,757.00
	Sundry Expenses	Nil	8,935.52
	VAT Paid	Nil	159.03
	Bank Charges	570.37	3,234.50
		<u>(940,570.37)</u>	<u>(2,876,619.41)</u>
	Distribution to Secured Creditor	<u>4,665.97</u>	<u>9,246,184.81</u>
		<u>(4,665.97)</u>	<u>(9,246,184.81)</u>
		<u><u>(943,185.10)</u></u>	<u><u>1,171,441.11</u></u>
	REPRESENTED BY		
	Floating Current Account		1,310,670.12
	Input VAT		118,000.00
	Funds from Stock Purchaser		(257,229.01)
			<u><u>1,171,441.11</u></u>

Please see the notes to the summary of receipts and payments shown overleaf.

Notes to summary of receipts and payments

Amounts processed via the Euro denomination account have been converted using the exchange rate as at 9 May 2020 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.

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/11/2019 to 09/05/2020

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 £
D. General Administration														
01. Insurance Matters			0.50	161.50									0.50	161.50
02. VAT			2.25	864.75					1.75	238.25			4.00	1,103.00
03. Taxation			0.50	230.50									0.50	230.50
05. Investigations									1.00	119.00			1.00	119.00
07. Receipts/Payments Accounts	0.20	102.20	16.70	5,297.00			2.50	110.00	18.70	1,402.45	0.15	17.40	38.25	6,929.05
14. General Discussions	5.00	3,915.00											5.00	3,915.00
15. Gen. Admin/Correspondence			52.30	18,843.85			0.10	13.10	4.50	353.30			56.90	19,210.25
sub total -	5.20	4,017.20	72.25	25,397.60			2.60	123.10	25.95	2,113.00	0.15	17.40	106.15	31,668.30
D. General Administration														
E. Assets Realisation/Dealing														
09. Dealing with other Assets	4.50	3,523.50	3.25	1,049.75									7.75	4,573.25
11. Disclaiming Assets			0.50	161.50									0.50	161.50
14. Sale of Business/Assets			16.25	6,175.00									16.25	6,175.00
99. Other Matters	1.00	783.00	14.00	5,320.00									15.00	6,103.00
sub total -	5.50	4,306.50	34.00	12,706.25									39.50	17,012.75
E. Assets Realisation/Dealing														

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/11/2019 to 09/05/2020

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 £
F. Trading Related Matters														
06. Monitor/Supervise Trading			0.50	161.50									0.50	161.50
08. Trading Accounts									4.00	596.00			4.00	596.00
09. Business Closure									1.30	193.70			1.30	193.70
sub total -			0.50	161.50					5.30	789.70			5.80	951.20
F. Trading Related Matters														
H. Creditor Claims														
04. Non-Preferential Creditors			0.95	291.65					0.10	8.40			1.05	300.05
99. Other Matters					0.25	48.00							0.25	48.00
sub total -			0.95	291.65	0.25	48.00			0.10	8.40			1.30	348.05
H. Creditor Claims														
I. Reporting														
01. Statutory Reporting			5.25	1,695.75	0.50	96.00	0.25	32.75	5.15	722.50			11.15	2,547.00
04. Reporting to Creditors	4.65	3,254.85	27.00	10,260.00					0.20	14.20			31.85	13,529.05
99. Other Matters									1.70	120.70			1.70	120.70
sub total -	4.65	3,254.85	32.25	11,955.75	0.50	96.00	0.25	32.75	7.05	857.40			44.70	16,196.75
I. Reporting														

Name of Assignment - Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/11/2019 to 09/05/2020

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
	£		£		£		£		£		£		£

Net Total	66,177.05
Secretarial Expense	0.00
Other Disbursements	0.00
Billed	0.00
Grand Total	66,177.05



Name of Assignment **Bench Limited - ADM** **00283064**
Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/05/2020

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														
02. Statutory Documentation			10.75	3,618.00					27.30	3,218.85			38.05	6,836.85
06. Third Party Discussions														
07. Attendance at Premises			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
08. Detail Documentation Review	2.00	1,066.00							4.50	792.00			6.50	1,858.00
09. Preparation of Proposals			2.15	440.75					9.40	744.40			11.55	1,185.15
12. Setting up Internal Files									1.95	290.55			1.95	290.55
99. Other Matters	10.00	7,410.00	0.75	159.75									10.75	7,569.75
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	161.50					0.50	88.00			1.00	249.50

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/05/2020

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
		£		£		£		£		£		£		£
02. VAT			101.85	38,775.30					8.10	1,134.85			109.95	39,910.15
03. Taxation	63.10	57,218.40	55.35	21,343.20									118.45	78,561.60
05. Investigations									3.75	537.75			3.75	537.75
06. Conduct Reports			3.25	1,020.50									3.25	1,020.50
07. Receipts/Payments Accounts	0.35	178.85	44.80	12,282.05	3.05	382.70	34.80	3,792.65	257.50	28,409.25	4.85	498.05	345.35	45,453.55
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	15.25	2,522.70			43.75	11,580.15
13. General Meetings			3.00	1,050.00					1.50	239.50			4.50	1,289.50
14. General Discussions	55.00	41,945.25	8.75	3,062.50									63.75	45,007.75
15. Gen. Admin/Correspondence	42.20	30,392.50	146.65	54,295.90	2.30	358.90	8.10	990.10	32.35	2,372.30			231.60	88,409.70
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 -	160.65	129,735.00	392.85	142,005.45	10.50	1,386.20	43.55	4,861.70	322.20	35,691.10	4.85	498.05	934.60	314,087.50
D. General Administration														
E. Assets Realisation/Dealing														
04. Agent Instruction/Liasing			14.50	4,511.00					1.00	180.00			15.50	4,691.00

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/05/2020

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	26.50	20,324.00	80.50	26,641.75					0.50	90.00			107.50	47,055.75
11. Disclaiming Assets			19.50	6,141.00									19.50	6,141.00
14. Sale of Business/Assets	112.40	83,677.90	265.75	96,576.50			0.30	58.50	1.75	315.00			380.20	180,627.90
99. Other Matters	4.00	3,109.00	111.50	41,622.00	0.20	26.20							115.70	44,757.20
sub total	149.90	112,335.90	820.25	313,232.25	35.20	10,351.20	0.30	58.50	8.80	1,503.30			1,014.45	437,481.15
E. Assets Realisation/Dealing														
F. Trading Related Matters														
01. Establish Business Control			5.00	1,800.00					9.00	1,584.00			14.00	3,384.00
02. Trading/other Projections	23.50	17,594.00											23.50	17,594.00
05. Attendance at Premises			54.00	19,243.40	0.20	42.40	5.75	1,190.25	36.25	6,156.00			96.20	26,632.05
06. Monitor/Supervise Trading			214.85	68,172.60	107.10	36,689.10							321.95	104,861.70
07. Business Management	30.20	22,334.00	82.45	27,798.85	69.40	20,434.30			284.50	51,046.00			466.55	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 09/05/2020

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
	£		£		£		£		£		£		£	
08. Trading Accounts	4.00	2,964.00	34.50	12,101.00					13.35	1,858.25			51.85	16,923.25
09. Business Closure			73.80	22,410.95	14.60	3,095.20	9.70	1,522.85	8.65	881.80			106.75	27,910.80
99. Other Matters			54.50	19,775.25			0.50	100.00	1.45	168.20			56.45	20,043.45
sub total -	57.70	42,892.00	519.10	171,302.05	191.30	60,261.00	15.95	2,813.10	353.20	61,694.25			1,137.25	338,962.40
F. Trading Related Matters														
G. 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. EPA 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	355.35	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									7.50	5,113.50
04. Non-Preferential Creditors			3.75	1,042.85	0.55	69.25	0.60	120.00	88.70	8,947.35			93.60	10,179.45
99. Other Matters			3.30	597.30	0.90	130.40							4.20	727.70

Name of Assignment

Bench Limited - ADM

00283064

Detail of Time Charged and Rates Applicable for the Period From 10/05/2018 to 09/05/2020

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 -														
H. Creditor Claims	6.00	4,560.00	8.55	2,193.65	1.45	199.65	0.60	120.00	88.70	8,947.35			105.30	16,020.65
I. Reporting														
01. Statutory Reporting	23.00	17,347.00	44.50	14,662.65	7.00	1,035.25	0.45	58.15	89.40	12,313.90			164.35	45,416.95
02. Reporting to Appointor	5.50	4,180.00	36.75	13,560.75			0.20	40.00					42.45	17,780.75
04. Reporting to Creditors	12.65	9,334.85	99.20	35,997.00	1.50	190.50			62.40	10,858.25			175.75	56,380.60
05. 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			1.70	120.70			30.45	10,677.20
sub total -	41.15	30,861.85	215.90	77,301.45	9.00	1,289.25	0.65	98.15	153.50	23,292.85			420.20	132,843.55
I. Reporting														
J. Distribution and Closure														
02. Distributions	3.00	2,349.00	27.75	10,545.00									30.75	12,894.00
99. Other Matters	1.50	1,174.50	6.00	2,214.00									7.50	3,388.50
sub total -	4.50	3,523.50	33.75	12,759.00									38.25	16,282.50
J. Distribution and Closure														
Net Total													1,356,287.50	
Secretarial Expense													0.00	
Other Disbursements													0.00	
Billed													0.00	

00283064

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												1,356,287.50	



Bench Limited - In Administration

Fees Estimate to Accrued Time Comparison

Below is the Fees Estimate dated 6 December 2019 annotated with a column showing the time costs accrued in respect of each activity.

Fees Estimate as at 6 December 2019 compared to accrued time to 9 May 2020				
Joint Administrators' Fees	Total	Blended	Estimated	Accrued
	Hours	Rate	Fee	Time
		£	£	£
B. Steps on Appointment	183.90	260.75	47,952	47,952
C. Planning and Strategy	71.40	421.89	30,123	19,576
D. General Administration	880.60	341.75	300,945	314,088
E. Assets Realisation/Dealing	1,022.95	430.55	440,431	437,481
F. Trading Related Matters	1,139.25	306.31	348,966	338,962
G. Employee Matters	190.65	251.53	47,955	33,082
H. Creditor Claims	126.67	256.30	32,466	16,021
I. Reporting	398.75	314.28	125,319	132,844
J. Distribution and Closure	76.00	235.09	17,867	16,283
TOTAL			1,392,024	1,356,288

The fees that have accrued are within the level of the fees estimate.

The total time costs incurred in the Period incurred were £66,177.

The work undertaken in the Period included taking steps to seek to finalise the costs of the Administration. This included monitoring the level of fees incurred and making payment in line with the approvals provided, as well as seeking to finalise the costs recharge position with the purchaser of the Company's stock.

Other administrative tasks undertaken included submission of tax returns and management of the Administration Bank accounts, together with statutory monitoring requirements.

Time was also incurred within the reporting category. This includes the provision of statutory reports to creditors, together with reporting to the respective secured creditors.



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 on a regular basis 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
05 June 2020



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.