



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	5	9	9	6	7	6	3
Company name in full	Secret Sales Ltd							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	Paul
Surname	Wood

### 3 Administrator's address

Building name/number	St James Court
Street	St James Parade
Post town	Bristol
County/Region	
Postcode	B S 1 3 L H
Country	

### 4 Administrator's name ①

Full forename(s)	Simon Robert
Surname	Haskew

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	St James Court
Street	St James Parade
Post town	Bristol
County/Region	
Postcode	B S 1 3 L H
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	<sup>d</sup> 0	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 0	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date	<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
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**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 **Clive Hobbs**

Company name **Begbies Traynor (Central) LLP**

Address **St James Court**

**St James Parade**

Post town **Bristol**

County/Region

Postcode **B S 1 3 L H**

Country

DX

Telephone **0117 937 7130**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Paul Wood and Simon Robert Haskew were appointed joint administrators on 9 March 2020

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

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## Secret Sales Ltd (In Administration)

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Progress report of the joint administrators

Period: 9 March 2022 to 8 September 2022

## Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Secret Sales Ltd (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 9 March 2020
"the administrators" "we" "our" and "us"	Paul Wood of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

# 2. STATUTORY INFORMATION

Name of Company	Secret Sales Ltd
Trading name(s):	Secret Sales
Date of Incorporation:	13 November 2006
Company registered number:	05996763
Company registered office:	St James Court, St James Parade, Bristol, BS1 3LH

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Paul Wood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
Date of administrators' appointment:	9 March 2020
Date of administrators' resignation:	Not applicable
Court:	High Court of Justice, Business and Property Courts in Bristol, Insolvency and Companies List (CHD)
Court Case Number:	CR2020-BRS000025 of 2020
Person(s) making appointment / application:	The Directors
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 8 March 2022 and for a further period of 12 months by order of the court until 8 March 2023.

### 4. PROGRESS DURING THE PERIOD

#### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 9 March 2022 to 8 September 2022.

#### RECEIPTS

There have been no receipts received during the period.

## PAYMENTS

### Employee Agents

ERA Solutions Limited have been paid £150 plus VAT during the period in respect of their assistance in agreeing the preferential claims.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

### General case administration and planning

Insolvency Practitioners are required by statutory insolvency legislation, to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that materially affect the case. The time charged reflects this, together with the time spent on dealing with periodic case reviews.

These tasks are a necessary part of the engagement, but do not generate any direct financial benefit for creditors, however without them, other aspects of the case which do provide a quantifiable benefit to creditors would have been less efficient.

### Compliance with the Insolvency Act, Rules and best practice

As above, there is no direct financial benefit to the creditors, however we are required to comply with various statutory and compliance reporting requirements. To date, we have fulfilled our statutory duties by:

- Reporting to the Registrar of Companies;
- Statutory advertising;
- Ensuring the administrators' statutory specific bond is in place;
- Ensuring that the administrators' statutory specific bond level is adequate;
- Corresponding with government departments; and
- Preparation of this report in order to advise upon the progress made in the period.

This category also includes cashiering and accounting. We are obliged to keep a record of all transactions entered into; thus, time costs have been incurred in reconciling the bank account and producing the receipts and payments account.

### Dealing with all creditors' claims (including employees), correspondence and distributions

We have continued to deal with creditors' claims and enquiries as and when received.



Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

During the course of the administration, we are required to complete post appointment VAT returns on behalf of the Company, these have been submitted accordingly during the period. However, as previously reported, during December 2021 a VAT refund was submitted to HM Revenue & Customs ("HMRC"), yet due to the delays experienced as a result of the Covid-19 pandemic, the refund remains outstanding. The delay has resulted in a Court application to extend the administration for a further 12 months to 8 March 2023 to allow for the refund to be received.

As previously reported, we have sent a Notice of Intended Dividend to the preferential creditors and have subsequently agreed the claims. However, until the outstanding VAT matter has been resolved, we do not have sufficient funds to make the distribution to the preferential creditors. Therefore, it has been necessary to postpone the declaration of the dividend until the position has been finalised.

Corporation Tax returns are filed annually and have been filed appropriately.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our Statement of Proposals.

### Secured creditors

The Company records show the amounts owing to the following in their capacity as secured creditors as listed below:

Big Secret Investment Limited – Company records show nothing being owed. They have fixed and floating charges registered at Companies House dated 27 March 2018 which covers the registered intellectual property including trademarks and domain names. All intellectual property owned by the borrower, together with a floating charge covering all the property or undertaking of the company.

Excalibur Silver Bidco Limited – Company records show c.£1,000,000 as being owed. They have fixed and floating charges registered at Companies House dated 27 March 2018 which covers the registered intellectual property including trademarks and domain names. All intellectual property owned by the borrower, together with a floating charge covering all the property or undertaking of the company.

Kreos Capital IV (UK) Limited - Company records show c.£2,316,250 as being owed. They have fixed and floating charges registered at Companies House dated 30 December 2015 which covers all freehold and leasehold property. All intellectual property owned by the borrower, together with a floating charge covering all the property or undertaking of the Company.

Kreos Capital V (UK) Limited - Company records show c. £1,933,750 as being owed. They have fixed and floating charges registered at Companies House dated 28 December 2012 which covers all freehold and leasehold property. All intellectual property owned by the borrower, together with a floating charge covering all the property or undertaking of the Company.

Upon the sale of the business to LRG Online Limited on 9 March 2020, the secured creditors released their claims in the Company. This effectively means that they have been settled in full by completing this deal.

### Preferential creditors

As previously reported, as a result of the sale of the business, half of the Company's employees transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006. However, the remaining employees were made redundant and their preferential claims for arrears of wages, salary and holiday pay were estimated at circa. £40,000. Following the issue of a Notice of Intended Dividend, preferential claims have now been agreed in the sum of £40,351.76.

### Unsecured creditors

Claims of unsecured creditors are estimated at £12,865,817. However, this includes the loan of £8.29m from the shareholder, Lifestyle Retail Group Limited which has been removed as part of the pre-pack deal. Unsecured claims are therefore, estimated at c.£4.6m.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

### Secured creditors

As stated above, the secured creditors released their claims against the Company and have subsequently been settled in full.

### Preferential creditors

There are sufficient funds available for a distribution to be paid to the preferential creditors. A first and final dividend was due to be declared within two months from the last date of proving on 4 February 2022. However, it has been necessary to postpone the declaration of the dividend due to the delays with HMRC as discussed above. Once the position has been finalised, we will be in a position to make the declaration.

### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our Statement of Proposals.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

### Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## 6. REMUNERATION & EXPENSES

Our remuneration has been fixed by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate, up to a maximum of £82,000.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 9 March 2022 to 8 September 2022 amount to £6,471.50 which represents 18.1 hours at an average rate of £357.54 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- Time Costs Analysis for the period 9 March 2022 to 8 September 2022

- Begbies Traynor (Central) LLP's charging policy

To 8 September 2022, we have drawn the total sum of £81,955 on account of our remuneration, against total time costs of £111,950 incurred since the date of our appointment.

#### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the administration.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

The costs that were incurred from the date of our appointment to 9 March 2022 amount to £111,950. Details of the costs incurred during the period of this report are stated above.

The information provided in section 4 above relates to the work undertaken during the period of this report.

As can be seen from the information above, we have exceeded the limit of our previously approved estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. We will be seeking further approval following the increase to our estimate. The reasons why the estimate has been exceeded are as follows:

- We have undertaken additional work not envisaged at the time the fees estimate in dealing with creditors' claims and enquiries, as well as delays experienced with HMRC due to the Covid-19 pandemic.
- The previously approved fees estimate was based on charge out rates that were applied by our firm at the time the estimate was produced. With effect from 1 January 2022, the charge out rates of all grades of staff were increased (see Appendix 2). Our costs have exceeded our previous estimate, partly as a consequence of this increase.

In light of the above, we are obliged to provide the preferential creditors with details of the additional work that has been undertaken along with details of the cost of that additional work and to seek approval of our increased estimate from them. This information appears at Appendix 2. We do not anticipate that we will need to seek further approval following the proposed increase to our remuneration.

We are, therefore seeking preferential creditors' approval to increase our remuneration by a further £25,000 to £107,000 by way of a Decision Procedure via correspondence and a Notice providing further information about the decisions being sought by correspondence, together with a Voting Form, have been provided separately.

#### Category 1 Expenses

To 8 September 2022, we have also drawn expenses in the sum of £1,212.91.

#### Why have subcontractors been used?

The following subcontractors have been used during the course of the administration:

- Osborne Clarke LLP have been instructed to provide post appointment legal advice and to submit an application to Court with regards to extending the administration beyond 8 March 2022;
- ERA Solutions Limited have been instructed to deal with and agree the employees' preferential claims;

## Category 2 Expenses

Details of the Category 2 expenses that have been drawn since the necessary approval was obtained in the total sum of £2,313.30 are as follows:

Other amounts paid or payable to any party in which the office holder or his firm associate has an interest	
Type and purpose	Amount £
Eddisons Commercial Limited which is a member of the Begbies Traynor group, has provided marketing and sales advice. The purpose of obtaining such services was to achieve a sale of the Company's business and assets	2,000.00
Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case.	313.30
TOTAL	2,313.30

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

## 7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment, together with a table of future expenses to be incurred.

Expenses actually incurred compared to those that were anticipated

Creditors may recall that we estimated that the expenses of the administration would total £12,885. Unfortunately, the expenses that we have incurred have slightly exceeded that estimate and there will be further expenses to pay before the case concludes. The main reasons why the estimate has been exceeded are as follows:

- Eddisons Insurance Limited – as at the date of the administrators' fees estimate, the costs of the insurers fees were unknown, therefore no provision was put into the estimate.
- Osborne Clarke LLP – Legal fees increased due to additional time incurred with dealing with the stock held at the Clipper premises, together with making an application to Court in order to extend the Administration.
- Postworks – The postage has been exceeded, this is due to the additional notification sent as a result of seeking approval of the extension, together with notifying the creditors following approval.

## 8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

All known assets have now been realised and once we have received the final VAT, steps will be taken to make final distributions to the preferential creditors and proceed to close the administration.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

### Compliance with the Insolvency Act, Rules and best practice

As above, although there will be no direct financial benefit to the administration, insolvency legislation requires that the administrators carry out the following tasks, which primarily relate to the fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Statutory reports, to include progress reports to creditors;
- Ensure the case is adequately bonded and reviewed on a regular basis;
- Prepare VAT returns, together with CT returns for submission to HMRC;
- Prepare case reviews; and
- Closing preparation.

### Investigations

We have undertaken an assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company, together with potential recoveries for the estate. These investigations have been completed with the conclusion that no further action was required.

### Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to answer any queries which may be received.

As discussed above, there are sufficient funds available for a distribution to be paid to the preferential creditors, however the declaration and paying of the dividend had to be postponed due to the ongoing delays with HMRC, once this has been finalised, we will take the necessary steps to declare and pay the first and final dividend.

### Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The administrators will submit the final returns in order to account for the input and output VAT as appropriate and submit CT returns on an annual basis. In addition, the administrators will also seek tax clearance in order to close and submit the final returns to HMRC. Such tasks are not necessarily of financial benefit to the creditors but are a requirement of the Statutory Regulations / The Insolvency Act and Rules.

How much will this further work cost?

As can be seen above, there are additional elements of work which were not envisaged at the onset of my appointment, and which need to be carried out in order to complete my duties. The cost of the work is estimated to be £117,960 which we intend to cap at £107,000. As previously advised, we will need to seek creditor approval for the fair and reasonable increase of £25,000 to our remuneration. We do not anticipate that we will need to approach creditors for a further increase following this request unless circumstances greatly change.

## Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix 4.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £82,000, and subsequently preferential creditors provided approval for us to draw our remuneration up to that level.

We will be seeking approval from the preferential creditors in order to draw fees in excess of our initial fee estimate.

## 9. OTHER RELEVANT INFORMATION

### Report on Directors conduct

As detailed in our Statement of Proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

### Investigations completed and action taken

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. These investigations have been completed and it was concluded that no further action is required.

### Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold as part of the prepack on 9 March 2020:

Date of sale	Asset sold and nature transaction	Consideration paid	Name of Purchaser	Relationship with the Company
9 March 2020	Goodwill, Intellectual Property, Contracts, Licences and Equipment	Removal of an unsecured loan of £8.29m and secured loans of £5.25m	LRG Online Limited	An associated company with common directors

### Extension of administration

The administration period was extended with the consent of creditors for a period of 12 months until 8 March 2022 and for a further period of 12 months by order of the court until 8 March 2023.

### Proposed exit route from administration

#### Dissolution

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

#### Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## 10. CREDITORS' RIGHTS

#### Right to request further information

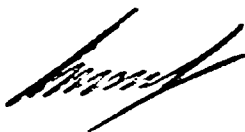
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

#### Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



P D Wood  
Joint Administrator

Dated: 29 September 2022

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 9 March 2022 to 8 September 2022

Statement of Affairs	From 09/03/2022 To 08/09/2022	From 09/03/2020 To 08/09/2022
£	£	£
ASSET REALISATIONS		
	Book Debts	NIL
		2,783.02
91,681.00	Cash at Bank	NIL
		91,681.44
6,100.00	Furniture & Equipment	NIL
		NIL
	Rent deposit	NIL
		2,669.82
Uncertain	Stock	NIL
		66,470.00
	Third Party funds received in error	NIL
		27,066.10
		<u>NIL</u>
		190,670.38
COST OF REALISATIONS		
	Administrators' Expenses	NIL
		1,212.91
	Administrators' Fees	NIL
		81,955.00
	Employee Agents	150.00
		1,080.00
	Insurance of Assets	NIL
		313.30
	Legal Fees & Expenses	NIL
		11,654.90
	Post Appointment Agents Fees	NIL
		2,000.00
	Pre Appointment Agents Disbursement	NIL
		245.00
	Pre Appointment Agents Fees	NIL
		1,755.00
	Pre-Appointment Administrators' Fees	NIL
		16,357.50
	Pre-Appointment Legal Fees	NIL
		16,750.00
	Third Party monies refunded	NIL
		27,066.10
		<u>(150.00)</u>
		(160,389.71)
		<u>(150.00)</u>
		<u>30,280.67</u>
REPRESENTED BY		
	Arbuthnot Latham & Co Account	17,003.16
	VAT Control Account	12,669.81
	VAT Receivable	607.70
		<u>30,280.67</u>



## COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 9 March 2022 to 8 September 2022; and
- c. Cumulative Time Costs Analysis for the period from 9 March 2020 to 8 September 2022.

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance\* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance\* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ☐ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
  - ☐ (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
  - ☐ (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

#### Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide asset valuations and disposal services. Their charges will be equivalent to 10% of asset realisations, plus expenses.

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The cost of insurance for the 3 month period immediately following appointment totalled £313.30.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

**BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Bristol office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Prior to 31 December 2021, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Cashier	140
Secretarial	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6 minute units.

SIP9 Secret Sales Ltd - Administration - 30SE296.ADM : Time Costs Analysis From 09/03/2022 To 08/09/2022

[illegible]

SIP9 Secret Sales Ltd - Administration - 30SE296.ADM : Time Costs Analysis From 09/03/2020 To 08/09/2022

[illegible]

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## PROPOSAL FOR JOINT LIQUIDATORS' REMUNERATION

- a. A fees estimate
- b. Details of the additional expenses that we consider will be or are likely to be incurred

# SECRET SALES LIMITED

## THE ADMISTRATORS' FEES ESTIMATE

Further to our appointment as liquidators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	61.80	20,086.00	325.02
Compliance with the Insolvency Act, Rules and best practice	101.30	34,000.50	335.64
Investigations	14.20	4,500.00	316.90
Realisation of assets	20.00	9,765.00	488.25
Dealing with all creditors' claims (including employees), correspondence and distributions	106.70	36,831.50	345.19
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	48.00	12,777.00	266.19
Total hours	352.00		
Total time costs		117,960	
Overall average hourly rate   £			335.11

What is the anticipated payment for administering the case?

Although the fees estimate indicates that the total time costs for this matter will be £117,960, as discussed, we are prepared to cap the time costs that we will draw to £107,000, this is a fair and reasonable increase in our remuneration due to the complexities of the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation within this fee estimate

Dated: 29 September 2022



## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Expenses paid by Begbies Traynor:				
Postage	Postworks	668.55	-	668.55
Storage	Restore	0.90	-	0.90
TOTAL		669.45	-	669.45

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Expenses paid by Begbies Traynor:				
Statutory advertising	The Stationery Office Limited	198.10	95.02	103.08
Postage	Postworks	1,598.05	927.89	670.16
Storage	Restore	2.16	-	2.16
Bond	Marsh Limited	190.00	190.00	-
Subtotal		1,988.31	1,212.91	775.40
Expenses paid by Joint Administrators:				
Legal fees	Osborne Clarke LLP	8,667.40	8,667.40	-
Agents fees	ERA Solutions Ltd	1,080.00	1,080.00	-
Subtotal		11,735.71	10,960.31	775.40
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Agents fees	Eddisons Commercial Limited	2,000.00	2,000.00	-
Insurance cover	Eddisons Insurance Services Limited	313.30	313.30	-
TOTAL		14,049.01	13,273.61	775.40

## ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Expenses payable by Begbies Traynor:		
Postage	Postworks	1,000.00
Storage Costs	Restore Limited	100.00