

AM23

Notice of move from administration to dissolution



Companies House

For further information, please
refer to our guidance at
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 Court details

Court name High Court of Justice, Business and Property Courts
in Bristol, Insolvency and Companies List (CHD)

Court number C R 2 0 2 0 - B R S 0 0 0 0 2 5

3 Administrator's name

Full forename(s) Paul

Surname Wood

4 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

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)	Simon Robert		① Other administrator Use this section to tell us about another administrator.
Surname	Haskew		
6		Administrator's address ②	
Building name/number	St James Court		② Other administrator Use this section to tell us about another administrator.
Street	St James Parade		
Post town	Bristol		
County/Region			
Postcode	B S 1 3 L H		
Country			
7		Final progress report	
		☒ I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature 		
Signature date	d 1 5 m 0 2 y 2 0 y 2 3		

**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 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

Paul Wood and Simon Robert Haskew 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.

Secret Sales Ltd (In Administration)

Final Progress Report of the joint administrators

Period: 9 September 2022 to 8 February 2023

Important Notice

This final 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", "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 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 Act.

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 Was 38-40 Commercial Road, London, E1 1LN

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of 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 appointment:	9 March 2020
Date of 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 September 2022 to 8 February 2023.

RECEIPTS

There have been no receipts received during the period, other than the VAT refund due from HM Revenue & Customs ("HMRC") as outlined in previous reports.

PAYMENTS

Administrators Fees & Expenses

Administrators' fees of in the sum £25,045 plus VAT and expenses of £799.35 plus VAT have been paid during the period. Further information is provided in Section 8.

Storage Costs

Restore plc have been paid £19.82 plus VAT in respect of the costs for the storage of books and records, together with the destruction costs following the elapsed retention period.

Sundry VAT

An amount of £8.62 of input VAT has been incurred, however as it is not cost effective to pursue a refund with HMRC, it has been determined that the amount will be written off.

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 3. 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

The administrators are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. Case planning is mandatory to ensure the orderly and efficient winding up of the insolvent estate. Case reviews have been carried out on a six monthly basis.

Time spent keeping the records in order is allocated to case administration and is necessary to ensure that we have complied with the Insolvency Act 1986.

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 be 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:

- Filing our progress reports with the Registrar of Companies;
- Ensuring the administrators' statutory specific bond is in place;
- Corresponding with government departments; and
- Preparation of the final progress report.

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 log claims received from creditors on to our system and to deal with any enquiries raised. We have also reviewed creditor claims received and declared a final distribution to the preferential creditors.

Other matters which includes seeking decision 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. As previously reported, during December 2021 a VAT refund was submitted to HMRC, however as a result of the Covid-19 pandemic we experienced long delays, which subsequently 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. The refund has since been received in this period.

Corporation Tax returns are filed annually and the final return has been filed accordingly.

There may not be any obvious financial benefit to creditors, however all work carried out is considered necessary for the administration and progression of the case.

5. OUTCOME FOR CREDITORS

Secured creditors

As outlined in previous reports, the secured creditors released their claims against the Company and have subsequently been settled in full.

Preferential creditors

A first and final dividend of 10.86 pence in the £1 to the preferential creditors was declared on 17 January 2023.

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

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

There have been insufficient realisations to pay a dividend to unsecured creditors.

Exit from administration

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our Proposals as approved by a decision of creditors via deemed consent procedure.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

- Liaised with solicitors in relation to the filing of our appointment in court;
- Completed the Sale of the Business and Assets.
- Liaised with our agents in relation to the sale of the Company's business and assets;
- Liaised with our solicitors in relation to the sale of the Company's business and assets;
- Arranged immediate insurance cover over the Company's assets;
- Appointment notification consisting of various statutory forms and letters;
- Notified our appointment to the Company's creditors; dealing with any questions raised by the creditors and dealing with queries and confirmations sought by credit insurers;
- Complied with statutory requirements by notifying the Registrar of Companies and advertising the appointment of administrators in the London Gazette;
- Case set-up and management actions, including the setting up of the insolvency website for the case documents, setting up electronic filing systems and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Notified the Company's former bankers and requesting that the Company's accounts be closed and that the funds are to be transferred to the administration account;
- Opened a dedicated administration bank account;
- Obtained such information as required from the Company and its officers, in order to report to the creditors, including requesting a statement of affairs;
- Corresponded with government departments in relation to VAT, PAYE and NIC and Corporation Tax;
- General banking and administration duties;
- Finalised investigations into the Company's affairs;
- Dealt with creditors' correspondence and enquiries
- Dealt with post appointment VAT and Corporation Tax returns;
- Performed ancillary statutory and regulatory duties;
- Reported to creditors, seeking approval of our proposals, obtaining our discharge together with seeking approval of the extension to the administration via the creditors and subsequently the Court;
- Distributions to the preferential creditors: and
- Preparation of the final report of the administration and sending Form AM23 to the Registrar to move the Company to Dissolution.

8. REMUNERATION & EXPENSES

Our remuneration was originally 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 original remuneration basis was increased by £25,000 by the approval of creditors which was obtained by correspondence. This makes the total amount of our approved remuneration £107,000.

Our time costs for the period from 9 September 2022 to 8 February 2023 amount to £3,703 which represents 59.9 hours at an average rate of £301.12 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 3:

- ❑ Time Costs Analysis for the period 9 September 2022 to 8 February 2023
- ❑ Begbies Traynor (Central) LLP's charging policy

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.

To 8 February 2023, we have drawn the total sum of £107,000 on account of our remuneration, against total time costs of £130,042 incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 2 for the period since our last progress report, note that our previous progress reports contained details of the time costs we had incurred as at the date of each report.

What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?

We estimated that the cost of administering the case would be in the region of £107,000, and subsequently you provided approval for us to draw our remuneration up to that level. We anticipated that the remuneration actually drawn would be in the region of £107,000 based on the value of assets to realise and the estimated costs to be discharged.

Details of what remuneration has been drawn is detailed above. All additional costs incurred over and above what has been approved are to be written off.

As can be seen from the information above, our increased remuneration basis has not been exceeded and therefore we are satisfied that our remuneration proposal did provide a fair and reasonable reflection of the work that has been carried out.

Category 1 Expenses

To 8 February 2023, we have also drawn expenses in the sum of £2,012.26.

Why have subcontractors been used?

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

- Eddisons Commercial Ltd were instructed to value and realise the chattel assets of the Company.
- Eddisons Insurance Services Ltd were instructed to provide insurance broking services;

- 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 Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

9. EXPENSES

A statement of the expenses incurred and discharged by us 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.

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 this. 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.

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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

12. OTHER RELEVANT INFORMATION

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold:

Date of sale	Asset sold and nature of 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

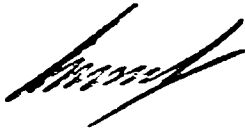
The administration period was extended with the consent of creditors for a period of 12 months until 8 March 2022 and for a further period of 12 months by order of the court until 8 March 2023.

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining 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.

13. CONCLUSION

As discussed above, our appointment as administrators will cease to have effect shortly and the Company will be dissolved three months later.

A handwritten signature in black ink, appearing to read 'P D Wood', with a stylized, sweeping flourish extending from the end.

P D Wood
Joint Administrator

Date: 15 February 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 9 September 2022 to 8 February 2023

Statement of Affairs £	From 09/09/2022 To 08/02/2023 £	From 09/03/2020 To 08/02/2023 £	
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
		NIL	190,670.38
COST OF REALISATIONS			
	Administrators' Expenses	799.35	2,012.26
	Administrators' Fees	25,045.00	107,000.00
	Employee Agents	NIL	1,080.00
	Insurance of Assets	NIL	313.30
	Irrecoverable VAT	8.62	8.62
	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
	Storage Costs	19.82	19.82
	Third Party monies refunded	NIL	27,066.10
		(25,872.79)	(186,262.50)
PREFERENTIAL CREDITORS			
	Employees re Arrears/Hol Pay	1,865.99	1,865.99
	PAYE/NIC deductions from pref divide	614.99	614.99
	RPO re Arrears/Holiday Pay	1,901.15	1,901.15
		(4,382.13)	(4,382.13)
		(30,254.92)	25.75
REPRESENTED BY			
	Arbuthnot Latham & Co Account		25.75
	Unpaid Liquidators		(5,771.93)
	Vat Control Account		5,771.93
			25.75

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended).

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

In order to achieve the first purpose of an administration specified in sub-paragraph 3.1(a), the administrators must be able to rescue the Company as a going concern. However, this was not achievable as the Company had significant unsecured creditor liabilities and therefore, a restructuring of these creditors would have been required to meet the first objective of an administration. Based on the available financial information, there was insufficient value in the Company's assets in order to affect a restructuring of the Company's considerable debt and it was concluded that the first option was not possible to achieve.

Looking at the likely outcome for creditors (including the employees) of the alternative option of immediate liquidation of the Company, it was considered that the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole (including the employees). We consider that this objective has largely already been achieved due to concluding the pre-packaged sale of the Company's business as detailed at Appendix 4. This has preserved the business and created continuity of employment for twenty five staff members.

However, in addition to the above, we anticipate that our objective may change to the objective specified in sub-paragraph 3(1)(c) namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole, creditors will be made aware of any changes.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's assets. The principal matters to deal with in this respect are:

- Dealing with the Company's stock held by an external third-party;
- Investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period three years before the date of our appointment, in relation to the management of the affairs of the Company and the cause of its failure;
- Undertake an assessment into the manner in which the business was conducted prior to the administration of the Company and establish any potential recoveries for the estate;
- Ensuring that any unresolved issues concerning the Company's affairs are concluded; and
- Obtaining the necessary clearances to conclude the administration.

Following these events, we propose to finalise distributions to the preferential creditors.

Exit from Administration

We confirm that there are no secured creditors in this matter and that it appears likely that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part¹.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Creditors' Voluntary Liquidation ("CVL")

In the event that we are of the opinion that a distribution will be made to the unsecured creditors of the Company, other than by virtue of the prescribed part, then the proposed exit route will be by CVL.

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 CVL to the Registrar of Companies. Upon the registration of such notice, our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Dissolution

If, however, it transpires that the Company has insufficient property to enable a distribution to be made to unsecured creditors; then, 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

¹ Insolvency Act 1986, Sch B1, para 83(1)

application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may, therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 9 September 2022 to 8 February 2023; and
- c. Cumulative Time Costs Analysis for the period from 9 March 2020 to 8 February 2023.

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 09/09/2022 To 08/02/2023

[illegible]

SIP9 Secret Sales Ltd - Administration - 30SE296.ADM : Time Costs Analysis From 01/01/2000 To 08/02/2023

[illegible]

STATEMENT OF EXPENSES FOR THE PERIOD

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	22.57	22.57	-
Storage	Restore	0.92	0.92	-
Subtotal		23.49	23.49	-
Expenses paid by Joint Administrators:				
Storage	Restore	19.82	19.82	-
Subtotal		43.31	43.31	-
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
None				

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	198.10	-
Postage	Postworks	1,620.62	1,620.62	-
Storage	Restore	3.54	3.54	-
Bond	Marsh Limited	190.00	190.00	-
Subtotal		2,012.26	2,012.26	-
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	-
Storage	Restore	19.82	19.82	
Subtotal				
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				