



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

### 1 Company details

Company number 0 6 8 4 9 8 8 8

Company name in full Bertram Trading Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Martin C

Surname Armstrong

### 3 Administrator's address

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 - 4 L A

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Andrew R

Surname Bailey

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 - 4 L A

Country United Kingdom

#### 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	9	m	1	m	2	y	2	y	0	y	2	y	1
To date	d	1	d	8	m	0	m	6	y	2	y	0	y	2	y	2

### 7 Progress report

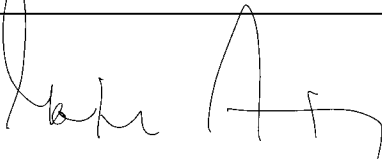
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date	d	1	d	4	m	0	m	7	y	2	y	0	y	2	y	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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**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**

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**Private and Confidential**

**TO ALL KNOWN MEMBERS AND CREDITORS**

Our ref

MCA/ARB/XB0309

Date

14<sup>th</sup> July 2022

Dear Sirs

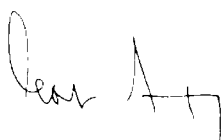
**Bertram Trading Limited t/as "Bertram Books" and "Bertram Library Services" ("the Company") – In Administration  
In the High Court of Justice CR-2020-002736**

This is my report on the progress of the Administration of the Company for the six-month period from 19<sup>th</sup> December 2021 to 18<sup>th</sup> June 2022. The report should be read in conjunction with my previous reports.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact this office by email at [bertram@turpinba.co.uk](mailto:bertram@turpinba.co.uk), or by phone on 0208 661 4019.

Finally, please note that the affairs, business, and property of the Company are being managed by the Joint Administrators, Martin Armstrong and Andrew Bailey. The Joint Administrators act as agents of the Company and contract without personal liability.

Yours faithfully



**Martin C Armstrong FCCA FABRP FIPA MBA FNARA  
Joint Administrator**

**Partners**

M.C. Armstrong FCCA FABRP FIPA MBA FNARA, D.C. Clark FCCA, J.E. Patchett FCCA FABRP, D.A. Payne BA (Hons) FCA,  
B.I. Suckling BSc (Hons) FCCA, M.C. Card IPFS Certs CIMA CP & ER, A.R. Bailey FABRP FIPA,  
S-J. Crean FCCA, R.A. Russell FABRP FIPA, K.M. Drake FABRP FIPA  
Consultant - A.W. Payne FFA FIPA FETA DipPFS CIMA CP

Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants  
M.C. Armstrong, J.E. Patchett and A.R. Bailey are licensed to act as Insolvency Practitioners in the United Kingdom  
by the Institute of Chartered Accountants in England and Wales.

turpin barker armstrong's privacy policy can be found on our website at <https://www.turpinbarkerarmstrong.co.uk/privacy.html>

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**BERTRAM TRADING LIMITED T/AS “BERTRAM BOOKS” AND “BERTRAM LIBRARY SERVICES” (“THE COMPANY”) – IN ADMINISTRATION**

**JOINT ADMINISTRATORS’ PROGRESS REPORT FOR THE SIX-MONTH PERIOD**

**FROM 19<sup>TH</sup> DECEMBER 2021 TO 18<sup>TH</sup> JUNE 2022**

For the purposes of this report, the following abbreviations shall be used:

“AFC”	Aurelius Finance Company Limited
“Barclays”	Barclays Bank plc
“BGL”	Bertram Group Limited (in Liquidation)
“BTL” or “the Company”	Bertram Trading Limited (in Administration)
“BNP”	BNP Paribas Commercial Finance Limited
“BNP Facility”	The agreement for the Discounting of Debts entered into with BNP
“Cerberus”	Cerberus Receivables Management Limited
“CJRS”	Coronavirus Job Retention Scheme
“CRS”	Charles Russell Speechlys LLP
“DBL”	Dawson Books Limited (in Administration)
“DSAR”	Data Subject Access Request
“EAAA”	East Anglian Air Ambulance Limited
“Erasmus”	Erasmus Antiquariaaten Boekhandel BV
“EUL”	Education Umbrella Limited (in Administration)
“Evolve”	Evolve IS Limited
“HMRC”	HM Revenue and Customs
“Houtschild”	Houtschild Internationale Boekhandel BV
“Katten”	Katten Muchin Rosenman UK LLP
“MBV”	Middleton Barton Asset Valuation Limited
“Natwest”	Natwest Bank Plc
“RBS”	Royal Bank of Scotland Plc
“RPS”	Redundancy Payments Service
“ROT”	Retention of Title
“Savills”	Savills (UK) Limited
“SIP14”	Statement of Insolvency Practice 14
“SOA”	The Directors’ Estimated Statement of Affairs as at 19 <sup>th</sup> June 2020
“the Group”	The Bertram Group of Companies (as per Group structure appended to Proposals)
“the Joint Administrators”	Martin C Armstrong and Andrew R Bailey of Turpin Barker Armstrong
“the Proposals”	The Joint Administrators’ Proposals delivered to creditors on 12 <sup>th</sup> August 2020
“TLG”	The Little Group Limited

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## **APPENDICES**

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**Appendix 2** A description of the routine work undertaken since the Joint Administrators' last report

**Appendix 3** Joint Administrators' receipts and payments account

**Appendix 4** A summary of the Joint Administrators' time costs in the Administration

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**Appendix 6** A comparison between the Joint Administrators' time costs and fee estimate

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## **1. EXECUTIVE SUMMARY**

### *Objective of the Administration*

- As Joint Administrators of the Company, Andrew Bailey and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation.
- As stated in the Proposals, the purpose of the Administration is to achieve objective (b) for the Company i.e., achieving a better result for creditors as a whole than would have been likely if the Company had been wound up (without first being in Administration). This has been achieved by the sale of the Company's assets shortly after appointment and by the assignment of the lease for the Warehouse Premises to TLG.

### *Progress of the Administration*

- Following appointment, the Company's tangible assets, consisting of plant and equipment and stock, and intangible assets (consisting of software and intellectual property) were sold to TLG on 6<sup>th</sup> July 2020 for £910,000.
- On the same date, the lease for the Warehouse Premises was assigned to TLG.
- The Joint Administrators have sought to realise and deal with the Company's remaining assets, including cash at bank, cash held in blocked accounts and book debts.
- The actions taken by the Joint Administrators in the reporting period are detailed later in this report.

### *Estimated outcome for creditors*

- In a prior reporting period, an interim fixed charge distribution of £3,050,000 was paid to AFC. It is anticipated that a further distribution will be made to AFC under the fixed and floating charges held.
- Preferential claims totalling £193,901.08 were paid in full in a prior reporting period.
- The Company's financial position means there are insufficient assets to enable a dividend to non-preferential unsecured creditors, other than by way of a distribution of the prescribed part of the net property. Based on current information, the estimated distribution to unsecured creditors pursuant to the prescribed part is now circa £175,869. It is anticipated that a notice of intended dividend will be issued to unsecured creditors no later than the end of July 2022.

## **2. STATUTORY INFORMATION**

Statutory information relating to the Company is attached at Appendix 1.

## **3. JOINT ADMINISTRATORS' ACTIONS SINCE LAST PROGRESS REPORT**

### **AFC**

AFC has a fixed and floating charge over the Company dated 9<sup>th</sup> August 2019, and Counsel's advice has confirmed this includes a valid fixed charge over the "blocked" accounts and book debts received both prior to and post-Administration which were historically subject to BNP's security (regardless which account they were paid into). Creditors should note that AFC also hold a fixed and floating charge over DBL and EUL.

The following work has been undertaken in respect of AFC's liability/security in the reporting period:

- Providing updates and estimated outcome statements to AFC.

### **Debt Collection**

In the reporting period Cerberus have continued to pursue the recovery of sums owed to the Company by its customers and it has been necessary to undertake the following work to assist with their efforts:

- Corresponding with debtors that contact the Joint Administrators directly.
- Liaising with Cerberus regarding debtor disputes and the process for dealing with the same.
- Liaising with Cerberus regarding settlement and repayment proposals from debtors.
- Reviewing collections reports from Cerberus.

### **Compensation on late payments**

Under the Late Payment of Commercial Debts Act, the Company is able to claim interest and penalties for invoices that were paid late by Local Authorities. In a prior reporting period, we instructed DELV Limited to act in this matter on our behalf. DELV Limited reviewed the Company's electronic records and issued claims on our behalf. Unfortunately, no recoveries were made and DELV have concluded their efforts.

The following work was undertaken in the reporting period in this regard:

- Liaising with DELV Limited regarding potential claims.
- Reviewing periodic updates from DELV Limited and dealing with queries.

### **Interchange fee claim**

We were contacted by CMSPI regarding potential interchange fee claims against Visa and Mastercard, following the Sainsbury's and AAM case at the UK Supreme Court. CMSPI are providing large merchants assistance with claims.

To establish whether any claim could be feasible, a typical three-month period was reviewed to establish what level of card revenue was received by BTL. The period reviewed was prior to the onset of the COVID-19 pandemic to give a more accurate level.

Unfortunately, BTL's level of card income fell well below CMSPI's threshold (circa £60m per annum). They therefore provided an alternative contact (Stewarts Law) to see whether they could act in this regard. Stewarts Law confirmed that, based on the level of card income, they would be unable to pursue any claims.

The Joint Administrators have reviewed the position to establish the level of potential claims and whether it is worth exploring whether any other third parties could advance these claims (albeit it is not guaranteed that anyone would be willing to at the level of BTL income).

After accounting for the costs associated with taking the action, along with the costs of keeping the Administration open to finalise proceedings, and the fact that card income likely dropped during the

pandemic meaning a reduction of claims, it was not considered to be in the creditors' interests to pursue this matter further. The potential (speculative) upside would not provide a material benefit to creditors, and it was anticipated that any realisations would be less than the associated costs.

### **CJRS funds**

As reported previously, a total sum of £130,862.16 (plus accrued interest) in respect of both EUL and BTL was held in a designated client account, separate to estate funds for PAYE/NIC due for April and May 2020 for furloughed staff which had been refunded to the Companies via the CJRS. Legal advice obtained previously confirmed that the funds are to be treated as an asset of the Company.

It was initially understood that it would be relatively simple to determine the appropriate split between the two estates but despite liaising with HMRC and conducting an extensive review of the Company's payroll records, it had not been possible to accurately calculate the split of funds between both BTL and EUL. As reported previously, as no split was capable of being determined, we instructed an independent third party, Kreston Reeves LLP, to assist in this regard.

Despite correspondence with Kreston Reeves, they had not provided their advice on the allocation of funds. In view of the EUL Administration being due to automatically end on 18<sup>th</sup> June 2022, it was therefore necessary to deal with this matter in the absence of their advice on the position.

On the basis that we have been unable to identify the split of funds after having made enquiries of HMRC and after reviewing the Company's payroll records, we have concluded that the funds be allocated to each estate based on the number of employees employed by each entity. It was not considered cost effective or in the interest of the creditors in each estate to continue to spend time either liaising with Kreston Reeves or reviewing the Companies' records to consider this matter further.

### **Extension of Administration**

I previously sought the consent of the secured creditor to extend the Administration to 18<sup>th</sup> June 2022. As there were still outstanding matters to conclude, I needed to extend the Administration of the Company for a further 12-month period, ending 18<sup>th</sup> June 2023. A further extension of the Administration was required to be requested by Court application. The following work was required to be done in the reporting period in this regard:

- Liaising with Katten regarding the Court application.
- Reviewing witness statement and other documentation relating to the application.
- Issuing formal notification of the extension to creditors and Companies House.

### **Routine statutory and compliance work**

In addition to the above work, there is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken in the reporting period is contained in Appendix 2.

## **4. RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 19<sup>th</sup> December 2021 to 18<sup>th</sup> June 2022 is attached

at Appendix 3. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

Since the reporting period end date, the following transactions have taken place through the estate:

Date	Receipt	Payment	Details
23/06/2022		£2,835.56	Storage costs (net of VAT)
24/06/2022	£5.89		Gross Bank Interest
05/07/2022		£1,392.50	Legal Fees (net of VAT)
05/07/2022	£69,215.18		Book Debts
05/07/2022		£5,191.14	Debt Collection costs (net of VAT)

Where indicated on the Receipts and Payments Account, funds are held in an interest-bearing estate bank account.

## 5. ASSETS

The following assets have been realised or otherwise dealt with in the reporting period. Creditors should refer to my prior progress reports for details of assets realised in prior reporting periods.

### Book Debts

According to the SOA, the Company had debts with a book value of £3,871,960. After making a provision for bad and aged debts and likely disputes, the directors estimated that £1,846,922 would be recoverable.

Excluding Amazon, which made up circa £700k of the SOA ledger, the ledger comprised a large number of accounts with relatively small balances owed by independent bookshops, universities, libraries, and schools. The BTL ledger included over 500 customers.

As detailed in the Proposals, the Company's credit control team were retained by the Joint Administrators up to 31<sup>st</sup> July 2020 to collect out the ledgers for BTL, DBL and EUL (as far as possible). With effect from 1<sup>st</sup> August 2020, Cerberus were instructed by the Joint Administrators to pursue the collection of the remaining debts (initially excluding Amazon). In view of the difficulties faced with collecting the balance due from Amazon, in a prior reporting period, the Joint Administrators instructed Cerberus to pursue the balance believed to be owing. A settlement was agreed in the sum of £63,307.15. However, the sum of £69,215.17 was received from Amazon (which was in excess of the settlement figure initially agreed).

Cerberus have collected the sum of £666,892.09 between their instruction and 18<sup>th</sup> June 2022, of which £69,215.17 was collected in the reporting period (these funds relate to the settlement from Amazon and were paid to the estate from Cerberus after the end of the reporting period and are not therefore shown in the attached Receipts and Payments Account). The majority of these funds were received via the Company's bank accounts and the BNP blocked accounts. These receipts were originally allocated to either 'book debts', 'cash at bank' or 'cash held in blocked accounts' on the Receipts and Payments account.

The Company had entered into the BNP Facility and the book debts subject to this facility were historically paid into "blocked accounts" held by them pursuant to the terms of their security. Whilst

the sums owing to BNP were discharged from receipts into these accounts and from the sale of overseas entities, Erasmus and Houtschild, with their charge over the Company being satisfied on 24<sup>th</sup> April 2020, the remaining charge holder, AFC have a fixed charge over book debts and blocked account monies.

The majority of debtor recoveries were channelled through the Company's existing bank accounts with Barclays, Natwest and BNP (until their closure) and were originally therefore comprised in the sums received in respect of 'cash at bank' and 'cash held in blocked accounts' on our Receipts and Payments account. The sums received have been reconciled to establish what elements comprised funded debts and non-funded debts. Again, as reported previously, Counsel's advice confirmed that AFC hold a fixed charge over funded debts.

During the reporting period, debtor receipts totalling £1,151.25 which had previously been categorised as fixed charge realisations were identified as non-funded debtors. These funds were therefore re-allocated (along with the associated debt collection costs), hence the negative entry for the net sum of £1,151.25 shown on the receipts and payments account for Book Debts.

Cerberus' collections have now concluded.

#### CJRS funds

As reported previously, a total sum of £130,862.16 (plus accrued interest) in respect of both EUL and BTL was held in a designated client account, separate to estate funds for PAYE/NIC due for April and May 2020 for furloughed staff which had been refunded to the Companies via the CJRS. Legal advice obtained previously confirmed that the funds are to be treated as an asset of the Company.

It was initially understood that it would be relatively simple to determine the appropriate split between the two estates but despite liaising with HMRC and conducting an extensive review of the Company's payroll records, it had not been possible to accurately calculate the split of funds between both BTL and EUL. As set out previously, as no split was capable of being determined, we instructed an independent third party, Kreston Reeves LLP, to assist in this regard.

Despite correspondence with Kreston Reeves, they had not provided their advice on the allocation of funds. In view of the EUL Administration being due to automatically end on 18<sup>th</sup> June 2022, it was therefore necessary to deal with this matter in the absence of their advice on the position.

On the basis that we have been unable to identify the split of funds after having made enquiries of HMRC and after reviewing the Company's payroll records, we have concluded that the funds be allocated to each estate based on the number of employees employed by each entity. It was not considered cost effective or in the interest of the creditors in each estate to continue to spend time either liaising with Kreston Reeves or reviewing the Companies' records to consider this matter further.

As such, the Company received the sum of £126,431.93 plus interest of £68.81 in the reporting period.

#### Contribution to Domain Charges

As previously reported, under the terms of the sale to TLG, the Joint Administrators were required to facilitate the domain names owned by BTL and DBL being maintained for a period of six months from completion (subject to any costs for doing so being met by TLG). The sum of £1,356.31 has been received from TLG in this regard.

### Dilapidations Settlement

Prior to appointment, the Company had engaged Savills to assist in negotiating settlement of some historic service charges and dilapidations due from RBS, a former sub-tenant of the Office Premises. The service charges of £97,377.41 were paid after appointment and are included in the figures for cash at bank. However, the dilapidations remained outstanding and a settlement of £87,720.88 had already been agreed in principle prior to Administration. As Savills had pre-existing knowledge of this matter, their services were retained by the Joint Administrators. On 2<sup>nd</sup> June 2021, and in a prior reporting period, a formal settlement which provides for the sum to be paid within 28 days of completion was agreed. However, this sum was not paid in accordance with the agreed terms and Savills have continued to pursue this on our behalf.

The sum of £87,720.88 was received in the reporting period. It appears that the delay was a result of RBS changing their managing agents around the time payment should have been made, resulting in it being overlooked.

### Gross Bank Interest

As previously stated, the principal estate bank account is interest-bearing. Gross bank interest totalling £1,147.76 has been received, of which £107.39 was received in the reporting period. This includes interest of £68.81 received on the CJRS funds.

### Late Payment Compensation

As set out previously, DELV Limited are pursuing compensation claims against Local Authorities on our behalf for invoices that were paid late. The sum of £30,112.80 has been recovered, of which £13,266.17 was received in the reporting period in this regard. No further recoveries are anticipated.

### Intercompany debts

The SOA included intercompany debts with a book value of £4,429,862. It was understood that these debts primarily relate to a sum of circa £3,000,000 due to the Company from EUL (which is also in Administration) and a legacy debt of circa £1,400,000 understood to be due from BGL.

As set out in my prior reports, the debt from EUL has been written off as there is no prospect of a return to unsecured creditors in the Administration. The legacy debt from BGL was estimated to be realised in full according to the SOA.

As previously reported, the Joint Administrators issued a demand to BGL for the sum due, however, a response was received from solicitors acting on behalf of BGL and separately, directly from the director of BGL, disputing the debt. BGL was placed into Creditors' Voluntary Liquidation on 4<sup>th</sup> June 2021, and I have submitted a claim of £1,408,763.53 in the liquidation on behalf of the Company. Dividend prospects in the liquidation of BGL are unfortunately understood to be relatively nominal.

## **6. LIABILITIES**

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies shows that the Company has granted the following outstanding charge:

<b>Persons entitled</b>	<b>Type of charge</b>	<b>Created</b>	<b>Delivered</b>
AFC	Fixed & floating charge	09/08/2019	13/08/2019

AFC previously advised that their indebtedness as at the date of Administration was £7,772,262.47. However, this reduced to £6,200,262.47 following receipt of further sums by AFC from other Group entities. An interim fixed charge distribution of £3,050,000 was paid to AFC in a prior reporting period. AFC also received interim fixed charge distributions totalling £625,000 from the Administrations of DBL and EUL.

#### Preferential Creditors

The only known preferential creditors were former employees of the Company for holiday pay. The SOA anticipated that £192,144 would be owed in this regard. The RPS' preferential claim is £138,601.03. Evolve was instructed to assist in calculating the employees' balancing preferential claims, which total £55,300.05. Accordingly, preferential claims total £193,901.08.

#### Crown Creditors

The SOA included £661,692 owed to HMRC in respect of unpaid PAYE/NIC. A claim in the sum of £2,059,481.50 was originally received from HMRC in respect of alleged outstanding VAT of £1,427,083 and PAYE/NIC of £632,398.52. As previously reported, HMRC have submitted a revised claim of £632,398.52 which relates solely to PAYE/NIC.

#### Non-preferential unsecured Creditors

The SOA included other non-preferential unsecured creditors totalling £26,691,273. This sum was net of ROT returns (calculated by the Directors as £5,631,608) and inclusive of sums owed to employees in respect of redundancy and pay in lieu of notice (estimated to be £2,894,268).

I have received claims from unsecured creditors totalling £26,134,284, whilst a significant number of creditors included in the SOA have not yet claimed.

Following my appointment, I received claims from former employees of the Company in respect of outstanding redundancy and pay in lieu of notice. These claims have been met by the RPS to the extent required. The RPS has submitted a claim of £2,024,584.90 in respect of sums paid by them, which is included in the total for unsecured claims provided above. Evolve is calculating employees' balancing unsecured claims.

Also included in the above total is a claim received from DBL for £1,378,927.15 which was based on DBL's records. This is lower than the sum included as owing to DBL in the SOA, which was £1,507,294.34. As we, as Joint Administrators of DBL, also prepared and lodged the claim of DBL, and in order to avoid any conflict of interest, I instructed Kreston Reeves LLP to review the claim submitted by DBL on our behalf. Kreston Reeves LLP reviewed the position and examined the electronic records and bank statements of the Company, along with the information provided in support of DBL's claim. Kreston Reeves LLP concluded that DBL's claim of £1,378,927.15 should be accepted and admitted in full for dividend purposes.

A proof of debt form is attached at Appendix 7. This should be completed and returned to the Joint Administrators' office (either by email or post) with supporting documentation in evidence of your claim. If you have previously submitted a proof of debt form, there is no requirement to submit a further form.

## 7. DIVIDEND PROSPECTS (AND ALLOCATION OF COSTS)

To comply with SIP14, costs are required to be apportioned between fixed, floating, and uncharged asset realisations. The allocation of costs to fixed charge asset realisations was subject to the approval of AFC as the fixed charge holder. Following receipt of legal advice confirming that AFC hold a valid fixed charge over the “blocked” accounts and book debts received which were historically subject to BNP’s security (regardless which account they were paid into), the Joint Administrators apportioned certain costs to fixed charge realisations as considered appropriate. This included all debt collection costs (and the BNP bank charge) on the basis that AFC hold a fixed charge over book debts and blocked account monies. In the reporting period, AFC provided their formal agreement to elements of other costs being allocated to fixed charge realisations and an apportionment/reallocation of funds was therefore undertaken (and is shown in the in the Receipts and Payments Account included with this report).

A summary of the apportionment/reallocation of funds agreed with AFC is as follows:

Cost type	% Reallocated to fixed charge	Total paid to 18/06/2022	Allocated to fixed charge realisations	Allocated to floating charge realisations
Joint Administrators’ Fees – Pre appt	10%	£150,000.00	£15,000.00	£135,000.00
Joint Administrators’ Fees – Post appt	25%	£841,460.00	£210,365.00	£631,095.00
Legal Fees – Pre Appt	10%	£81,777.69	£8,177.77	£73,599.92
Legal Fees – Post Appt (CRS)	10%	£98,847.10	£9,884.71	£88,962.39
Legal Fees – Post Appt (Katten)	10%	£167,358.41	£16,735.84	£150,622.57
Bank Transfer Fees	100%	£25.00	£25.00	Nil
BNP Bank Charge	100%	£1,500.00	£1,500.00	Nil
Debt Collection Costs	100% for funded debts	£44,825.78	£44,739.44	£86.34
Refund of duplicated debtor payment	100%	£6,367.50	£6,367.50	Nil
Payroll Costs	14%*	£1,855.06	£253.00	£1,602.06

*\*Being the % of staff retained post-Administration for credit control purposes.*

Any future sums paid in respect of the above cost types will be apportioned in the same way.

It should be noted that the above does not include a proportion of wages and salaries (including PAYE/NIC) which have been paid as this is yet to be calculated. An estimated provision for this sum was made prior to the interim fixed charge distribution made to AFC.

A summary of the dividend position based on current known information is as follows.

### Fixed charge creditors

On 26<sup>th</sup> August 2021 an interim fixed charge dividend of £3,050,000 was paid to AFC. This equated to 48.39p in the £ in respect of their agreed claim of £6,200,262.47. It is anticipated that a further fixed charge dividend will be paid to AFC shortly.



#### Preferential creditors

Preferential creditors totalling £193,901.08, consisting of the RPS and employees, were paid in full on 22<sup>nd</sup> April 2021.

#### Floating charge creditors

It is anticipated that floating charge distributions will be made to AFC in due course.

#### Unsecured creditors

No dividends have been paid to unsecured creditors to date. It is anticipated that notice of intended dividend will be issued to unsecured creditors by the end of July 2022.

As previously advised, the Company gave a floating charge to AFC on 9<sup>th</sup> August 2019 and the prescribed part provisions will apply. On the basis of realisations to date, and after taking into account the costs to date (and future estimated costs) of the Administration, the net property of the Company is estimated to be £864,344 and I estimate that the prescribed part of the net property for unsecured creditors is circa £175,869. In view of the level of unsecured claims, the dividend rate is anticipated to be less than 1p in the £.

### **8. INVESTIGATIONS**

The areas where I considered that further investigation was required (which had not previously been finalised), and which were not concluded in a prior reporting period, are as follows:

#### Payments made to Pinsent Masons

All payments made to Pinsent Masons prior to the Joint Administrators' appointment were considered to be appropriate and/or it would not be in creditors' interests to pursue further, and therefore no further action is required.

My investigations into the Company's affairs are therefore now complete.

### **9. PRE-ADMINISTRATION COSTS**

On 29<sup>th</sup> October 2020, the following pre-Administration costs were approved by the Creditors' Committee:

Description	Total approved	Paid in total	Paid in reporting period	Balance outstanding
Joint Administrators' Remuneration	£150,000.00	£150,000.00	Nil	Nil
Valuation Agents/Marketing	£163,600.40	£163,600.40	Nil	Nil
Legal Fees and Expenses	£81,777.69	£81,777.69	Nil	Nil
ERA Services	£618.00	£618.00	Nil	Nil
PR Services	£499.50	£499.50	Nil	Nil
<b>TOTAL</b>	<b>£396,495.59</b>	<b>£396,495.59</b>	<b>Nil</b>	<b>Nil</b>

These costs have been paid in full, in prior reporting periods, and as detailed in the attached receipts and payments account.

As set out previously, and as agreed with AFC, certain elements of the above costs have been apportioned to, and paid from, fixed charge realisations.

## **10. JOINT ADMINISTRATORS' REMUNERATION**

My remuneration was approved by the Creditors' Committee on a time cost basis based on a fee estimate of £603,890. This fee estimate was increased by approval of the Creditors' Committee to £858,410. The increased fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the Creditors' Committee.

My total time costs to 18<sup>th</sup> June 2022 amount to £854,802, representing 3,232.20 hours of work at a blended charge out rate of £264.46 per hour, of which £36,683.50 representing 103.50 hours of work, was charged in the period since 19<sup>th</sup> December 2021 at a blended charge out rate of £354.43 per hour.

I have drawn £841,460 to 18<sup>th</sup> June 2022, £342,008 of which was drawn in the period since 19<sup>th</sup> December 2021. As set out previously, and as agreed with AFC, 25% of these costs have been apportioned to, and paid from, fixed charge realisations.

A detailed schedule of my time costs incurred to 18<sup>th</sup> June 2022 is attached as Appendix 4. In addition, a detailed schedule of my time costs incurred since 19<sup>th</sup> December 2021 is attached at Appendix 5. Furthermore, a comparison of these costs with my agreed increased fees estimate for the Administration is attached as Appendix 6. This also includes comments where the actual blended charge out rate incurred is higher than that anticipated for each category of work, however, the overall blended rate is only slightly higher than that estimated when providing my revised fee estimate to creditors, which was £219.49. This is as a result of the requirement for a higher level of staff being required to deal with certain matters in the Administration.

As at 18<sup>th</sup> June 2022 then as you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have not yet exceeded the total estimated remuneration I set out in my increased fees estimate when my remuneration was authorised by the Committee. However, I anticipate that my total costs will exceed the increased fees estimate for the following reasons:

- In view of certain matters not being dealt with prior to the automatic end of Administration on 18<sup>th</sup> June 2022, it was necessary to make an application to court to extend the Administration for one year. The Administration is now due to automatically end on 18<sup>th</sup> June 2023. My increased fees estimate did not anticipate it being necessary to extend the Administration beyond 18<sup>th</sup> June 2022.
- Additional time has been spent reviewing the potential interchange fee claim. This work was not envisaged when my increased fees estimate was agreed by the Committee.
- Due to the number/level of disputes from debtors, it took longer than initially anticipated for Cerberus to collect the ledger and it was therefore necessary to continue to engage with them during an extended period. Their work has recently concluded.
- Furthermore, whilst not envisaged at the outset, a number of debtors have contacted the Joint Administrators directly for a number of reasons including i) to verify Cerberus' involvement, ii)

to make payment directly to the Joint Administrators (rather than to Cerberus) and iii) to raise disputes.

- Under the Late Payment of Commercial Debts Act the Company is able to claim interest and penalties for invoices that were paid late by Local Authorities. We instructed DELV Limited to act in this matter on our behalf. The following work was undertaken in this regard (which was not originally anticipated in my increased fee estimate):
  - Liaising with and instructing DELV Limited regarding potential claims.
  - Extracting and providing electronic records to DELV Limited.
  - Reviewing periodic updates from DELV Limited and dealing with queries.

Despite my total time costs being likely to exceed my increased fees estimate, I do not propose to seek approval to increase my fees estimate further.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. There are different versions of these Guidance Notes, and you should refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 8.

## 11. JOINT ADMINISTRATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

A summary of the expenses I estimated I would incur when my remuneration was authorised by the Creditors' Committee, in addition to the actual expenses incurred and paid up to 18<sup>th</sup> June 2022 (and in the period since 19<sup>th</sup> December 2021), are as follows:

Type of expense	Estimated expense	Incurred to 18/06/2022	Paid to 18/06/2022	Incurred in the reporting period	Paid in the reporting period
	£	£	£	£	£
Specific Bond	720.00	720.00	720.00	Nil	Nil
Statutory Advertising	300.00	284.58	284.58	Nil	Nil

Postage	3,000.00	744.98	744.98	Nil	Nil
Mail Redirection	216.00	Nil	Nil	Nil	Nil
Insurance	4,500.00	4,363.51	4,363.51	Nil	Nil
Conference call costs	2,000.00	1,936.88	1,936.88	Nil	Nil
Rent	40,390.00	40,929.30	40,929.30	Nil	Nil
Property Expenses	10,000.00	33,960.19	33,960.19	Nil	Nil
Employees' wages & PAYE/NIC	137,087.00	137,086.22	137,086.22	Nil	Nil
Courier Costs	Nil	180.00	180.00	Nil	Nil
Postage, Packaging & Pallet costs	5,000.00	5,031.69	5,031.69	Nil	Nil
Plant/Vehicle Hire	1,432.00	1,431.46	1,431.46	Nil	Nil
Security costs	7,392.00	7,448.79	7,448.79	Nil	Nil
Waste removal	176.00	175.69	175.69	Nil	Nil
Data extraction costs	550.00	550.00	550.00	Nil	Nil
Payroll software costs	5,000.00	1,855.06	1,855.06	Nil	Nil
Agents' Fees - MBV	180,000.00	174,395.74	172,945.74	Nil	Nil
Agents' Fees – DELV Ltd	Nil	6,027.83	6,027.83	1,816.17	6,027.83
Legal Fees - CRS	100,000.00	100,702.60	98,847.10	Nil	Nil
Legal Fees - Katten	50,000.00	184,189.94	167,358.41	34,595.99	5,358.00
Legal Fees – Irwin Mitchell	Nil	500.00	500.00	Nil	Nil
IT consultancy fees	5,000.00	4,567.61	4,567.61	Nil	Nil
Tax advice/accountancy services	5,000.00	4,500.00	2,500.00	2,000.00	Nil
Property services	Nil	3,900.00	3,900.00	Nil	3,900.00
Debt collection agents	73,877.00	50,016.92	44,825.78	5,191.14	Nil
Storage costs	28,776.50	18,250.54	18,250.54	Nil	2,835.56
ERA Agents' Fees	26,707.00	19,817.00	19,817.00	Nil	Nil
Pension Agents' Fees	450.00	450.00	450.00	Nil	Nil
PR Services	945.00	610.50	610.50	Nil	Nil
Data hosting services – Blue Chip	40,000.00	14,627.00	14,627.00	Nil	Nil
Internet supply – Virgin Media	6,950.00	Nil*	Nil	Nil	Nil
IT costs - Office 365 Exchange	Nil	4,705.04	4,705.04	Nil	Nil
Bank charges – BNP blocked account	Nil	1,500.00	1,500.00	Nil	Nil
Domain charges	Nil	1,356.31	1,356.31	193.26	1,356.31
<b>TOTAL</b>	<b>735,468.50</b>	<b>826,815.38</b>	<b>799,487.21</b>	<b>43,796.56</b>	<b>19,477.70</b>

*\*It was originally anticipated that circa £6,950 would be payable to Virgin Media for the provision of internet services post-Administration, however, on the basis that no invoice has been received to date, it is not anticipated that any charges will be levied in this regard.*

The costs included in the above table represent the accrued costs in the Administration (and reporting period), notwithstanding that they may not yet have been invoiced as certain work is ongoing.

A regulatory change to the classification of expenses was brought into effect on 1<sup>st</sup> April 2021. Payments made to associates, which have been newly classified as category 2 expenses, prior to 1<sup>st</sup> April 2021 do not require retrospective approval. At the date of payment of the expenses in this case, all of the expenses incurred were deemed to be category 1 expenses. No category 2 expenses have therefore been incurred.

I have used the following agents or professional advisors in the reporting period:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
Katten	Solicitors	Time costs + disbursements
Cerberus	Debt collection	Percentage of realisations
DELV Ltd	Recovery of compensation for late payments	Percentage of realisations
Buzzacott	Tax advice	Time costs

#### Katten

Katten were instructed to assist the Joint Administrators in making an application to Court for the extension of the Administration in accordance with Insolvency Legislation. The work undertaken by Katten in the reporting period in this regard comprises the following:

- Preparing the administration extension application: drafting application notice, draft order, witness statement of Martin Armstrong.
- Compiling documents to exhibit with application (including appointment documents, previous extension documents, consents, Joint Administrators' proposals, and progress reports.
- Correspondence with Joint Administrators regarding the application and amending application documents as appropriate.
- Filing application and relevant correspondence with Court.
- Review of Court Order.
- Preparing second witness statement to file further evidence.
- Instructing counsel to attend hearing.
- Preparing hearing bundle.
- Review of counsel's skeleton for hearing and providing comments.
- Correspondence and calls with counsel.
- Attending hearing, updating Joint Administrators, and circulating final Order.

#### Cerberus

Cerberus were engaged to pursue recovery of the Company's debtor ledger with effect from 1<sup>st</sup> August 2020. The work undertaken by Cerberus in the reporting period includes the following:

- Liaising with the Joint Administrators' office regarding the collectability of the ledger.
- Corresponding with debtors.

- Reporting to the Joint Administrators.

Cerberus were initially remunerated at a rate of 5% of collections received on or after 1<sup>st</sup> August 2020. This fee was subsequently increased to a new increased rate of 7.5% of all collections, including the Amazon debt (with the agreement of AFC).

#### DELV Limited

DELV Limited continued to pursue compensation claims for late payments from Local Authorities and were to be remunerated at a rate of 25% of collections. The work undertaken by DELV Limited in the reporting period comprises the following:

- Liaising with the Joint Administrators regarding potential claims.
- Issuing claims to Local Authorities and subsequent correspondence in this regard.
- Providing updates on claims to the Joint Administrators.

#### Buzzacott

Buzzacott LLP are instructed to provide tax advice to the Joint Administrators and assist in finalising the Company's post Administration tax returns. The work undertaken in the reporting period relates to finalising the tax computations and returns for the period ending 18<sup>th</sup> June 2021 and submitting these to HMRC.

The costs for the above work were accrued in the reporting period (as shown in the expenses table), however, their invoice was received outside of the reporting period.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

As at 18<sup>th</sup> June 2022 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the Creditors' Committee. The reasons I have exceeded the fee estimate are as follows:

- Within the estimate of expenses initially provided to creditors within the Proposals, an estimate for business rates due for the period of occupation of the trading premises was omitted. The sum due for rates was £21,938.85. This has therefore meant that the property expenses accrued exceeded the initial estimate of £10,000.
- Katten's costs have exceeded the initial estimate of £50,000 as a result of significant additional unforeseen work that has been required in relation to dealing with TLG and ROT claims, dealing with a DSAR, instructing counsel to provide advice on AFC's security (at the request of the Creditors' Committee) and advising on a number of other ad hoc matters.
- An additional cost was incurred for the operation of the Office 365 exchange for the period of occupation of the trading premises.
- BNP charged the Joint Administrators a fee of £1,500 plus VAT for the costs of maintaining the blocked bank accounts.
- Courier costs were unexpectedly required to collect Company property from a former employee.
- The costs charged by DELV Ltd in relation to the late payment compensation claims were not

foreseen as we were not made aware of these potential claims until after our remuneration was approved. In any event, DELV Ltd are remunerated on a success-based percentage and therefore there is a direct net benefit to creditors in these costs being incurred.

#### Other payments

In addition to the expenses set out in the table provided, the following sums have been paid:

#### *Repayment of third-party funds - £6,367.50*

It transpired that a debtor had made a duplicated payment to the "blocked account" held by BNP. As the customer required the repayment of funds urgently and BNP could not facilitate the repayment to the customer directly, the Joint Administrators reimbursed the customer from administration estate funds. These funds have since been reallocated to fixed charge costs.

#### *Rent – Block C - £50,928.87 (all paid in prior reporting periods)*

This relates to the onward transmission of rent received from the sub-tenant, EAAA, to the landlord.

## **12. FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

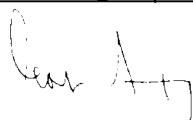
An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found in our Provision of Services Regulation Summary Sheet which can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

## **13. SUMMARY**

The Administration will remain open until all matters mentioned in this report have been finalised. It is anticipated that a notice of intended dividend will be issued to unsecured creditors by no later than the end of July 2022 and I estimate that the Administration will close in around 6 – 9 months.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact this office by email at [bertram@turpinba.co.uk](mailto:bertram@turpinba.co.uk), or by phone on 0208 661 4019.



**Martin C Armstrong FCCA FABRP FIPA MBA FNARA**  
**Joint Administrator**

The affairs, business and property of the Company are being managed by the Joint Administrators, Martin Armstrong and Andrew Bailey. The Joint Administrators act as agents of the Company and contract without personal liability.



**APPENDIX 1**  
**STATUTORY INFORMATION**

## **APPENDIX 1 - STATUTORY INFORMATION**

### **Company Information**

Company name:	Bertram Trading Limited
Formerly known as:	Smiths News 2009 Limited
Trading name:	Bertram Books and Bertram Library Services
Company number:	06849888
Date of incorporation:	17 <sup>th</sup> March 2009
Trading address:	1 Broadland Business Park, Norwich, Norfolk NR7 0WF
Current registered office:	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Former registered office:	1 Broadland Business Park, Norwich, Norfolk NR7 0WF
Principal trading activity:	Wholesaler of books

### **Appointment Details**

Joint Administrators:	Martin C Armstrong Andrew R Bailey
Joint Administrators' address:	Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA
Date of appointment:	19 <sup>th</sup> June 2020
Court name and reference:	High Court of Justice CR-2020-002736
Appointment made by:	The directors
Actions of Administrators:	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.
Extension of Administration:	A Court Order made on 14 <sup>th</sup> June 2022, extended the Administration of the Company for a period of 12 months, such that the Administration will now automatically end on 18 <sup>th</sup> June 2023.

## **APPENDIX 2**

### **ROUTINE WORK UNDERTAKEN SINCE LAST PROGRESS REPORT**

## **Appendix 2 - Routine work undertaken since last progress report**

### **1. Administration**

This represents the work involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders (and their managers). It does not give direct financial benefit to the creditors but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holders' estate bank account.
- Maintaining and managing the office holders' cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### **2. Creditors**

Claims of creditors - the office holders need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory functions.

Dividends - the office holders have to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Providing updates to AFC.
- Preparing estimated outcome statements.
- Calculating and paying an interim fixed charge dividend to AFC.
- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.

### **APPENDIX 3**

#### **JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

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

Statement of Affairs £		From 19/12/2021 To 18/06/2022 £	From 19/06/2020 To 18/06/2022 £
	<b>FIXED CHARGE ASSETS</b>		
1,846,922.00	Book Debts	(1,151.25)	525,787.98
1,934,294.00	Cash held in blocked bank accounts	NIL	2,912,623.82
40,000.00	Intangible Assets (Software & IP)	NIL	NIL
		(1,151.25)	3,438,411.80
	<b>FIXED CHARGE COSTS</b>		
	Joint Administrators' Fees - Pre-App	NIL	15,000.00
	Joint Administrators' Fees - Post-App	85,502.00	210,365.00
	Legal Fees & Expenses - Pre-App	NIL	8,177.77
	Legal Fees & Expenses - Post-App (C)	NIL	9,884.71
	Legal Fees & Expenses - Post-app (K)	1,053.30	16,735.84
	Bank transfer fees	NIL	25.00
	BNP bank charge	NIL	1,500.00
	Debt Collection Costs	(86.34)	44,739.44
	Refund of duplicated debtor payment	NIL	6,367.50
	Payroll Costs	NIL	253.00
		(86,468.96)	(313,048.26)
	<b>FIXED CHARGE CREDITORS</b>		
(7,772,262.00)	AFC Limited (Group Liability)	NIL	3,050,000.00
		NIL	(3,050,000.00)
	<b>ASSET REALISATIONS</b>		
	Book debts - non-funded	1,151.25	1,151.25
1,847,365.00	Cash at Bank	NIL	1,660,121.45
	CJRS funds	126,431.93	126,431.93
	Contribution to costs (Wordery)	NIL	1,000.00
	Contribution to Domain Charges	1,356.31	1,356.31
	Dilapidations Settlement	87,720.88	87,720.88
	Gross Bank Interest	107.39	1,147.76
Uncertain	HMRC VAT refund	NIL	NIL
	Insurance Refund	NIL	6,194.30
	Intangible assets (Software & IP)	NIL	40,000.00
1,400,000.00	Intercompany debts	NIL	NIL
	Late Payment Compensation	13,266.17	30,112.80
435,000.00	Net Stock	NIL	435,000.00
NIL	Prepayments & other receivables	NIL	2,396.73
435,000.00	Property, Plant and Equipment	NIL	435,000.00
	Rent (inc service charges & insurance)	NIL	57,942.25
	Sale of returned stock	NIL	13,200.00
	Tax Refund	NIL	978.22
		230,033.93	2,899,753.88
	<b>COST OF REALISATIONS</b>		
	Agents' Fees - Post-App (DELV Ltd)	6,027.83	6,027.83
	Agents' Fees & Expenses - Post-App	NIL	172,945.74
	Agents' Fees & Expenses - Pre-App	NIL	163,600.40
	Legal Fees - Post-App (Irwin Mitchell)	NIL	500.00
	Legal Fees & Expenses - Post-App (C)	NIL	88,962.39
	Legal Fees & Expenses - Post-app (K)	4,304.70	150,622.57
	Legal Fees & Expenses - Pre-App	NIL	73,599.92
	Property Agents' Fees - Savills	3,900.00	3,900.00
		(14,232.53)	(660,158.85)
	<b>COST OF ADMINISTRATION</b>		
	Accountancy Fees - Kreston Reeves	NIL	2,500.00

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

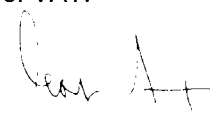
Statement of Affairs £	From 19/12/2021 To 18/06/2022 £	From 19/06/2020 To 18/06/2022 £	
	Bank charges	25.00	50.00
	Conference Call Charges	NIL	1,936.88
	Courier Costs	NIL	180.00
	Data extraction costs	NIL	550.00
	Data hosting services	NIL	14,627.00
	Debt Collection costs	86.34	86.34
	Domain Charges	1,356.31	1,356.31
	Employee Childcare Vouchers	NIL	288.40
	Employee healthcare	NIL	211.62
	ERA Agents' Fees - Post-App	NIL	19,817.00
	ERA Agents' Fees - Pre-App	NIL	618.00
	Insurance of Assets	NIL	4,363.51
	IT Consultancy Fees	NIL	4,567.61
	IT costs	NIL	4,705.04
	Joint Administrators' Fees - Post-App	256,506.00	631,095.00
	Joint Administrators' Fees - Pre-App	NIL	135,000.00
	PAYE & NIC	NIL	50,005.05
	Payroll Costs	NIL	1,602.06
	Pension Agents' Fees	NIL	450.00
	Plant/Vehicle Hire	NIL	1,431.46
	Postage	NIL	744.98
	Postage, Packaging and Pallet costs	NIL	5,031.69
	PR Agency Fees - Post-App	NIL	610.50
	PR Agency Fees - Pre-App	NIL	499.50
	Property Expenses	NIL	7,360.05
	Property Expenses - Block C	NIL	4,661.29
	Rates	NIL	21,938.85
	Records Management & Storage	2,835.56	18,250.54
	Rent - Block C (paid to landlord)	NIL	50,928.87
	Rent (inc service charges & insurance)	NIL	40,929.30
	Security Costs	NIL	6,958.68
	Security Costs - Block C	NIL	490.11
	Specific Bond	NIL	720.00
	Statutory Advertising	NIL	284.58
	Wages & Salaries (inc pension)	NIL	86,581.15
	Waste Removal	NIL	175.69
		(260,809.21)	(1,121,607.06)
	PREFERENTIAL CREDITORS		
	Department of Employment	NIL	138,601.03
(192,144.00)	Employees' Holiday Pay (293/392)	NIL	41,605.25
	HMRC - PAYE/NIC	NIL	13,694.80
		NIL	(193,901.08)
	UNSECURED CREDITORS		
(115,836.00)	Accruals	NIL	NIL
(2,894,268.00)	Employees (PILON 392 & Redundancy	NIL	NIL
(661,692.00)	HM Revenue & Customs	NIL	NIL
(1,717,705.00)	Intercompany	NIL	NIL
(1,840,764.00)	Non-trade Creditors	NIL	NIL
5,631,608.00	Retention of Title claims	NIL	NIL
(25,092,616.00)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,000,001.00)	Ordinary Shareholders	NIL	NIL

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

Statement of Affairs £	From 19/12/2021 To 18/06/2022 £	From 19/06/2020 To 18/06/2022 £
	NIL	NIL
(27,717,099.00)	(132,628.02)	999,450.43
REPRESENTED BY		
Bank - Interest Bearing		692,545.04
Fixed charge a/c:Non-Interest Bearing		29,202.12
Input VAT		383,908.42
Output VAT		(106,205.15)
		999,450.43

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.



Martin C Armstrong FCCA FABRP FIPA  
Joint Administrator



## **APPENDIX 4**

### **A SUMMARY OF THE JOINT ADMINISTRATORS' TIME COSTS IN THE ADMINISTRATION**

Time Entry - Detailed SIP9 Time & Cost Summary

XB0309 - Bertram Trading Limited  
To: 18/06/2022  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	67.30	26.30	0.00	79.80	173.40	50,756.50	292.71
504 : Statutory Reporting to Creditors	50.60	56.00	7.70	10.90	125.20	49,193.50	392.92
603 : Statutory filing	4.80	11.10	0.00	8.10	24.00	7,129.00	297.04
604 : Appointment notification	0.60	2.20	0.30	4.90	8.00	1,317.00	164.63
605 : Case review	11.20	5.80	0.00	1.20	18.20	7,782.00	427.58
606 : MLR/Ethics/Bribery checklists	1.40	1.10	0.00	0.00	2.50	1,187.00	474.80
607 : Post-appointment VAT/CT returns	5.10	1.50	0.00	0.80	7.40	3,154.00	426.22
608 : Pension matters	0.00	4.10	0.00	0.00	4.10	1,435.00	350.00
609 : Administrative set up	0.00	0.00	0.00	0.60	0.60	60.00	100.00
611 : Maintenance of case files/records	0.30	2.30	0.70	20.70	24.00	2,374.50	98.94
701 : Strategy (incl Sales)	0.00	20.40	0.00	0.00	20.40	7,100.00	348.04
508 : Convening & holding meetings of creditors	3.70	2.40	0.00	6.10	12.20	3,041.50	498.61
510 : Convening decision procedures	0.20	19.10	0.00	0.00	19.30	6,780.00	351.30
600 : Administration	5.50	60.90	0.10	149.90	216.40	33,674.50	155.61
Administration & Planning	150.70	213.20	8.80	276.90	649.60	174,984.50	269.37
601 : Case Specific 1	71.70	105.20	0.00	5.40	182.30	78,352.00	429.80
Case Specific Matters	71.70	105.20	0.00	5.40	182.30	78,352.00	429.80
509 : Onerous property	3.20	12.10	0.00	0.00	15.30	5,875.00	383.99
505 : Report / Secured Creditor	31.30	21.90	0.00	0.00	53.20	25,320.00	475.94
507 : Dividend distribution/adjudicating claims	10.20	6.20	0.00	425.70	442.10	42,419.00	95.95
403 : Ongoing Employee Issues	0.00	5.40	0.00	0.60	6.00	1,786.00	297.67
500 : Preferential Creditors	1.50	4.40	0.80	13.00	19.70	3,009.00	152.74
501 : Unsecured Creditors	36.60	216.70	0.00	226.20	479.50	101,391.50	211.45
502 : Employee Matters	12.10	47.80	0.00	59.70	119.60	25,136.50	210.17
503 : Committee Report & Meeting	35.70	48.60	0.00	1.00	85.30	35,925.50	421.17
Creditors	130.60	363.10	0.80	726.20	1,220.70	240,862.50	197.32
201 : CDDA Reports	6.80	11.40	0.00	41.60	59.80	9,944.00	166.29
203 : Investigations (other)	29.00	135.60	4.10	34.40	203.10	63,220.50	311.28
204 : Reviewing/listing books and records	0.00	2.30	0.00	4.30	6.60	977.00	148.03
205 : Bank statement analysis	0.00	5.40	0.00	132.70	138.10	7,281.50	52.73
Investigations	35.80	154.70	4.10	213.00	407.60	81,423.00	199.76
300 : Ident / Securing & Insuring	0.00	4.80	0.50	0.20	5.50	1,795.50	326.45
301 : ROT	18.00	277.00	0.00	34.80	329.80	106,463.00	322.81
302 : Property	16.10	46.90	0.00	0.00	63.00	25,038.00	397.43
303 : Book Debts/retentions	45.30	105.00	0.00	1.50	151.80	60,223.50	396.73
304 : Plant & Machinery / Motor Vehicles	24.50	7.50	0.50	0.00	32.50	17,219.50	529.83
305 : Stock	2.10	15.20	0.00	3.10	20.40	6,677.50	327.33
306 : Other Assets	28.00	120.00	0.00	0.00	148.00	52,958.50	357.83
307 : Cash at bank	3.10	4.10	0.00	0.30	7.50	3,243.50	432.47
308 : Intangible assets/Goodwill/IP	4.00	5.90	0.00	0.00	9.90	4,445.00	448.99
202 : Pursuing Antecedent Transactions	0.00	3.60	0.00	0.00	3.60	1,116.00	310.00

# Time Entry - Detailed SIP9 Time & Cost Summary

XB0309 - Bertram Trading Limited  
To: 18/06/2022  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Realisation of Assets	141.10	590.00	1.00	39.90	772.00	279,180.00	361.63
Total Hours	529.90	1,426.20	14.70	1,261.40	3,232.20	854,802.00	264.46
Total Fees Claimed						841,460.00	

## **APPENDIX 5**

### **A SUMMARY OF THE JOINT ADMINISTRATORS' TIME COSTS IN THE REPORTING PERIOD**

Time Entry - Detailed SIP9 Time & Cost Summary

XB0309 - Bertram Trading Limited  
From: 19/12/2021 To: 18/06/2022  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	11.50	0.00	0.00	11.60	23.10	7,166.50	310.24
504 : Statutory Reporting to Creditors	17.30	0.10	1.80	0.00	19.20	9,624.00	501.25
600 : Administration	3.10	0.10	0.00	16.30	19.50	2,289.00	117.38
603 : Statutory filing	0.80	0.00	0.00	1.30	2.10	534.00	254.29
605 : Case review	1.70	0.00	0.00	0.00	1.70	807.50	475.00
607 : Post-appointment VAT/CT returns	4.10	0.00	0.00	0.50	4.60	2,103.50	457.28
Administration & Planning	38.50	0.20	1.80	29.70	70.20	22,524.50	320.86
601 : Case Specific 1	4.80	0.00	0.00	3.20	8.00	2,702.00	337.75
Case Specific Matters	4.80	0.00	0.00	3.20	8.00	2,702.00	337.75
505 : Report / Secured Creditor	2.90	0.00	0.00	0.00	2.90	1,411.50	486.72
507 : Dividend distribution/adjudicating claims	0.60	0.00	0.00	0.10	0.70	295.00	421.43
509 : Onerous property	1.00	0.00	0.00	0.00	1.00	475.00	475.00
501 : Unsecured Creditors	1.00	0.00	0.00	2.70	3.70	779.00	210.54
502 : Employee Matters	0.00	0.00	0.00	0.10	0.10	10.00	100.00
503 : Committee Report & Meeting	1.10	0.00	0.00	0.00	1.10	573.50	521.36
Creditors	6.60	0.00	0.00	2.90	9.50	3,544.00	373.05
203 : Investigations (other)	3.90	0.00	0.00	0.00	3.90	1,988.50	509.87
Investigations	3.90	0.00	0.00	0.00	3.90	1,988.50	509.87
301 : ROT	0.40	0.00	0.00	0.00	0.40	190.00	475.00
303 : Book Debts/retentions	5.70	0.00	0.00	0.00	5.70	2,945.50	516.75
306 : Other Assets	5.80	0.00	0.00	0.00	5.80	2,789.00	480.86
Realisation of Assets	11.90	0.00	0.00	0.00	11.90	5,924.50	497.86
Total Hours	65.70	0.20	1.80	35.80	103.50	36,683.50	354.43
Total Fees Claimed						345,008.00	

## **APPENDIX 6**

### **A COMPARISON BETWEEN THE JOINT ADMINISTRATORS' TIME COSTS AND FEE ESTIMATE**

Appendix 6 - Comparative fee estimate and time summary

	FEE ESTIMATE			REPORTING PERIOD (FROM 19 DECEMBER 2021 TO 18 JUNE 2022)			ADMINISTRATION (FROM 19 JUNE 2020 TO 18 JUNE 2022)			
Classification of Work Function	Fee Estimate £	Total hours of work	Blended Rate £	Time Costs incurred £	Total hours of work	Actual Blended Rate £	Time Costs incurred £	Total hours of work	Actual Blended Rate £	Reason blended rate has been/is likely to be exceeded
Administration & Planning	172,107.50	592.00	290.72	22,524.50	70.20	320.86	174,984.50	649.60	269.37	No comments - actual blended rate is lower than estimate.
Investigations	96,940.00	312.00	310.71	1,988.50	3.90	509.87	81,423.00	407.60	199.76	No comments - actual blended rate is lower than estimate.
Realisation of Assets	252,630.00	746.00	338.65	5,924.50	11.90	497.86	279,180.00	772.00	361.63	Higher level of staff required to deal with certain realisations (including Amazon and Wordery debts).
Creditors	252,445.00	2,014.50	125.31	3,544.00	9.50	373.05	240,862.50	1,220.70	197.32	Higher level of staff required to deal with certain claims/creditors and reporting to the Committee/AFC.
Case Specific Matters	84,287.50	246.50	341.94	2,702.00	8.00	337.75	78,352.00	182.30	429.80	Higher level of staff required to deal with Various case specific matters (including dealing with post-Administration supplies, IT/data issues, and furlough funds).
<b>Total</b>	<b>858,410.00</b>	<b>3,911.00</b>	<b>219.49</b>	<b>36,683.50</b>	<b>103.50</b>	<b>354.43</b>	<b>854,802.00</b>	<b>3,232.20</b>	<b>264.46</b>	Slightly higher blended rate a result of the requirement for higher level of staff being required to deal with certain matters in the Administration

**APPENDIX 7**

**PROOF OF DEBT FORM**



**Rule 14.4 The Insolvency (England and Wales) Rules 2016**

**Proof of Debt – General Form**

**IN THE**

**High Court of Justice**

**Number:**

**CR-2020-002736**

**Name of Company in Administration:**

**Bertram Trading Limited**

**Company Registration Number:**

**06849888**

**Date of Administration:**

**19<sup>th</sup> June 2020**

1 Name of creditor

(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)  
(include any Value Added Tax)

4 If amount in 3 above includes (£)  
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.  
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Admitted for dividend for

Amount (£)

Amount (£)

Date

Date

Martin C Armstrong FCCA FABRP FIPA MBA FNARA  
Joint Administrator

Martin C Armstrong FCCA FABRP FIPA MBA FNARA  
Joint Administrator

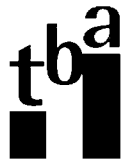
Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

**APPENDIX 8**

**PRACTICE FEE RECOVERY SHEET**



**turpin barker armstrong**

Accountants, Auditors and Business Advisors  
Corporate Recovery and Insolvency  
Wealth Management

## **PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG**

### Introduction

This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Alternatively, a hard copy may be requested from Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading.
- Case specific matters.

### Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

## Charge-out rates

Grade of staff	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2021 £	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2019 £	Charge-out rate per hour, effective from 1 <sup>st</sup> April 2017 £	Charge-out rate per hour, effective from 1 <sup>st</sup> April 2013 £
<b>Partner</b>				
Senior Partner	645.00	595.00	545.00	495.00
Partner	475.00	440.00	400.00	365.00
<b>Manager</b>				
Director	370.00	-	-	-
Manager	350.00	350.00	325.00	295.00
Assistant Manager	325.00	310.00	285.00	260.00
<b>Other Senior Professionals</b>				
Senior Administrator	310.00	290.00	265.00	240.00
<b>Assistants &amp; Support Staff</b>				
Administrator	260.00	240.00	220.00	200.00
Assistant Administrator	100.00	100.00	90.00	80.00
Junior Administrator	40.00	40.00	40.00	40.00

These charge-out rates charged are reviewed on 1<sup>st</sup> April each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time.

In cases where we were appointed prior to 1<sup>st</sup> October 2015, most of our fees are recovered on a time cost basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1<sup>st</sup> October 2015 and the basis of our post-appointment fees will be determined once we are aware of the full circumstances of the case and will be subject to approval.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

#### Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### Fixed Fee

The legislation allows fees to be charged at a set amount. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge, and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the

circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Administration and Planning (including statutory reporting) – staff costs.
- Realisation of Assets – staff costs.
- Investigations – staff costs.
- Creditors (claims and distributions) – staff costs.
- Trading – staff costs.
- Case specific matters – staff costs.

#### Mixed bases

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

#### Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### All fee bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire

(where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

Turpin Barker Armstrong does not propose to recover any Category 2 expenses that include an element of shared costs.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

#### Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report.



Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.