



For further information, please
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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 0	m 6	y 2	y 0	y 2	y 2
To date	d 1	d 8	m 1	m 2	y 2	y 0	y 2	y 2

7 Progress report

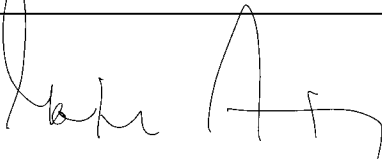
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	d 1	d 7	m 0	m 1	y 2	y 0	y 2	y 3
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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

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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

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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 19TH JUNE 2022 TO 18TH DECEMBER 2022

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

“AFC”	Aurelius Finance Company Limited
“BGL”	Bertram Group Limited (in Liquidation)
“BTL” or “the Company”	Bertram Trading Limited (in Administration)
“BNP”	BNP Paribas Commercial Finance Limited
“Cerberus”	Cerberus Receivables Management Limited
“CRS”	Charles Russell Speechlys LLP
“DBL”	Dawson Books Limited (in Administration)
“EUL”	Education Umbrella Limited (in Administration)
“Evolve”	Evolve IS Limited
“HMRC”	HM Revenue and Customs
“Katten”	Katten Muchin Rosenman UK LLP
“MBV”	Middleton Barton Asset Valuation Limited
“RPS”	Redundancy Payments Service
“ROT”	Retention of Title
“SIP14”	Statement of Insolvency Practice 14
“SOA”	The Directors’ Estimated Statement of Affairs as at 19 th June 2020
“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 th August 2020
“TLG”	The Little Group Limited

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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 6th 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. A further and final fixed charge distribution of £123,612.58 was made during the reporting period bringing total fixed charge distributions to £3,173,612.58.
- In addition, a first and final distribution will be made to AFC under their floating charge shortly.
- 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 circa £173,663. As advised later in this report, legal advice is currently being sought on the position regarding protective awards. Once resolved, a notice of intended dividend will be issued.

2. STATUTORY INFORMATION

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

3. JOINT ADMINISTRATORS' ACTIONS SINCE THE LAST PROGRESS REPORT

AFC

AFC has a fixed and floating charge over the Company dated 9th 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 (albeit the Administration of EUL has concluded).

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.
- Calculating and paying the final fixed charge distribution to AFC.

Debt Collection

Cerberus concluded their recovery of sums owed to the Company from customers in the prior reporting period, however, Cerberus accounted to the Company for the final sum held by them relating to the Amazon debt (net of their costs) in this reporting period.

Intercompany debts

The SOA included intercompany debts with a book value of £4,429,862. It was understood that these debts primarily related to a sum of circa £3,000,000 due to the Company from EUL 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 was written off as there was 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.

A claim in the sum of £1,408,763.53 was previously submitted in the liquidation of BGL (BGL having entered Creditors' Voluntary Liquidation on 4th June 2021). Dividend prospects in the liquidation of BGL are currently speculative due to uncertainty over HMRC's preferential claim in that liquidation.

The work undertaken in the reporting period relates to reviewing the potential outcome for the Company from BGL and liaising with the liquidator of BGL regarding the current status of the liquidation and dividend prospects.

Distribution to non-preferential creditors pursuant to the prescribed part

A notice of intended dividend was issued to unsecured creditors on 22nd August 2022 with a last date for proving of 21st September 2022. At the time of issuing the notice, a provision was made for protective awards relating to a tribunal hearing which was due to take place on 1st November 2022. Unfortunately, it was necessary to postpone the dividend to seek legal advice on the implications of the judgment for all employees. Once legal advice is obtained and the position is resolved, a further notice of intended dividend will be issued.

The following work has been undertaken in the reporting period in this regard:

- Reviewing the judgment from the Employment Tribunal.
- Corresponding with Evolve regarding the judgment and the implications of the same.
- Obtaining legal advice on the position.

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 19th June 2022 to 18th December 2022 (and for the period from 19 June 2020 to 18th December 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.

The balance of 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 31st July 2020 to collect out the ledgers for BTL, DBL and EUL (as far as possible). With effect from 1st 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 £69,215.18 was received from Amazon (which was in excess of the settlement figure initially agreed).

The sum of £69,215.18 was collected in the prior reporting period but was paid to the estate from Cerberus in this reporting period. Cerberus' collections were concluded in the prior 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 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 in a prior reporting period. A further £456.96 has been invoiced in the reporting period (with the same sum having been paid to CSC Global, the domain provider) and the Joint Administrators await payment from TLG.

Gross Bank Interest

As previously stated, the estate bank account is interest-bearing. Gross bank interest totalling £1,449.77 has been received, of which £302.01 was received in the reporting period.

Insurance Refund

The sum of £431.42 has been received from Aviva in respect of an insurance refund in the reporting period.

Intercompany Debt

As advised earlier in this report, a return from the liquidation of BGL is speculative although the Joint Administrators continue to monitor the position.

6. JOINT ADMINISTRATORS' REMUNERATION

My remuneration was originally 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 18th December 2022 amount to £904,206.50, representing 3,565.20 hours of work at a blended charge out rate of £253.62 per hour, of which £49,404.50 representing 333.00 hours of work, was charged in the period since 19th June 2022 at a blended charge out rate of £148.36 per hour.

I have drawn £841,460 to 18th December 2022, none of which was drawn in the period since 19th June 2022. 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 18th December 2022 is attached as Appendix 4. In addition, a detailed schedule of my time costs incurred since 19th June 2022 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 18th December 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 exceeded the total estimated remuneration I set out in my increased fees estimate when my remuneration was authorised by the Committee for the following reasons:

- In view of certain matters not being dealt with prior to the automatic end of Administration on 18th 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 18th June 2023. My increased fees estimate did not anticipate it being necessary to extend the Administration beyond 18th June 2022.
- Additional time has been spent reviewing the potential interchange fee claim (reported on previously). 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 now 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):
 - o Liaising with and instructing DELV Limited regarding potential claims.
 - o Extracting and providing electronic records to DELV Limited.
 - o Reviewing periodic updates from DELV Limited and dealing with queries.
- Postponing the final dividend to unsecured creditors pursuant to the prescribed part and obtaining legal advice on protective awards.

Despite my total time costs exceeding 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.

7. 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 18th December 2022 (and in the period since 19th June 2022), is below:

Type of expense	Estimated expense	Incurred to 18/12/2022	Paid to 18/12/2022	Incurred in the reporting period	Paid in the reporting period	Amount unpaid
	£	£	£	£	£	£
Specific Bond	720.00	720.00	720.00	Nil	Nil	Nil
Statutory Advertising	300.00	375.38	375.38	90.80	90.80	Nil
Postage	3,000.00	3,246.38	3,246.38	2,501.40	2,501.40	Nil
Mail Redirection	216.00	Nil	Nil	Nil	Nil	Nil
Insurance	4,500.00	4,363.51	4,363.51	Nil	Nil	Nil
Conference call costs	2,000.00	1,936.88	1,936.88	Nil	Nil	Nil
Rent	40,390.00	40,929.30	40,929.30	Nil	Nil	Nil
Property Expenses	10,000.00	33,960.19	33,960.19	Nil	Nil	Nil
Employees' wages & PAYE/NIC	137,087.00	137,086.22	137,086.22	Nil	Nil	Nil
Courier Costs	Nil	180.00	180.00	Nil	Nil	Nil
Postage, Packaging & Pallet costs	5,000.00	5,031.69	5,031.69	Nil	Nil	Nil
Plant/Vehicle Hire	1,432.00	1,431.46	1,431.46	Nil	Nil	Nil
Security costs	7,392.00	7,448.79	7,448.79	Nil	Nil	Nil
Waste removal	176.00	175.69	175.69	Nil	Nil	Nil
Data extraction costs	550.00	550.00	550.00	Nil	Nil	Nil
Payroll software costs	5,000.00	1,855.06	1,855.06	Nil	Nil	Nil
Agents' Fees – MBV	180,000.00	174,395.74	172,945.74	Nil	Nil	Nil*
Agents' Fees – DELV Ltd	Nil	6,027.83	6,027.83	Nil	Nil	Nil
Legal Fees – CRS	100,000.00	100,702.60	98,847.10	Nil	Nil	Nil*
Legal Fees - Katten	50,000.00	184,915.94	182,728.41	1,726.00	15,370.00	2,187.53
Legal Fees – Irwin Mitchell	Nil	500.00	500.00	Nil	Nil	Nil
IT consultancy fees	5,000.00	4,567.61	4,567.61	Nil	Nil	Nil
Tax advice/accountancy services	5,000.00	4,500.00	4,500.00	Nil	Nil	Nil
Property services	Nil	3,900.00	3,900.00	Nil	Nil	Nil
Debt collection agents	73,877.00	50,016.92	50,016.92	Nil	5,191.14	Nil
Storage costs	28,776.50	31,306.58	31,306.58	13,056.04	13,056.04	Nil
ERA Agents' Fees	26,707.00	19,817.00	19,817.00	Nil	Nil	Nil
Pension Agents' Fees	450.00	450.00	450.00	Nil	Nil	Nil
PR Services	945.00	610.50	610.50	Nil	Nil	Nil
Data hosting services – Blue Chip	40,000.00	14,627.00	14,627.00	Nil	Nil	Nil

Internet supply – Virgin Media	6,950.00	Nil**	Nil	Nil	Nil	Nil
IT costs - Office 365 Exchange	Nil	4,705.04	4,705.04	Nil	Nil	Nil
Bank charges – BNP blocked account	Nil	1,500.00	1,500.00	Nil	Nil	Nil
Domain charges	Nil	1,813.27	1,813.27	456.96	456.96	Nil
TOTAL	735,468.50	843,646.58	838,153.55	17,831.20	36,666.34	2,187.53

**It has been agreed that the unpaid costs for MBV and CRS will be written off.*

***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.*

No category 2 expenses have been incurred.

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

Professional Advisor	Nature of Work	Fee Arrangement
Katten	Solicitors	Time costs + disbursements
Cerberus	Debt Collection	Percentage of realisations

Since the last progress report, the above professional advisers/agents have undertaken the following work:

Katten

Katten have been providing advice to the Joint Administrators regarding the dividend to unsecured creditors in relation to the potential further protective award claimants.

Cerberus

Cerberus were engaged to pursue recovery of the Company's debtor ledger with effect from 1st August 2020. Whilst the only work undertaken by Cerberus in the reporting period related to accounting to the Company for the Amazon monies held, I have included them in the above table as their final costs were paid in the reporting period.

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

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. 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 and represents value for money.

8. 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:

Persons entitled	Type of charge	Created	Delivered
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. A further and final fixed charge distribution of £123,612.58 was paid on 18th August 2022, bringing total fixed charge distributions to £3,173,612.58.

AFC has also received fixed charge distributions 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 in a prior reporting period 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, following correspondence, 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 circa £26m, whilst a significant number of creditors included in the SOA have not yet claimed.

Included in the claims lodged by creditors are claims in euros and dollars. I have converted those claims into sterling at the following rates, being the XE mid-exchange-rate on the date the Company entered Administration:

£1: €1.1080

£1: \$1.2424

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.

9. 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 a prior 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 18/12/2022	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%	£182,728.41	£18,272.84	£164,455.57
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	£50,016.92	£49,930.58	£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
Wages & Salaries	N/A – fixed amount allocated	£86,581.15	£10,000.00	£76,581.15

**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.

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

Fixed charge creditors

On 26th 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. On 18th August 2022, a further and final fixed charge dividend of £123,612.58 was paid to AFC.

Preferential creditors

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

Floating charge creditors

It is anticipated that a first and final floating charge distribution will be made to AFC shortly (once the final prescribed part has been distributed). It is estimated that this will be circa £679,652.

Unsecured creditors

No dividends have been paid to unsecured creditors to date. However, as advised earlier in this report, a notice of intended dividend was issued to unsecured creditors on 22nd August 2022 with a last date for proving of 21st September 2022. Unfortunately, it was necessary to postpone the dividend to seek legal advice on the implications of an employment tribunal judgment for all employees. Once legal advice is obtained and the position is resolved, a further notice of intended dividend will be issued.

As previously advised, the Company gave a floating charge to AFC on 9th 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 £853,315 and I estimate that the prescribed part of the net property for unsecured creditors is circa £173,663. In view of the level of unsecured claims, the dividend rate is anticipated to be less than 1p in the £.

10. 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 Joint Administrators' remuneration and expenses within 21 days of their 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 of remuneration charged by the Joint Administrators as being excessive, and/or the basis of the Joint Administrators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

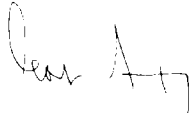
To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

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

11. SUMMARY

The Administration will remain open until all final distributions have been made and the Company's posy appointment VAT position has been finalised. I estimate that this will take approximately 4 months and once resolved the Administration will cease and my files will be closed.

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, or by phone on 0208 661 4019.

A handwritten signature in black ink, appearing to read 'Martin Armstrong', written in a cursive style.

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

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 th 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 th 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 th June 2022, extended the Administration of the Company for a period of 12 months, such that the Administration will now automatically end on 18 th June 2023.

APPENDIX 2

ROUTINE WORK UNDERTAKEN SINCE LAST PROGRESS REPORT

Appendix 2 - Routine work undertaken since the last 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.

- Internal calls/meetings with staff.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holders' estate bank accounts.
- Maintaining and managing the office holders' cashbook.
- Undertaking regular bank reconciliations of the bank accounts 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 a 6 monthly progress report to creditors and members.
- Filing progress reports at Companies House.
- Liaising with HMRC regarding the VAT Group, VAT deregistration and potential re-registration.
- Submitting relevant VAT forms to HMRC.
- Supervising the work of advisors instructed on the case to assist in dealing with Corporation Tax returns; obtaining updates from them on the work done; and checking the adequacy of the work done.

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.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Regular meetings with team dealing with creditor correspondence.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.

- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Issue creditors with a letter notifying them of the postponement of the dividend.

APPENDIX 3

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

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

Statement of Affairs £		From 19/06/2022 To 18/12/2022 £	From 19/06/2020 To 18/12/2022 £
	FIXED CHARGE ASSETS		
1,846,922.00	Book Debts	69,215.18	595,003.16
1,934,294.00	Cash held in blocked bank accounts	NIL	2,912,623.82
40,000.00	Intangible Assets (Software & IP)	NIL	NIL
		<u>69,215.18</u>	<u>3,507,626.98</u>
	FIXED CHARGE COSTS		
	Joint Administrators' Fees - Pre-App	NIL	15,000.00
	Joint Administrators' Fees - Post-App	NIL	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)	1,537.00	18,272.84
	Bank transfer fees	NIL	25.00
	BNP bank charge	NIL	1,500.00
	Debt Collection Costs	5,191.14	49,930.58
	Refund of duplicated debtor payment	NIL	6,367.50
	Wages & Salaries	10,000.00	10,000.00
	Payroll Costs	NIL	253.00
		<u>(16,728.14)</u>	<u>(329,776.40)</u>
(7,772,262.00)	FIXED CHARGE CREDITORS		
	AFC Limited (Group Liability)	123,612.58	3,173,612.58
		<u>(123,612.58)</u>	<u>(3,173,612.58)</u>
	ASSET REALISATIONS		
	Book debts - non-funded	NIL	1,151.25
1,847,365.00	Cash at Bank	NIL	1,660,121.45
	CJRS funds	NIL	126,431.93
	Contribution to costs (Wordery)	NIL	1,000.00
	Contribution to Domain Charges	NIL	1,356.31
	Dilapidations Settlement	NIL	87,720.88
	Gross Bank Interest	302.01	1,449.77
Uncertain	HMRC VAT refund	NIL	NIL
	Insurance Refund	431.42	6,625.72
	Intangible assets (Software & IP)	NIL	40,000.00
1,400,000.00	Intercompany debts	NIL	NIL
	Late Payment Compensation	NIL	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
		<u>733.43</u>	<u>2,900,487.31</u>
	COST OF REALISATIONS		
	Agents' Fees - Post-App (DELV Ltd)	NIL	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)	13,833.00	164,455.57
	Legal Fees & Expenses - Pre-App	NIL	73,599.92
	Property Agents' Fees - Savills	NIL	3,900.00
		<u>(13,833.00)</u>	<u>(673,991.85)</u>
	COST OF ADMINISTRATION		
	Accountancy Fees - Kreston Reeves	NIL	2,500.00

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

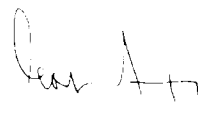
Statement of Affairs £	From 19/06/2022 To 18/12/2022 £	From 19/06/2020 To 18/12/2022 £
Bank charges	NIL	50.00
Conference Call Charges	NIL	1,936.88
Courier Costs	NIL	180.00
Data extraction costs	NIL	550.00
Data hosting services	NIL	14,627.00
Debt Collection costs	NIL	86.34
Domain Charges	456.96	1,813.27
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	NIL	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	2,501.40	3,246.38
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	13,056.04	31,306.58
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	90.80	375.38
Tax advice	2,000.00	2,000.00
Wages & Salaries (inc pension)	(10,000.00)	76,581.15
Waste Removal	NIL	175.69
	(8,105.20)	(1,129,712.26)
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

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

Statement of Affairs £		From 19/06/2022 To 18/12/2022 £	From 19/06/2020 To 18/12/2022 £
	DISTRIBUTIONS		
(1,000,001.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(27,717,099.00)		(92,330.31)	907,120.12
	REPRESENTED BY		
	Bank - Interest Bearing		621,703.38
	Input VAT		392,656.89
	Output VAT		(107,240.15)
			907,120.12

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
From: 19/06/2020 To: 18/12/2022
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	75.90	26.30	0.00	86.50	188.70	55,885.50	296.16
504 : Statutory Reporting to Creditors	59.20	56.00	7.70	10.90	133.80	53,482.50	399.72
603 : Statutory filing	4.80	11.10	0.00	9.40	25.30	7,181.00	283.83
604 : Appointment notification	0.60	2.20	0.30	4.90	8.00	1,317.00	164.63
605 : Case review	20.00	5.80	0.00	1.30	27.10	12,852.00	466.86
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	8.30	1.50	0.00	1.70	11.50	4,710.00	409.57
608 : Pension matters	0.10	4.10	0.00	0.40	4.60	1,522.50	330.98
609 : Administrative set up	0.00	0.00	0.00	1.90	1.90	112.00	58.95
611 : Maintenance of case files/records	0.50	2.30	0.70	22.30	25.80	2,533.50	98.20
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	0.00	6.10	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	6.70	60.90	0.10	161.00	228.70	34,784.50	152.10
Administration & Planning	181.40	213.20	8.80	300.30	703.70	192,289.00	273.25
601 : Case Specific 1	72.40	105.20	0.00	5.40	183.00	78,684.50	429.97
Case Specific Matters	72.40	105.20	0.00	5.40	183.00	78,684.50	429.97
509 : Onerous property	3.20	12.10	0.00	0.00	15.30	5,875.00	383.99
505 : Report / Secured Creditor	35.90	21.90	0.00	0.00	57.80	27,573.00	477.04
507 : Dividend distribution/adjudicating claims	33.30	6.20	0.00	609.90	649.40	63,941.50	98.46
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	38.10	216.70	0.00	261.20	516.00	105,108.00	203.70
502 : Employee Matters	14.90	48.20	0.00	82.60	145.70	27,620.50	189.57
503 : Committee Report & Meeting	35.80	48.60	0.00	1.00	85.40	35,973.00	421.23
Creditors	162.70	363.50	0.80	968.30	1,495.30	270,886.00	181.16
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	46.70	105.00	0.00	1.50	153.20	60,888.50	397.44
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	30.20	120.00	0.00	0.00	150.20	54,037.50	359.77
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
From: 19/06/2020 To: 18/12/2022
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	144.70	590.00	1.00	39.90	775.60	280,924.00	362.20
Total Hours	597.00	1,426.60	14.70	1,526.90	3,565.20	904,206.50	253.62
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: 19/06/2022 To: 18/12/2022
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	8.60	0.00	0.00	6.70	15.30	5,129.00	335.23
504 : Statutory Reporting to Creditors	8.60	0.00	0.00	0.00	8.60	4,289.00	498.72
603 : Statutory filing	0.00	0.00	0.00	1.30	1.30	52.00	40.00
605 : Case review	8.80	0.00	0.00	0.10	8.90	4,870.00	547.19
607 : Post-appointment VAT/CT returns	3.20	0.00	0.00	0.90	4.10	1,556.00	379.51
608 : Pension matters	0.10	0.00	0.00	0.40	0.50	87.50	175.00
609 : Administrative set up	0.00	0.00	0.00	1.30	1.30	52.00	40.00
611 : Maintenance of case files/records	0.20	0.00	0.00	1.60	1.80	159.00	88.33
600 : Administration	1.20	0.00	0.00	11.10	12.30	1,110.00	90.24
Administration & Planning	30.70	0.00	0.00	23.40	54.10	17,304.50	319.86
601 : Case Specific 1	0.70	0.00	0.00	0.00	0.70	332.50	475.00
Case Specific Matters	0.70	0.00	0.00	0.00	0.70	332.50	475.00
505 : Report / Secured Creditor	4.60	0.00	0.00	0.00	4.60	2,253.00	489.78
507 : Dividend distribution/adjudicating claims	23.10	0.00	0.00	184.20	207.30	21,522.50	103.82
501 : Unsecured Creditors	1.50	0.00	0.00	35.00	36.50	3,716.50	101.82
502 : Employee Matters	2.80	0.40	0.00	22.90	26.10	2,484.00	95.17
503 : Committee Report & Meeting	0.10	0.00	0.00	0.00	0.10	47.50	475.00
Creditors	32.10	0.40	0.00	242.10	274.60	30,023.50	109.34
303 : Book Debts/retentions	1.40	0.00	0.00	0.00	1.40	665.00	475.00
306 : Other Assets	2.20	0.00	0.00	0.00	2.20	1,079.00	490.45
Realisation of Assets	3.60	0.00	0.00	0.00	3.60	1,744.00	484.44
Total Hours	67.10	0.40	0.00	265.50	333.00	49,404.50	148.36
Total Fees Claimed						0.00	

APPENDIX 6

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

Appendix 6 - Comparative fee estimate and time summary

Classification of Work Function	FEE ESTIMATE			REPORTING PERIOD (FROM 19 JUNE 2022 TO 18 DECEMBER 2022)			ADMINISTRATION (FROM 19 JUNE 2020 TO 18 DECEMBER 2022)			Reason blended rate has been/is likely to be exceeded
	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 £	
Administration & Planning	172,107.50	592.00	290.72	17,304.50	54.10	319.85	192,289.00	703.70	273.25	No comments - actual blended rate overall is lower than estimate.
Investigations	96,940.00	312.00	310.71	0.00	0.00	0.00	81,423.00	407.60	199.76	No comments - actual blended rate overall is lower than estimate due to junior members of staff being capable of undertaking some of the work required.
Realisation of Assets	252,630.00	746.00	338.65	1,744.00	3.60	484.44	280,924.00	775.60	362.20	Higher level of staff required to deal with certain realisations (including Amazon and Wordery debts).
Creditors	252,445.00	2,014.50	125.31	30,023.50	274.60	109.34	270,886.00	1,495.30	181.16	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	332.50	0.70	475.00	78,684.50	183.00	429.37	Higher level of staff required to deal with Various case specific matters (including dealing with post-Administration supplies, IT/data issues, and furlough funds).
Total	858,410.00	3,911.00	219.49	49,404.50	333.00	148.36	904,206.50	3,565.20	253.62	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:

19th 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

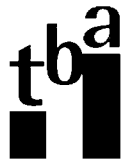
Notes:

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 st April 2021 £	Charge- out rate per hour, effective from 1 st April 2019 £	Charge-out rate per hour, effective from 1 st April 2017 £	Charge-out rate per hour, effective from 1 st April 2013 £
Partner				
Senior Partner	645.00	595.00	545.00	495.00
Partner	475.00	440.00	400.00	365.00
Manager				
Director	370.00	-	-	-
Manager	350.00	350.00	325.00	295.00
Assistant Manager	325.00	310.00	285.00	260.00
Other Senior Professionals				
Senior Administrator	310.00	290.00	265.00	240.00
Assistants & Support Staff				
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 1st 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 1st 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 1st 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.