

AM23

Notice of move from administration to dissolution



Companies House

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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 Court details

Court name HIGH COURT OF JUSTICE

Court number C R - 2 0 2 0 - 0 0 2 7 3 6

3 Administrator's name

Full forename(s) MARTIN CHARLES

Surname ARMSTRONG

4 Administrator's address

Building name/number ALLEN HOUSE

Street 1 WESTMEAD ROAD

Post town SUTTON

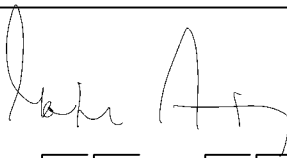
County/Region SURREY

Postcode S M 1 4 L A

Country

AM23

Notice of move from administration to dissolution

5	Administrator's name ①	
Full forename(s)	ANDREW RICHARD	
Surname	BAILEY	
		① Other administrator Use this section to tell us about another administrator.
6	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		
		② Other administrator Use this section to tell us about another administrator.
7	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date	
Administrator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div>^d 1 ^d 5 ^m 0 ^m 6 ^y 2 ^y 0 ^y 2 ^y 3</div>	

**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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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

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The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

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**JOINT ADMINISTRATORS' FINAL PROGRESS REPORT RELATING TO
BERTRAM TRADING LIMITED T/AS "BERTRAM BOOKS" AND "BERTRAM LIBRARY SERVICES" ("THE
COMPANY") – IN ADMINISTRATION
IN THE HIGH COURT OF JUSTICE NUMBER CR-2020-002736**

GLOSSARY OF TERMS

For the purposes of this report (and the appendices), the following abbreviations shall be used:

“AFC”	Aurelius Finance Company Limited
“Aurelius”	The Aurelius Group of asset management companies
“Barclays”	Barclays Bank Plc
“BGL”	Bertram Group Limited
“BII Policy”	Business Interruption Insurance Policy
“BNP”	BNP Paribas Commercial Finance Limited
“BNP Facility”	The agreement for the Discounting of Debts entered into with BNP
“BTL” or “the Company”	Bertram Trading Limited (In Administration)
“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 & Customs
“Houtschild”	Houtschild Internationale Boekhandel BV
“Katten”	Katten Muchin Rosenman UK LLP
“MBV”	Middleton Barton Asset Valuation Limited
“Natwest”	Natwest Bank Plc
“PM”	Pinsent Masons
“RBS”	The Royal Bank of Scotland PLC
“RPS”	The 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 th June 2020

“the Act”	The Insolvency Act 1986
“the Board”	The Board of Directors of the Company
“the Court”	The High Court of Justice
“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 Office Premises”	Office premises at Broadland Business Park
“the Proposals”	The Joint Administrators’ Proposals delivered to creditors on 12 th August 2020
“the Reporting Period”	19 th December 2022 to the date of this report
“the Warehouse Premises”	Warehouse premises at Broadland Business Park
“TLG”	The Little Group Limited
“Wordery”	Wordery.com Limited

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1. EXECUTIVE SUMMARY

This is my final account to creditors on the Administration. This report should be read in conjunction with the Proposals and our previous progress reports, copies of which can be provided upon request.

Full details of the Administration can be found later in this report, however, a summary is as follows:

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 was 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, the assignment of the lease for the Warehouse Premises to TLG, and by collecting the sums due to the Company from customers, which have enabled distributions to be made to all classes of creditors during the Administration.

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 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 are detailed later in this report and creditors will note from previous reports that this has been a complex case with significant work required to be undertaken.

The Proposals, paragraph 62 meeting and formation of committee

- The Proposals were delivered to creditors on 12th August 2020 were deemed approved on 24th August 2020.
- Following delivery of the Proposals, and at the request of certain creditors, a decision of creditors pursuant to paragraph 62 of Schedule B1 of the Act was convened to provide creditors with the opportunity to form a Creditors' Committee.
- The decision was held on 9th September 2020 by way of a virtual meeting of creditors at which a Creditors' Committee was formed consisting of the following members:

Name of creditor	Represented by
Hachette UK Limited	Smith & Williamson
Macmillan Publishers International t/as Macmillan Distribution	PwC
HarperCollins Publishers Limited	PwC

- The first meeting of the Committee was held on 29th October 2020 and further meetings held as agreed.

Progress of the Administration

- The Company's intangible assets, consisting of data, software, and intellectual property, were sold to TLG on 6th July 2020 for £40,000.

- The Joint Administrators sought to realise and deal with the Company's remaining assets, including cash at bank, cash held in blocked accounts, book debts, prepayments and late payment compensation claims.
- The actions taken by the Joint Administrators are detailed later in this report and creditors will note from previous reports that this has been a complex case with significant work required to be undertaken.

Outcome for creditors

- Fixed charge distributions totalling £3,173,612.58 have been paid to AFC during the Administration (all of which was paid in prior reporting periods).
- A floating charge distribution of £739,629.83 has been paid to AFC during the Administration (which was paid in the Reporting Period).
- The Company's financial position meant that there were 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. On 7th June 2023 a first and final distribution of the prescribed part of 0.5p in the £ was declared and paid to non-preferential unsecured creditors. The total sum distributed to non-preferential unsecured creditors was £127,355.66.

2. STATUTORY INFORMATION

Statutory Information relating to the Company is attached as Appendix 1.

3. SUMMARY OF THE PROPOSALS

The following proposals were delivered to creditors on 12th August 2020 and were deemed approved on 24th August 2020.

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) Periodically collect funds held in the Company's bank accounts held with NatWest and Barclays;
 - (ii) Periodically collect funds held in the BNP "blocked" accounts;
 - (iii) Undertake reconciliations of debtor receipts and re-allocate to "blocked" account or "non-blocked" monies as appropriate.
 - (iv) Liaise with Cerberus in order to assist in the collection of debts due to the Company.
 - (v) Continue to deal with ROT claims received from creditors.
 - (vi) Continue to deal with any post-sale matters.
 - (vii) Continue to deal with any key suppliers.
 - (viii) Continue to deal with the Office Premises and liaise with the landlord, the sub-tenant and solicitors regarding the same.

- (ix) Make distributions to the charge holder under their fixed and floating charge (as appropriate).
 - (x) Instruct Evolve to calculate the employee's preferential balancing claims and make a distribution in full to this class of creditor.
 - (xi) Adjudicate non-preferential unsecured creditor claims and distribution the Prescribed Part to this class of creditor.
 - (xii) Investigate the conduct of the Directors and prepare a confidential report to the Secretary of State;
 - (xiii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (xiv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) It is intended that the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the Registrar of companies three months after the notice is registered.
- (c) If the above exit route is not appropriate in the circumstances, the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, and propose that Andrew R Bailey and Martin C Armstrong are appointed Joint Liquidators of the Company by the Court.

4. STEPS TAKEN DURING THE ADMINISTRATION

Since we were appointed Joint Administrators work has been undertaken in respect of the following:

Sale of assets to TLG and related continuation of services

Certain Company assets, comprising Intellectual Property, Equipment and Stock, were sold to TLG on 6th July 2020 and in accordance with the terms of the sale agreement, the full sale consideration of £910,000 plus VAT (where applicable) was received on the same day. TLG is not connected to the Company. As set out in the Proposals, the sale formed part of a wider transaction which also involved the sale of DBL assets to TLG.

Whilst the sale of the assets was not considered to be a pre-pack sale, due to the proximity of the sale to the date of Administration, and for the sake of completeness, detailed information regarding the sale was provided in the Proposals.

Under the terms of the sale, the Joint Administrators were required to facilitate the following:

- Certain domains being maintained for a period of six months from completion (subject to any

- costs for doing so being met by TLG);
- The employment of the Company's IT staff (consisting of 3 members of staff) until 31st July 2020 so that they could assist with the transfer of knowledge and knowhow in respect of the software and intellectual property (at the Company's cost); and
 - To maintain the internet supply from Virgin Media and the data centre provided by Blue Chip until 31st July 2020 (at the Company's cost).

The Joint Administrators agreed to meet the costs of the internet supply and Blue Chip since it was concluded that they would likely incur these costs in any event since they were obliged to ensure that any data not being sold to TLG was properly segregated, extracted and removed from the premises and/or securely deleted and would require the services to remain in place until the end of July to facilitate this process in any event.

TLG initially advised that they required some of Virgin Media's services to continue up to 31st October 2020. However, they subsequently advised that they had obtained new internet services and therefore the Virgin Media internet supply was cancelled with effect from 15th September 2020. TLG agreed that a mark-up of 25% on sums paid to Virgin Media (net of VAT) for the period of use would be payable to the Company to reimburse the Joint Administrators' costs for facilitating this (since it is of no benefit to creditors). However, despite requests, the Joint Administrators have not received a final invoice from Virgin Media for renewing the domains managed by them and, in view of the time that has passed, I consider it unlikely one will be received.

TLG subsequently requested that a number of domains be renewed for a period of two years (as opposed to the six months required under the sale agreement). The domains in question were controlled by either Virgin Media or CSC Global. Again, despite our requests, the Joint Administrators are yet to receive a final invoice from Virgin Media for renewing the domains managed by them, whilst CSC Global were originally understood to have billed TLG directly for some domains. However, we received a number of invoices in December 2021 for the renewal of the domains in question. Any renewal costs incurred by the Administration estate in this regard were to be met by TLG in full in accordance with the terms of the sale.

The following work has been required in respect of the sale and subsequent post-sale formalities:

- Reviewing offers received from interested parties and discussions/negotiations with appointed agents.
- Liaising with solicitors and valuation agents regarding the sale of the assets to TLG.
- Reviewing, agreeing and executing sale documentation.
- Liaising with the secured creditor over the realisation of the assets.
- Correspondence with TLG regarding post-sale formalities.
- Liaising with TLG, CSC Global and Virgin Media regarding the renewal of the domains.
- Liaising with CSC Global regarding invoice queries and payments.
- Issuing invoices to TLG for reimbursement of domain renewal charges and chasing payment.

The work undertaken in the Reporting Period comprises making payments to CSC Global, issuing corresponding invoices to TLG, and chasing payments from TLG.

Leasehold premises

The Company occupied and traded from a 185,000 sq. ft. premises at 1 Broadland Business Park, Norwich, Norfolk, NR7 0WF at an annual rent of circa £1.2m. There were two separate leases for the property held by the Company, as follows:

Property	Term
The Warehouse Premises	25 years starting on 24 th June 2000 (BTL was registered as the leaseholder on 24 th April 2009)
The Office Premises	25 years starting on 24 th June 2000 (BTL was registered as the leaseholder on 24 th April 2009)

As part of the terms of the sale of assets, TLG took an assignment of the lease for the Warehouse Premises on 6th July 2020. In order to facilitate the orderly wind down of the Company's affairs, and to deal with ROT claims and data obligations, the Joint Administrators continued to occupy the trading premises from appointment to the date that the lease was assigned.

The following post-appointment work was required to be undertaken in relation to the Warehouse Premises:

- Arranging adequate security and liaising with external security provider.
- Liaising with staff on site regarding the security and maintenance of the property.
- Obtaining meter readings and issuing correspondence to utility providers.
- Corresponding with the landlord and their representatives generally, and regarding the assignment of the lease for the Warehouse Premises.
- Liaising with solicitors regarding the terms of the assignment.
- Reviewing and executing documentation for the assignment.
- Reviewing calculation of rent due as an expense of the Administration.
- Making payment of rent due as an expense of the Administration.

In addition, the Company occupied the Office Premises from the period from appointment up to the date of the sale to TLG. Part of this premises was sub-let to EAAA at an annual rent of £70,748. However, the lease for the Office Premises remained with the Company until such time as it is surrendered and/or disclaimed (which would be possible if the Company were to exit Administration via Compulsory Liquidation). Our solicitors corresponded with the landlord's legal representatives with regard to agreeing a surrender of the lease for the Office Premises. The proposed surrender was subject to the following:

- The landlord agreeing not to seek any further rent as an expense for the Office Premises as the Company was not in occupation and was deriving no benefit from the premises and was only facilitating the receipt and onward transmission of rent from the sub-tenant.
- That the Joint Administrators deduct all associated costs for the Office Premises from rent received from EAAA (e.g. utilities (if any), lock changes, maintenance etc.).

EAAA provided formal notice to terminate the sub-lease with effect from 24th March 2021 in accordance with the break clause contained within the lease. The landlord also agreed to a formal surrender of the Office Premises lease which duly completed on 30th March 2021.

The work undertaken in relation to the Office Premises consists of the following:

- Liaising with the landlord.
- Liaising with solicitors regarding the terms of the sub-lease.
- Dealing with access issues for EAAA.
- Instructing agents to change the locks of the Office Premises.
- Liaising with solicitors regarding EAAA's access and security of the Office Premises.
- Issuing correspondence to EAAA regarding access/security of the Office Premises.
- Collecting rent and service charges from EAAA.

- Forwarding rent collected from EAAA to landlord (after calculating and deducting any associated costs).
- Obtaining legal advice on the Joint Administrators' obligations under the terms of the sub-lease.
- Reviewing the terms of and entering into a Deed of Surrender.
- Reviewing an associated Deed of Release for AFC and liaising with them in respect of the same.

This work was all undertaken in prior reporting periods.

Employee Matters

Redundancies/Claims

As at the date of appointment, the Company employed 371 staff. All staff were ultimately made redundant. A timeline of the events in relation to the Company's employees was provided in the Proposals.

It should be noted that the Company also employed staff for DBL. Whilst the IT staff and credit control team who were retained post-administration likely assisted in dealing with the transfer of DBL data to TLG and the collection of debts due to DBL, as the employees worked in hybrid roles across both companies and the Company historically met all costs for staff, all staff costs incurred post-administration have been met by the Company.

The credit control staff also assisted in pursuing debts due to EUL as whilst EUL did have separate employees, they also used certain services of the Company. The size of EUL's ledger when compared to BTL and DBL's ledger is not significant and hence no staff costs have been recharged to EUL. The appointed debt collectors, Cerberus, invoiced each respective company for their fee, which is based on a percentage of realisations.

The work undertaken by the Joint Administrators with regard to the above was as follows:

- Corresponding with appointed ERA agents, Evolve, in respect of redundancies and strategy generally.
- Preparing letters of redundancy for employees (to include FAQs and details of the employees' employment information according to the Company's records) and emailing and posting these to staff.
- Hosting and holding a large operator managed conference call to advise employees of their redundancy (in view of Covid-19 restrictions).
- Liaising with retained staff to co-ordinate communications with employees.
- Obtaining legal advice on retained staff and issuing letters to all retained staff.
- Dealing with ad hoc queries from employees (including those who were made redundant and those who were retained).
- Liaising with retained compensation and benefits manager to process and approve payroll on a regular basis for retained staff.
- Making payments to HMRC and pension providers.
- Making payments to retained staff.

This work was undertaken in prior reporting periods.

Employment Tribunal

The Company was subject to Employment Tribunal proceedings from a significant number of former employees. As the Company is in Administration, the proceedings were automatically stayed and could

not proceed without the consent of the Joint Administrators or permission of the Court. In this regard, we received requests from employees for permission for their proceedings to continue.

These claims, if successful, would have ranked as unsecured claims in the Administration, and any dividend to unsecured creditors was expected to be nominal. It therefore appeared that the only benefit in continuing the claims with the Employment Tribunal was to obtain a judgment which would have verified the quantum of the unsecured claims. Accordingly, whilst it was a decision for the respective employees as to whether they considered it appropriate or beneficial to continue with their Employment Tribunal claim, the Joint Administrators confirmed that they would remain neutral to the continuation of any proceedings as there was no benefit to the Administration estate in defending any such claim given the relatively small amounts involved. We did not, however, participate nor were we represented in the proceedings.

As above, the Joint Administrators received a number of requests from employees and duly advised the Court, and each employee who made a request, of their stance.

Other Claims

During the Administration we were also contacted by a former employee seeking consent to issue claims in relation to two accidents she had whilst employed by the Company. Katten provided legal advice on this matter whilst we were also required to make enquiries of our insurers in relation to the claims and liaise with the employee's representatives.

DSAR

During the Administration, one former employee made a DSAR (although subsequently elected to withdraw the request). The following work was undertaken in this regard:

- Instructing solicitors to advise on the DSAR and liaising with them in respect of the same.
- Liaising with appointed IT and storage agents to ascertain the number of records held pertaining to the keyword searches made under the DSAR.

This work was undertaken in a prior reporting period.

Natwest and Barclays

As reported previously, in order to facilitate the receipt of funds owing to the Company, Natwest and Barclays were instructed to ensure that the Company's bank accounts remained open to receive credits only. Credit funds were periodically transferred by the Banks into the Administration estate account as and when requested.

The sums received from Natwest and Barclays included some credits received post-Administration and funds received prior to Administration in respect of "blocked account" debts which were erroneously paid into these accounts by customers. Following receipt of legal advice confirming that AFC held a fixed charge over debts previously funded by BNP (irrespective of which account they were paid to), a full reconciliation of the sums received both prior to and post-Administration was undertaken and further details of this are set out later in this report.

The work undertaken in this regard related to ongoing correspondence with both Barclays and Natwest regarding the operation (and closure) of the accounts the transfer of funds, and a full analysis of sums received both prior to and after the date of Administration. It was also necessary to engage with both Barclays and Natwest to obtain view only access (and copies of statements where this was not achievable) to assist the credit control team, and subsequently Cerberus, in monitoring the receipt of sums from

debtors post-administration.

All work in this regard was undertaken in prior reporting periods.

BNP

The majority of the book debts were previously subject to a fixed charge held by BNP and were therefore paid into “blocked” bank accounts operated and controlled by BNP. Whilst the sums owing to BNP were discharged from receipts into these accounts across the Group and from the sale of overseas Group entities, Erasmus and Houtschild (with their fixed charge satisfied on 24th April 2020), legal advice confirmed that the remaining charge holder, AFC, held a fixed charge over the blocked accounts and book debts which were previously funded by BNP. BNP continued to receive funds into the “blocked” accounts and these funds were periodically transferred to a designated bank account opened by the Joint Administrators to hold these funds. BNP initially agreed to keep all “blocked” accounts open until 24th October 2020 to facilitate debtor receipts since it was considered that it would be disruptive to issue revised bank account details to customers and therefore be detrimental to collections. This agreement was ultimately extended for a total of 6 months, following which the BNP accounts were closed.

The following work has been undertaken in respect of dealing with BNP:

- Obtaining and reviewing copy statements from BNP.
- Monitoring the blocked accounts.
- Monitoring receipts of sums from the blocked accounts.
- Liaising with BNP regarding the extension of the provision of the accounts.
- Issuing correspondence to BNP requesting funds held in the blocked accounts.
- Liaising with BNP regarding the closure of the accounts.

No work has been undertaken in this regard in the Reporting Period.

AFC

AFC has a fixed and floating charge over the Company dated 9th August 2019. As set out in my prior reports, AFC also holds a fixed and floating charge over DBL and EUL (albeit the Administrations of EUL have already been concluded). A Creditors’ Committee was appointed in the Administration and, following discussions with the Committee, Katten were instructed to seek Counsel’s advice on the validity of AFC’s security and the treatment of book debts and sums held in, or received into, the BNP “blocked” accounts (further details regarding the BNP “blocked” accounts can be found later in this report). Counsel’s advice was that AFC’s security is valid and they have a valid fixed charge over the “blocked” accounts and book debts received post-administration which were historically subject to BNP’s security (regardless of which account they were paid into).

The following work has been undertaken in respect of AFC’s liability/security in the Administration:

- Liaising with AFC regarding the sale of assets subject to their security.
- Obtaining AFC’s consent to transfer funds held in the BNP blocked accounts to the Administration estate account set up for the purpose of holding blocked account monies.
- Liaising with AFC regarding the instruction of book debt collection agents.
- Instructing solicitors to provide advice on AFC’s security (including its validity).
- Requesting information/documentation from AFC in support of their claim and in relation to queries received from our appointed solicitors.
- Reviewing Counsel’s advice on AFC’s security (including its validity).

- Providing regular updates and estimated outcome statements to AFC.
- Reviewing AFC's claim and associated documentation.
- Agreeing apportionment of costs with AFC in accordance with SIP14.
- Paying fixed and floating charge distributions to AFC.

The work that has been undertaken in respect of AFC's liability/security in the Reporting Period comprises (a) providing updates and estimated outcome statements to AFC, and (b) calculating and processing the first and final floating charge distribution to AFC.

Debt Collection

The credit control team of BTL were retained post-Administration to assist in collecting out the debtor ledgers of BTL, DBL and EUL. This was considered necessary as they held longstanding relationships with customers, and it would therefore assist in maximising collections. It was agreed that a debt collection agency should be instructed to pursue the remaining debts with effect from 1st August 2020 and Cerberus were instructed in this regard. The majority of larger debtor balances had been paid by this date and the remaining ledger largely consisted of a number of smaller debtor balances from independent book retailers.

The following work has been undertaken in respect of the above in the Administration:

- Liaising with the Finance Director regarding the collectability of the ledger and blocked and non-blocked debts.
- Analysis of the debtor ledger.
- Correspondence with the credit control team including the designated Amazon account manager).
- Approving credit notes and write-offs.
- Corresponding with debtors.
- Obtaining and reviewing quotes from debt collection agencies.
- Instructing debt collection agent, Cerberus, to pursue the remaining debts.
- Liaising with IT staff and Cerberus to ensure the smooth transition of data and records required to pursue the debts and maximise recoveries.
- Liaising with the Amazon account manager, obtaining access to Amazon's online portals and liaising directly with Amazon to pursue collection of the outstanding sum of circa £700,000.
- Submitting a claim in the Administration of The Book People Limited and liaising with the appointed insolvency practitioners.
- Liaising with a debtor who made a duplicate payment and returning the duplicate sum.
- Liaising with Cerberus regarding debtor disputes and the process for dealing with the same.
- Liaising with Cerberus regarding the Company's returns authorisation process.
- Liaising with Cerberus regarding settlement and repayment proposals from debtors.
- Making enquiries of the directors with regard to certain debtor accounts.
- Reviewing collections reports from Cerberus.
- Liaising with BNP, Natwest and Barclays to facilitate copy statements being provided to Cerberus so that they can monitor collections.

As at the date of Administration there was also a sum owing to the Company by Amazon which was originally excluded from the ledger provided to Cerberus for collection. Whilst some payments were received from Amazon post-Administration, despite the efforts of the Joint Administrators, we were unable to collect the balance of the debt due from Amazon (which was also subject to AFC's fixed charge). We therefore concluded that it was appropriate to instruct Cerberus to pursue Amazon for the remaining balance on our behalf. The following work was undertaken in this regard:

- Liaising directly with Amazon to pursue collection of the outstanding balance circa £377,342.
- Instructing Cerberus to pursue the balance owed by Amazon and providing relevant Company records and prior correspondence with Amazon.
- Reviewing updates from Cerberus.
- Agreeing terms of settlement with Amazon.

Cerberus concluded their recovery of sums owed to the Company from customers in a prior reporting period and therefore no work has been undertaken by the Joint Administrators in this regard in the Reporting Period.

Key Suppliers

Under the terms of the sale to TLG, the Joint Administrators were required to facilitate the ongoing internet supply from Virgin Media and the data centre provided by Blue Chip until 31st July 2020 (at the Company's cost).

In addition, in order to facilitate the orderly wind down and managed exit of the trading premises and to assist with the picking, packing and collection of ROT stock, it was necessary to engage with suppliers to ensure supply of packaging and pallets and the hire of plant and forklifts.

Furthermore, in order to facilitate the processing of payroll, it was necessary to ensure that the services of the payroll software provider continued.

The following work has been required to be undertaken in respect of the above work to date:

- Liaising with retained staff regarding key suppliers.
- Liaising with and issuing correspondence to key suppliers to retain services.
- Reviewing services supplied by key suppliers.
- Instructing solicitors to issue correspondence to key suppliers.
- Agreeing and processing payments to key suppliers.

ROT

Significant work was required during the first six months of the Administration to deal with ROT claims from creditors (including some publishers whose stock may have been comprised within a separate ROT claim from a distributor).

The work that has been undertaken in respect of ROT claims includes, but is not limited to, the following:

- Receipt of notification of purported ROT claims.
- Liaising with staff on site (up to 6th July) or TLG (after 6th July) regarding the ringfencing/identification of stock pending resolution of ROT claims.
- Preparation and issue of formal letters to ROT creditors regarding completion of an ROT questionnaire.
- Reviewing stock inventories for each ROT creditor.
- Maintaining a control schedule of all ROT claims.
- Reviewing ROT questionnaires (and other supporting documentation) and, where material, forwarding to solicitors for legal advice on validity.
- Liaising with solicitors regarding ROT claims.
- Obtaining advice on segregation/aggregation of stock supplied by a distributor representing a

number of different publishers.

- Internal meetings with staff regarding ROT claims and processes.
- Setting up an internal policy for dealing with ROT claims.
- Seeking one ROT suppliers' consent to a sale of their stock (although this was not agreed and the stock was ultimately returned).
- Conducting an internal review of ROT questionnaires where not cost effective to obtain legal advice.
- Daily correspondence with the Board (whilst retained), solicitors, and ROT creditors regarding general ROT queries as required.

Due to issues encountered with TLG not adhering to the terms of the sale agreement with regard to the identification and segregation of ROT stock, the Joint Administrators instructed their agents, MBV, to visit site to identify stock and to ascertain why stock subject to ROT was not properly segregated by TLG, as was specifically required under the terms of the sale.

Unfortunately, MBV encountered various issues during this inspection which included the fact that both unencumbered and ROT stock was intermixed.

Due to the significant amount of stock, MBV advised that it would have taken a considerable amount of time and would incur significant costs to inspect all stock and segregate it on a supplier by supplier basis. The Joint Administrators sought legal advice on the position which confirmed that TLG was liable for any failure to adhere to the terms of the sale under an indemnity clause in the contract. In order to resolve the matter, Katten engaged directly with TLG's lawyers to agree a satisfactory resolution for the identification and collection of stock (which negated the need for MBV to attend site to undertake this work at considerable cost and delay to ROT creditors).

The following work was required to be undertaken in relation to this matter:

- Liaising with MBV regarding site visit and the identification/segregation of stock.
- Liaising with TLG to remind them of their obligations under the sale agreement.
- Issuing regular updates to ROT suppliers on the position with TLG.
- Instructing and liaising with lawyers in order to resolve the position.
- Liaising with TLG with regard to ROT claims generally.

The Joint Administrators sought advice from Katten on whether TLG's actions and failure to adhere to the terms of the sale agreement were covered under the indemnity included in the sale agreement. Whilst it was possible that a claim could be advanced in this regard, it was ultimately concluded that the cost of analysing the position to quantify any claim, in addition to the additional legal costs pursuing the matter (which would likely have been defended by TLG), would be prohibitive. This was therefore ultimately not pursued.

The following work has been undertaken in relation to the above:

- Liaising with solicitors to advise on the scope of the indemnity.
- Conducting an analysis of the position with TLG and the resulting issues arising from the non-segregation of ROT stock.

CJRS Monies

Prior to administration, both BTL and EUL used the furlough scheme. PM advised the Board to transfer the PAYE/NIC due for the April and May payroll for furloughed staff which had been refunded by HMRC to BTL

and EUL via the CJRS to the Joint Administrators' client account. 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, in this regard.

It was understood that PM's rationale for advising the directors to transfer these sums to the Joint Administrators' client account was because HMRC could not apply the payments for PAYE/NIC due for April and May to those months and could only apply it to existing arrears and this was not acceptable from a directors' duties point of view since the funds were provided by HMRC specifically for furloughed staff in April and May and therefore ought to be paid over to HMRC solely for that purpose.

The Joint Administrators sought legal advice on whether these funds should be returned to HMRC (on the basis that the funds were held in a *Quistclose* trust), or alternatively, whether these funds were to be treated as an asset in the respective Administrations. Legal advice confirmed that the funds were to be treated as an asset in the respective Administrations.

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 was not possible to accurately calculate the split of funds between both BTL and EUL. As no split was capable of being determined, I instructed a third party, namely Kreston Reeves LLP, to assist in this regard. Despite correspondence with Kreston Reeves LLP, they did not provide their advice on the allocation of funds.

As the Administration of EUL was due to automatically end on 18th June 2022, it was necessary to deal with this matter in the absence of their advice on the position.

On the basis that we were unable to identify the split of funds after having made enquiries of HMRC and after reviewing the Company's payroll records, we 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 LLP or reviewing the records of BTL and EUL to consider this matter further.

The following work has been undertaken in relation to the CJRS monies held:

- Setting up a designated client account (separate to estate funds) to hold the sums received under the CJRS.
- Instructing solicitors to advise on the treatment of the funds held.
- Liaising with HMRC in order to obtain a breakdown of the CJRS applications made by BTL and EUL to endeavour to allocate funds appropriately between the estates.
- Conducting an extensive review of the Company's payroll records.
- Instructing accountants to assist in determining the allocation of funds between the estates.
- Allocating and transferring funds from the Joint Administrators' designated client account to the respective estates.

This work was undertaken in prior reporting periods.

BII Policy

Following enquiries being made by the Joint Administrators, it transpired that the Company, DBL and EUL held a group BII Policy with Aviva which provided cover up to £50m. We discovered that a claim had been submitted by the Company prior to the Joint Administrators' appointment (although it was

unquantified at that stage), but this was rejected by the insurers on the basis that the policy wording did not cover any prevention or restriction of access to the business premises resulting from the suppression of disease.

The Joint Administrators instructed their post-appointment insurers, who have a designated team set up for this purpose, to review whether the Supreme Court judgment on business interruption insurance and Covid-19 would alter the insurers' stance in any way. Regrettably, in this instance the insurer advised that cover does not exist because prevention of access requires property damage, and the disease clause is a closed list of diseases of which Covid-19 is not one.

At the request of the Creditor's Committee, and in view of the potential significant benefit to having a successful claim under the BII Policy, legal advice was obtained on the position for completeness. Unfortunately, the legal advice received confirmed that the BII Policy did not provide cover for loss caused by Covid-19. Aviva's reasons for refusing cover under the policy were consistent with their interpretation of the policy and the implications of the FCA Test Case. As a result, in their view, it was unlikely that the Joint Administrators would be able to successfully challenge Aviva's decision to refuse cover.

The following work was undertaken in this regard:

- Making enquiries of the insurers regarding the business interruption insurance policy.
- Reviewing the terms of the policy.
- Making enquiries of the directors.
- Reviewing documentation provided by the pre-appointment insurer regarding the rejection of claims.
- Liaising with the insurers generally.
- Instructing solicitors to advise on the policy wording and scope of a claim.

Although the claim was ultimately rejected, this work was undertaken with a view to enhancing realisations and increasing the dividend to creditors. This work was undertaken in a prior reporting period.

HMRC

Whilst the SOA provided for a VAT refund with a book value of £53,271, this was expected to be offset against the Company's pre-administration PAYE/NIC debt. However, a claim in the sum of £1,427,083 was originally received from HMRC in respect of alleged outstanding VAT. This claim related to a liability allegedly owed by the VAT Group of which the Company was a member (prior to being removed from the VAT Group due to the Administration). The Company is jointly and severally liable for any VAT Group liability along with all other members. This liability related to an assessment raised by HMRC in the absence of pre-appointment returns filed by the VAT Group.

The Company was usually in a VAT repayment situation (as is evident by the VAT refund included in the SOA as an asset of the Company) so it appeared likely that this assessment was not accurate. The Joint Administrators instructed Kreston Reeves LLP to review the available records and, where possible, submit the missing pre-Administration VAT returns to (a) extinguish the alleged VAT liability of the VAT Group and (b) reduce HMRC's claim for dividend purposes. Unfortunately Kreston Reeves LLP advised that the Company's records were not sufficient to enable the outstanding returns to be submitted.

In view of the position, we wrote to HMRC to request that they set out the basis of their assessments and also that they re-assess the pre-Administration VAT assessments previously raised in light of the Company's pre-Administration repayment position. This was done in the hope that they would rescind the assessments and submit a revised, reduced claim. As a result of our letter, HMRC submitted a revised claim on 3rd December 2021 which removed the VAT liability included in their initial claim.

The following work was undertaken in this regard:

- Making enquiries of HMRC and the directors regarding the Company's pre-appointment tax position.
- Instructing an accountant (Kreston Reeves LLP) to assist in reviewing the Company's pre-appointment tax affairs and submitting any outstanding returns in order to quantify HMRC's liability.
- Reviewing the Company's substantial electronic records to obtain any financial information/documentation required by the accountant instructed.
- Making enquiries of third parties (as necessary).
- Providing Kreston Reeves LLP with access to available Company records.
- Liaising with Kreston Reeves LLP regarding the pre-Administration tax affairs and the records available.
- Reviewing the Company's prior VAT position and issuing correspondence to HMRC in respect of their initial claim and the associated VAT assessments raised.

All work in this regard was undertaken in prior reporting periods and, whilst this work did not result in any realisations in the Administration of the Company due to there being an existing PAYE/NIC debt, it resulted in the reduction of HMRC's substantial claim in the Administration of the Company for dividend purposes.

Intercompany debts

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

The debt from EUL was written off as there was no return to unsecured creditors from its Administration. The legacy debt from BGL was estimated to be realised in full according to the SOA.

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, stating that BGL did not borrow from BNP or AFC directly and had only guaranteed the Company's liabilities to both BNP and AFC. Under the guarantee, BGL paid £1.58m to BNP on 2nd April 2020 (which they claim extinguished the debt due to the Company). BGL also referred to a similar set off being available to them in respect of the sale of its shares in Wordery, some of the proceeds of which were paid to AFC in partial settlement of their liability. However, as the £1.58m paid to BNP exceeds the debt due, they only referred to this and did not seek to rely upon this as part of the purported set off. Subsequently, BGL was placed into Creditors' Voluntary Liquidation on 4th June 2021 and I submitted a claim of £1,408,763.53 in the liquidation on behalf of the Company.

Dividend prospects in the liquidation of BGL were speculative due to uncertainty over HMRC's preferential claim in that liquidation. Whilst a dividend from the liquidation of BGL was possible (if the Company's claim was accepted), the estimated return was likely to be minimal (even if HMRC's preferential was significantly reduced or rescinded). Further, the timing of any dividend from BGL was uncertain, and due to the

impending end of the Administration of the Company, it was not considered appropriate to extend the Administration further to await receipt (as the costs of doing so would be prohibitive). Accordingly, the Company's claim in the liquidation of BGL was withdrawn in the Reporting Period.

At the date of appointment, there was also a debt due from Wordery in the sum of circa £33,000. Wordery also purported to apply set off. Following negotiation, a full and final settlement of £8,277.98 (being 25% of the sum believed to be owing) was agreed with Wordery and this was duly received.

The Joint Administrators have been required to undertake the following work in respect of the above:

- Instructing solicitors to advise on the purported set off applied by both Wordery and BGL.
- Obtaining further information from Wordery, BGL (and BNP with regard to the sum paid to them by BGL) to assist the solicitors in providing their advice.
- Submitting a claim in the Liquidation of BGL and reviewing dividend prospects.
- Requesting periodic updates from the Liquidator of BGL.
- Negotiating a settlement with Wordery.
- Reviewing the potential outcome of BTL and BGL.
- Formally rescinding the Company's claim in the liquidation of BGL.

The work undertaken in the Reporting Period in this regard relates to reviewing the potential outcome for the Company from BGL and liaising with the Liquidator of BGL to rescind the Company's claim.

Wordery Data

The Board previously agreed to provide Wordery with financial data the Company was holding on its behalf for the period from 1 January 2020 to 30 April 2020. An invoice was raised post-Administration for Wordery to pay £1,000 plus VAT for the provision of the data. The data was initially withheld as Wordery had not paid the agreed charges in relation to the provision of this data nor had they provided documentation evidencing that they were entitled to the data. It became apparent that the obligation to provide this data was on BGL and not the Company, however, as part of the settlement reached with Wordery on the intercompany debt (as set out above), the data was duly released.

The following work was undertaken in this regard:

- Reviewing the data held.
- Liaising with Wordery regarding payment for reviewing whether the data could be released.
- Liaising with Wordery generally regarding the financial data.
- Obtaining legal advice on the Joint Administrators' obligations to release the financial data.

This work was undertaken in prior reporting periods.

Claim from DBL

The SOA included the sum of £1,507,294.34 as being owed to DBL. The electronic records of the Company, and DBL, indicated that the sum of £1,378,927.15 was in fact owed to DBL by the Company and a claim was duly received in the Administration for this sum. As we, as Joint Administrators of DBL, prepared and lodged the claim of DBL, I instructed Kreston Reeves LLP to review the claim submitted by DBL on our behalf (in order to avoid any conflict of interest). 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.

The following work was undertaken in this regard:

- Instructing and liaising with Kreston Reeves LLP generally.
- Providing Kreston Reeves LLP access to relevant electronic records relating to the intercompany balance.

This work was undertaken in a prior reporting period.

Compensation on late payments

Under the Late Payment of Commercial Debts Act the Company was able to claim interest and penalties for invoices that were paid late by Local Authorities. Following our appointment we were made aware that there may be scope for certain claims in this regard. We therefore 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. Details of the recoveries made in this regard are set out later in this report.

The following work was undertaken in this regard:

- 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.
- Liaising with Local Authorities regarding claims/payments as appropriate.
- Monitoring receipt of agreed compensation payments.

No work has been undertaken in this regard in the Reporting Period with the successful claims being received in prior reporting periods.

Interchange fees claim

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

The potential claim was founded on the anti-competitive setting of interchange fees and merchants have the opportunity to reclaim up to six years of interchange fees from Visa and Mastercard. We undertook a review of the Company's credit card revenue for a typical three-month period, but unfortunately the revenue (and therefore the potential claim for a small percentage of this revenue) fell below CMPSI's threshold of circa £60m per annum.

They did, however, put us in touch with Stewarts Law to see whether they could act in this regard. A preliminary discussion was held with Stewarts Law to discuss the position and the further work required before it could be assessed whether a claim was (a) possible and (b) material enough to warrant pursuing in light of the additional work which would be required to calculate and pursue a claim. Stewarts Law confirmed that, based on the level of card income, they would also be unable to pursue any claims.

The Joint Administrators reviewed the position to establish the level of potential claims and whether it was worth exploring whether any other third parties could advance these claims. 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 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.

The work undertaken in this regard is as follows:

- Corresponding with CMPSI and Stewarts Law regarding potential claims.
- Review of credit card revenue for a typical three-month period.
- Comparison of potential claims and associated costs.

All work in respect of this matter was undertaken in prior reporting periods.

Data extraction/retention/deletion

Under the terms of the sale to TLG, the Joint Administrators were required to ensure that any data not being sold to TLG was properly segregated, extracted and removed from the premises and/or securely deleted. In addition, the Joint Administrators were required to obtain any electronic accounting records as part of their statutory duties. The Company's financial systems and software was intricate, and it was necessary to engage IT consultants to assist.

The following work has been undertaken in relation to the segregation/extraction/deletion/retention of electronic data:

- Instructing an IT consultant to assist in managing the process.
- Regular conference calls with IT staff and the Finance/IT Director.
- Approving third party costs for extracting and storing data.
- Approving third party costs for obtaining a backup of the Company's financial data.
- Liaising with MBV regarding the transfer of data/software purchased by TLG.
- Liaising with MBV regarding the deletion of data on hardware purchased by TLG.
- Liaising with the IT consultant regarding the Joint Administrators' obligations to retain the financial data.

This work was undertaken in prior reporting periods.

Physical Records

The Company's books and records were stored at the Company's premises in Norwich.

Time has been spent liaising with staff, MBV and others regarding the collection and listing of these records.

This work was undertaken in a prior reporting period.

Creditor Correspondence

The Company had around 2,100 known or potential creditors. The following work has been undertaken to deal with creditor correspondence during the Administration:

- Setting up a designated phone line and email address for substantial incoming correspondence.

- Inputting the names, addresses and amounts for creditors into my firm's database to enable post-appointment notifications to be issued.
- Setting up a process for staff to deal with creditor correspondence and queries.
- Regular team meetings to discuss internally.
- Maintaining up to date creditor information on the case management system.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Creditors' Committee

Following delivery of the Proposals, a decision of creditors pursuant to paragraph 62 of Schedule B1 of the Act was convened (at the request of certain creditors) to provide creditors with the opportunity to form a Creditors' Committee.

The following work was undertaken in relation to the paragraph 62 decision:

- Liaising with creditors regarding the convening of a decision procedure.
- Preparing a report pursuant to paragraph 62 of Schedule B1 of the Act.
- Convening and holding the decision procedure.
- Preparing detailed minutes of the meeting.

The decision procedure was held on 9th September 2020 by way of a virtual meeting of creditors at which a Creditors' Committee was formed consisting of the following members:

Name of creditor	Represented by
Hachette UK Limited	Evelyn Partners (then Smith & Williamson)
Macmillan Publishers International t/as Macmillan Distribution	PwC
HarperCollins Publishers Limited	PwC

The first meeting of the committee was held on 29th October 2020 and subsequent meetings were held as agreed.

The following work has been undertaken in order to deal with the Creditors' Committee during the Administration:

- Issuing the statutory notifications to Companies House and committee members regarding the formation of a committee.
- Preparing reports to the committee.
- Holding meetings of the committee.
- Preparing detailed minutes of committee meetings.
- Seeking requisite approvals from the committee on pre-administration costs and the Joint Administrators remuneration.
- Liaising with committee members generally.
- Seeking consent from the committee to end the Administration.
- Seeking consent from the committee that the Joint Administrators be discharged at the same time as they vacate office

The work undertaken in the Reporting Period in this regard comprises seeking the relevant consents from the committee over the end of the Administration and the Joint Administrators' discharge.

Extension of Administration

During the Administration I obtained the consent of the relevant creditors to extend the Administration to 18th 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 18th June 2023. A further extension of the Administration was required to be requested by Court application. The following work was required in this regard:

- Seeking approval from preferential and secured creditors regarding the initial extension.
- Liaising with Katten regarding the Court application.
- Writing to creditors notifying them of the proposed extension.
- Reviewing witness statement and other documentation relating to the application.
- Issuing formal notification of the extension to creditors and Companies House.

This work was undertaken in a prior reporting period.

Dividends

Fixed and Floating Charge Dividends

Fixed charge distributions totalling £3,173,612.58 have been paid to AFC during the Administration (all of which was paid in prior reporting periods).

A first and final floating charge distribution of £739,629.83 has been paid to AFC during the Administration (and during the Reporting Period).

The work undertaken in this regard was reported in the “AFC” section earlier in this report.

Preferential Dividend

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

Unsecured Dividend

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 the 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 was obtained and the position resolved, a further notice of intended dividend was issued and a first and final distribution of the prescribed part of 0.5p in the £ was ultimately declared and paid to non-preferential unsecured creditors on 7th June 2023.

The following work was undertaken in this regard:

- Corresponding with employees regarding their claims.
- Supervising the work of Evolve in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing the judgment from the Employment Tribunal.
- Corresponding with Evolve regarding the judgment and the implications of the same.
- Obtaining legal advice on the implication of the judgment.

- Postponing the original dividend.
- Issuing a further 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.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.

I had to undertake the work stated in the sections above either as part of my routine administrative functions, to minimise claims in the Administration or in order to protect and realise the assets of the Company.

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. Some of this work has already been set out above, however, a summary of the routine work undertaken since my appointment as Joint Administrator is contained in Appendix 1.

5. OUTCOME OF ADMINISTRATION

As stated above, the purpose of the Administration was to achieve objective (b) (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 objective was 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, in addition, to the collection of sums due from customers and the balances held in the Company's "blocked" and current accounts.

The Joint Administrators consider that, in particular, the sale of the assets in situ to TLG shortly after Administration alongside the assignment of the lease for the Warehouse Premises maximised realisations and avoided significant liabilities when compared to a liquidation scenario. Further, the retention of the Company's credit control staff for a period after Administration increased debtor realisations by way of additional collections by the credit control team themselves and a substantive handover to Cerberus providing them with greater information and documentation to facilitate collections.

The asset realisations in the Administration facilitated distributions to AFC (under both their fixed and floating charges), preferential creditors, and non-preferential unsecured creditors by way of the prescribed part of net property. A full breakdown of the sums distributed is provided later in this report. These distributions are better than the Joint Administrators would expect to have made had the Company entered liquidation (without first being in Administration).

As approved in the Proposals, the Administration will end once the Notice of Move to Dissolution has been registered by the Registrar of Companies.

6. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 19th June 2020 to 15th June 2023 (and for the period since 19th 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.

Creditors will note that there is a VAT refund of £16,255.83 awaited. This has been formally assigned to my firm to discharge the unpaid balance of my final remuneration invoice. Further information in this regard can be found in the remuneration section of this report.

7. ASSETS

The following assets were included within the Proposals and have been realised and/or dealt with as follows:

Book Debts

According to the SOA, the Company had outstanding book 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 includes over 500 customers.

As previously reported, 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 (excluding Amazon). Prior to the credit control team being made redundant, Cerberus liaised directly with them to discuss details of the ledger/processes, evaluate the collectability of the ledger, and to arrange to extract the data/documentation they needed in order to continue collections.

Cerberus endeavoured to collect the sums due from customers, however, a number of issues/delays were encountered. These are as follows:

- There were a number of disputes and issues in collecting the book debts as, historically, there has been a 'returns allowance' for non-saleable stock, which customers sought to enforce (notwithstanding that any returns are subject to the approval of the Company under its terms and conditions).
- Lots of debtors claimed cash flow problems in light of the Covid-19 pandemic.
- Some debtors requested consolidated invoices (these were provided historically) which Cerberus sought to recreate (causing payment delays).
- A number of debtors were based overseas, creating difficulties establishing contact and/or instigating enforcement action.
- The debtor ledger passed to Cerberus was overstated due to payments having been made prior to their instruction which had not been recorded.

As stated above, the debt due from Amazon was not originally being collected by Cerberus. A total of £313,174 was paid by Amazon following appointment and the Joint Administrators conducted a reconciliation of the Amazon debt in order to issue a demand for the remaining balance due of £377,342. However, despite correspondence, Amazon did not initially pay any further sums as they

raised queries on the account. In view of the difficulties faced with collecting the balance, the Joint Administrators instructed Cerberus to pursue the balance believed to be owing. Cerberus received an offer of payment of the remaining balances which Amazon had calculated internally at £63,307.15 (after currency conversions). Cerberus recommended acceptance of this proposal on the basis that Amazon had investigated the position thoroughly. After consideration of the position in light of Cerberus' advice, and on the basis receipt of these funds would bring the total sum recovered from Amazon in line with that estimated on the SOA, this offer was accepted. Whilst a settlement sum of £63,307.15 was agreed, a higher sum of £69,215.17 was eventually received from Amazon.

In total, Cerberus collected the sum of £666,892.09 during the Administration.

Creditors will recall that 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 previously discharged and their charge over the Company satisfied on 24th April 2020, the remaining charge holder, AFC, held 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 and are therefore comprised in the sums received in respect of 'cash at bank' and 'cash held in blocked accounts' on the attached Receipts & Payments account. The sums received from Barclays and Natwest were reconciled to establish what elements comprised funded debts and non-funded debts (with sums being re-allocated as fixed or floating realisations as appropriate).

In addition, the funds received from BNP were also reconciled to establish what element related to funded debts received after Administration (and again sums re-allocated as fixed or floating realisations accordingly).

Cash held in blocked accounts

Following the repayment of BNP in full, AFC hold a fixed charge over book debts which were previously caught by BNP's fixed charge (as confirmed by Counsel's advice). BNP continued to receive funds into the "blocked" accounts following Administration and a bank account was opened by the Joint Administrators to receive funds from BNP on a weekly basis. BNP initially agreed to keep all "blocked" accounts open until 24th October 2020 to facilitate debtor receipts since it was considered that it would be disruptive to issue revised bank account details to customers and therefore be detrimental to collections. This agreement was ultimately extended for a total 6 months following which the BNP accounts were closed.

According to the SOA, £1,934,294 was held by BNP at the date of Administration and we have received £2,912,623.82 in this regard, which as above includes some debtor recoveries received since Administration.

Property, Plant and Equipment

The Company's equipment consisting of (but not limited to) plant and equipment, warehouse mezzanine and racking, office furniture and equipment, server and IT equipment, was sold to TLG for £435,000.

Intangible Assets (Software & Intellectual Property)

The Company's intangible assets consisting of Intellectual Property and Software were sold to TLG for £40,000. The SOA included intangible assets as being fixed charge assets, however, legal advice has since confirmed that the intangible assets are floating charge assets.

Stock

As previously reported, the Company's unencumbered stock was sold to TLG for £435,000.

In addition, a customer in the US advised that they wished to return 8,884 units of stock. They were also a large debtor of the Company and in order to facilitate the repayment of a large outstanding balance which may have otherwise been extremely difficult to pursue given that the debtor was based overseas, it was agreed that the debtor could return the stock. As the stock was due to be returned after the trading premises had been vacated by the Joint Administrators, it was necessary to seek a sale of the returned stock and to arrange for it to be delivered directly to a purchaser. Our agents made enquiries with TLG and other parties and an offer in the sum of £13,200 was put forward on 10th July 2020 by World of Books, an unconnected company. In the absence of any other offers and in view of the urgent requirement for a sale, this offer was accepted. The sale consideration of £13,200 was received by MBV and duly transferred to the Administration estate bank account.

Prepayments & other receivables

According to the SOA, the Company had prepayments and other receivables of £584,622 as at 19th June 2020. However, an estimated to realise value of nil was placed on this asset by the directors.

A breakdown of the majority of the prepayments and other receivables of £584,622 was obtained during the Administration (which totalled circa £548,000). Circa £362,000 of this related to prepayments in respect of property expenses (rent/rates) which were not considered recoverable (with both the landlord and the council having submitted significant claims in the Administration). There were further sums totalling circa £22,000 which were also subject to mutual set off and therefore not recoverable.

The balance of £164,000 was investigated further and correspondence was issued where it was concluded that sums may be realisable. Unfortunately all parties in question adequately evidenced that no sums were owing in this regard.

Whilst not included in the breakdown of prepayments obtained, we were subsequently notified by the Company's solicitors, PM, that they were holding the sum of £2,396.73 in respect of a prepayment made by the Company. Following further correspondence, this sum was duly received into the estate bank account.

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 (which is also in Administration) and a legacy debt of circa £1,400,000 understood to be due from BGL. The SOA estimated that only the £1.4m owed by BGL would be realisable in full (albeit this was prior to BGL's liquidation).

For reasons set out earlier in this report, the debt from EUL was written off and the claim in the liquidation of BGL rescinded.

As previously reported, there was also believed to be a debt due from Wordery in the sum of circa £33,000 and Wordery purported to apply set off to eradicate the sum owed. Following negotiation, a full and final settlement of £8,277.98 (being 25% of the sum believed to be owing) was agreed with Wordery and this was duly received.

As Wordery debts were historically 'funded' and fall under the charge held by AFC this receipt is included in the Book Debts figure on the Receipts and Payments Account.

No other realisations were made in this regard.

HMRC VAT refund

The sale of books is zero-rated and hence the Company was usually in a VAT repayment situation. Whilst the SOA included a VAT refund with a book value of £53,271, this was expected to be offset against the Company's other HMRC debt. Accordingly, realisations in this regard were considered unlikely.

As advised earlier in this report, the Joint Administrators instructed accountants, Kreston Reeves LLP, to submit the missing pre-Administration VAT returns to (a) extinguish the alleged VAT liability of the VAT Group and (b) reduce HMRC's claim for dividend purposes. Unfortunately due to insufficient records Kreston Reeves LLP were unable to assist in this regard and therefore no recoveries were possible.

The Joint Administrators did, however, write to HMRC to request that they set out the basis of their assessments and also that they re-assess the pre-Administration VAT assessments previously raised. Whilst no realisations were made, as a result of our letter, HMRC submitted a revised claim on 3rd December 2021 which removed the VAT liability included in their initial claim.

Cash at Bank

The SOA estimated that the sum of £1,847,365 would be realised in respect of the sums held in the Company's bank accounts held with Natwest and Barclays.

These accounts were frozen by the Joint Administrators following appointment but remained open (where appropriate) for a period in order to receive monies due to the Company.

The sums received from Natwest and Barclays amounted to £2,077,687.70. Historically these accounts also received sums from customers whose debts were funded by the BNP Facility, and the Company would reconcile the position and transfer the relevant funds to the BNP blocked account. The Company had reconciled the position up to 31st May 2020 and made the relevant transfers to the BNP blocked account.

Following receipt of Counsel's advice confirming that AFC hold a fixed charge over debts previously funded under the BNP Facility, the Joint Administrators undertook a full reconciliation of the position and calculated that, of the funds received into the Natwest and Barclays accounts in this regard, the sum of £417,566.25 needed to be re-allocated to fixed charge book debt realisations. A summary of the final cash at bank position is as follows:

Cash at bank received	£2,077,687.70
Re-allocated to fixed charge debtors	(£417,556.25)
Net cash at bank received	£1,660,121.45

In addition to the above, I realised further assets that were not included in the Proposals as follows:

Tax refund

A sum of £978.22 was received from HMRC shortly after Administration in respect of corporation tax overpayments for the periods ending 31st August 2011 and 31st August 2012.

Insurance Refunds

During the Administration we were contacted by Canada Life to advise that the sum of £6,194.30 was owed to the Company in respect of historic overpayments of premiums for a Death in Service Scheme operated by the Company.

We were also contacted by Aviva who advised that an insurance refund of £431.42 was due to the Company.

Following correspondence, these sums, which total £6,625.72, were duly received.

Rent (including service charges & insurance)

As stated earlier in this report, the Company occupied the Office Premises from the period from appointment up to the date of the sale to TLG. Part of this premises was sub-let to EAAA at an annual rent of £70,748. Rent and service charges of £57,942.25 have been received from EAAA. A net balance of £50,928.87 has been passed to the landlord in respect of rent received (after other associated costs concerning the property were paid).

Contribution to costs (Wordery)

As advised earlier in this report, the Board previously agreed to provide Wordery with financial data the Company was holding on its behalf for the period from 1 January 2020 to 30 April 2020. An invoice was raised post-Administration for Wordery to pay the agreed sum of £1,000 for the provision of the data and this was duly received.

Late Payment Compensation

As set out previously, DELV Limited were instructed to pursue compensation claims against Local Authorities for invoices that were paid late. The sum of £30,112.80 has been recovered in this regard.

Gross Bank Interest

Funds relating to floating charge realisations were previously held in an interest-bearing bank account. Gross bank interest totalling £2,392.52 has been received in the Administration, of which £942.75 was received in the Reporting Period. This account was removed from interest bearing prior to calculating the prescribed part dividend to unsecured creditors.

CJRS monies

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.

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 did not provide their advice on the allocation of funds. For reasons set out previously, we concluded that the funds be allocated to each estate based on the number of employees employed by each entity.

As such, the Company received the sum of £126,431.93 plus interest of £68.81 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 2nd June 2021 a formal settlement which provided 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 continued to pursue this on our behalf without success.

Following direct communications between the Joint Administrators and RBS' managing agents, the agreed sum of £87,720.88 was received. The delay in making payment was a result of RBS changing their managing agents around the time payment should have been made, resulting in it being overlooked.

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 £2,033.14 has been received from TLG in this regard, of which £676.83 was received in the Reporting Period.

Creditors will note that the sum of £2,020.05 has been paid out of the Administration in respect of domain charges, resulting in a very minimal overpayment received from TLG.

Unless stated above, all assets were realised and/or dealt with in prior reporting periods.

8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the Natwest and BNP accounts for the period from the day after the last set of filed accounts from the Company's bankers; conducted a detailed analysis of aged creditor claims and compared the information in the Company's last set of accounts with that contained in the SOA and made enquiries about the reasons for the changes.

Following appointment, a number of creditors raised matters of concern. The Joint Administrators reviewed any matters raised and have concluded any matters raised by creditors which did not merit further investigation.

A number of concerns raised did merit further investigation and these matters were investigated. Such matters included AFC's security and the nature of the Company's historical trading relationship with Wordery.

I identified the following areas where I considered that further investigation was required.

Pre-appointment transactions/disposals

Sale of CMC Machine to associated company, Wordery:

- As part of the share sale of Wordery, the purchaser requested that a piece of machinery, a 121 CMC packaging machine, owned by the Company be transferred/sold to Wordery in advance of the share sale. It is understood that the directors transferred the asset for the net book value of £254,000. The original cost of the equipment was £430,000 and it was acquired in May 2017 with an original useful economic life of 7 years.
- The Joint Administrators sought advice from MBV who confirmed that the sale consideration was broadly in line with their market value of the asset on an in-situ basis and would have exceeded the market value on an ex-situ basis. As a result, they considered that the consideration for the equipment was fair under the circumstances. As a result, the Joint Administrators did not have any concerns regarding this transaction.
- The Joint Administrators have been able to identify receipt of this sum from Wordery in the bank statements analysed (following further enquiries being made of Wordery to assist in identifying the same).

Sale of Bertline system to unconnected company:

- On 26th May 2020, the 'Bertline system', an online stock proprietary and control system developed by the Company, was sold to an independent third party, Batch Limited, for a sum of £43,000. This consideration was received by the Company on 28th May 2020.
- The Joint Administrators sought advice from MBV and they've advised that they consider the transaction was completed on an arm's length basis. As a result, the Joint Administrators did not have any concerns regarding this transaction.

Surrender of tax losses to group companies:

In May 2020, the Company surrendered tax losses of £2,256,849 to other Aurelius Investment companies. These losses related to the periods ending 31st August 2017 and 31st December 2018. The Joint Administrators were required to review any disposals of assets in the pre-Administration period, which included the surrender of these losses. In order to assist our review, I requested the following from Aurelius:

- Copies of the executed agreements relating to the surrender of the losses.
- The respective bank account details to which the compensation payments were made (if not stated in the agreement(s)).
- The date on which the compensation payments were made (if not stated in the agreement(s)).
- The basis on which the compensation amounts were calculated.

In return for the surrender of these losses, the Company was compensated by the beneficiary companies by way of payment totalling £15,898. The compensation was duly received on 21st May 2020.

I considered the appropriateness of the surrenders by way of the following:

1. Whether the tax losses were capable of being used to offset any gains arising during the Administration and if so, whether the benefit exceeds the net benefit received by the Company as a result of the surrender.
2. Whether the tax losses were capable of being used as part of a terminal loss relief claim and if so, whether the terminal loss claim would exceed the net benefit received by the Company as a result of the surrender.
3. Whether the compensation due under the surrender agreement was appropriate in the circumstances.

1. Using tax losses to offset gains in Administration

- After entry into Administration trading losses can only be used if the Company continues to trade. Although the assets of the Company were sold some time after Administration, the Company was not trading in the period between appointment and sale (it ceased trading upon Administration). The respective historic losses would, therefore, not have been available to reduce any Corporation Tax due on chargeable gains in the Administration and would have gone unused (if not surrendered).
- In light of the above, the pre-Administration surrender of the tax losses has not been detrimental to the Administration tax position.

2. Using the tax losses as part of a terminal loss relief claim

- The Company appears to have historically used losses to offset against any tax due on trading profits.
- As stated above, the Company historically received tax credits (presumably due to significant historic/group losses) and therefore would not have paid any tax which would be recoverable under a terminal loss relief claim.
- In any event, the Company had significant Crown debts which would have been offset against any terminal loss relief claim if one was appropriate.
- In light of the above, it did not appear that a terminal loss relief claim was appropriate.

3. Appropriate compensation

- As previously stated, the sum of £15,898 was paid to the Company by way of compensation for the surrender of the losses.
- I did not have any concerns over the compensation payment amount on the basis the losses in question (a) had no value to the Administration estate if they were retained (other than to seek a surrender to other Group companies on the same basis as was effected pre-Administration) and (b) could not be disposed of to a non-group entity. They were therefore only worth what the respective group beneficiary was willing to pay for them.

In summary, I did not have any concerns regarding the appropriateness of the surrender of the tax losses pre appointment.

Repayment of BNP Group liability prior to Administration:

- The sums owing to BNP were discharged from pre-appointment receipts into the blocked accounts across the Group and from the sale of overseas entities, Erasmus and Houtschild, (with their fixed charge satisfied on 24th April 2020).
- Katten advised that BNP's security was validly executed.
- They also advised that under the BNP facility, they retained ownership of book debts acquired by them under the discounting facility agreement.
- As a result, as the receipts taken by BNP to repay their indebtedness were taken from book debts assigned to them under their facility, this was permitted as they had actually purchased the debts, and it isn't a question of security.
- The payments received by BNP outside of the Company (i.e., from the sales of Erasmus and Houtschild), do not fall under the remit of our investigations and merely served to improve the financial position of the Company, by reducing the level of payments required to be made by the Company to BNP from debtor receipts.

Disposal of shares held in Erasmus and Houtschild:

DBL's accounts for the year ending 31st December 2018 stated that it disposed of 100% of the ordinary share capital of its (then) subsidiaries, Erasmus and Houtschild, to its UK ultimate parent company, BGL. During that same year, DBL received dividends of £600,000 and £1,400,000 from Houtschild and Erasmus, respectively. It was therefore possible that these shares had value and it was considered that further investigation was required into this transaction.

The Joint Administrators made enquiries of the Directors and BGL regarding the disposals and, despite the information included in DBL's accounts, based on the documentation obtained and reviewed, the shares were actually first transferred from DBL to BTL, who then sold them to BGL.

I can further advise as follows:

- The shares were sold by DBL to BTL, and by BTL to BGL, on 20th December 2018.
- Despite the disposals being shown for a combined total of £2m in DBL's accounts, the total value placed on these shares according to the transfer documentation was £2.2m in both instances (£1,505,000 (Erasmus) and £695,000 (Houtschild)).
- No monetary payment was made for the sale of the shares, instead the sale price was deducted from the inter-company balance owing to BTL by DBL (for the first sale) and then created an intercompany loan owing from BGL to BTL (for the second sale).
- An independent valuation report was not obtained but instead BGL relied upon the following:
 - a third party at that time made an indicative offer for \$2.5m for the shares.
 - Aurelius ran the Dutch companies' financial plans through their standard valuation model, which indicated that the fair market value of the shares was £2,035,000 and £939,000 for Erasmus and Houtschild respectively. and
 - Circa 18 months later the Dutch companies were sold by BGL for €2.5m.

In light of the above, I instructed MBV to advise on whether the sale of the shares was for fair market value. MBV reviewed the financial data obtained in respect of Erasmus and Houtschild in order to advise and, despite the financial data not providing a split between the two subsidiaries, MBV advised that, as a global figure, the sale consideration represented fair market value. MBV's costs have been met by the estate of DBL as the initial holder of the shares.

AFC's security

Section 245 of the Act - Avoidance of floating charge

AFC's security was granted on 9th August 2019 and hence is within the relevant two-year period for connected parties. However, Section 245 of the Act only extends to invalidate a floating charge granted in such circumstances in respect of 'past' consideration.

In this case, it appears that the granting of security and the provision of the term loan and stock facility were part of the same transaction and were only provided because of the provision of security.

For this reason, the legal advice obtained from Katten concluded that Section 245 of the Act would not have any practical effect in this case although as stated previously, conclusive advice on this from Counsel was obtained. Counsel confirmed that they agreed with the contents of the original advice from Katten regarding the validity of AFC's floating charge. Accordingly, the provisions of Section 245 of the Act do not apply in respect of AFC's floating charge.

AFC partial repayment prior to Administration and extent of AFC security

Katten provided advice which confirmed that AFC's charge had been validly executed. Katten had also preliminarily advised that the right for AFC to require book debts to be paid into a blocked account falls under the terms of the facility provided by AFC (i.e. that it is not a security right but a contractual right).

AFC had been partially repaid prior to Administration from i) the share sale of Wordery, and ii) from blocked account receipts. Legal advice was obtained which confirmed AFC were entitled to receive these sums and allocate them against the sums owed to them as they saw fit.

As previously stated, further advice was obtained from Counsel in light of the nature of the facilities provided. Counsel's advice was that AFC's security is valid and they have 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).

Bank Analysis

The analysis of the Company's bank accounts has been a time-consuming process due to the volume of transactions passing through each account on a daily basis. The analysis undertaken to date includes full reconciliations of payments made to, and received from, the following in the period since 1st January 2019 (being the day after the last filed accounts) to Administration:

- Wordery.
- DBL.
- EUL.
- BGL.
- Houtschild.
- Erasmus.
- The directors (including any de facto directors) and other connected parties.
- The current and former charge holders.
- HMRC.
- Cheque payments.
- Cash withdrawals.
- Large and suspicious transactions.
- Other companies in the Aurelius Group.

The above reconciliations were undertaken to establish whether any sums could be recovered for the benefit of creditors.

In addition, the Company's bank accounts were reviewed in respect of payments made to HMRC. This was undertaken to assist with the confidential report on the conduct of the directors (further details of which can be found later in this section).

Due to the number of bank accounts held by the Company, the significant number of transactions, and the delays in receiving certain account statements from Barclays, the full review of all accounts took significant time to complete.

The reviews undertaken highlighted certain transactions that required further investigation and enquiries were made of the Directors and the recipients of these transactions (as appropriate).

This work may have led to potential recovery actions, and the work outlined above was undertaken to further those investigations with a view to establishing whether recoveries can be made for the benefit of the creditors.

My enquiries in respect of the transactions highlighted during the above reviews were finalised and no claims were identified in this regard.

Conduct Report

Within three months of my appointment as Joint Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report was submitted.

All investigation work was concluded in prior reporting periods.

9. PRE-ADMINISTRATION COSTS

On 29th 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
TOTAL	£396,495.59	£396,495.59	Nil	Nil

As detailed above these costs were paid in prior reporting periods.

10. JOINT ADMINISTRATORS' REMUNERATION

My remuneration was originally approved by the Creditors' Committee on a time cost basis based on a fees estimate of £603,890. An increased fees estimate of £858,410 was subsequently approved by the Creditors' Committee. The increased fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the relevant creditors. My total time costs to date amount to £979,361.50, representing 3,877.2 hours of work at a blended charge out rate of £252.60 per hour (of which £75,155.00, representing 312 hours of work, was charged in the period since 19th December 2022, at a blended charge out rate of £240.88 per hour).

I have invoiced £857,470.38 to date, of which £841,214.55 has been drawn. Of this £16,010.38 was invoiced in the period since 19th December 2022. Creditors will note that the Receipts and Payments account shows a negative sum for Joint Administrators' remuneration drawn and allocated to floating charge assets in the Reporting Period (£4,248.05). This is due to the apportionment of the majority of these funds to fixed charge assets (£4,002.60), and also an accounting entry to enable the input VAT my final invoice to be correctly accounted for on the estate cashbook (£245.45).

To enable the Administration to be closed prior to the automatic end, the VAT refund due of £16,255.83 which will be used to discharge the unpaid balance of my final remuneration invoice has been assigned to my firm. Once this is received, I will have drawn £857,470.38.

A detailed schedule of my time costs incurred to date is attached as Appendix 4. In addition, a detailed schedule of my time costs incurred since 19th December 2022 is attached at Appendix 5. Furthermore, a comparison of these costs with my increased fee 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 increased 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 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. 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.
- Furthermore, whilst not envisaged at the outset, a number of debtors 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.
- 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 did not 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/>. A copy of 'A Creditors Guide to Joint Administrators' Fees' published by the R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the most recent version.

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 category 1 expenses I estimated I would incur when my remuneration was authorised by the creditors, in addition to the actual expenses incurred and paid to date (and since 19th December 2022), is below:

Type of expense	Estimated expense	Incurred to date of this report	Paid to date of this report	Incurred in Reporting Period	Paid in Reporting Period	Amount unpaid
	£	£	£	£	£	£
Specific Bond	720.00	720.00	720.00	Nil	Nil	Nil
Statutory Advertising	300.00	375.38	375.38	Nil	Nil	Nil
Postage	3,000.00	8,358.72	8,358.72	5,112.34	5,112.34	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	186,803.41	185,943.91	1,887.47	3,215.50	Nil*
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	6,500.00	6,500.00	2,000.00	2,000.00	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	Nil	Nil
Records management costs	28,776.50	34,854.26	34,854.26	3,547.68	3,547.68	Nil
ERA Agents' Fees	26,707.00	30,531.00	30,531.00	10,714.00	10,714.00	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	2,020.05	2,020.05	206.78	206.78	Nil
TOTAL	735,468.50	867,114.85	862,949.85	23,468.27	24,796.30	Nil

**It has been agreed that the unpaid costs for MBV, CRS and Katten 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/Agent	Nature of Work	Fee Arrangement
Katten	Solicitors	Time costs + disbursements
Buzzacott LLP	Tax Advice/Assistance	Fixed fee
Evolve	ERA Services	Fixed fee

The above advisors have undertaken the following work in the Reporting Period:

Katten

In the Reporting Period, Katten provided legal advice on the following matters:

- Reviewing an incorrect share pledge in relation to Houtschild where BTL appeared to be a party by mistake.
- Implications on employee claims arising from the Employment Tribunal judgment.

Buzzacott LLP

Buzzacott LLP were 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 the preparation of tax computations and returns for the period ending 18th June 2022 and submitting these to HMRC.

Evolve

Evolve have been engaged in the Reporting Period to undertake the following work:

- Calculate employees' balancing non-preferential claims.
- Arrange for an RTI submission to be made to HMRC for the preferential dividend.
- Provide advice on employee claims generally.

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.

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 not previously known or anticipated when my estimate was prepared.

- 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.
- As the Administration was required to be open longer than originally anticipated, additional accountancy fees were incurred to produce more tax returns than were originally expected.
- Postage costs were higher than originally anticipated due to the requirement to postpone the original intended unsecured distribution and notify all creditors (including employees) of the fact.

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 duplicate 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 been reallocated to fixed charge costs.

Rent – Block C - £50,928.87

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

12. 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. Fixed charge distributions totalling £3,173,612.58 have been paid to AFC (all of which was paid in prior reporting periods). A floating charge distribution of £739,629.83 was paid to AFC to AFC on 23rd March 2023. Total fixed and floating distributions made to AFC in the Administration therefore total £3,913,242.41.

AFC has also received fixed and floating charge distributions totalling £1,074,985.85 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 was £138,601.03. Evolve was instructed in a prior reporting period to assist in calculating the employees' balancing preferential claims, which totalled £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 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).

Excluding HMRC, I have received claims from 557 unsecured creditors totalling £24,994,909.16. This includes £2,408,037.23 owing to the RPS in respect of unsecured payments made to former employees and £2,561.70 in respect of the employees' unsecured balancing claims.

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

13. DIVIDEND OUTCOME 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. 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.

A summary of the apportionment of costs agreed with AFC is as follows:

Cost type	% Allocated to fixed charge	Total paid during Administration	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%	£841,214.55*	£214,367.60	£626,846.95*

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%	£185,943.91	£18,594.39	£167,349.52
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

**Once the VAT refund assigned to my firm has been received the Joint Administrators' remuneration allocated to floating charge realisations will amount to £643,102.78, and total remuneration drawn will about to £857,470.37 (as previously reported).*

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

A summary of the dividend outcome in the Administration is as follows:

Fixed charge creditors

The following fixed charge dividends were paid to AFC in respect of their agreed claim of £6,200,262.47:

Date	Amount distributed	Dividend rate
26 th August 2021	£3,050,000.00	48.39p in the £
18 th August 2022	£123,612.58	1.99p in the £
	£3,173,612.58	51.18p in the £

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

The following floating charge dividend was paid to AFC in respect of their agreed claim of £6,200,262.47:

Date	Amount distributed	Dividend rate
23 rd March 2023	£739,629.83	11.9p in the £
	£739,629.83	11.9p in the £

Non-preferential unsecured Creditors

During the course of the Administration I have made a distribution of the prescribed part to non-preferential unsecured creditors, as detailed below.

As previously advised, the Company gave a floating charge to AFC on 9th August 2019 and the prescribed part provisions apply. On the basis of realisations made, and after taking into account the costs of the Administration, the net property of the Company was £928,287.29, and the prescribed part of the net property for unsecured creditors was £188,657.46.

After taking into account the costs of agreeing creditors' claims and of making the distribution of the prescribed part totalling £61,301.80, a distribution of £127,355.66 was made to non-preferential unsecured creditors on 7th June 2023, representing a dividend of 0.5p in the £.

The actual result for non-preferential unsecured creditors is less than estimated in my first progress report to creditors, which estimated that the prescribed part of the net property would be £197,557, albeit this was before I sought an increase on my fees and before calculating the costs of agreeing creditors' claims and of making the distribution of the prescribed part (which would not have been known at that time).

14. FURTHER INFORMATION

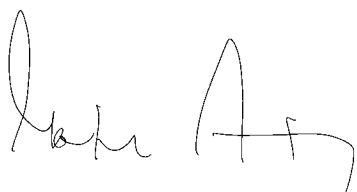
An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Administrators' remuneration and expenses within 21 days of their receipt of this report. Any secured 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>.

15. SUMMARY

The Administration as approved in the Proposals is now complete and our files will be closed. If creditors have any queries regarding the conduct of the Administration, or this report, 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 020 8661 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, Andrew Bailey and I. The Joint Administrators act as agents of the Company and contract without personal liability.

APPENDIX 1 - STATUTORY INFORMATION

Company name:	Bertram Trading Limited
Formerly known as:	Smiths News 2009 Limited
Trading names:	Bertram Books and Bertram Library Services
Court name and reference:	High Court of Justice CR-2020-002736
Registered office:	Allen House 1 Westmead Road Sutton Surrey SM1 4LA
Former registered office:	1 Broadland Business Park Norwich Norfolk NR7 0WF
Registered number:	06849888
Joint Administrators' names:	Martin C Armstrong and Andrew R Bailey
Joint Administrators' address:	Turpin Barker Armstrong Allen House 1 Westmead Road Sutton Surrey SM1 4LA
Joint Administrators' contact details:	bertram@turpinba.co.uk or 020 8661 4019
Joint Administrators' date of appointment:	19 th June 2020
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 was due to automatically end on 18 th June 2023.

Appendix 2 - Routine work undertaken in the Administration

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 an office holder must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.
- Regular internal video calls/meetings with staff.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).
- Preparing, reviewing, and issuing the Proposals to the creditors and members.
- Filing the Proposals at Companies House.
- Seeking approval of the Proposals by deemed consent.
- Reporting on the outcome of the approval of the Proposals to the creditors, Companies House and the Court.
- Liaising with pension agents in respect of the work done; and checking the adequacy of the work done.
- Reviewing and authorising statutory pension notifications.
- Seeking decisions from creditors and members.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the estate bank accounts.
- Creating, maintaining and managing a cashbook.
- Undertaking regular bank reconciliations of the estate bank account.
- 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.
- Liaising with tax agents in respect of the work done; and checking the adequacy of the work done
- Reviewing and approving Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing a final progress report of the Administration to creditors and members.
- Filing a final return at Companies House.

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

Employees - The office holders need to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. 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. This work is primarily undertaken for the benefit of creditors, but it also includes work that the office holders are required to undertake as part of their statutory functions.

- Liaising with ERA agents, supervising the work done by them and obtaining information from the case records about employee claims.
- Reviewing documentation for submission to the RPS.
- Corresponding with employees regarding their claims and dealing with queries.
- Liaising with the RPS regarding employee claims.
- Liaising with solicitors regarding the validity and nature of the charge held by AFC.
- Providing updates to AFC.
- Preparing estimated outcome statements.
- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.
- Setting up a designated phone line and email address to deal with substantial incoming correspondence.
- Regular video meetings with team dealing with creditor correspondence.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.
- Issuing the statutory notifications to Companies House and committee members regarding the formation of a committee.
- Preparing reports to the committee.
- Holding meetings of the committee.
- Preparing detailed minutes of committee meetings.
- Seeking requisite approvals from the committee on pre-administration costs and the Joint Administrators remuneration.
- Liaising with committee members generally.
- Liaising with ERA agents regarding the calculation of employees' preferential and unsecured balancing claims.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Postponing the original dividend.
- Issuing a further 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.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.
- Seeking consent from the committee to end the Administration.
- Seeking consent from the committee that the Joint Administrators be discharged at the same

time as they vacate office.

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

Statement of Affairs £		From 19/12/2022 To 15/06/2023 £	From 19/06/2020 To 15/06/2023 £
	FIXED CHARGE ASSETS		
1,846,922.00	Book Debts	NIL	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
		NIL	3,507,626.98
	FIXED CHARGE COSTS		
	Joint Administrators' Fees - Pre-App	NIL	15,000.00
	Joint Administrators' Fees - Post-App	4,002.60	214,367.60
	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)	321.55	18,594.39
	Bank transfer fees	NIL	25.00
	BNP bank charge	NIL	1,500.00
	Debt Collection Costs	NIL	49,930.58
	Refund of duplicated debtor payment	NIL	6,367.50
	Wages & Salaries	NIL	10,000.00
	Payroll Costs	NIL	253.00
		(4,324.15)	(334,100.55)
	FIXED CHARGE CREDITORS		
(7,772,262.00)	AFC Limited (Group Liability)	NIL	3,173,612.58
		NIL	(3,173,612.58)
	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	676.83	2,033.14
	Dilapidations Settlement	NIL	87,720.88
	Gross Bank Interest	942.75	2,392.52
Uncertain	HMRC VAT refund	NIL	NIL
	Insurance Refund	NIL	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
		1,619.58	2,902,106.89
	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)	2,893.95	167,349.52
	Legal Fees & Expenses - Pre-App	NIL	73,599.92
	Property Agents' Fees - Savills	NIL	3,900.00
		(2,893.95)	(676,885.80)
	COST OF ADMINISTRATION		
	Accountancy Fees/Tax advice	2,000.00	6,500.00

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

Statement of Affairs £	From 19/12/2022 To 15/06/2023 £	From 19/06/2020 To 15/06/2023 £
Bank charges	25.00	75.00
Conference Call Charges	NIL	1,936.88
Corporation Tax	236.50	236.50
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	206.78	2,020.05
Employee Childcare Vouchers and hea	NIL	500.02
ERA Agents' Fees - Post-App	10,714.00	30,531.00
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	(4,248.05)	626,846.95
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	5,112.34	8,358.72
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	3,547.68	34,854.26
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	375.38
Wages & Salaries (inc pension)	NIL	76,581.15
Waste Removal	NIL	175.69
	(17,594.25)	(1,147,306.51)
PREFERENTIAL CREDITORS		
Department of Employment	NIL	138,601.03
(192,144.00) Employees' Holiday Pay (293/392)	(1,364.17)	40,241.08
HMRC - PAYE/NIC	NIL	13,694.80
Unclaimed Dividends (Pref)	1,389.92	1,389.92
	(25.75)	(193,926.83)
FLOATING CHARGE CREDITORS		
AFC Limited (Group Liability)	739,629.83	739,629.83
	(739,629.83)	(739,629.83)
UNSECURED CREDITORS		
(115,836.00) Accruals	155.99	155.99
Department of Employment	11,966.80	11,966.80
(2,894,268.00) Employees (PILON 392 & Redundancy	2,059.70	2,059.70
(661,692.00) HM Revenue & Customs	3,142.73	3,142.73
HMRC - PAYE/NIC deductions	502.00	502.00

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

Statement of Affairs £		From 19/12/2022 To 15/06/2023 £	From 19/06/2020 To 15/06/2023 £
(1,717,705.00)	Intercompany	6,852.61	6,852.61
(1,840,764.00)	Non-trade Creditors	6,891.74	6,891.74
5,631,608.00	Retention of Title claims	NIL	NIL
(25,092,616.00)	Trade Creditors	95,784.09	95,784.09
		(127,355.66)	(127,355.66)
	DISTRIBUTIONS		
(1,000,001.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(27,717,099.00)		(890,204.01)	16,916.11
	REPRESENTED BY		
	Non-recoverable VAT		660.28
	VAT refund assigned to TBA		16,255.83
			16,916.11

Note:

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

Time Entry - Detailed SIP9 Time & Cost Summary

XB0309 - Bertram Trading Limited
From: 19/06/2020 To: 15/06/2023
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	87.50	26.50	0.00	100.70	214.70	63,951.00	297.86
504 : Statutory Reporting to Creditors	80.20	56.00	9.10	10.90	156.20	65,366.50	418.48
603 : Statutory filing	5.10	11.10	0.00	9.90	26.10	7,394.50	283.31
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	12,652.00	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	23.00	1.50	0.00	2.30	26.80	12,017.50	448.41
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
610 : Case closure formalities	0.60	0.00	0.00	0.00	0.60	315.00	525.00
611 : Maintenance of case files/records	0.60	2.30	0.70	22.30	25.90	2,561.00	99.65
700 : Formalities	0.00	1.40	0.00	0.00	1.40	500.50	357.50
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	7.80	60.90	0.10	180.50	249.30	36,621.50	146.90
Administration & Planning	230.80	214.80	10.20	335.10	790.90	222,459.50	281.27
601 : Case Specific 1	74.20	105.20	0.00	5.50	184.90	79,706.50	431.08
Case Specific Matters	74.20	105.20	0.00	5.50	184.90	79,706.50	431.08
509 : Onerous property	3.20	12.10	0.00	0.00	15.30	5,875.00	383.99
505 : Report / Secured Creditor	39.90	21.90	0.00	0.00	61.80	29,575.00	478.56
507 : Dividend distribution/adjudicating claims	77.00	6.20	0.00	707.10	790.30	95,744.50	121.15
403 : Ongoing Employee Issues	0.00	5.40	0.00	0.60	6.00	1,786.00	297.67
500 : Preferential Creditors	2.10	4.40	0.80	14.80	22.10	3,391.00	153.44
501 : Unsecured Creditors	39.80	216.80	0.00	313.50	570.20	111,265.00	195.13
502 : Employee Matters	17.70	48.40	0.00	99.30	165.40	30,421.50	183.93
503 : Committee Report & Meeting	35.80	48.60	0.00	1.00	85.40	35,973.00	421.23
Creditors	215.50	363.90	0.80	1,136.30	1,716.50	314,031.00	182.95
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	47.10	105.00	0.00	1.50	153.60	61,078.50	397.65
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	30.40	120.00	0.00	0.00	150.40	54,142.50	359.99
307 : Cash at bank	3.10	4.10	0.00	0.30	7.50	3,243.50	432.47

Time Entry - Detailed SIP9 Time & Cost Summary

XB0309 - Bertram Trading Limited
From: 19/06/2020 To: 15/06/2023
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
308 : Intangible assets/Goodwill/IP	5.10	5.90	0.00	0.00	11.00	4,967.50	451.59
202 : Pursuing Antecedent Transactions	0.00	3.60	0.00	0.00	3.60	1,116.00	310.00
Realisation of Assets	146.40	590.00	1.00	39.90	777.30	281,741.50	362.46
Total Hours	702.70	1,428.60	16.10	1,729.80	3,877.20	979,361.50	252.60
Total Fees Claimed						857,470.38	

Time Entry - Detailed SIP9 Time & Cost Summary

XB0309 - Bertram Trading Limited
From: 19/12/2022 To: 15/06/2023
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	11.60	0.20	0.00	14.20	26.00	8,065.50	310.21
504 : Statutory Reporting to Creditors	21.00	0.00	1.40	0.00	22.40	11,884.00	530.54
603 : Statutory filing	0.30	0.00	0.00	0.50	0.80	213.50	266.88
607 : Post-appointment VAT/CT returns	14.70	0.00	0.00	0.60	15.30	7,307.50	477.61
610 : Case closure formalities	0.60	0.00	0.00	0.00	0.60	315.00	525.00
611 : Maintenance of case files/records	0.10	0.00	0.00	0.00	0.10	47.50	475.00
700 : Formalities	0.00	1.40	0.00	0.00	1.40	500.50	357.50
600 : Administration	1.10	0.00	0.00	19.50	20.60	1,837.00	89.17
Administration & Planning	49.40	1.60	1.40	34.80	87.20	30,170.50	345.99
601 : Case Specific 1	1.80	0.00	0.00	0.10	1.90	1,022.00	537.89
Case Specific Matters	1.80	0.00	0.00	0.10	1.90	1,022.00	537.89
505 : Report / Secured Creditor	4.00	0.00	0.00	0.00	4.00	2,002.00	500.50
507 : Dividend distribution/adjudicating claims	43.70	0.00	0.00	97.20	140.90	31,803.00	225.71
500 : Preferential Creditors	0.60	0.00	0.00	1.80	2.40	382.00	159.17
501 : Unsecured Creditors	1.70	0.20	0.00	52.30	54.20	6,157.00	113.60
502 : Employee Matters	2.80	0.20	0.00	16.70	19.70	2,801.00	142.18
Creditors	52.80	0.40	0.00	168.00	221.20	43,145.00	195.05
303 : Book Debts/retentions	0.40	0.00	0.00	0.00	0.40	190.00	475.00
306 : Other Assets	0.20	0.00	0.00	0.00	0.20	105.00	525.00
308 : Intangible assets/Goodwill/IP	1.10	0.00	0.00	0.00	1.10	522.50	475.00
Realisation of Assets	1.70	0.00	0.00	0.00	1.70	817.50	480.88
Total Hours	105.70	2.00	1.40	202.90	312.00	75,155.00	240.88
Total Fees Claimed						16,010.38	

Appendix 6 - Comparative fee estimate and time summary

	FEE ESTIMATE			REPORTING PERIOD (FROM 19 DECEMBER 2022 TO DATE OF REPORT)			ADMINISTRATION (FROM 19 JUNE 2020 TO DATE OF REPORT)			
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	30,170.50	87.20	345.99	222,459.50	790.90	281.27	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	817.50	1.70	480.88	281,741.50	777.30	362.46	Higher level of staff required to deal with certain realisations (including Amazon and Wordery debts).
Creditors	252,445.00	2,014.50	125.31	43,145.00	221.20	195.05	314,031.00	1,716.50	182.95	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	1,022.00	1.90	537.89	79,706.50	184.90	431.08	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	75,155.00	312.00	240.88	979,361.50	3,877.20	252.60	Slightly higher blended rate a result of the requirement for higher level of staff being required to deal with certain matters in the Administration

Notice of final dividend position

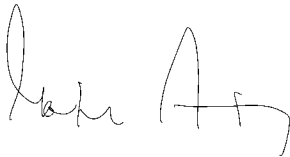
**Bertram Trading Limited ("the Company") – In Administration
In the High Court of Justice Number CR-2020-002736**

Company Registration Number: 06849888

NOTICE IS GIVEN under rule 14.37 of The Insolvency (England and Wales) Rules 2016, by Martin Armstrong and Andrew Bailey, the Joint Administrators, to the creditors of the Company, that there will not be any further dividend declared to non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to secured, preferential, and non-preferential unsecured creditors, and to meet the expenses of the Administration.

Creditors requiring further information regarding the above, should contact this office by email at bertram@turpinba.co.uk, or by phone on 020 8661 4019.

DATED THIS 15TH DAY OF JUNE 2023

A handwritten signature in black ink, appearing to read 'Martin Armstrong', written over a horizontal line.

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