



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 6 8 8 2 3 6 7

Company name in full DAWSON BOOKS LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) MARTIN CHARLES

Surname ARMSTRONG

3 Administrator's address

Building name/number ALLEN HOUSE

Street 1 WESTMEAD ROAD

Post town SUTTON

County/Region SURREY

Postcode S M 1 4 L A

Country

4 Administrator's name ①

Full forename(s) ANDREW RICHARD

Surname BAILEY

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number ALLEN HOUSE

Street 1 WESTMEAD ROAD

Post town SUTTON

County/Region SURREY

Postcode S M 1 4 L A

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

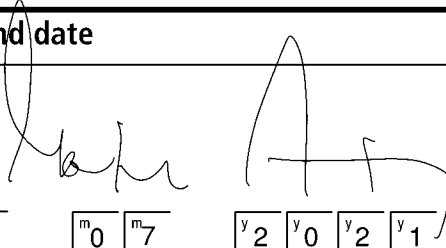
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d 1	d 6	m 0	m 7	y 2	y 0	y 2	y 1
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

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Please make sure you have remembered the following:

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

**Important information**

All information on this form will appear on the public record.

**Where to send**

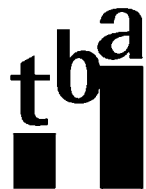
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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

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turpin barker armstrong

Corporate Recovery and Insolvency

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Tel: 020 8661 7878
Fax: 020 8661 0598
E-mail: tba@turpinba.co.uk
Internet: www.turpinbarkerarmstrong.co.uk
Also at West Byfleet

Private and Confidential
To all known creditors

Our ref

MCA/ARB/XD0192

Date

16th July 2021

Dear Sirs

**Dawson Books Limited t/as "Dawsonera" and "Dawsonenter" ("the Company") – In Administration
In the High Court of Justice CR-2020-002744**

This is my report on the progress of the Administration of the Company for the six-month period from 19th December 2020 to 18th June 2021. The report should be read in conjunction with my previous report.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact our office by email at bertram@turpinba.co.uk, or by phone on 020 8661 4019.

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

Yours faithfully

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

Encs.

Partners

M.C. Armstrong FCCA FABRP FIPA MBA FNARA, D.C. Clark FCCA, J.E. Patchett FCCA FABRP, D.A. Payne BA (Hons) FCA,
B.I. Suckling BSc (Hons) FCCA, M.C. Card FPFS Certs CII (MP & ER), A.R. Bailey FABRP MIPA,
S-J. Crean FCCA, R.A. Russell, K.M. Drake LLB (Hons)
Consultant - A.W. Payne FFA/FIPA FFTA DipPFS CeMAP

Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants.

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

M.C. Card is an independent financial advisor and member of the Equity Release Council.

tba Wealth Management is authorised and regulated by the Financial Conduct Authority.

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



Dawson Books Limited t/as “Dawsonera” and “Dawsonenter” (“the Company”) – In Administration

JOINT ADMINISTRATORS’ PROGRESS REPORT TO CREDITORS

For the six months period from 19th December 2020 to 18th June 2021

For the purposes of this report, 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"	Bertram Trading Limited (In Administration)
"Cerberus"	Cerberus Receivables Management Limited
"CTM"	CTM Tax Litigation Limited
"Dawson Spain"	Dawson Iberica SRL and Dawson Espana Agencia de Ediciones SL
"DBL" or "the Company"	Dawson Books Limited (in Administration)
"Erasmus"	Erasmus Antiquariaaten Boekhandel BV
"EUL"	Education Umbrella Limited (in Administration)
"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
"SIP14"	Statement of Insolvency Practice 14
"SOA"	The Directors' Estimated Statement of Affairs as at 24 th July 2020
"the Act"	The Insolvency Act 1986
"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 Proposals"	The Joint Administrators' Proposals delivered to creditors on 12 th August 2020
"TLG"	The Little Group Limited
"Wordery"	Wordery.com Limited

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1. EXECUTIVE SUMMARY

Objective of the Administration

- As Joint Administrators of the Company, Andrew Bailey and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation.
- As stated in the Proposals, the purpose of the Administration of the Company is to achieve objective (c), that is to realise property in order to make a distribution to the secured creditor of the Company. Whilst no distributions to the secured creditor have taken place to date, this has been achieved as a result of the sale of the Company's assets shortly after appointment and by collecting the sums due to the Company from customers, which will enable distributions to be made to the secured creditor in due course.

Joint Administrators' proposals

- The Proposals, which were delivered to creditors on 12th August 2020, were deemed approved on 24th August 2020.

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

Estimated outcome for creditors

- Distributions will be made under both the fixed and floating charges held by AFC in due course (as legal advice has confirmed the validity of their charges and the treatment of asset realisations).
- The Company's financial position means there are insufficient assets to enable a dividend to non-preferential unsecured creditors, other than by way of a distribution of the prescribed part of the net property. Based on current information, the return to unsecured creditors via the prescribed part is estimated to be circa 3p in the £.

2. STATUTORY INFORMATION

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

On 29th January 2021, the secured creditor agreed to extend the Administration of the Company for a period of 12 months, such that the Administration will now automatically end on 18th June 2022.

3. JOINT ADMINISTRATORS' ACTIONS SINCE LAST PROGRESS REPORT

AFC

AFC has a fixed and floating charge over the Company dated 9th August 2019. As set out in my prior report, AFC also holds a fixed and floating charge over BTL and EUL. A Creditors' Committee was appointed in the Administration of BTL and, following discussions with the committee, Katten were instructed by the Joint Administrators of BTL 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 which account they were paid into).

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

- Providing regular updates and estimated outcome statements to AFC.
- Reviewing legal advice on AFC's security (including its validity) obtained in the Administration of BTL.
- Requesting information/documentation from AFC in support of their claim.

Domain Renewals

As detailed in my prior report, under the terms of the sale, the Joint Administrators were required to facilitate the domain names owned by BTL and DBL being maintained for a period of six months from completion (subject to any costs for doing so being met by TLG).

TLG subsequently requested that certain domain names be renewed for a period of two years. The domains in question are controlled by either Virgin Media or CSC Global.

During the reporting period we have continued to liaise with TLG, CSC Global and Virgin Media regarding the renewal of domains.

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 are understood to have billed TLG directly. Any renewal costs incurred by the Administration estate in this regard will be met by TLG in full in accordance with the terms of the sale.

Debt Collection

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

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

BNP

As detailed in my previous report, 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. Despite BNP’s liability having been discharged, legal advice has confirmed that the remaining charge holder, AFC, holds 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 6 months, following which the BNP accounts were closed.

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

- 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.

Natwest and Barclays

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. In the reporting period credit funds have been periodically transferred by these Banks into the Administration estate account as and when requested.

The sums received from Natwest and Barclays include credits received post-Administration and also include funds received prior to Administration in respect of “blocked account” debts which have erroneously been paid into the accounts by customers. A full reconciliation of the sums received both prior to and post-Administration has been undertaken and further details of this are set out later in this report.

The work undertaken in the reporting period in this regard relates to ongoing correspondence with both Barclays and Natwest regarding the operation of the accounts and the transfer of funds, and the analysis of sums received both prior to and after the date of Administration. I have also liaised with Barclays regarding the closure of the accounts held with them.

VAT on supplies of eBooks

E-publications (including eBooks) became zero rated for VAT purposes in the UK with effect from 1st May 2020. HMRC challenged the position regarding supplies of e-publications prior to 1st May 2020 as per the ongoing litigation with *News Corp UK & Ireland Limited*.

There was a binding decision from the Upper Tribunal that e-publications should always have been subject to the zero rate of VAT. HMRC appealed the decision to the Court of Appeal, however, they recognised that, until their appeal was heard, taxpayers had the right to submit claims for overpaid VAT on historic supplies of e-publications. In the prior reporting period certain customers contacted the Joint Administrators to request that the Company submit protective claims to HMRC for the VAT it has

accounted for on supplies of e-publications. These requests were made on the basis that they believed that any VAT ultimately repaid to the Company should be repaid to the respective supplier. The Joint Administrators instructed CTM to provide specialist tax advice in relation to the following:

- The Company's obligations in respect of the requests for protective claims to be submitted.
- The validity of any potential refund claims.
- The work required (and associated costs) to pursue any claim(s) and what supporting information/documentation would be required in this regard.
- Whether any refund ultimately received would be property of the Company (and therefore becomes an asset of the Administration estate), or whether it constitutes property of the respective customer that would need to be passed on when received (as has been suggested by the respective customers). Separate legal advice on this point may also have been required.

The advice received from CTM, which was finalised after the Court of Appeal upheld HMRC's appeal, confirmed that, as a result of the successful appeal, as it stands (and subject to an appeal to the Supreme Court (if any)) protective claims (if submitted) are not valid, and no VAT can be recovered from HMRC. Accordingly, CTM confirmed that DBL correctly accounted for VAT on supplies of e-publications (as things stand).

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

- Reviewing advice received from CTM.
- Corresponding with eBook customers and their representatives in respect of the Court of Appeal decision and the advice received.

Creditors

The Company has around 800 known creditors. The following work has been undertaken in order to deal with creditors to date:

- Adjudicating on creditor claims as and when received.
- Maintaining up to date creditor information on the case management system.
- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.

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.

BII Policy

Following enquiries being made by the Joint Administrators, it transpired that the Company, BTL and EUL held a group BII Policy with Aviva which provided cover up to £50m. 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 insurer's 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 is not one.

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

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

- Making enquiries of the insurers regarding the BII Policy.
- Reviewing the terms of the policy.
- Making enquiries of the directors.
- Reviewing documentation provided by the Company's pre-appointment insurer regarding the rejection of claims.
- Liaising with the insurers generally.
- Reviewing legal advice obtained in the Administration of BTL.

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

Routine statutory and compliance work

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

4. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 19th December 2020 to 18th June 2021 is attached at Appendix 3. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain. Since the reporting period end date, the following transactions have taken place through the estate bank accounts:

Date	Receipt Amount	Details
24/06/2021	£28.05	Gross bank interest
01/07/2021	£645.46	Prepayments
01/07/2021	£7,538.93	Prepayments
01/07/2021	£1,259.40	Prepayments
08/07/2021	£4.46	Cash held in blocked bank accounts

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

5. ASSETS

Book Debts

According to the SOA, the Company had debts with a book value of £932,539. After making a provision for bad and aged debts and likely disputes, the directors estimated that £646,456 would be recoverable.

As detailed in the Proposals and my previous progress report, with effect from 1st August 2020, Cerberus were instructed by the Joint Administrators to pursue the collection of the remaining debts. The ledger comprised a large number of accounts with relatively small balances and, according to the Finance Director, a likely collection period of 2-3 months given many are independent bookshops, universities, libraries and schools (which have had periods of closure due to the COVID-19 pandemic).

Whilst Cerberus is continuing to pursue payments due from customers, a number of issues have been encountered which have affected and delayed recoveries. These are as follows:

- Lots of debtors are claiming cash flow problems in light of the COVID-19 pandemic.
- Some debtors are requesting consolidated invoices (which were provided historically) that Cerberus are seeking to recreate, however, this causes payment delays.
- A number of debtors are 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.

Cerberus have collected the sum of £314,177.51 between their instruction and 18th June 2021, of which £48,312.22 was collected in the reporting period. The majority of these funds have been received via the Company's bank accounts and the BNP blocked accounts. These receipts are therefore either comprised within the 'cash at bank' and 'cash held in blocked accounts' figures on the Receipts and Payments account or remain in the Natwest account.

Cerberus' most recent update on collections suggested that between £7,500 (worst case) and £13,000 (best case) remains collectible. Collections in this regard are ongoing.

The Company had entered into the BNP Facility and the book debts subject to this facility were historically paid into "blocked accounts" held by them pursuant to the terms of their security. Whilst the sums owing to BNP were discharged from receipts into these accounts and from the sale of overseas entities, Erasmus and Houtschild, with their charge over the Company being satisfied on 24th April 2020, the remaining charge holder, AFC have a fixed charge over book debts and blocked account monies.

The majority of debtor recoveries have been 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 have been reconciled to establish what elements comprised funded debts and non-funded debts (further details in this regard can be found later in this report). Again, as detailed previously, Counsel's advice obtained in the Administration of BTL confirmed that AFC hold a fixed charge over funded debts.

Cash held in blocked bank 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 in the Administration of BTL). 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, £134,740 was held by BNP at the date of Administration and we have received £585,674 from them to 18th June 2021, which includes debtor recoveries received since Administration. Of this, £24,213.47 was received in the reporting period.

Intercompany debts

The SOA included intercompany debts with a book value of £2,148,336. It is understood that this primarily relates to a sum of circa £1,500,000 due to the Company from BTL. At this stage it is unclear what level of return will be received by non-preferential unsecured creditors from the Administration of BTL. In the reporting period we instructed Kreston Reeves LLP to assist in calculating the intercompany balance between the Company and BTL.

I would comment on the other intercompany debts as follows:

EUL

There is a small debt believed to be due from EUL of circa £4,500. As set out in my last report, this has been written off as there is currently no prospect of a return to unsecured creditors in the Administration of EUL.

Dawson France S.A.S.

Circa £7,300 is understood to be owed to the Company by Dawson France S.A.S. Dawson France S.A.S. is subject to a Judicial Liquidation in France and therefore no recoveries are anticipated.

Erasmus

According to the Company's records circa £14,000 was owed by Erasmus. This debt appears to relate to a legacy balance which would not be deemed recoverable and would ordinarily have been written off. Further, Erasmus has submitted a claim in the Administration of £58,916.57. Recoveries in respect of this debt therefore appear unlikely and any sums owing by Erasmus would be subject to mutual off-set and only serve to reduce their claim in the Administration. Their claim is subject to adjudication in this regard.

Dawson Spain

The Company's records suggested that circa £538,000 was owed by Dawson Spain. It was unclear what this balance related to as I received conflicting information stating that this debt either arose by way of stock provided by DBL over 2 years ago when Dawson Spain was trading, or that it was an investment. In any event, due to a lack of profitability, Dawson Spain ceased to trade some time ago and, in reporting period, we received a request, as the Joint Administrators of the Company (being the sole shareholder of Dawson Spain), to liquidate Dawson Spain.

Following a review of the position and the documentation provided by Grant Thornton on behalf of Dawson Spain relating to the request, it was apparent that Dawson Spain had no ability to discharge any sums owing to the Company. We therefore signed the appropriate documentation on behalf of the Company (as sole shareholder) to allow to allow the liquidation of Dawson Spain to proceed.

It should be noted that the SOA does not estimate any recoveries in respect of the intercompany balances and, aside from a potential dividend to DBL from the Administration of BTL (which cannot yet be quantified), no realisations are anticipated.

HMRC VAT refund

The sale of books is zero-rated for VAT purposes and hence the Company was usually in a VAT repayment situation. Whilst the SOA included a VAT refund with a book value of £2,305, we have received a claim from HMRC in the sum of £1,427,083 in respect of alleged outstanding VAT. This claim relates 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 this liability along with all members of the VAT Group. It should be noted that this liability is an assessment raised by HMRC in the absence of pre-Administration returns filed by the VAT Group.

As stated above, 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). In the reporting period we instructed Kreston Reeves LLP, a firm of Chartered Accountants, to review the Company's pre-Administration VAT (and Corporation Tax) position and prepare and submit the missing pre-Administration VAT returns. This work is ongoing, however, it is expected that the submission of the missing pre-Administration returns will extinguish the alleged VAT liability of the VAT Group and facilitate the payment of any VAT refund due to the Company for the pre-Administration period.

Cash at Bank

The SOA estimated that the sum of £772,845 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) in order to receive monies due to the Company.

The sums received from Natwest and Barclays amount to £819,218 (of which £83,359.41 was received in the reporting period) and these funds are currently held in the general Administration estate bank account.

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 prior to Administration. Following receipt of Counsel's advice in the Administration of BTL confirming that AFC hold a fixed charge over debts previously funded under the BNP Facility, the Joint Administrators have finalised reconciliations for June 2020 to June 2021 in the reporting period to calculate the funds received into the Natwest and Barclays accounts in this regard (which need to be re-allocated to fixed charge book debt realisations). Based on the reconciliations undertaken to date, the sum of £101,153 currently needs to be re-allocated from cash

at bank to fixed charge book debt realisations. Debtor realisations are ongoing and sums continue to be received into the Company's remaining Natwest account (all other accounts having been closed in the reporting period) so further reconciliations of subsequent months will be required in due course. Once the remaining Natwest account is closed the final reconciled total will be re-allocated as appropriate.

Whilst some credit balances have been transferred to the Administration estate (and are reflected in the attached Receipts & Payments account), circa £3,518 was still held in the Company's remaining account with Natwest as at 18th June 2020. The funds currently held in the remaining Natwest account will be transferred to the Administration estate in due course.

Gross Bank Interest

As previously stated, the principal estate bank account is interest-bearing. Gross bank interest totalling £316.90 has been received in the Administration, of which £187.98 was received into this account in the reporting period.

6. LIABILITIES

Secured Creditors

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

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

AFC advised that their indebtedness as at the date of Administration was £7,772,262.47, however, this has since reduced to £6,200,262.47 following receipt of further sums by AFC from other Group entities. No sums have been paid to AFC during the Administration to date.

Preferential Creditors

The SOA did not include any preferential creditors and as expected, no claims have been received.

Crown Creditors

The SOA did not include any amount owing to HMRC, however, we have received a claim from HMRC in the sum of £1,427,083 in respect of alleged outstanding VAT. Further details regarding this liability have already been provided in this report.

Non-preferential unsecured Creditors

The SOA included other non-preferential unsecured creditors with an estimated total liability of £3,205,961. I have received claims from unsecured creditors totalling £1,751,219, whilst a significant number of creditors included in the SOA have not yet claimed. Claims are therefore expected to increase significantly.

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

7. DIVIDEND PROSPECTS (AND ALLOCATION OF COSTS)

To comply with SIP14, costs are required to be apportioned between fixed, floating and uncharged asset realisations. The allocation of costs to fixed charge asset realisations is subject to the approval of AFC as the fixed charge holder. Following receipt of legal advice confirming that AFC's hold a valid fixed charge over the "blocked" accounts and book debts received post-administration which were historically subject to BNP's security (regardless which account they were paid into), the Joint Administrators' have apportioned certain costs to fixed charge realisations as considered appropriate. AFC is yet to provide their formal agreement to these costs being allocated to fixed charge realisations and hence the apportionment/reallocation of funds in the Receipts and Payments Account will be undertaken once AFC has provided their agreement.

For the purposes of the Receipts and Payments account all debt collection costs (and the BNP bank charge) have been apportioned to fixed charge asset realisations on the basis that AFC hold a fixed charge over book debts and blocked account monies.

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

Fixed charge creditors

Based on current information it is anticipated that fixed charge distributions will be made to AFC in respect of the cash held in blocked accounts and book debts.

Preferential creditors

N/A

Floating charge creditors

Based on current information it is anticipated that floating charge distributions will be made to AFC (subject to ongoing legal advice regarding their security).

Unsecured creditors

No dividends have been paid to unsecured creditors to date.

As previously advised, the Company gave a floating charge to AFC on 9th August 2019 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs to date (and future estimated costs) of the Administration, the net property of the Company is estimated to be £511,440, and I estimate that the prescribed part of the net property for unsecured creditors is £105,288. However, this position is subject to ongoing costs and expenses of the Administration.

8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

The areas where I considered that further investigation was required, and which were not concluded in the prior reporting period, are as follows:

Disposal of shares held in Erasmus and Houtschild

The Company'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, the Company 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.

We made enquiries of the Directors and BGL regarding the disposals and, despite the information included in the Company's accounts, based on the documentation obtained and reviewed to date, 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 20/12/2018.
- 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 (we do not have any further information on this);
 - Aurelius ran the Dutch companies' financial plans through their standard valuation model, which indicated that the fair market value of the shares were £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.

Whilst our investigations in respect of the above transactions have been concluded, as previously stated we have instructed Kreston Reeves LLP to calculate the intercompany balance owing to DBL by BTL, which will incorporate any sums owing by BTL in respect of the disposal of shares to them.

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 the avoidance of floating charges granted to 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 by AFC 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 in the Administration of BTL. Counsel confirmed that he 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 has 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 has been partially repaid prior to Administration from i) the share sale of Wordery, and ii) from blocked account receipts. Legal advice has been 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 the Administration of BTL) 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 post-administration which were historically subject to BNP's security (regardless which account they were paid into).

Bank Analysis

My previous report set out the work undertaken and to be undertaken in respect of the analysis of the Company's numerous bank accounts (and transactions with various connected and unconnected parties). These analyses were undertaken to establish whether any sums could be recovered for the benefit of creditors.

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, some analyses are still in progress. Notwithstanding this, the reviews undertaken to date highlighted certain transactions that required further investigation and enquiries have been made of the Directors and the recipients of these transactions (as appropriate) in the reporting period. To date no claims have been identified in respect of the transactions which were investigated further.

Should any additional transactions require further investigation following completion of the analyses, enquiries will be made as appropriate.

This work may lead 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.

9. PRE-ADMINISTRATION COSTS

On 16th December 2020 the following pre-Administration costs were approved by the unsecured creditors:

Description	Total approved	Paid in reporting period	Balance outstanding
Joint Administrators' Remuneration	£12,500.00	£12,500.00	Nil
Valuation Agents/Marketing	£11,000.00	£11,000.00	Nil
Legal Fees and Expenses	£7,060.83	£7,060.83	Nil
PR Services	£166.50	£166.50	Nil
TOTAL	£30,727.33	£30,727.33	Nil

These costs have been paid in full in the reporting period, as detailed in the attached Receipts and Payments account.

Following payment of these costs, and following an internal review, it was discovered that in addition to the unsecured creditors we must also obtain approval of the Joint Administrators' pre-Administration costs from AFC as the secured creditor. This has been requested from AFC and, on the basis that AFC have been regularly appraised of the Administration and the associated costs, this is expected to be a formality with formal approval expected from them shortly.

10. JOINT ADMINISTRATORS' REMUNERATION

My remuneration was approved by unsecured creditors on a time cost basis based on a fees estimate of £205,515. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 18th June 2021 amount to £186,252.50, representing 675.80 hours of work at a blended charge out rate of £275.60 per hour, (of which £50,345.00, representing 164.60 hours of work, was charged in the period since 19th December 2020, at a blended charge out rate of £305.86 per hour).

I have drawn £125,000 to 18th June 2021 (which was all drawn in the period since 19th December 2020).

Following payment of these costs, and following an internal review, it was discovered that in addition to the unsecured creditors we must also obtain approval of the Joint Administrators' post-Administration remuneration from AFC as the secured creditor. This has been requested from AFC and, on the basis that AFC have been regularly appraised of the Administration and the associated costs, this is expected to be a formality with formal approval expected from them shortly.

A detailed schedule of my time costs incurred to 18th June 2021 is attached at Appendix 4 whilst a detailed schedule of my time costs incurred since 19th December 2020 is attached at Appendix 5. In addition, a comparison of these costs with my original fees estimate for the Administration is attached as Appendix 6. This also includes comments where the actual blended charge out rate incurred is higher than that anticipated for each category of work. The overall blended rate is higher than that estimated when providing my fee estimate to creditors, being £229.75. This is as a result of the requirement for higher level of staff being required to deal with certain matters in the Administration.

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

11. JOINT ADMINISTRATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holders' remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are

payments which are first met by the office holders and then reimbursed to the office holders 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 holders; 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 holders' remuneration.

A summary of the expenses I estimated I would incur when my remuneration was authorised by the creditors, in addition to the actual expenses incurred and paid in the reporting period (and in the Administration as a whole), are as follows:

<u>Type of expense</u>	<u>Estimated expense</u>	<u>Incurred in reporting period</u>	<u>Paid in reporting period</u>	<u>Incurred to 18/06/2021</u>	<u>Paid to 18/06/2021</u>
	£	£	£	£	£
Specific bond	510.00	Nil	Nil	510.00	510.00
Statutory advertising	300.00	81.75	81.75	163.50	163.50
Postage costs (third party)	1,500.00	12.92	12.92	33.78	33.78
Postal redirection	216.00	Nil	Nil	Nil	Nil
Valuation agents	11,000.00	Nil	Nil	9,000.00	9,000.00
Legal fees	10,000.00	Nil	Nil	Nil	4,506.33
Tax advisor	5,000.00	1,500.00	1,500.00	1,500.00	1,500.00
IT fees	902.00	Nil	Nil	902.00	902.00
Debt collection agents	25,858.00	2,415.61*	1,175.42	15,708.86*	13,435.26
Document management	5,000.00	Nil	Nil	Nil	Nil
PR services	500.00	Nil	Nil	203.50	203.50
Translation services	Nil	Nil	Nil	100.00	100.00
BNP bank charge	Nil	1,500.00	1,500.00	1,500.00	1,500.00
Accountancy Services	Nil	500.00	Nil	500.00	Nil
Total	60,786.00	6,010.28	4,270.09	30,121.64	31,854.37

**These costs are calculated based on 5% of realisations (as per the original agreement with Cerberus). Following the end of the reporting period Cerberus requested an increase in their collection fee for certain tail end debts. These costs are therefore subject to change if their proposed increase is agreed by AFC. Further details in this regard can be found overleaf.*

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

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

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

Professional Advisor	Nature of Work	Basis of Fees
Cerberus	Debt collection	Percentage of realisations
CTM	VAT advice	Fixed fee
File Lady Limited	Document Management	N/A – see comments below
Irwin Mitchell LLP	Solicitors	N/A – see comments overleaf
Katten	Solicitors	N/A – see comments overleaf
Kreston Reeves LLP	Tax advice / Accountancy Services	Fixed fees

Cerberus

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

- Liaising with the Joint Administrators' office regarding the collectability of the ledger.
- Corresponding with debtors.
- Liaising with the Joint Administrators' office regarding debtor disputes, proposed payment plans, and the process for dealing with the same.
- Reporting to the Joint Administrators.

Cerberus is currently remunerated at a rate of 5% percent of collections received on or after 1st August 2020. As they have been required to undertake more work than they originally envisaged, Cerberus have proposed an increase in their percentage charge for tail end debts. Their proposed revised fees are based on 5% of collections up to 31st December 2020, 7.5% of collections from 1st January 2021 to 6th June 2021 and 10% of collections from 7th June 2021 onwards. These costs are anticipated to be paid from fixed charge debtor realisations and are subject to approval by AFC.

CTM

CTM were instructed to provide advice on the eBook VAT position and the associated protective claim requests received from certain suppliers.

File Lady Limited

File Lady Limited were engaged to assist with the collection, listing and storage of the books and records held at the former trading premises in Norwich. These records comprise records for BTL, EUL and the Company which are intermingled. The costs for this work were charged to BTL, however, they are likely to include charges for collecting/storing records on behalf of DBL and EUL (albeit these records are relatively nominal by comparison with BTL).

File Lady Limited have advised that they would not be able to separate the records of BTL, DBL and EUL to appropriately charge each estate without incurring significant additional costs. On the basis the records involved are principally BTL, and the costs to separate the records will exceed any potential benefit to the estate of BTL, it has been concluded that the costs incurred by File Lady Limited be paid by BTL (and therefore no sum is included in the above table of expenses).

Irwin Mitchell LLP

As previously reported, at the request of the Creditors' Committee in the Administration of BTL, and in view of the potential significant benefit to having a successful claim under the policy, legal advice was obtained from Irwin Mitchell LLP on the BII Policy held by the Company, BTL and EUL. The foregoing advice was obtained in the Administration of BTL but also inadvertently applies to this Administration (on the basis it was a Group policy). Accordingly, no costs have therefore been incurred in this Administration in respect of this work.

Katten

Whilst Katten have not advised on any matters specific to the Company, as stated previously in this report, at the request of the Creditors' Committee in the Administration of BTL, Katten sought Counsel's advice on AFC's security which also applied to the Administrations of the Company and EUL. No costs have therefore been incurred in this Administration in respect of this work.

Kreston Reeves LLP

Kreston Reeves LLP were instructed in the reporting period to assist the Joint Administrators with the following:

- Reviewing the Company's pre-appointment VAT and Corporation Tax position.
- Preparing and filing outstanding VAT and Corporation Tax returns.
- Reconciling the intercompany position between BTL and DBL.

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

I do not anticipate that the expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the creditors.

12. FURTHER INFORMATION

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

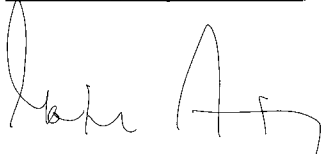
An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Administrators' fees and the amount of any proposed expenses or expenses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

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

13. SUMMARY

The Administration will remain open until the matters mentioned in this report have been finalised. Once these matters have been finalised the Administration will cease and my files will be closed.

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

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

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

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

APPENDIX 1
STATUTORY INFORMATION

APPENDIX 1 - STATUTORY INFORMATION

Company name:	Dawson Books Limited
Formerly known as:	N/A
Court name and reference:	High Court of Justice CR-2020-002744
Registered office:	Allen House 1 Westmead Road Sutton Surrey SM1 4LA
Former registered office:	1 Broadland Business Park Norwich Norfolk NR7 0WF
Registered number:	06882367
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' 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.

APPENDIX 2

ROUTINE WORK UNDERTAKEN SINCE LAST PROGRESS REPORT

Appendix 2 - Routine work undertaken since my appointment as Joint Administrator

1. Administration

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

- Regular internal video calls/meetings with staff.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holders' estate bank accounts.
- Maintaining and managing the office holders' cashbook.
- Undertaking regular bank reconciliations of the bank accounts containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress report to creditors and members.
- Filing returns at Companies House.
- Reviewing the Company's pre-Administration VAT and Corporation Tax position.
- Instructing and liaising with Kreston Reeves LLP to assist with bringing the Company's pre-Administration VAT and Corporation Tax position up to date.

2. Creditors

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

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

- 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.
- 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.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims in the future.

APPENDIX 3

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Dawson Books Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

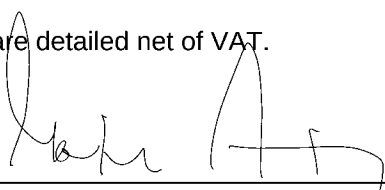
Statement of Affairs £		From 19/12/2020 To 18/06/2021 £	From 19/06/2020 To 18/06/2021 £
	FIXED CHARGE ASSETS		
646,456.00	Book Debts	1,069.41	3,287.74
134,740.00	Cash held in blocked bank accounts	24,213.47	585,674.00
40,000.00	Intangible Assets (Data, Software & IP)	NIL	NIL
		25,282.88	588,961.74
	FIXED CHARGE COSTS		
	BNP bank charge	1,500.00	1,500.00
	Debt Collection Costs	1,175.42	13,435.26
		(2,675.42)	(14,935.26)
	FIXED CHARGE CREDITORS		
(7,772,262.00)	AFC Limited (Group Liability)	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
772,845.00	Cash at Bank	83,359.41	819,218.12
	Gross Bank Interest	187.98	316.90
2,305.00	HMRC VAT Refund	NIL	NIL
	Intangible Assets (Data, Software & IP)	NIL	40,000.00
NIL	Intercompany debts	NIL	NIL
NIL	Property, Plant & Equipment	NIL	NIL
NIL	Stock	NIL	NIL
		83,547.39	859,535.02
	COST OF REALISATIONS		
	Agents'/Valuers' Fees - Post-App	NIL	9,000.00
	Agents'/Valuers' Fees - Pre-App	11,000.00	11,000.00
	Legal Fees & Expenses - Post-App	NIL	4,506.33
	Legal Fees & Expenses - Pre App	7,060.83	7,060.83
		(18,060.83)	(31,567.16)
	COST OF ADMINISTRATION		
	IT Fees	NIL	902.00
	Joint Administrators' Fees - Post-App	125,000.00	125,000.00
	Joint Administrators' Fees - Pre-App	12,500.00	12,500.00
	PR Agency Fees - Post-App	NIL	203.50
	PR Agency Fees - Pre App	166.50	166.50
	Specific Bond	NIL	510.00
	Stationery & Postage	12.92	33.78
	Statutory Advertising	81.75	163.50
	Tax Advice	1,500.00	1,500.00
	Translation services	NIL	100.00
		(139,261.17)	(141,079.28)
	UNSECURED CREDITORS		
(175,722.00)	Accruals (Incl Adobe Systems Softwar	NIL	NIL
(472,953.00)	Consumer Creditors (59)	NIL	NIL
(94,786.00)	Non-trade Creditors	NIL	NIL
(1,992.00)	Non-UK VAT/WHT	NIL	NIL
(2,460,508.00)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(9,381,878.00)		(51,167.15)	1,260,915.06
	REPRESENTED BY		

Dawson Books Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 19/12/2020 To 18/06/2021 £	From 19/06/2020 To 18/06/2021 £
REPRESENTED BY CONTINUED		
Bank - Interest Bearing		660,359.29
Fixed charge account		571,039.43
Input VAT		37,516.34
Output VAT		(8,000.00)
		<hr/>
		1,260,915.06
		<hr/>

Note:

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



Martin C Armstrong FCCA FABRP FIPA
Joint Administrator

APPENDIX 4

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

Time Entry - Detailed SIP9 Time & Cost Summary

XD0192 - Dawson Books Limited
From: 19/06/2020 To: 18/06/2021
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
603 : Statutory filing	1.20	1.60	0.00	0.80	3.60	1,306.00	362.78
604 : Appointment notification	0.60	1.80	0.30	2.00	4.70	1,061.00	225.74
605 : Case review	2.50	5.70	0.00	0.00	8.20	3,470.50	423.23
606 : MLR/Ethics/Bribery checklists	1.20	1.10	0.00	0.00	2.30	1,099.00	477.83
607 : Post-appointment VAT/CT returns	0.00	0.70	0.00	0.00	0.70	225.00	321.43
608 : Pension matters	0.00	0.20	0.00	0.00	0.20	70.00	350.00
609 : Administrative set up	0.00	0.00	0.00	0.60	0.60	60.00	100.00
611 : Maintenance of case files/records	0.00	1.70	0.30	0.80	2.80	714.00	255.00
701 : Strategy (incl Sales)	0.00	4.60	0.00	0.00	4.60	1,610.00	350.00
402 : Cashiering	9.80	7.70	0.40	18.40	36.30	9,467.00	260.80
504 : Statutory Reporting to Creditors	17.80	42.20	3.20	2.40	65.60	26,415.00	402.67
510 : Convening decision procedures	1.80	7.00	0.00	8.80	8.80	3,521.00	400.11
600 : Administration	3.20	16.30	0.20	56.20	75.90	11,717.00	154.37
Administration & Planning	38.10	90.60	4.40	81.20	214.30	60,735.50	283.41
601 : Case Specific 1	2.40	11.80	0.00	0.00	14.20	5,487.50	386.44
Case Specific Matters	2.40	11.80	0.00	0.00	14.20	5,487.50	386.44
505 : Report / Secured Creditor	13.60	9.20	0.00	0.00	22.80	11,120.00	487.72
507 : Dividend distribution/adjudicating claims	0.00	0.10	0.00	4.60	4.70	225.00	47.87
501 : Unsecured Creditors	12.00	82.50	0.90	23.40	118.80	34,474.00	290.19
Creditors	25.60	91.80	0.90	28.00	146.30	45,819.00	313.19
201 : CDDA Reports	7.40	10.00	0.00	2.50	19.90	8,211.00	412.61
203 : Investigations (other)	16.60	46.00	2.50	10.40	75.50	26,168.50	346.60
204 : Reviewing/listing books and records	0.00	0.00	0.00	1.20	1.20	48.00	40.00
205 : Bank statement analysis	0.00	4.00	0.00	112.90	116.90	5,916.00	50.61
Investigations	24.00	60.00	2.50	127.00	213.50	40,343.50	188.96
300 : Ident / Securing & Insuring	0.00	1.00	0.50	0.00	1.50	495.00	330.00
301 : ROT	0.00	9.30	0.00	0.00	9.30	2,903.00	312.15
303 : Book Debts/retentions	7.80	36.00	0.00	43.80	43.80	16,351.50	373.32
305 : Stock	0.00	0.30	0.00	0.30	0.30	105.00	350.00
306 : Other Assets	6.80	5.80	0.00	0.00	12.60	6,000.50	476.23
307 : Cash at bank	1.50	4.90	0.00	0.50	6.90	2,667.50	386.59
308 : Intangible assets/Goodwill/IP	3.10	10.00	0.00	0.00	13.10	5,344.50	407.98
Realisation of Assets	19.20	67.30	0.50	0.50	87.50	33,867.00	387.05
Total Hours	109.30	321.50	8.30	236.70	675.80	186,252.50	275.60
Total Fees Claimed						125,000.00	

APPENDIX 5

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

Time Entry - Detailed SIP9 Time & Cost Summary

XD0192 - Dawson Books Limited
From: 19/12/2020 To: 18/06/2021
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	5.60	2.30	0.00	6.30	14.20	4,222.00	297.32
504 : Statutory Reporting to Creditors	4.40	11.90	0.00	0.30	16.60	6,795.00	409.34
603 : Statutory filing	0.30	0.10	0.00	0.30	0.70	225.50	322.14
605 : Case review	2.50	5.70	0.00	0.00	8.20	3,470.50	423.23
607 : Post-appointment VAT/CT returns	0.00	0.10	0.00	0.00	0.10	35.00	350.00
611 : Maintenance of case files/records	0.00	0.70	0.00	0.00	0.70	245.00	350.00
600 : Administration	0.30	2.00	0.00	4.30	6.60	1,084.50	164.32
Administration & Planning	13.10	22.80	0.00	11.20	47.10	16,077.50	341.35
601 : Case Specific 1	0.50	3.10	0.00	0.00	3.60	1,332.00	370.00
Case Specific Matters	0.50	3.10	0.00	0.00	3.60	1,332.00	370.00
505 : Report / Secured Creditor	7.80	2.70	0.00	0.00	10.50	5,394.00	513.71
507 : Dividend distribution/adjudicating claims	0.00	0.00	0.00	0.10	0.10	10.00	100.00
501 : Unsecured Creditors	0.60	10.20	0.00	1.00	11.80	3,637.00	308.22
Creditors	8.40	12.90	0.00	1.10	22.40	9,041.00	403.62
203 : Investigations (other)	5.60	23.00	0.00	0.00	28.60	10,286.50	359.67
204 : Reviewing/listing books and records	0.00	0.00	0.00	1.20	1.20	48.00	40.00
205 : Bank statement analysis	0.00	0.00	0.00	33.30	33.30	1,332.00	40.00
Investigations	5.60	23.00	0.00	34.50	63.10	11,666.50	184.89
303 : Book Debts/retentions	5.00	12.90	0.00	0.00	17.90	6,928.50	387.07
306 : Other Assets	6.80	2.30	0.00	0.00	9.10	4,875.50	535.77
307 : Cash at bank	0.20	0.70	0.00	0.50	1.40	424.00	302.86
Realisation of Assets	12.00	15.90	0.00	0.50	28.40	12,228.00	430.56
Total Hours	39.60	77.70	0.00	47.30	164.60	50,345.00	305.86
Total Fees Claimed						125,000.00	

APPENDIX 6

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

Appendix 6 - Comparative fee estimate and time summary

	FEE ESTIMATE			REPORTING PERIOD			TOTAL TO 18TH JUNE 2021			
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	61,555.00	254.50	241.87	16,077.50	47.10	341.35	60,735.50	214.30	283.41	Higher level of staff required to deal with certain administrative matters.
Investigations	47,360.00	224.00	211.43	11,666.50	63.10	184.89	40,343.50	213.50	188.96	No comments - actual blended rate is lower than estimate.
Realisation of Assets	30,090.00	75.00	401.20	12,228.00	28.40	430.56	33,867.00	87.50	387.05	No comments - actual blended rate is lower than estimate.
Creditors	60,365.00	324.50	186.02	9,041.00	22.40	403.62	45,819.00	146.30	313.19	Higher level of staff required to deal with certain claims/creditors (including those relating to eBooks supplied under licence and eBook VAT queries). Total time costs incurred to date significantly lower than estimate, however.
Case Specific Matters	6,145.00	16.50	372.42	1,332.00	3.60	370.00	5,487.50	14.20	386.44	No comments - actual blended rate comparable to estimate.
Total	205,515.00	894.50	229.75	50,345.00	164.60	305.86	186,252.50	675.80	275.60	Slightly higher blended rate a result of the requirement for higher level of staff being required to deal with certain matters in the Administration

APPENDIX 7

PROOF OF DEBT FORM

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

IN THE

High Court of Justice

Number:

CR-2020-002744

Name of Company in Administration:

Dawson Books Limited

Company Registration Number:

06882367

Date of Administration:

19th June 2020

1 Name of creditor

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

2 Correspondence address of creditor (including any email address)

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

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

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

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

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

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

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

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Admitted for dividend for

Amount (£)

Amount (£)

Date

Date

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

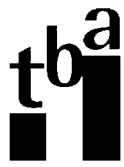
Notes:

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

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

APPENDIX 8

PRACTICE FEE RECOVERY SHEET



turpin barker armstrong

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

PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG

Introduction

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

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

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

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

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

Time cost basis

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

Charge-out rates

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

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

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

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

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

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

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

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

Percentage basis

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

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

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

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

Fixed Fee

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

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

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

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

Direct Costs

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

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

Mixed bases

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

Members' Voluntary Liquidations and Voluntary Arrangements

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

All fee bases

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

Expenses

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

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

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

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

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

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

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

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

Reporting and rights to challenge

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

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

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

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

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

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

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