

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number 1 0 0 0 0 2 4 8

Company name in full Duo Bootmakers Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Scott

Surname Kippax

3 Administrator's address

Building name/number Balliol House

Street Southernhay Gardens

Post town Exeter

County/Region

Postcode E X 1 1 N P

Country

4 Administrator's name ①

Full forename(s) Julie

Surname Palmer

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

② Other administrator
Use this section to tell us about
another administrator.

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6

Period of progress report

From date	^d 2	^d 7	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1	
To date	^d 2	^d 6	^m 0	^m 8	^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 								
Signature date	^d 2	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name	Clive Hobbs
Company name	Begbies Traynor (Central) LLP
Address	St James Court St James Parade
Post town	Bristol
County/Region	
Postcode	B S 1 3 L H
Country	
DX	
Telephone	0117 937 7130



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Scott Kippax and Julie Anne Palmer were appointed joint administrators on 27 February 2020

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Duo Bootmakers Limited (In Administration)

Progress report of the joint administrators

Period: 27 February 2021 to 26 August 2021

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Statutory information
- ❑ Details of appointment of administrators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and expenses
- ❑ Expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1. Account of receipts and payments
 - 2. Time costs information
 - 3. Statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Duo Bootmakers Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 27 February 2020
"the administrators" "we" "our" and "us"	Scott Kippax of Begbies Traynor (Central) LLP, Balliol House, Southernhay Gardens, Exeter, EX1 1NP and Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Duo Bootmakers Limited
Trading name(s):	Duo Boots
Date of Incorporation:	11 February 2016
Company registered number:	10000248
Company registered office:	St James Court, St James Parade, Bristol, BS1 3LH

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Scott Kippax, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Balliol House, Southernhay Gardens, Exeter, EX1 1NP and Julie Anne Palmer, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
Date of administrators' appointment:	27 February 2020
Date of administrators' resignation:	Ian Edward Walker - 3 March 2021
Court:	Bristol High Courts of Justice
Court Case Number:	CR2020-BRS000024 of 2020
Person(s) making appointment / application:	the Director
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months until 26 February 2022.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 February 2021 to 26 August 2021.

RECEIPTS

Bank interest

During the period, we have received bank interest of £86.09, this amount will be accounted for in our Corporation Tax ("CT") Return, which will be filed with HM Revenue & Customs ("HMRC") in due course.

PAYMENTS

Administrators' expenses

Administrators' expenses totalling £90.52 plus VAT have been paid during the period. Further information is provided in section 6.

Insurance of Assets

During the period, Eddisons Insurance Services Limited ("EIS") have been paid £1,743.30 which includes premium tax of £186.78 in respect of insurance for the period 27 February 2020 to 4 May 2020.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

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

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

These tasks are a necessary part of the engagement, but do not generate any direct financial benefit for creditors, however without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient.

Compliance with the Insolvency Act, Rules and best practice

As above, there is no direct financial benefit to the creditors, however we are required to comply with various statutory and compliance reporting requirements. To date, we have fulfilled our statutory duties by:

- Reporting to the Registrar of Companies;
- Ensuring the administrators' statutory specific bond is in place;
- Corresponding with government departments; and
- Preparation of this report in order to advise upon the progress made in the period.

This category also includes cashiering and accounting. We are obliged to keep a record of all transactions entered into; thus, time costs have been incurred in reconciling the bank account and producing the receipts and payments account.

Dealing with all creditors' claims (including employees), correspondence and distributions

We have continued to log claims received from creditors on to our system and to deal with any enquiries raised.

Other matters which include seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

During the course of the administration, we are required to complete post appointment VAT returns on behalf of the Company. As previously reported, we were awaiting confirmation of the deregistration date in order for

us to complete the final VAT return, this has now been received and the final VAT return will be submitted in due course.

5. ESTIMATED OUTCOME FOR CREDITORS

Secured creditors

The Company records show the amounts owing to the following in their capacity as secured creditors as listed below:

Stephen David Boyd has a fixed and floating charge registered at Companies House dated 31 March 2017. Company records show c.£505,241 as being owed.

Vacuumatic Limited has a fixed and floating charge registered at Companies House dated 11 February 2019. Company records show c.£647,162 as being owed. There is a deed of priority in favour of Vacuumatic Limited.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £12,174, these claims were subsequently agreed at £6,416.51.

Unsecured creditors

Claims of unsecured creditors, including employees, were estimated at £488,461.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

It is estimated that both secured creditors will suffer shortfalls under their fixed and floating charges.

Preferential creditors

As previously reported, preferential creditors have been paid a first and final dividend of 100p in the £, totalling £6,416.51. This includes PAYE and NI Contributions of £1,133.80 which were deducted from the employee's distribution and paid across to HMRC.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our Statement of Proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £390,799 and the prescribed part of the Company's net property to be £81,160.

Unsecured creditors

Based upon present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than via the Prescribed Part, in accordance with paragraph 52(1)(b) of the Insolvency Act 1986.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. REMUNERATION & EXPENSES

Our remuneration has been fixed by the secured and preferential creditors by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 27 February 2021 to 26 August 2021 amount to £8,509 which represents 27.9 hours at an average rate of £304.98 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 27 February 2021 to 26 August 2021
- ❑ Cumulative Time Costs Analysis for the period from 27 February 2020 to 26 August 2021
- ❑ Begbies Traynor (Central) LLP's charging policy

To 26 August 2021, we have drawn the total sum of £100,042.50 on account of our remuneration, against total time costs of £133,397.50 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the case.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, we have exceeded the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved.

In light of the above, we are obliged to provide creditors with details of the additional work has been undertaken, along with details of the cost of that additional work. This information appears at Appendix 2. We do not anticipate that we will need to seek further approval following the increase to our remuneration. However, we reserve our right to seek a fee increase at a later stage.

The reasons why the approved level of remuneration has been exceeded are as follows:

- Partner time was spent dealing with the initial sale as a going concern, together with the subsequent sale of the business and assets; and
- Following the failure of the sale as a going concern, time was spent on strategy and case planning with regards the implementation for the sale and repatriation of the remainder of the stock.
- Covid stopped all access to the office in March 2020 and a Partner had to carry out roles he would not have done if Covid hadn't hit.

Category 1 Expenses

To 26 August 2021, we have also drawn expenses in the sum of 862.98.

Why have subcontractors been used?

The following subcontractors have been used:

- Eddisons Commercial Ltd were instructed to provide valuations and realise the chattel assets of the Company;
- Eddisons Insurance Services Ltd have been instructed to provide insurance broking services;
- Trowers & Hamlins, solicitors, have been instructed to assist with all legal matters, to include the sale of the business and assets;
- ERA Solutions Ltd were instructed to assist with the claims of the employees.

Category 2 Expenses

We have not drawn any category 2 expenses during the period of this report:

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

Expenses actually incurred compared to those that were anticipated

Creditors may recall that we estimated that the expenses of the administration would total £108,985. Unfortunately, the expenses that we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The main reasons why the estimate has been exceeded are as follows:

- ❑ Eddisons Commercial Limited - As at the date of the administrators' fees estimate, the costs of the agent's fees and disbursements were unknown, therefore no provision was put into the estimate;
- ❑ Trowers and Hamlins LLP - Legal fees increased due to time incurred in preparing for the sale of the business as a going concern, and the subsequent sale of the business and assets to another party;
- ❑ Stock realisation costs – the increase in costs are a result of the strategy changing following the failure of the sale of the business as a going concern, thus incurring additional costs for utilities, wages and salaries and rent. However, the far better realisation than anticipated more than compensated for these extra costs.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

All assets have been realised and steps have now been taken to finalise the position with regards to the running costs. A final distribution will be made to the secured creditor together with the final distributions to the creditors via the Prescribed Part, in accordance with paragraph 52(1)(b) of the Insolvency Act 1986.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Case planning is mandatory to ensure the orderly and efficient winding up of the insolvent estate. Internal bi-monthly case review meetings are held in order to ensure that cases are progressed efficiently. Case reviews will be carried out on a 6 monthly basis but we would expect to be in a position to close the Administration before the anniversary.

Insolvency practitioners have a duty to keep adequate case records including documents relating to every transaction undertaken throughout the liquidation. This is so that we can demonstrate how the case was administered and to document reasons for any decisions made. Time spent keeping the records in order is allocated to case administration and is necessary to ensure that we have complied with the Insolvency Act 1986.

Compliance with the Insolvency Act, Rules and best practice

As above, although there will be no direct financial benefit to the administration, insolvency legislation requires that the administrators carry out the following tasks, which primarily relate to the fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Statutory reports, to include progress reports to creditors;
- Ensure the case is adequately bonded and reviewed on a regular basis;
- Prepare VAT summaries in order to submit the final return once we receive confirmation of deregistration, together with CT returns for submission to HMRC;
- Prepare case reviews; and
- Closing preparation.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to answer any queries which may be received.

On present information we consider that a distribution will be made to unsecured creditors via the Prescribed Part, in accordance with paragraph 52(1)(b) of the Insolvency Act 1986. Notice of intended dividend will be issued in due course, once outstanding VAT issues have been settled with HMRC.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The administrators are required to deal with post-appointment taxation matters, and this includes submission of CT and VAT returns to HMRC. The timely submission of such returns prevents incurring penalties and allows the administrators to reclaim any funds due. We will submit our CT and VAT returns as required.

How much will this further work cost?

We estimate that this further work will cost in the region of £10,000 - £15,000.

As previously mentioned, we will not be drawing fees in excess of the approved fee estimate of £100,042.50 approved on 22 May 2020. However, we do reserve our right to seek approval from the creditors in order to draw fees in excess of our initial fee estimate.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, are set out in the estimate of anticipated expenses which can be found at Appendix 3. This includes all of the expenses that we anticipate that we will incur throughout the administration.

In addition, we have included a statement of the administrators' expenses incurred during the period of this progress report and can also be found at Appendix 3.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £100,045.50, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the administration, I can estimate that total remuneration drawn will be £100,042.50 plus VAT.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

9. OTHER RELEVANT INFORMATION

Change of Administrator

On 3 March 2021 Scott Kippax replaced Ian Edward Walker as joint administrator of the Company by Order of the Court. The Order was advertised in the London Gazette on 16 March 2021. Under the terms of the Order, Ian Edward Walker was granted his release, or discharge from liability as appropriate, 21 days after the publication of the Order in the London Gazette and/or the filing with the Registrar of Companies and/or the notification to the Secretary of State. We also write to advise all creditors and members that they are at liberty to apply to discharge or vary the Order upon an application to the Court.

Report on Directors conduct

As detailed in our Statement of Proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Investigations completed and action taken

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. These investigations have concluded, and an adjustment has been made in the recoveries for an amount paid to Vacuumatic of £120,000 just prior to appointment.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Proposed exit route from administration

As discussed above, on present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than via the Prescribed Part, in accordance with paragraph 52(1)(b) of the Insolvency Act 1986. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same

at <https://www.begbies-traynorgroup.com/privacy-notice> If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

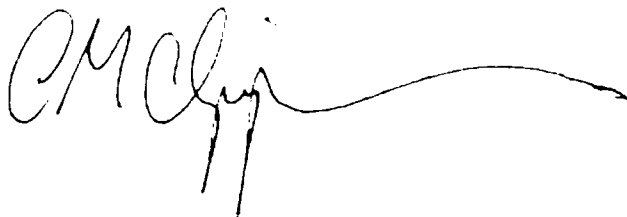
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'CM Kippax', with a long horizontal flourish extending to the right.

Scott Kippax
Joint Administrator

Dated: 24 September 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 27 February 2021 to 26 August 2021

Statement of Affairs £	From 27/02/2021 To 26/08/2021 £	From 27/02/2020 To 26/08/2021 £
SECURED ASSETS		
Goodwill	NIL	25,000.00
	NIL	25,000.00
ASSET REALISATIONS		
Bank Interest Gross	86.09	339.27
Cash at Bank	NIL	277,275.81
Furniture & Equipment	NIL	37,654.00
Insurance Refund	NIL	2,128.19
Refund of Insurance Policy	NIL	8,491.32
Stock	NIL	312,956.96
Sundry refunds	NIL	43.33
	86.09	638,888.88
COST OF REALISATIONS		
Administrators' Expenses	90.52	862.98
Administrators' Fees	NIL	100,042.50
Agents' Fees	NIL	20,077.72
Courier	NIL	19,854.52
Employee and Pension Advice	NIL	2,075.00
Employees' PAYE & NIPAYE & NI	NIL	19,911.83
Employees' Pension Contributions	NIL	2,701.09
Insurance of Assets	1,743.30	1,743.30
Insurance Premium Fee	849.13	849.13
IT Support	NIL	500.00
Legal Fees (2)	NIL	26,451.00
Marketing	NIL	23,892.27
Pre Administration Fee	NIL	18,237.50
Pre Appointment Legal Expenses	NIL	57.80
Pre Appointment Legal Fees	NIL	3,089.00
Rents Payable	NIL	15,386.73
Security	NIL	362.29
Specific Bond	NIL	126.00
Sundry	NIL	5,873.07
Utilities	NIL	7,785.16
Wages & Salaries	NIL	54,995.11
	(2,682.95)	(324,874.00)
PREFERENTIAL CREDITORS		
Employees re Arrears/Hol Pay	NIL	2,863.50
NIF re Arrears/Holiday Pay	NIL	2,419.21
PAYE/NIC deductions from pref divide	NIL	1,133.80
	NIL	(6,416.51)
FLOATING CHARGE CREDITORS		
Distribution to Floating Charge Creditor	NIL	150,000.00
	NIL	(150,000.00)
	(2,596.86)	182,598.37
REPRESENTED BY		
Metro Bank		204,884.55
Vat Payable		(66,174.22)
Vat Receivable		43,888.04
		182,598.37

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 27 February 2021 to 26 August 2021; and
- c. Cumulative Time Costs Analysis for the period from 27 February 2020 to 26 August 2021.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Car mileage which is charged at the rate of 45 pence per mile;

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Eddisons are instructed to provide to provide asset valuations and disposal services. Their charges will be equivalent to 10% of realisations.

In addition to the services detailed above, it may become necessary to instruct Eddisons to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The cost of insurance for the 3 month period immediately following appointment was £,1743.30 inclusive of Insurance Premium Tax.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Bristol office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Duo Bootmakers Ltd - Administration - 20DU165.ADM : Time Costs Analysis From 27/02/2021 To 26/08/2021

[illegible]

SIP9 Duo Bootmakers Ltd - Administration - 20DU165.ADM : Time Costs Analysis From 27/02/2019 To 26/08/2021

[illegible]

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Joint administrators' expenses:				
Bond	Insolvency Risk Services	50.40	-	50.40
Postage	Postalworks	1.13	-	1.13
Subtotal		51.53	-	51.53
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance	Eddisons Insurance Services Ltd	1,743.30	1,743.30	-
Insurance Premium fee	Eddisons Insurance Services Ltd	849.13	849.13	-
TOTAL				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Joint administrators' expenses:				
Statutory advertising	The Stationery Office Ltd	190.04	190.04	-
Bond	Marsh Ltd	290.00	290.00	-
Bond	Insolvency Risk Services	50.40	-	50.40
Postage	Postworks	191.82	190.69	1.13
Sundry expenses, incl. swearing fees	Harris and Harris LLP	10.00	10.00	-
Subtotal		732.66	680.73	51.53

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Other expense:				
Bond	AUA Insolvency Risk Services	126.00	126.00	-
Agents Fees	ERA Solutions Ltd	2,075.00	2,075.00	-
Legal fees	Trowers & Hamlins LLP	26,451.00	26,451.00	-
Running Costs	Various	208,243.25	151,388.07	56,855.18
Subtotal				
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Agent's fees & disbursements	Eddisons Commercial Ltd	20,077.72	20,077.72	-
Insurance	Eddisons Insurance Services Ltd	1,743.30	1,743.30	-
Insurance Premium fee	Eddisons Insurance Services Ltd	849.13	849.13	-
Travel	Mileage	182.25	182.25	-
TOTAL				

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Statutory advertising	The Stationery Office Ltd	200.00
Storage	Restore Limited	800.00
Postage	Postworks	400.00
Stock Realisation Costs	Miscellaneous	36,109.00