

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.

AM10

Notice of administrator's progress report


6 Period of progress report

From date	^d 2	^d 7	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1	
To date	^d 2	^d 2	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X  X								
Signature date	^d 2	^d 2	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2	

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 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)

Final Progress Report of the joint administrators

Period: 27 August 2021 to 22 February 2022

Important Notice

This final 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
- ❑ Outcome for creditors
- ❑ Administrators' proposals
- ❑ Summary of steps taken during the administration
- ❑ Remuneration and expenses
- ❑ Expenses
- ❑ Creditors' rights
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Conclusion
- ❑ Appendices
 - 1. Account of receipts and payments
 - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3. Time costs and expenses
 - 4. Statement of 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", "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 Act.

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:	Vallis House, 57 Vallis Road, Frome, Somerset, BA11 3EG

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of 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 appointment:	27 February 2020
Date of 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 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 our final receipts and payments for the period from 27 August 2021 to 22 February 2022.

RECEIPTS

Bank interest

During the period, we received bank interest of £50.20, this amount has been accounted for in our final Corporation Tax ("CT") Return and has been filed with HM Revenue & Customs ("HMRC").

Business Rates Refund

We have received £336.00 in respect of a business rates refund with regards the shop at Bath.

PAYMENTS

Administrators' Expenses

Administrators' expenses totalling £230.61 plus VAT have been paid during the period. Further information is provided in section 8.

Business Rates

A payment of £3,481 has been paid to Bath & North East Somerset Council in respect of business rates incurred during our period of occupation at the Bath Store. In addition, a payment of £8,889.17 has been paid to Mendip District Council in respect of our period in occupation at the head office and warehouse at Frome.

Corporation Tax

Two payments totalling £73.91 with regards CT on bank interest have been made in respect of the following periods:

27 February 2020 – 26 February 2021 £48.07

27 February 2021 – 21 January 2022 £25.84

The final CT return has been submitted to HMRC and the required clearances requested.

Employee and Pension Advice

A payment of £800 plus VAT has been paid to ERA Corporate Services Limited. This is in relation to assisting with reviewing and reconciling the employee's unsecured creditor claims.

Legal Fees

During the period a payment of £1,802.00 plus VAT was paid to Ashfords LLP, Solicitors, in respect of reviewing and advising on creditor claims.

Merchants Costs

During the period, a payment of £36,108.31 was transferred to Shopify International Limited. This was in relation to the sale of stock following our appointment.

Storage Costs

Restore plc have been paid £105.12 plus VAT in respect of the costs for the storage of books and records, together with the destruction costs following the elapsed retention period.

Sundry

Sundry items including irrecoverable VAT totalling £443.56 has been incurred during the period.

Distributions under the Prescribed Part

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a Prescribed Part ("PP") of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts.

The joint administrators have made a distribution of the PP to the unsecured creditors. A dividend of 11.61 in the £ was declared on 16 February 2022 totalling £59,872.43, This includes PAYE and

NI Contributions of £269.61 which were deducted from the employee's distribution and paid across to HMRC.

Distribution to floating charge holder

A final distribution of £74,489.71 has been made to Vacuumatic Limited under their floating charge security, bringing total distributions to £224,489.71.

Balance in Account

An amount of £25.75 has been retained for the particular purpose of paying any unclaimed dividends to the Insolvency Service Account.

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:

- Filing our progress report with the Registrar of Companies;
- Ensuring the administrators' statutory specific bond is in place;
- Corresponding with government departments; and
- Preparation of the final progress report.

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. We have also reviewed creditor claims received and declared a final distribution by virtue of the PP.

Other matters which includes seeking decision 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 has been submitted.

CT returns are filed annually and the final return has been filed accordingly.

There may not be any obvious financial benefit to creditors, however all work carried out is considered necessary for the administration and progression of the case.

5. OUTCOME FOR CREDITORS

Secured creditors

As previously reported, 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 PP 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 £284,362.14 and the PP of the Company's net property to be £59,872.43. As discussed at section 4, a distribution of the PP was declared to the unsecured creditors on 16 February 2022.

Unsecured creditors

Based upon present information, the Company has insufficient property to enable a distribution to be made to unsecured creditors other than via the PP, in accordance with paragraph 52(1)(b) of the Insolvency Act 1986.

Exit from administration

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by decision of creditors via deemed consent.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

- Arranged immediate insurance cover over the Company's assets;
- Appointment notification consisting of statutory forms and letters;
- Undertake immediate review of the financial position, together with the status of customer orders;
- Communicated with the Company's creditors and consumers. We also answered questions which had been raised;
- Realisation of stock and asset management to maximise realisations;
- Continuity of supply of utilities arranged where required;
- Complied with statutory requirements by notifying the Registrar of Companies and advertising the appointment of administrators' in the London Gazette;
- Case set-up and management actions, including the setting up of the insolvency website for the case documents, setting up electronic filing systems and regular diary reviews to ensure compliance matters were dealt with accordingly;
- Notified the Company's former bankers and requested that the Company's accounts be closed and that the funds to be transferred to the administration account;
- Opened a dedicated administration bank account;
- Instructed agents, to value and realise the chattel assets, together with the Company's unencumbered assets and stock;
- Negotiated with interested parties of the Company's business and assets;
- Obtained such information as required from the Company and its officers, in order to report to the creditors, and requested their statement of affairs;
- Dealt with matters relating to employee redundancies and to coordinate employee claims for arrears of pay, holiday pay, pay in lieu of notice and redundancy pay;

- Finalised preliminary investigations into the Company's affairs;
- Corresponded with government departments in relation to VAT, PAYE and NIC and Corporation Tax;
- General banking and administration duties;
- Dealt with post appointment VAT and Corporation Tax returns;
- Performing ancillary statutory and regulatory duties;
- Reporting to creditors, seeking approval of our proposals, obtaining our discharge together with seeking approval of the extension to the administration;
- Distributions to the preferential, secured and unsecured creditors via the PP; and
- Preparing the final report of the administration and sending Form AM23 to the Registrar to move the Company to Dissolution.

8. 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 August 2021 to 22 February 2022 amount to £21,213.00 which represents 58.3 hours at an average rate of £363.86 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 3:

- ☐ Time Costs Analysis for the period 27 August 2021 to 22 February 2022; and
- ☐ Begbies Traynor (Central) LLP's charging policy

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 3 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 liquidation.

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

To 22 February 2022, we have drawn the total sum of £100,042.50 on account of our remuneration, against total time costs of £154,610.50 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, our previous progress reports contained details of the time costs we had incurred as at the date of each report.

What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?

We estimated that the cost of administering the case would be in the region of £100,042.50 and subsequently you provided approval for us to draw our remuneration up to that level.

Details of what remuneration has been drawn is detailed above. All additional costs incurred over and above what has been approved are to be written off.

Category 1 Expenses

To 22 February 2022, we have also drawn expenses in the sum of £1,093.59 plus VAT.

Why have subcontractors been used?

The following subcontractors have been used for the reasons outlined:

- 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, pension advice and assisting with the reconciliation of creditor claims.

Category 2 Expenses

Details of the Category 2 expenses that have been drawn during the period of this report since the necessary approval was obtained are set out below:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	182.25
Eddisons Commercial Limited which is a member of the Begbies Traynor group were instructed upon our appointment. The purpose of obtaining such services was to carry out negotiations and to provide inventories and valuations.	20,772.72 plus VAT
<u>OPEN COVER INSURANCE:</u> Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	1,743.30
TOTAL	22,698.27

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 my office and I will arrange to send you a copy.

9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

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. 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 is 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.

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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

12. OTHER RELEVANT INFORMATION

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

Extension of administration

The administration was extended for a period of 12 months to 26 February 2022 with the consent of creditors.

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining 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.

13. CONCLUSION

As discussed above, our appointment as administrators will cease to have effect shortly and the Company will be dissolved three months later.

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

Scott Kippax
Joint Administrator

Date: 22 February 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 27 August 2021 to 22 February 2022

Statement of Affairs £	From 27/08/2021 To 22/02/2022 £	From 27/02/2020 To 22/02/2022 £
SECURED ASSETS		
Goodwill	NIL	25,000.00
	NIL	25,000.00
ASSET REALISATIONS		
Bank Interest Gross	50.20	389.47
Business Rates Refund	336.00	336.00
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
	386.20	639,275.08
COST OF REALISATIONS		
Administrators' Expenses	230.61	1,093.59
Administrators' Fees	NIL	100,042.50
Agents' Fees	NIL	20,077.72
Business Rates	8,889.17	8,889.17
Corporation Tax	73.91	73.91
Courier	NIL	19,854.52
Employee and Pension Advice	800.00	2,875.00
Employees' PAYE & NI	NIL	19,911.83
Employees' Pension Contributions	NIL	2,701.09
Insurance of Assets	NIL	1,743.30
Insurance Premium Fee	NIL	849.13
IT Support	NIL	500.00
Legal Fees (2)	1,802.00	28,253.00
Marketing	NIL	23,892.27
Merchants Costs	36,108.31	36,108.31
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
Storage Costs	105.12	105.12
Sundry	443.56	6,460.63
Utilities	NIL	7,785.16
Wages & Salaries	NIL	54,995.11
	48,452.68	373,470.68
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	74,489.71	224,489.71
	74,489.71	224,489.71
UNSECURED CREDITORS		
PAYE/NIC deductions from dividend	269.61	269.61
Trade Creditors	59,602.82	59,602.82
	59,872.43	59,872.43
REPRESENTED BY		
Metro Bank		25.75

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals approved by decision of creditors via a deemed consent procedure.

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 2 of this report.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a) and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

In order to achieve the first purpose of an administration, the administrators must be able to rescue the Company as a going concern. However, this was not achievable as the Company had significant unsecured creditor liabilities and therefore, a restructuring of these creditors would have been required to meet the first objective of an administration. Based on the available financial information, there was insufficient value placed on the Company's assets in order to affect a restructuring of the Company's considerable debt and the administrators concluded that the first option was not possible to achieve.

We consider that this objective specified in sub-paragraph 3(1)(b) was more likely, as it is anticipated that through the completion of customer orders, the sale of the Company's assets, together with the website and the domain name will enable us to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). We will also be able to provide a dividend to the secured and preferential creditor in accordance with sub-paragraph 3(1)(c).

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisations of the Company's property. The principal matters to deal with in the administration are:

- Realise the remaining assets;
- Investigate the Company's affairs to establish any causes of action, and reporting on the conduct of the directors;
- Ensuring that any unresolved issues concerning the Company's affairs are concluded; and
- Obtaining the necessary clearances to conclude the administration.

Following these events, we propose to finalise distributions to the preferential creditors, together with the unsecured creditor by virtue of the Prescribed Part and subsequently move the Company to Dissolution.

Exit 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 (if any), 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.

Extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude our investigation into the Company's affairs. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may, therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 27 August 2021 to 22 February 2022;
- c. Cumulative Time Costs Analysis for the period from 27 February 2020 to 22 February 2022.

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)

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

² Ibid 1

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;
- ❑ 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 £1,743.30 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 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Prior to 31 December 2021, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	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 27/08/2021 To 15/02/2022

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate
General Case Administration and Planning	Case planning			3.6		2.3					5.9	2,017.00	341.86
	Administration												0.00
	Total for General Case Administration and Planning:			3.6		2.3					5.9	2,017.00	341.86
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Banking						0.6			0.2	0.8	93.00	166.25
	Case Closure			9.1		4.3					13.4	5,526.00	382.54
	Statutory reporting and statement of affairs	2.0		5.1		2.2					9.3	3,567.00	383.55
	Total for Compliance with the Insolvency Act, Rules and best practice	2.0		14.2		6.5		0.6		0.2	23.5	8,826.00	375.57
Investigations	CDDA and Investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection												0.00
	Property, business and asset sales					0.6					0.6	365.00	275.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:					0.6					0.6	365.00	275.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others			15.4		4.1					19.5	7,744.00	397.18
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:			15.4		4.1					19.5	7,744.00	397.18
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax	0.8				8.0					8.8	2,461.00	279.66
	Litigation												0.00
	Total for Other matters:	0.8				8.0					8.8	2,461.00	279.66
	Total hours by staff grade:	2.8		33.2		21.5		0.6		0.2	58.3		
	Total time cost by staff grade £:	1,426.00		14,134.00		5,840.00		105.00		28.00	21,233.00		
Average hourly rate £:		509.29	0.00	425.12	0.00	257.67	0.00	175.00	0.00	140.00			363.88
Total fees drawn to date £:												300,042.50	

SIP9 Duo Bootmakers Ltd - Administration - 20DU165.ADM : Time Costs Analysis From 27/02/2020 To 22/02/2022

[illegible]

STATEMENT OF EXPENSES FOR THE PERIOD

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:				
Employee Advice	ERA Solutions	900.00	900.00	-
Postage	Postalworks	64.56	64.56	-
Storage Costs	Restore Plc	120.04	120.04	-
Running Costs	Shopify International Ltd	36,108.31	36,108.31	-
Rates	Bath & NE Somerset Council	8,889.17	8,889.17	-
Sundry	Various	211.14	211.14	-
Subtotal		46,293.22	46,293.22	-

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	289.44	289.44	-
Bond	Marsh Ltd	290.00	290.00	-
Bond	Insolvency Risk Services	50.40	50.40	-
Postage	Postworks	256.38	256.38	-
Storage	Restore	120.24	120.24	-
Sundry expenses, incl. swearing fees	Harris and Harris LLP	10.00	10.00	-
Subtotal		1,016.46	1,016.46	-

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	2,975.00	2,975.00	-
Legal fees	Trowers & Hamlins LLP	26,451.00	26,451.00	-
Running Costs	Various	196,470.69	196,470.69	-
Subtotal		226,022.69	226,022.69	-
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		22,852.40	22,852.40	-