

# Joint liquidators' progress report from 13 July 2022 to 12 July 2023

BUK (Realisations) Limited - in liquidation

06 September 2023

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

| Abbreviation or definition    | Meaning   |
|-------------------------------|---|
| <b>Administrators</b>         | Antony Steven Barrell and Michael John Andrew Jervis (21 January 2016 - 13 July 2017)<br>Robert Jonathan Hunt (21 January 2016 - 8 November 2016)   |
| <b>CAPA</b>                   | Consultiam Property Limited   |
| <b>Company</b>                | BUK (Realisations) Limited (formerly Brantano (UK) Limited) - in Liquidation  |
| <b>Joint Liquidators</b>      | Victoria Ann Hatton from 23 March 2023 to present<br>David James Kelly from 30 November 2021 to present<br><br>Michael John Andrew Jervis (13 July 2017 to 4 January 2023)<br>Toby Scott Underwood (10 May 2019 - 30 November 2021)<br>Antony Steven Barrell (13 July 2017 - 10 May 2019) |
| <b>Firm/PwC</b>               | PricewaterhouseCoopers LLP  |
| <b>IR16</b>                   | Insolvency (England and Wales) Rules 2016   |
| <b>IA86</b>                   | Insolvency Act 1986   |
| <b>CVL</b>                    | Creditors' voluntary liquidation  |
| <b>Lender</b>                 | Alteri Europe, L.P.   |
| <b>NOID</b>                   | Notice of intended dividend   |
| <b>Prescribed part</b>        | The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003   |
| <b>Secured creditors</b>      | Creditors with security in respect of their debt, in accordance with Section 248 IA86   |
| <b>Preferential creditors</b> | Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances  |
| <b>Purchaser</b>              | Brantano Retail Limited (formerly Lifebelles Limited)   |
| <b>TUPE</b>                   | The Transfer of Undertakings (Protection of Employment) Regulations 2006  |
| <b>Unsecured creditors</b>    | Creditors who are neither secured nor preferential  |

This report has been prepared by Victoria Ann Hatton and David James Kelly as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/brantano](http://www.pwc.co.uk/brantano). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Victoria Ann Hatton and David James Kelly have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

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# Key messages

## Why we've sent you this report

I'm writing to update you on the progress of the liquidation of the Company in the 12 months since our last report dated 8 September 2022.

You can still view our earlier reports on our website at [www.pwc.co.uk/brantano](http://www.pwc.co.uk/brantano)

## How much creditors have received

The following table summarises the possible outcome for creditors, based on what we currently know.

| Class of creditor      | Paid to date<br>(p in the £) | Current estimate<br>(p in the £) | Previous estimate<br>(p in the £) |
|------------------------|------------------------------|----------------------------------|-----------------------------------|
| Secured creditor       | 100                          | N/A                              | N/A                               |
| Preferential creditors | 100                          | N/A                              | N/A                               |
| Unsecured creditors    | 7.54*                        | 0.467 (paid 2 August 23)         | 0-2                               |

\*Due to a transposition error, the dividend rate referenced in our previous reports was misquoted. This error has now been corrected throughout this report. This figure does not include the final dividend, which was paid after the period of this report.

## What you need to do

This report is for your information and you don't need to do anything.

We had previously asked for outstanding claims from unsecured creditors so that we could agree them for dividend purposes.

As unsecured creditors will be aware, a Notice of Intended Dividend for a second and final dividend was issued to all known creditors of the Company on 11 May 2023, with the last date for creditors to prove their claims set as 7 June 2023.

On the expiry of the NOID, claims had been admitted from creditors totalling £20,603,657.

In accordance with IR16, the dividend payment to unsecured creditors was declared within two months of the expiry of the NOID. The dividend was declared and paid on 2 August 2023.

There will be no further distributions made in the liquidation.

# Overview of what we've done to date

This is our sixth progress report in the liquidation. You may wish to refer to our previous liquidation reports and progress reports from the administration which can be found at [www.pwc.co.uk/brantano](http://www.pwc.co.uk/brantano)

The Company was previously a national retailer of shoes. During the prior administration, a sale of part of the business including part of the store portfolio was achieved as a going concern. The majority of employees transferred to the Purchaser, mitigating preferential and unsecured employee claims, but redundancies were necessary at the closed stores. The claims of the secured creditor and the preferential creditors were met in full during the administration. The Company then entered CVL in order to finalise the realisation of its assets, disclaim the remaining leasehold properties, agree unsecured claims and pay dividends to the unsecured creditors.

Most of these matters were completed in the first year of the liquidation, including payment of a first dividend to unsecured creditors of 7.54p in the £. We have remained in office to pursue a claim in respect of credit card interchange overcharges which could be a material realisation for creditors. Any net realisations from the claim after costs would be available for distribution to the unsecured creditors. We explain on page 7 of this report how this matter has been concluded.

# Outcome for creditors

## Secured creditors

As explained in our previous reports, the Lender held fixed and floating charges over all of the Company's assets and was repaid in full from realisations achieved during the previous administration.

## Preferential creditors (mainly employees)

The sale of the majority of the Company's business and assets ensured the transfer of 1,372 employees' jobs to the Purchaser under TUPE. Therefore no preferential claims arose in respect of these employees. The employees of the 57 stores and one concession store that were not included as part of the sale of the business and assets were made redundant. The preferential claims that resulted were paid in full via payroll during the course of trading the administration.

## Unsecured creditors

Dividends become available for Unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the Secured and Preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for Secured creditors may be ring-fenced for the benefit of Unsecured creditors. This Prescribed Part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – Preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The Prescribed Part applied to the Company as the charges were created and registered at the Companies House subsequent to the order coming into force on 15 September 2003. The maximum Prescribed Part was available of £600,000 and the Company's net property was over £3,000,000.

As both the secured and preferential creditors were paid in full, funds over and above the maximum Prescribed Part were available to be distributed to the unsecured creditors. On 15 December 2017, a first unsecured dividend was declared at 7.54p in the £, and funds of £1,459,646.70 were distributed.

On 11 May 2023 we issued a NOID with a last date for proving being set at 7 June 2023. Several creditor claims came to light following the delivery of the NOID which had not yet received the first distribution of 7.54p in the £ declared on 15 December 2017. Following the adjudication of these claims, after the end of the reporting period, these new admitted claims were paid a catch up dividend of 7.54p in the £ totalling £95,530.40 on 2 August 2023.

After the end of the reporting period, we also declared and paid a second and final dividend of 0.467p in the £ totalling £96,281.80 on 2 August 2023. This is not reflected in the receipts and payments account at Appendix A.

We remain in office to bring the liquidation to a close and will issue our final account in due course. As such, creditors should be aware (as disclosed on our recent declaration notice) that any dividend cheques not cashed within one month may be cancelled and paid over to the Insolvency Service unclaimed dividend account. We would therefore encourage creditors to ensure they proceed to cash any dividend cheques they are in receipt of at their earliest convenience.

# Progress since we last reported

## Potential credit card claim

The Company was party to ongoing litigation in relation to overcharging for credit card merchant services and was one of a number of claimants in this litigation. At the time of our last report, we expected that this asset had a realisable value, but the timing and quantum of a settlement was uncertain because the outcome was dependent on a number of ongoing cases that were complex in nature and therefore causing delay.

We are pleased to report that during the period, a settlement was reached for £168,665.73. After deducting legal costs of £23,435.43, which were funded by a third party, a net amount of £145,230.30 was recovered for the estate. The conclusion of this matter has subsequently enabled us to reach a position where a second and final dividend has now been declared and paid to the unsecured creditors on 2 August 2023.

## Dividend to unsecured creditors

On 11 May 2023 we issued a NOID with a last date for proving being set at 7 June 2023. Several creditor claims came to light following the delivery of the NOID which had not yet received the first distribution of 7.54p in the £ declared on 15 December 2017. These new claims have been reviewed and adjudicated, and following the end of the reporting period, the new claims were paid a catch up dividend of 7.54p in the £ totalling £95,530.40 on 2 August 2023.

After the period covered by this report we also declared and paid a second and final dividend of 0.467p in the £ totalling £96,281.80 on 2 August 2023.

## Change of Liquidators

We regret to advise that Michael John Andrew Jervis, one of the Joint Liquidators, sadly passed away on 4 January 2023. We confirm that the required notifications have been made in accordance with the relevant legislation.

In order to ensure the continued progression of the liquidation, an application was made to the Court to appoint Victoria Ann Hatton as a replacement liquidator. Victoria Ann Hatton is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The order was made on 9 March 2023 and Victoria Ann Hatton replaced Michael John Andrew Jervis as joint liquidator of the Company with effect from 23 March 2023. Permission has been granted by the Court to each creditor to apply to vary or discharge the Court Order by making an application within 28 days of receipt of this notification.

## Bank interest

During the reporting period, bank interest of £4,327 has been received.

In preparation for closure, the bank account has now been taken off interest bearing and no further interest will be accrued.

## Statutory and compliance

During the reporting period we have:

- Prepared and issued our fifth annual progress report (8 September 2022);
- Prepared and issued our second remuneration report in the CVL (on 14 April 2023), further details of which can be found in Appendix C;
- Complied with our statutory duties following the change of appointment taker (on 23 March 23);
- Issued a Notice of Intended Dividend to creditors and advertised in the London Gazette;
- Continued to progress and settle ongoing litigation in relation to overcharging for credit card merchant services;
- Fulfilled statutory obligations of the Joint Liquidators; and
- Complied with our Tax and VAT reporting obligations, as detailed below.



## Tax matters

Following receipt of tax clearance from HM Revenue & Customs in September 2017, we proceeded to pay a first dividend to unsecured creditors. Subsequent to receiving tax clearance, bank interest continued to accrue in the bank account. In preparation for closure, the bank account has now been taken off interest bearing and no further interest will be accrued.

We have liaised directly with our tax specialist colleagues who have assisted with the tax affairs of the Company throughout the duration of the liquidation and former administration. We have concluded that the bank interest that has accrued is not deemed material income and is sheltered by the significant tax loss position of the Company at cessation of trade.

## VAT matters

The Company was deregistered for VAT from 31 August 2018. During the period covered by this report, we completed a VAT reconciliation to ensure all VAT has been dealt with appropriately and recovered where possible.

Prior to closure, we will submit our final VAT 426 to HM Revenue and Customs to recover the balance in the VAT control account as shown in our Receipts and Payments in Appendix A. The VAT due to the Company will be assigned to PwC to cover an element of our final fees.

## Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice 2.

## Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the Liquidation from 13 July 2022 to 12 July 2023. We also set out the receipts and payments in the earlier periods of the liquidation and the administration.

## Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

## Our fees

We set out in Appendix C an update on our fees, disbursements and other related matters.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/liquidations-creditor-fee-guide-1-april-2021.ashx?la=en>

You can also get a free of charge copy by telephoning Sara Myers on 0113 289 4000.

## What we still need to do

- Pay a second and final dividend to unsecured creditors (as detailed above, this has now been paid after the end of the reporting period);
- Draw any final fees and disbursements;
- Complete a final VAT 426 reclaim;
- Deal with any uncashed dividend cheques;
- Draft and issue our final account to creditors and the Registrar of Companies; and
- Closure of the case.

## Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you have any questions, please get in touch with Sara Myers on 0113 289 4000.

Yours faithfully



Victoria Hatton  
Joint liquidator

# Appendices

# Appendix A: Receipts and payments

| Statement of Affairs                 | From 21 January 2018 to 12 July 2017 (Administration period) | From 13 July 2017 to 12 July 2022 (Liquidation period) | From 13 July 2022 to 12 July 2023 (Liquidation period) | Total                |
|--------------------------------------|--|--|--|----------------------|
| £                                    | £  | £  | £  | £                    |
| <b>Fixed Charge</b>                  |  |  |  |                      |
| <b>Receipts</b>                      |  |  |  |                      |
| 2,071,559                            | 2,071,558.89   | -  | -  | 2,071,558.89         |
| 6                                    | 4.00   | -  | -  | 4.00                 |
| 100,000                              | 100,000.00   | -  | -  | 100,000.00           |
|                                      | 490,000.00   | -  | -  | 490,000.00           |
| <b>2,171,665.00</b>                  | <b>2,661,662.89</b>  | <b>-</b>   | <b>-</b>   | <b>2,661,662.89</b>  |
| <b>Payments</b>                      |  |  |  |                      |
|                                      | 44,250.00  | -  | -  | 44,250.00            |
|                                      | <b>44,250.00</b>   | <b>-</b>   | <b>-</b>   | <b>44,250.00</b>     |
|                                      | 2,071,558.89   | -  | -  | 2,071,558.89         |
|                                      | <b>545,764.00</b>  | <b>-</b>   | <b>-</b>   | <b>545,764.00</b>    |
| <b>Net fixed charge realisations</b> |  |  |  |                      |
|                                      | <b>545,764.00</b>  | <b>-</b>   | <b>-</b>   | <b>545,764.00</b>    |
| <b>Floating Charge</b>               |  |  |  |                      |
| <b>Receipts</b>                      |  |  |  |                      |
| 199,994                              | 199,994.00   | -  | -  | 199,994.00           |
| 6,870,317                            | 5,870,001.00   | -  | -  | 5,870,001.00         |
| 800,000                              | 800,000.00   | -  | -  | 800,000.00           |
|                                      | 1.00   | -  | -  | 1.00                 |
| 30,000                               | 30,000.00  | -  | -  | 30,000.00            |
| 73,235                               | 29,990.00  | -  | 18,287.34  | 48,277.34            |
| 2,548,053                            | 2,590,995.50   | -  | -  | 2,590,995.50         |
|                                      | 9,653.85   | 4,254.11   | 4,326.92   | 18,234.88            |
|                                      | 472,584.77   | 28,764.67  | -  | 501,349.44           |
|                                      | 1,888,460.88   | -  | -  | 1,888,460.88         |
|                                      | 7,523,433.63   | (85,445.71)  | -  | 7,437,987.92         |
|                                      | 170,087.27   | -  | -  | 170,087.27           |
|                                      | 115,505.22   | (97,216.88)  | (18,287.34)  | (0.00)               |
|                                      | 2,290,987.59   | (176,384.54)   | -  | 2,114,603.05         |
|                                      | -  | 25,000.75  | -  | 25,000.75            |
|                                      | -  | -  | 168,665.73   | 168,665.73           |
|                                      | -  | 13,543.14  | -  | 13,543.14            |
| <b>10,675,689.00</b>                 | <b>21,861,898.71</b>   | <b>(287,488.48)</b>                                    | <b>172,892.66</b>                                      | <b>21,877,202.90</b> |
| <b>Payments</b>                      |  |  |  |                      |
|                                      | 55,952.47  | 2,159.01   | -  | 58,121.48            |
|                                      | 75,795.75  | -  | -  | 75,795.75            |
|                                      | 15,988.91  | -  | -  | 15,988.91            |
|                                      | 1,202,951.35   | 479,436.84   | -  | 1,679,388.19         |
|                                      | -  | 160,904.15   | -  | 160,904.15           |
|                                      | -  | 12,145.64  | -  | 12,145.64            |
|                                      | -  | 3,850.11   | -  | 3,850.11             |
|                                      | 383,066.10   | 72,878.94  | 23,435.43  | 479,382.47           |
|                                      | 33,697.54  | -  | -  | 33,697.54            |
|                                      | 140.44   | 146.00   | 95.00  | 381.44               |
|                                      | 75,179.13  | 11,595.01  | -  | 86,774.14            |
|                                      | 1,888,460.88   | -  | -  | 1,888,460.88         |
|                                      | 7,271,725.98   | 119,726.03   | -  | 7,391,452.01         |
|                                      | 166.67   | -  | -  | 166.67               |
|                                      | -  | 19,405.32  | -  | 19,405.32            |
|                                      | <b>11,003,137.22</b>   | <b>878,248.06</b>                                      | <b>23,630.43</b>                                       | <b>11,905,815.70</b> |
|                                      | <b>10,383,668.48</b>   | <b>(1,188,754.61)</b>                                  | <b>145,462.22</b>                                      | <b>10,517,041.20</b> |
|                                      | (8,805,995.91)   | -  | -  | (8,805,995.91)       |
|                                      | (182,127.22)   | 179,163.50   | (4,702.00)   | (7,665.72)           |
|                                      | <b>2,000,436.38</b>  | <b>(887,671.01)</b>                                    | <b>144,780.22</b>                                      | <b>1,167,825.67</b>  |

| Trading   | From 21 January 2016<br>to 12 July 2017<br>(Administration period) | From 13 July 2017<br>to 12 July 2022<br>(Liquidation period) | From 13 July 2022<br>to 12 July 2023<br>(Liquidation period) | Total                 |
|---|--|--|--|-----------------------|
|   | £  | £  | £  | £                     |
| <b>Receipts</b>   |  |  |  |                       |
| Trading sales   | 10,363,142.77  | -  | -  | 10,363,142.77         |
| Recharge of shared costs from associated company  | 118,295.45   | -  | -  | 118,295.45            |
| <b>Total receipts</b>   | <b>10,481,438.22</b>   | -  | -  | <b>10,481,438.22</b>  |
| <b>Payments</b>   |  |  |  |                       |
| Customer refunds  | 3,615.30   | -  | -  | 3,615.30              |
| Non-stock store purchases   | 53,282.88  | -  | -  | 53,282.88             |
| Direct labour   | 2,166,148.13   | -  | -  | 2,166,148.13          |
| Direct expenses   | 45,881.72  | -  | -  | 45,881.72             |
| Rents   | 649,461.03   | 107,992.77   | -  | 757,453.80            |
| Utilities (heat and light, telephone etc.)  | 161,096.25   | 58,523.67  | -  | 219,619.92            |
| Rates   | 853,904.79   | 6,902.00   | -  | 860,806.79            |
| Logistics costs   | 142,478.35   | -  | -  | 142,478.35            |
| IT costs  | 100,810.35   | -  | -  | 100,810.35            |
| Repairs and maintenance   | 15,081.22  | -  | -  | 15,081.22             |
| Sundry expenses (including marketing costs)   | 28,325.68  | -  | -  | 28,325.68             |
| Trading agent costs and expenses  | 1,639,604.97   | -  | -  | 1,639,604.97          |
| Retention of title  | 1,735,189.30   | -  | -  | 1,735,189.30          |
| Duress  | 204,387.30   | -  | -  | 204,387.30            |
| Office costs, stationery and postage  | 5,532.01   | -  | -  | 5,532.01              |
| Insurance   | 73,364.77  | 1,064.00   | -  | 74,418.77             |
| Professional fees   | 5,472.45   | -  | -  | 5,472.45              |
| Third party funds   | 872.15   | -  | -  | 872.15                |
| PAYE/NIC and pension deductions   | 244,472.36   | -  | -  | 244,472.36            |
| Irrecoverable VAT   | 61,479.64  | 1,902.10   | -  | 63,381.74             |
| <b>Total payments</b>   | <b>8,190,450.63</b>  | <b>176,384.54</b>  | -  | <b>8,366,835.17</b>   |
| <b>Net trading receipts</b>   | <b>2,290,987.59</b>  | <b>(176,384.54)</b>  | -  | <b>2,114,603.05</b>   |
| <b>Total net fixed charge realisations</b>  | <b>545,754.00</b>  | -  | -  | <b>545,754.00</b>     |
| <b>Total net floating charge realisations</b>   | <b>2,000,436.36</b>  | <b>(987,571.01)</b>  | <b>144,760.22</b>  | <b>1,157,625.57</b>   |
| <b>Distribution to unsecured creditors at 7.54p in the £<br/>declared on 15 December 2017</b> | -  | <b>(1,459,646.70)</b>  | -  | <b>(1,459,646.70)</b> |
| <b>Cash at bank in a non interest bearing account</b>   | <b>2,546,190.36</b>  | <b>(2,447,217.71)</b>  | <b>144,760.22</b>  | <b>243,732.87</b>     |

## Notes to the R&P

1. The directors' statement of affairs included a duplicate amount of £30,000 in respect of cash floats on appointment.
2. Amounts shown exclude VAT. Funds currently held may include monies due to / from HMRC.
3. The Prescribed Part (Section 176A of the Act and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies to the Company as the charges were created and registered at Companies House subsequent to the order coming into force on 15 September 2003. The Company's Net Property totals over £3m and so the prescribed part is calculated at the maximum of £600k.
4. As explained in Appendix C, our fees are based on time costs. The receipts and payments account shows the amount(s) paid in the period and total to date. There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.
5. The costs of our legal representatives were funded by a third party who received payment following a successful outcome in respect of litigation action (credit card merchant).
6. None of the expenses we've drawn to date during the liquidation are 'Category 2' expenses in accordance with the policy explained in Appendix B.
7. A first and final dividend of 7.54 pence in the £ to the unsecured creditors was declared on 15 December 2017 and paid on 20 December 2017.
8. The third party funds relate to monies held that may have been due to the Purchaser. During the period of this report, we have now confirmed that these are not monies owed to the Purchaser and therefore form part of the estate.

# Appendix B: Expenses

Expenses are amounts properly payable by us as Joint Liquidators from the estate, but excludes our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

| Expense           | SIP9 definition   |
|-------------------|---|
| <b>Category 1</b> | Payments to persons providing the service to which the expense relates who are not an associate of the office holder.   |
| <b>Category 2</b> | Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates). |

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the general body of creditors) also has the responsibility for agreeing the policies for payment of Category 2 expenses. During the period of this report, no category 2 expenses were incurred. The following table shows the disbursements incurred in the period.

| Category  | Cost incurred by | Policy:  | Costs incurred £ |
|---|------------------|----------|------------------|
| 1   | PwC              | Postage  | 4.56             |
| 1   | PwC              | Bonding  | 10.00            |
| 2   | PwC              | Printing | 164.80           |
| <b>Total for the period 13 July 2022 - 12 July 2023</b> |                  |          | <b>179.36</b>    |
| Brought forward as at 12 July 2022                      |                  |          | 5,286.21         |
| <b>Total incurred to 13 July 2023</b>                   |                  |          | <b>5,465.57</b>  |

The following table provides details of our expenses. Expenses are amounts properly payable by us as Joint Liquidators from the estate and includes our fees, but excludes disbursements to creditors.

The table should be read in conjunction with the receipt and payment account at Appendix A, which show expenses actually paid during the period and the total paid to date.

|  | Brought forward from preceding period<br>£ | Incurred between 13 July 2022 to 12 July 2023<br>£ | Cumulative<br>£ | Estimated future<br>£ | Anticipated total<br>£ | Fee estimate<br>£ | Variance<br>£  |
|--|--|--|-----------------|-----------------------|------------------------|-------------------|----------------|
| <b>Liquidation expenses</b>            |  |  |                 |                       |                        |                   |                |
| Liquidators' fees                      | 207,476                                    | 106,121  | 313,597         | 20,500                | 334,097                | 313,753           | 20,344         |
| Office holders' disbursements (Note 3) | 5,286                                      | 179  | 5,466           | 137                   | 5,603                  | 13,000            | (7,397)        |
| Lawyers and property agents costs      | 542,721                                    | -  | 542,721         | -                     | 542,721                | 472,000           | 70,721         |
| Bank charges                           | 2,159                                      | -  | 2,159           | 26                    | 2,185                  | -                 | 2,185          |
| Statutory advertising                  | 146  | 95   | 241             | -                     | 241                    | -                 | 241            |
| Irrecoverable VAT                      | 21,308                                     | -  | 21,308          | -                     | 21,308                 | -                 | 21,308         |
| <b>Total</b>                           | <b>779,097</b>                             | <b>106,395</b>                                     | <b>885,492</b>  | <b>20,663</b>         | <b>906,155</b>         | <b>798,753</b>    | <b>107,402</b> |

## Notes

1. The Joint Liquidators' fees have been updated to reflect incurred costs after the agreed discount of 15%. The anticipated total Joint Liquidators' fees does not necessarily reflect the level that we may ultimately draw.
2. The brought forward legal and property agents costs has been updated to include costs incurred during the preceding administration. Our lawyers that were instructed to advise us in relation to the litigation worked on a "no win no fee basis" and therefore their fees were deducted from realisations following a settlement of the litigation.
3. The brought forward Office holder's disbursements figure quoted in our last report was understated by £67.21. Our total Office holder's disbursements will not be recovered in full.

# Appendix C: Remuneration update

During the prior administration, creditors fixed the basis of the Administrators' fees by reference to time properly given by the Administrators and their staff in dealing with the administration. The fee basis agreed in the administration continues to apply in the liquidation. During the administration, we prepared a Remuneration Report and a total of £40,362 (before the agreed discount of 15%) was not utilised during the administration and therefore was carried forward into the liquidation.

We circulated a further Remuneration Report to creditors for the liquidation on 13 November 2017 with a fees estimate of £148,937 (before the agreed discount of 15%) which was agreed by the unsecured creditors on 1 December 2017. Taking into account the unused element of the fee estimate carried over from the administration, this meant that our discounted fee estimate for the liquidation was £160,904, and this acted as a cap of the amount of fees we could draw as Liquidators.

This fee estimate was made on the assumption that the CVL would last no more than one year, there would be no further asset realisations or litigation and that there would only be one distribution paid out of the assets already realised.

In the subsequent 5 years, we have pursued litigation in respect of the overcharging of interchange fees; this has successfully resulted in a settlement and realisation into the liquidation estate, allowing a further distribution to be paid to the unsecured creditors. We therefore sought further approval from creditors to approve an uplift in the liquidators' fees estimate to £218,904 (after the agreed discount of 15%), an increase of £58,000, on 14 April 2023 which was agreed by the unsecured creditors on 10 May 2023.

The time cost charges incurred in the period covered by this report are £124,848 bringing total time costs during the liquidation up to 12 July 2023 to £382,184 before the agreed discount of 15%. This amount does not necessarily reflect the total amount which we will eventually draw as fees.

Our time costs have exceeded our revised estimate of £313,752. This is mainly due to the fact that several creditors' claims came to light following the delivery of the NOID who had not received the first distribution of 7.54p in the £ declared on 15 December 2017. Time was therefore spent reviewing and adjudicating their claims, and ensuring they received a distribution from the first dividend in December 2017 to ensure they were not missing out on any dividends rightfully owed to them. One of these claims was in respect of a leasehold property and we liaised with a landlord regarding adjudication of their claim, before agreeing final claims for dividend purposes. We are not planning to seek further fee approval as we do not anticipate drawing fees above the agreed revised fees estimate.

We have drawn fees of £160,904 plus VAT to date in the liquidation, and we expect to draw further fees of £58,000 plus VAT up to the agreed level of £218,904 plus VAT (after the agreed discount of 15%) shortly.

We set out later in this Appendix details of our work to date, anticipated future work, expenses, subcontracted work and payments to associates.



# Our hours and average rates

| Time spent from 13 July 2022 to 12 July 2023 |                                 | HOURS   |          |                |         |                  |           |                        |          |            |        | TIME COSTS (£) | AVERAGE HOURLY RATE (£) | TIME COSTS WITH 15% DEDUCTION (£) |
|--|---------------------------------|---------|----------|----------------|---------|------------------|-----------|------------------------|----------|------------|--------|----------------|-------------------------|-----------------------------------|
| Category of work                             | General description             | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Offshore Professionals | Total    |            |        |                |                         |                                   |
| Assets                                       |                                 | 0.40    | -        | 2.00           | 0.30    | 3.80             | 0.10      | -                      | 6.60     | 4,304.00   | 652.12 | 3,658.40       |                         |                                   |
|  | Other assets                    | 0.40    | -        | 2.00           | 0.30    | 2.55             | 0.10      | -                      | 5.35     | 3,660.25   | 684.16 | 3,111.21       |                         |                                   |
|  | Property                        | -       | -        | -              | -       | 1.25             | -         | -                      | 1.25     | 643.75     | 515.00 | 547.19         |                         |                                   |
| Creditors                                    |                                 | 0.60    | 0.60     | 17.50          | 6.35    | 66.45            | -         | 0.60                   | 92.10    | 55,278.25  | 600.20 | 46,986.51      |                         |                                   |
|  | Creditor enquiries              | -       | -        | 0.80           | -       | 2.40             | -         | -                      | 3.20     | 1,924.00   | 601.25 | 1,635.40       |                         |                                   |
|  | Unsecured creditors             | 0.60    | 0.60     | 16.70          | 6.35    | 64.05            | -         | 0.60                   | 88.90    | 53,354.25  | 600.16 | 45,351.11      |                         |                                   |
| Employees and pensions                       |                                 | 0.90    | -        | 0.25           | -       | -                | -         | -                      | 1.15     | 1,130.00   | 982.61 | 960.50         |                         |                                   |
|  | Pensions                        | -       | -        | 0.25           | -       | -                | -         | -                      | 1.15     | 1,130.00   | 982.61 | 960.50         |                         |                                   |
| Statutory and compliance                     |                                 | 1.90    | -        | 2.45           | 4.00    | 8.75             | -         | 5.50                   | 22.60    | 13,457.75  | 595.48 | 11,439.09      |                         |                                   |
|  | Books and records               | -       | -        | -              | -       | 0.35             | -         | -                      | 0.35     | 180.25     | 515.00 | 153.21         |                         |                                   |
|  | Other statutory, and compliance | 1.80    | -        | 1.15           | 2.75    | 1.00             | -         | -                      | 6.70     | 5,275.50   | 787.39 | 4,484.18       |                         |                                   |
|  | Progress reports                | 0.10    | -        | 1.30           | 1.25    | 7.40             | -         | 5.50                   | 15.55    | 8,002.00   | 514.60 | 6,801.70       |                         |                                   |
| Tax and VAT                                  |                                 | -       | -        | 2.75           | 1.40    | 15.55            | -         | -                      | 19.70    | 11,945.25  | 606.36 | 10,153.46      |                         |                                   |
|  | Tax                             | -       | -        | 1.25           | 1.00    | 0.05             | -         | -                      | 2.30     | 1,830.75   | 795.98 | 1,556.14       |                         |                                   |
|  | VAT                             | -       | -        | 1.50           | 0.40    | 15.50            | -         | -                      | 17.40    | 10,114.50  | 581.29 | 8,597.33       |                         |                                   |
| Administration                               |                                 | 1.20    | 0.70     | 7.25           | 15.90   | 32.05            | 2.35      | 4.50                   | 63.95    | 38,733.00  | 605.68 | 32,923.05      |                         |                                   |
|  | Accounting and treasury         | -       | -        | 1.65           | 1.80    | 1.40             | 1.95      | 1.00                   | 7.80     | 4,560.25   | 584.65 | 3,876.21       |                         |                                   |
|  | Closure procedures              | -       | -        | 0.10           | -       | -                | -         | -                      | 0.10     | 86.00      | 860.00 | 73.10          |                         |                                   |
|  | Remuneration report             | 0.40    | -        | 3.20           | 7.35    | 19.30            | 0.40      | -                      | 30.65    | 18,599.00  | 606.82 | 15,809.15      |                         |                                   |
|  | Strategy & Planning             | 0.80    | 0.70     | 2.30           | 6.75    | 11.35            | -         | 3.50                   | 25.40    | 15,487.75  | 609.75 | 13,164.59      |                         |                                   |
| Brought forward as at 12 July 2022           |                                 | 5.00    | 1.30     | 32.20          | 27.95   | 126.60           | 2.45      | 10.60                  | 206.10   | 124,848.25 | 605.77 | 106,121.01     |                         |                                   |
| Total  |                                 |         |          |                |         |                  |           |                        | 1,085.21 | 257,335.97 | 237.13 | 207,476.27     |                         |                                   |
|  |                                 |         |          |                |         |                  |           |                        | 1,291.31 | 382,184.22 | 295.97 | 313,597.28     |                         |                                   |

| Category of work               | Revised Fee estimate |                | 13 July 2017 - 12 July 2023 |                | Variance        |                 |
|--------------------------------|----------------------|----------------|-----------------------------|----------------|-----------------|-----------------|
|                                | Hours                | £              | Hours                       | £              | Hours           | £               |
| Assets                         | 94.25                | 15,638         | 88.50                       | 13,430         | 5.75            | 2,208           |
| Creditors                      | 539.64               | 101,644        | 622.74                      | 151,583        | (83.10)         | (49,939)        |
| Employees and pensions         | 7.85                 | 3,304          | 6.95                        | 3,009          | 0.90            | 295             |
| Statutory and compliance       | 235.40               | 89,793         | 205.60                      | 69,108         | 29.80           | 20,685          |
| Tax and VAT                    | 58.70                | 22,841         | 76.15                       | 33,761         | (17.45)         | (10,920)        |
| Administration                 | 167.92               | 43,131         | 218.82                      | 73,891         | (50.90)         | (30,760)        |
| <b>Total hours and costs</b>   | <b>1,103.76</b>      | <b>276,351</b> | <b>1,218.76</b>             | <b>344,782</b> | <b>(115.00)</b> | <b>(68,431)</b> |
| Remaining administration tasks | 72.55                | 37,402         | 72.55                       | 37,402         | -               | -               |
| <b>Total Overall</b>           | <b>1,176.31</b>      | <b>313,753</b> | <b>1,291.31</b>             | <b>382,184</b> | <b>(115.00)</b> | <b>(68,431)</b> |

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

| Grade                              | Up to 30 June 2023 £ | From 1 July 2023 £ |
|------------------------------------|----------------------|--------------------|
| <b>Partner</b>                     | 980                  | 995                |
| <b>Appointment taking director</b> | 960                  | 960                |
| <b>Director (not appointee)</b>    | 915                  | 915                |
| <b>Assistant director</b>          | 900                  | 900                |
| <b>Senior manager</b>              | 860                  | 860                |
| <b>Manager</b>                     | 730                  | 730                |
| <b>Senior associate</b>            | 515                  | 540                |
| <b>Associate</b>                   | 375                  | 395                |
| <b>Support staff</b>               | 160                  | 160                |
| <b>Offshore professionals</b>      | 375 - 515            | 395 - 540          |

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. We may also utilise Technology Specialists from the wider Business Restructuring Services team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

| Grade                                 | Up to 30 June 2023 £ | From 1 July 2023 £ |
|---------------------------------------|----------------------|--------------------|
| <b>Partner</b>                        | 1,810                | 1,810              |
| <b>Director</b>                       | 1,660                | 1,660              |
| <b>Senior manager</b>                 | 1,570                | 1,570              |
| <b>Manager</b>                        | 950                  | 950                |
| <b>Senior associate/consultant</b>    | 690                  | 690                |
| <b>Associate/assistant consultant</b> | 375                  | 375                |
| <b>Support staff</b>                  | 205                  | 205                |

In common with many professional firms, our scale rates may rise eg to cover annual inflationary cost increases.

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

## Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

| Work undertaken  | Why the work was necessary  | What, if any, financial benefit the work provided to creditors or whether it was required by statute  |
|--|---|---|
| <b>Assets</b>  |   |   |
| <ul style="list-style-type: none"> <li>Continuing to liaise with our solicitors regarding the ongoing litigation including the potential outcome and timing</li> <li>Reviewing and consenting to the interchange claim settlement agreement</li> <li>Receipt of monies in accordance with interchange claim agreement</li> </ul>   | <ul style="list-style-type: none"> <li>To recover the maximum value of assets</li> </ul>  | <ul style="list-style-type: none"> <li>To realise any potential value on behalf of the creditors</li> </ul>   |
| <b>Creditors</b>   |   |   |
| <ul style="list-style-type: none"> <li>Reviewing and updating IPS for claims</li> <li>Responding to ad hoc enquiries from creditors</li> <li>Issuing and advertising a notice of intended dividend to unsecured creditors</li> <li>Reviewing and adjudication of unsecured claims, including landlord claims</li> <li>Reviewing and adjudication of unsecured claims to enable us to pay a "catch up" dividend to creditors whose claims were not admitted in time to participate in the first interim dividend</li> <li>Preparing correspondence to creditors announcing declaration of catch up dividend, as well as second and final dividend</li> <li>Calculating dividend rate and preparing and paying distribution</li> </ul> | <ul style="list-style-type: none"> <li>To keep creditors informed of the progress of the liquidation and ensure all claims are adjudicated</li> <li>To adjudicate creditor claims and pay a dividend</li> </ul> | <ul style="list-style-type: none"> <li>Statutory and regulatory requirements</li> <li>Direct benefit to creditors through payment of dividends</li> </ul> |
| <b>Employees and pensions</b>  |   |   |
| <ul style="list-style-type: none"> <li>Updates and meetings with the PPF</li> </ul>  | <ul style="list-style-type: none"> <li>To keep creditors informed of the progress of the liquidation</li> </ul>   | <ul style="list-style-type: none"> <li>To update creditors of the progress in the liquidation</li> </ul>  |

### Statutory & Compliance

- Preparing and issuing the fifth annual report to creditors and the Registrar
- Filing of documents
- Updating checklists and diary management system
- Conducting the six month case reviews
- To meet all statutory requirements
- To meet statutory requirements
- To update creditors of the progress in the liquidation

### Tax & VAT

- Liaising with the Tax team to conclude bank interest/clearance status
- Carrying out a VAT reconciliation
- To comply with legal requirements
- To meet statutory requirements

### Administration

- Dealing with payments, receipts and journals
- Completing bank reconciliations
- Internal case progression meetings
- Review of time costs against fees estimate
- Preparing and reviewing the remuneration report
- Liaising with creditors re: creditor voting forms (decision by correspondence) seeking uplift in fee approval
- Preparing the record of the decision
- To meet all statutory requirements
- To efficiently manage the liquidation

## Our future work

We still need to do the following work in the liquidation.

| Work undertaken  | Estimated cost (£)   | Whether or not the work will provide a financial benefit to creditors                                   |
|--|--|---|
| <b>Creditors</b>   |  |   |
| <ul style="list-style-type: none"> <li>• Declaration and payment of catch up and final dividend to unsecured creditors</li> <li>• Dealing with and responding to ad hoc creditor queries</li> <li>• Dealing with uncashed dividends, re-issue of dividends to unsecured creditors</li> </ul> | <ul style="list-style-type: none"> <li>• 1,000</li> </ul>  | <ul style="list-style-type: none"> <li>• To provide creditors with the requested information</li> </ul> |
| <b>Statutory &amp; Compliance</b>  |  |   |
| <ul style="list-style-type: none"> <li>• Prepare and distribute sixth annual report</li> </ul>   | <ul style="list-style-type: none"> <li>• 15,000</li> </ul> | <ul style="list-style-type: none"> <li>• To meet statutory requirements</li> </ul>                      |

- Prepare and distribute the final account
- Filing the required forms with the Registrar
- To update creditors of the progress in the liquidation

#### Tax & VAT

- Preparing and finalising a VAT 426 before closure
- 1,000
- To ensure all recoverable amounts have been refunded

#### Administration

- Raise payment in respect of outstanding fees & disbursements prior to closure
- Final payments and receipts
- Closure of the Liquidation bank account
- Obtaining necessary clearances from agents
- Closure of internal systems
- 3,500
- To efficiently manage the liquidation

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

No work which our staff would normally do have been subcontracted during the period of this report and we do not anticipate such requirements in the future.

## Legal and other professional firms

We instructed the following professionals on this case:

| Service provided   | Name of firm/organisation                     | Reason selected                  | Basis of fees     |
|--|---|----------------------------------|-------------------|
| <b>Legal services, including:</b> <ul style="list-style-type: none"> <li>• Ad hoc advice regarding property disposal</li> <li>• Lease disclaimers</li> </ul> | Eversheds LLP                                 | Insolvency expertise             | Time costs        |
| <b>Legal services, including:</b> <ul style="list-style-type: none"> <li>• Credit card litigation</li> </ul>   | iLaw Solicitors Ltd                           | Expertise                        | Time costs        |
| <b>Property advice:</b> <ul style="list-style-type: none"> <li>• Identifying and recovering potential rates recoveries</li> </ul>                            | CAPA<br>The Coupers Partnership<br>Exacta Plc | Expertise and industry knowledge | % of realisations |
| <b>Property advice:</b> <ul style="list-style-type: none"> <li>• Reviewing historic rateable values and identifying recoveries</li> </ul>                    | GL Hearn Ltd                                  | Expertise                        | % of realisations |

We require all third party professionals to submit time costs analyses and narrative / a schedule of realisations achieved in support of invoices rendered. We receive detailed time breakdowns and narratives in order to review professional firms' costs prior to payment. Our review involves the following steps:

- Did the administrators issue the instructions listed in the invoice?
- Was the work performed as instructed?
- Was the work undertaken in line with the administrators' expectations, in respect of quality and the amount of time taken?
- Are the rates which have been applied reasonable?
- Overall, were the fees charged satisfactory and reasonable relative to the work performed?

# Appendix D: Other information

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|   |  |
|---|--|
| <b>Company's registered name:</b>                               | BUK (Realisations) Limited (formerly Brantano (UK) Limited)  |
| <b>Trading name:</b>  | Brantano   |
| <b>Registered number:</b>                                       | 03472784   |
| <b>Registered address:</b>                                      | Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL  |
| <b>Date of the Liquidators' appointment:</b>                    | 13 July 2017   |
| <b>Joint Liquidators' names, addresses and contact details:</b> | <p>Victoria Ann Hatton from 23 March 2023 of<br/>PricewaterhouseCoopers LLP, 8th Floor, Central Square, 29<br/>Wellington Street, Leeds, LS1 4DL</p> <p>David James Kelly from 30 November 2021 of<br/>PricewaterhouseCoopers LLP, 7<br/>More London, Riverside, London, SE1 2RT</p> <p>Michael John Andrew Jervis (13 July 2017 - 4 January 2023) of<br/>PricewaterhouseCoopers LLP, 7<br/>More London, Riverside, London, SE1 2RT</p> <p>Toby Scott Underwood (10 May 2019 - 30 November 2021) of<br/>PricewaterhouseCoopers LLP, 8th Floor, Central Square, 29<br/>Wellington Street, Leeds, LS1 4DL</p> <p>Anthony Steven Barrell (13 July 2017 - 10 May 2019) of<br/>PricewaterhouseCoopers LLP, Donington Court, Pegasus<br/>Business Park, Herald Way, East Midlands, DE74 2US</p> <p>Contact number: 0113 289 4000</p> |

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