

The Insolvency Act 1986

Administrator's progress report

Name of Company

Stanbridge Earls School Trust

Company number

501675

In the
High Court of Justice, Chancery Division
(full name of court)Court case number
6110 of 2013(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
David John Blenkarn
Smith & Williamson LLP
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BGGregory Andrew Palfrey
Smith & Williamson LLP
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

administrator(s) of the above company attach a progress report for the period

From

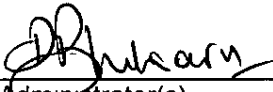
To

(b) Insert date

(b) 17 June 2016

(b) 16 December 2016

Signed


Joint / Administrator(s)

Dated

13/1/2017

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Gregory Andrew Palfrey
Smith & Williamson LLP
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

DX Number 49667 Southampton 2

023 8082 7600
DX Exchange

COMPANIES HOUSE



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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Stanbridge Earls School Trust (in administration)

Joint administrators' progress report for the period from
17 June 2016 to 16 December 2016

13 January 2017



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1. Glossary

Abbreviation	Description
the Company	Stanbridge Earls School Trust
the administrators/joint administrators	David John Blenkarn and Gregory Andrew Palfrey
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
RPS	Redundancy Payments Service
Note	The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case.

Change of address of our Southampton office

Our Southampton office moved on 31 October 2016 to

4th Floor, Cumberland House
15 - 17 Cumberland Place
Southampton
SO15 2BG

Following the move the Company's registered office has been relocated to this address

2. Introduction

This report provides an update on the progress in the administration of the Company for the six month period ended 16 December 2016. It should be read in conjunction with any previous reports. By way of reminder, we, David John Blenkarn and Gregory Andrew Palfrey, of Smith & Williamson LLP, 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG, were appointed administrators of the Company on 3 September 2013.

Statutory information in respect of the Company and the administration is set out at Appendix I.

3. Progress of the administration

All agreed unsecured creditors of the company have been or will be paid in full and any remaining creditors will be paid when their claims have been received/agreed.

A summary of the main areas of progress in the administration is provided below.

- The Company's main asset was its freehold property, part of which consisted of a Grade II* listed main house which was subject to an ongoing refurbishment contract at the date of our appointment.
- The refurbishment work continued as we were advised that unless the work was completed, this would have a disastrous effect on the realisable value of the property. There were many delays in the process of the refurbishment contract but Practical Completion was achieved on 9 July 2014.
- A sale of the property was agreed subject to completion of the refurbishment contract. The sale of the Company's freehold property was completed on 21 July 2014, following the exchange of contracts on 18 March 2014.
- The proceeds of the property sale are sufficient to pay all known creditors in full. The administrators received approval from the court on 4 July 2014 that creditors could be paid in the administration, rather than placing the Company into liquidation.
- An initial distribution at a rate of 100p in the £ was declared on 15 January 2015 to those creditors with agreed claims. There have since been four further distributions and all creditors with agreed claims have been paid.
- Statutory interest on agreed claims was paid on 2 February 2016.
- Two extensions to the administration period have been obtained from the Court, the first to 3 September 2015 and the second to 3 September 2017.
- It is anticipated that when the administration ends, the administrators will file a notice with the Registrar of Companies that the purpose of administration has been achieved and the administration would then be terminated. Control of the Company and the remaining funds held by it will then return to the Trustees.

Attached at Appendix II is our receipts and payments account for the period from 17 June 2016 to 16 December 2016. This account includes cumulative figures for the period from 3 September 2013 to 16 December 2016. At the end of the reporting period the total balance held by us was £2,684,983.

3.1 Land and property

Our previous reports set out details of the sale of the Company's property assets.

A small parcel of land was excluded from the sale as it was outside the boundary of the main property adjacent to a housing development. During the reporting period we have undertaken research including Land Registry searches to confirm the status of this land and discussed this with the Trustees. We anticipate that this will not be realised in the administration and that this will remain with the Company when it exits administration and we cease to act.

We have incurred costs of £1,178 in respect of the Company's property in the current reporting period. These costs have not provided a direct financial benefit to creditors.

3.2 Bank interest

We have received bank interest of £8,585 in the current reporting period. We are continuing to hold cash received from realisations made in the administration to date in a higher interest bank account with Clydesdale Bank in order to maximise the interest received.

3.3 Statutory accounts

In anticipation of the Company's continued existence following the exit from administration, we have worked with Fletcher & Partners, the Company's accountants and auditors, and the Trustees to bring the Company's statutory accounts filings up to date.

Accounts for the year ended 31 August 2013 were filed in June 2016, and during this period we have provided information and assistance to Fletcher & Partners to prepare accounts for the years ended 31 August 2014 and 31 August 2015, which we expect to be filed shortly with the Registrar of Companies.

We have incurred costs of £3,268 in this matter in the current reporting period. These costs have not provided a direct financial benefit to creditors.

3.4 Assets still to be realised

As detailed in previous reports the only remaining asset of the Company is the small parcel of land referred to in Section 3.1.

In addition, a balance of £26,675 that may represent restricted funds held under the provisions of the Charities Act is held in a Trust bank account. It is anticipated that this balance will be left in the bank account until the Company exits administration, following which it will be for the trustees to establish how it should be dealt with.

We have not incurred any costs in this matter in the current reporting period.

3.5 Administration strategy

As detailed in the administrators' statement of proposals the strategy adopted in the administration has been as follows:

- a) Obtain professional advice on the valuation of the property and its various elements, then market the property both nationally and internationally,
- b) Seek purchasers for any property assets which could be dealt with separately from the main educational establishment at the site,
- c) Negotiate ongoing arrangements with the contractors for the refurbishment contract, and secure the necessary associated funding requirements,
- d) Sort all records at the site to ensure that
 - i) educational records are correctly safeguarded and stored for their statutory retention periods,
 - ii) any records which may be subject to access requests by authorised parties were safeguarded and correctly organised.

Details of progress with this strategy were set out in our previous reports and following completion of the sale of the freehold property on 21 July 2014 all matters in respect of this strategy have now been achieved.

There have been continuing requests for information from various parties and regulatory authorities in respect of events at the school prior to the administration which have, in the period covered by this report, involved time being spent reviewing the documentation extracted, and redacted as necessary, prior to it being passed to the parties concerned.

As detailed in our previous reports a small office has been set up in a separate location to deal with ongoing administration matters, which principally relate to dealing with enquiries of the Company's records which are still retained in store. Due to the nature of the enquiries it has been necessary for the Administrators to be directly involved in their processing. We anticipate the responsibility for the office to remain with the Company when it exits administration and we cease to act.

4. Administrators' remuneration

The Company's creditors approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration

The administrators' time costs are

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
3 September 2013 to 16 June 2016	4,711 45	960,500 59	203 87	942,071 25
17 June 2016 to 16 December 2016	134 50	32,225 75	239 60	34,573 25
Total	4,845 95	992,726 34	204 86	976,644 50

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report

Also attached as Appendix IV, is a cumulative time analysis for the period from 3 September 2013 to 16 December 2016 which provides details of the administrators' time costs since appointment. A total of £976,644 has been drawn on account of these costs

The joint administrators anticipate the future costs to be in the region of £41,500. A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows

http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide_to_administrators_fees_oct_2015.ashx?la=en

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015, the date that the Insolvency (Amendment) Rules 2015 ("new rules") took effect. Prior to the new rules, there was no statutory obligation to produce fees and costs estimates

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix V

4.1 Costs that do not bring a direct financial benefit to creditors

In section 3 we reported the progress in the administration to date and noted there that certain costs do not bring a direct financial benefit to creditors. Since there are funds to pay all known creditors there is no disadvantage to creditors in taking steps that will ultimately assist with the transition of the Company back to the control of the Trustees later this year

5. Administration expenses

5.1 Subcontractors

We have not utilised the services of any subcontractors in this case

5.2 Professional advisers

During the reporting period we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Bond Dickinson LLP (legal advice in respect of information requests and insurance claims)	Hourly rate and disbursements	5,090	5,090	-
Consultancy fees (dealing with requests for information from various parties and regulatory authorities)	Hourly rate and disbursements	21,435	21,435	-

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid

We have also incurred and paid legal disbursements of £6,200

Consultancy fees relate to a former employee of the Company who is providing assistance to the administrators

5.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Parking	19.60	10.50	9.10
Postage and courier delivery of documents	-	33.47	-
Subsistence	7.00	-	7.00
Land Registry searches	48.00	48.00	-
Category 2 disbursements (see next section)	-	5.40	-
Total	74.60	97.37	16.10

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid

5.4 Category 2 disbursements

The following Category 2 disbursements (included in the above table) have been incurred and/or paid in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Business mileage @ HMRC rates	-	5 40	-

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

Approval to recover the Category 2 disbursements shown above was given by the creditors

5.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix II. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the current period.

Supplier/Service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Willis Limited	Insurance premiums	9,676 52	9,676 52	-
AB Services (IT support, maintenance and management of the Company's computer servers)	Hourly rate and disbursements	3,276 00	3,276 00	-
Eastleigh Borough Council (rental of office)	Fixed monthly fee	2,691 15	2,691 15	-
Ready Steady Store (storage of the Company's records)	Fixed monthly fee	3,004 19	3,004 19	-

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

5.6 Policies regarding use of third parties and disbursement recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

6. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below

6.1 Secured creditors

At the date of our appointment, the Company did not have any secured creditors

As detailed in our previous reports, a charge was registered against the Company's property in order to secure funds to complete the refurbishment work of the Company's main house. It was not necessary to draw down funds from this facility and this charge was cleared on completion of the sale.

6.2 Prescribed Part

The Company did not grant any floating charges and the Prescribed Part requirements do not therefore apply

6.3 Preferential creditors

We set out below a summary of preferential claims received. We have not agreed or paid any further claims in the current reporting period.

Preferential creditor	SOA claims £	Total claims received £	Total claims agreed £	Total claims paid in current period £	Total claims paid £
8 Employee claims	5,933	2,002	2,002	-	2,002
Department for Business Innovation & Skills	-	23,709	23,709	-	23,709
Pension scheme claims	37,455	-	-	-	-
Total	43,388	25,711	25,711	-	25,711

The following dividends have been paid to preferential creditors

Date	Total amount of dividend paid £	Rate of dividend p in the £ £
15 January 2015	24,502	100
8 September 2015	1,209	100
Total paid in period	-	-
Total paid	25,711	100

6.4 Unsecured creditors

A summary of unsecured claims received and agreed is set out below

	SOA claims £	Claims received £	Claims Agreed in current period £	Total claims agreed £	Total claims paid £
Amount of claims (£)	2,290,606	1,542,535	-	1,370,541	1,370,541
Number of claims	369	280	-	273	273

The following dividends have been paid to unsecured creditors in the administration

Dividend and date	Total amount of dividend paid £	Rate of dividend p in the £
15 January 2015	1,180,824	100
22 January 2015	3,859	100
15 April 2015	95,038	100
6 August 2015	90,820	100
Total paid in administration	1,370,541	100
Total paid in period	-	-

As detailed in previous reports, the administrators made an application to court on 4 July 2014 to authorise them to pay dividends to unsecured creditors during the administration. The order was made on 4 July 2014.

Details of steps taken in respect of the agreement of claims and payments of dividends have been set out in previous reports.

6.5 Statutory interest

As detailed in our previous report we have paid statutory interest at a rate of 8% per annum on agreed claims as detailed below. Interest has been calculated from the date of administration until the date of payment of each creditor's claim.

	Claims received £	Claims agreed in current period £	Total claims agreed £	Total claims paid £
Amount of claims (£)	153,424	153,424	153,424	153,223

We have been unable to obtain up to date addresses and bank account details for all creditors. Accordingly we have been unable to issue payments totalling £201 to date.

Statutory interest on both preferential and unsecured claims has been aggregated and added to the unsecured dividends to creditors in the receipts and payments account.

7. Outstanding matters

The joint administrators' anticipate the future time costs of the administrators to be in the region of £41,500 (excluding VAT, which is irrecoverable) A detailed narrative explanation of these future costs can be found below

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising

The remaining actions to be concluded in the administration are as follows

- Continuing to deal with enquiries and information requests from regulatory authorities, insurers and advisers We do not anticipate that that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £5,000
- Continuing to deal with insurance claims relating to pre appointment matters We do not anticipate that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £5,000
- Continuing to respond to information requests from former pupils and other parties, as required by statutory regulations We do not anticipate that that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £5,000
- The above matters may require further legal and consultancy expenses to be incurred It is not possible to quantify these costs at this time as the level will depend on the extent of information requested by third parties, which we are not able to accurately predict
- Arranging for the preparation of the trustees' statutory annual reports for filing with the Charity Commission and the preparation of statutory accounts for inclusion in the report We do not anticipate that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £5,000 The preparation of the accounts will be undertaken by Fletcher and Partners, the cost of which will be in the region of £15,000 to £20,000
- Continuing to maintain the IT servers and the administration office set up to deal with the ongoing information requests We do not anticipate that that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £5,000 We anticipate future expenses to be incurred in this respect will be between £10,000 and £15,000
- Payment of any further unsecured creditor claims received that are agreed by the administrators This work will provide a direct financial benefit to the creditors that are paid We anticipate our costs in dealing with this matter will be approximately £750
- Payment of statutory interest on any additional agreed claims This work will provide a direct financial benefit to the creditors that are paid We anticipate our costs in dealing with this matter will be approximately £750
- Preparing and issuing six monthly progress reports to creditors as required by statute We do not anticipate that that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £6,000
- Job planning and case reviews We do not anticipate that that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £4,000
- Preparing and issuing the final report together with any administrative matters relating to the return of control of the Company to the Trustees We do not anticipate that that this work will provide a financial benefit to creditors We anticipate our costs in dealing with this matter will be approximately £3,000
- We anticipate that we will incur other incidental costs to closure of the administration of around £2,000

8. Ending the administration

Our previous reports detailed the extension to the administration period to 3 September 2017 by order of the Court

As part of the application to Court we asked the Court for directions on a technical matter relating to the exit route from the administration, being the ability to exit the administration using Paragraph 80 of Schedule B1 i.e. the administrators ceasing to act once all matters in the administration had been dealt with and control of the Company and surplus funds being returned to the Trustees of the Company

The Court did not feel able to provide the directions sought but left the directions application open for a future hearing if required

Consequently, we circulated a resolution to creditors by correspondence, seeking their approval to exit the administration in accordance with Paragraph 80 of Schedule B1 to the Insolvency Act 1986. Approval was given by creditors on 11 March 2016

We currently anticipate ending the administration by the above method, however we are currently unable to give a timescale as to when this is likely to take place

Authorisation for discharge from liability was granted by the creditors on 13 November 2013 by way of a resolution passed by business by correspondence. The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect

9. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive

The above rights apply only to matters which have not been disclosed in previous reports

On a general note, if you have any comments or concerns in connection with our conduct, please contact David John Blenkarn or Gregory Andrew Palfrey in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows

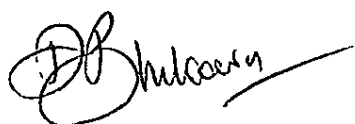
i) Email ip_complaints@insolvency.gsi.gov.uk

ii) Telephone number +44 300 678 0015

iii) Postal address The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA

10. Next report

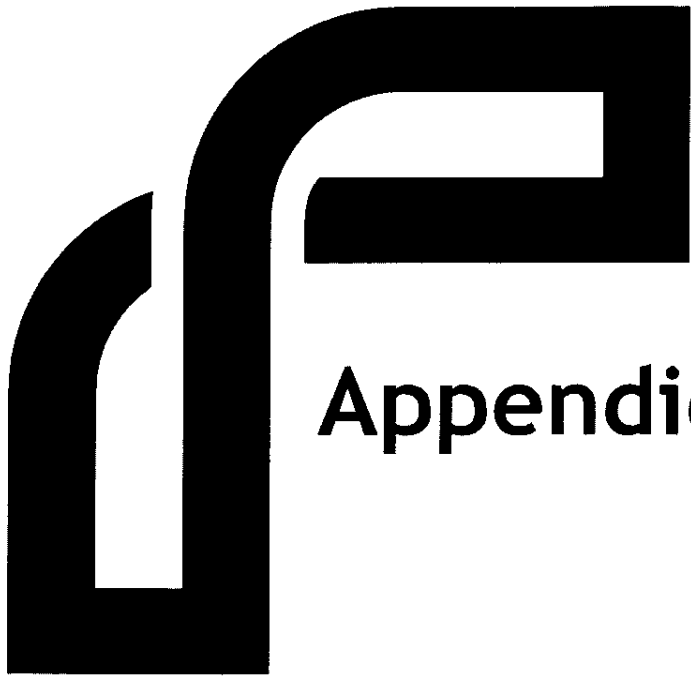
We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report

A handwritten signature in black ink, appearing to read 'D. Blenkarn' followed by a long, sweeping horizontal stroke.

David John Blenkarn and Gregory Andrew Palfrey

Joint Administrators

Date 13 January 2017



Appendices

I Statutory information

Relevant Court	High Court of Justice, Chancery Division
Court Reference	6110 of 2013
Trading Name(s)	
Trading Addresses	Stanbridge Earls, Stanbridge Lane, Romsey, SO51 0ZS
Former Name(s)	
Registered Office	4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (Formerly Stanbridge Earls, Stanbridge Lane, Romsey, SO51 0ZS)
Registered Number	501675
Joint Administrators	David John Blenkarn and Gregory Andrew Palfrey both of 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (IP No(s) 6676 and 9060) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	3 September 2013
Appointor	The Company
Extension to period of administration	An extension to 3 September 2015 was granted by the Court on 4 July 2014, and a further extension to 3 September 2017 was granted by the Court on 19 August 2015

II Receipts and payments account

Receipts and payments account to 16 December 2016

SOA	17/06/2016 - 16/12/2016	03/09/2013 - 16/12/2016
£	£	£
Receipts		
4,800,000.00 Freehold Land & Property		7,000,000.00
247,850.00 Plant & Equipment		3,000.00
1,170.00 Stock		
30,291.00 Book Debts		16,766.03
220,163.00 Shares & Investments		229,330.78
807,547.00 Cash at Bank		785,949.68
Rent		17,613.51
Sundry Receipts		634.61
Postage		103.00
1,393.00 Bank Interest Gross	8,585.84	56,454.21
45,830.00 Transfers from Subsidiaries		45,435.58
575,000.00 Investment Properties		575,500.00
6,729,244.00	8,585.84	8,730,787.40
Payments		
Electricity		30,046.37
Telephone and Internet		5,582.39
Insurance	9,676.52	59,692.55
Repairs Renewals & Maintenance	70.80	22,012.40
Sundry Expenses	35.00	1,644.13
Fuel		5,702.68
Water		4,452.85
Council Tax		8,648.54
Waste Collection		385.21
IT Costs	3,276.00	29,030.67
Storage and Office Costs	5,695.34	29,193.03
Finance Arrangement Costs		24,638.98
Pensions Advice Fees		240.00
Administrators Pre Appointment Fees		9,599.50
Administrators Fees	34,573.25	976,644.50
Administrators Expenses	97.37	4,778.17
Security Costs		3,223.82
Agents/Valuers Fees		148,965.00
Agents/Valuers Expenses		12,428.38
Legal Fees	5,090.00	335,400.36
Legal Expenses	6.20	8,490.47
Irrecoverable VAT	8,637.96	333,064.27
Professional Fees	750.00	12,740.00
Consultancy Fees	21,435.00	59,870.00
Consultancy Expenses	281.00	916.10
Other Property Expenses		244.90
Wages & Salaries		303,558.08
PAYE & NI Interest		1.54
Bank Charges	3.30	1,023.92
The Pension Trust Deficit Payments		255,300.76
Pension Schemes		14,854.17
Protective Awards		204,336.94
	89,627.74	2,906,710.28
Refurbishment contract		
Professional Fees re Construction		263,316.33
Main House Building Works Contractor		1,086,974.73
Irrecoverable VAT re Contract		239,326.40
		1,589,617.46
Preferential distribution		
National Insurance Fund		23,709.57
Employee Wages & Holiday Claims		2,001.65
		25,711.22
Unsecured distribution		
Trade & Expense Creditors		607,199.79
Employees		287,942.96
National Insurance Fund		543,998.91
HM Revenue & Customs		84,623.27
		1,523,764.93
Bank Accounts	(81,041.90)	2,684,983.51
	8,585.84	8,730,787.40
Balance in hand represented by		
Clydesdale account	(43,490.50)	2,668,524.62
Current account	(37,551.40)	16,466.38
PAYE		(7.49)
	(81,041.90)	2,684,983.51

Notes and further information required by SIP 7

- The administrators' remuneration was approved by creditors on 13 November 2013 on a time cost basis
- No payments have been made to us from outside the estate
- Details of significant expenses paid are provided in the body of our report
- Information concerning our remuneration and disbursements incurred is provided in the body of our report
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report
- All bank accounts are interest bearing
- There are no foreign currency holdings
- All amounts in the receipts and payments account are shown exclusive of VAT. The Company is not VAT registered and therefore VAT paid is irrecoverable
- Dates and amounts of distributions to creditors are set out in section 6
- The outstanding PAYE in the sum of £7 49 will be paid to HM Revenue & Customs shortly

III Time analysis for the period

From 17 June 2016 to 16 December 2016

Activity Description	Partner	Manager	Other Senior Professionals	Assistants and Support	Totals Hours	£	Average Hourly Rate £
Administration & planning							
Statutory, returns, reports and meetings	0 50	1 55	15 45	3 10	20 60	3 391 50	164 64
Cashiering general, including bonding	0 15	0 95	7 95	-	9 05	1,629 75	180 08
Job planning, reviews and progression	10 85	0 40	4 50	-	15 75	4,677 75	297 00
Protection of company records	-	0 20	1 00	-	1 20	236 00	196 67
Insurance and general asset protection	0 10	1 30	-	-	1 40	312 25	223 04
File and information management	-	0 15	0 40	-	0 55	100 75	183 18
Agents and advisers, general	-	0 05	0 45	-	0 50	94 00	188 00
Partner/ manager review approval and signing	1 15	0 65	-	-	1 80	692 00	384 44
Administrative, Other	-	0 25	-	-	0 25	51 25	205 00
Sub-Total	12 75	5 50	29 75	3 10	51 10	11,185 25	218 89
Investigations	3 80	-	-	3 75	7 55	1,573 75	208 44
Records management & dealing with information requests	31 05	-	-	1 00	32 05	10,932 50	341 11
Realisation of assets							
Sale of property	-	5 75	-	-	5 75	1,178 75	205 00
Debtors	-	0 05	0 15	-	0 20	41 50	207 50
Sub-Total	-	5 80	0 15	-	5 95	1,220 25	205 08
Trading							
Purchasing and suppliers	-	0 90	7 15	-	8 05	1,437 50	178 57
Accounting	-	15 55	0 30	-	15 85	3,268 75	206 23
Staff and payroll (including PAYE/NIC)	-	2 35	0 35	-	2 70	541 25	200 46
Sub-Total	-	18 80	7 80	-	26 60	5,247 50	197 27
Creditors							
Employees and pensions (other)	-	0 55	-	-	0 55	113 50	206 36
Unsecured creditors	-	0 05	3 80	-	3 85	675 75	175 52
Distributions for preferential and unsecured creditors	-	-	1 90	-	1 90	332 50	175 00
Sub-Total	-	0 60	5 70	-	6 30	1,121 75	178 06
Trustees							
Trustees general communications	-	0 50	-	-	0 50	102 50	205 00
Trustees, Other	-	3 95	-	0 50	4 45	842 25	189 27
Sub-Total	-	4 45	-	0 50	4 95	944 75	190 86
Total Hours	47 60	35 15	43 40	8 35	134 50		
Total £	16,786 00	7,409 25	7,489 00	541 50		32,225 75	239 60

Explanation of major work activities undertaken in the period

Administration & planning

- Maintaining bank accounts,
- General cashiering functions,
- Job planning,
- Case reviews and progression,
- Case team meetings,
- Filing,
- Preparing and issuing the administrators' sixth progress report in the administration,
- Preparing the administrators' seventh progress report in the administration

Records management & dealing with information requests

- Continuing to deal with requests for information by former pupils, their representatives and insurers who are dealing with claims on behalf of the Company;
- Dealing with the police in respect of investigations which they have undertaken,
- Complying with legal requirements in dealing with the requests above

Trading

- Paying the storage and office costs,
- Paying IT maintenance costs, and
- Paying consultancy fees

Creditors

- Dealing with employee queries and claims,
- Dealing with creditor queries and claims,

IV Cumulative time analysis

From 3 September 2013 to 16 December 2016

Activity Description	Partner	Manager	Other Senior Professionals	Assistants and Support	Totals		Average Hourly Rate
	Hours	£	Hours	£	Hours	£	£
Administration & planning							
Statutory, returns, reports and meetings	27 10	115 30	163 50	16 50	322 40	61,003 75	189 22
Initial post-appointment work	2 75	0 95	10 45	-	14 15	2,680 00	189 40
Cashiering general, including bonding	2 10	28 70	170 55	-	201 35	34 127 50	169 49
Job planning, reviews and progression	109 40	97 00	76 90	-	283 30	70,758 00	249 76
Post-appointment taxation	19 90	3 05	12 20	-	35 15	8,415 75	239 42
Protection of company records	17 70	39 10	16 50	0 25	73 55	16 737 00	227 56
Insurance and general asset protection	2 60	8 85	2 70	-	14 15	3 162 25	223 48
Travelling	-	33 75	7 25	-	41 00	8,057 50	196 52
File and information management	-	50 15	16 45	32 85	99 45	13 713 75	137 90
Company searches	-	-	0 55	-	0 55	71 00	129 09
Agents and advisers, general	0 50	5 95	11 00	0 15	17 60	3 199 25	181 78
Partner/ manager review approval and signing	18 00	21 85	-	-	39 85	12,153 00	304 97
Administrative, Other	1 35	9 90	5 95	-	17 20	3 476 00	202 09
Sub-Total	201 40	414 55	494 00	49 75	1,159 70	237,554 75	204 84
Investigations	47 90	11 10	31 25	7 30	97 55	23,907 75	245 08
Records management & dealing with information requests	155 65	3 70	0 55	10 90	170 80	55,755 50	326 44
Realisation of assets							
Sale of property	128 35	578 15	78 45	0 25	785 20	176,865 38	225 25
Debtors	0 50	0 50	3 70	-	4 70	828 00	176 17
Stock	-	-	0 25	-	0 25	35 00	140 00
Other chattel assets	-	7 95	1 20	-	9 15	1,763 00	192 68
Sale of business as a whole including liaison with legal advisers	41 50	157 05	2 85	-	201 40	47,577 09	236 23
Cash at bank	-	5 35	7 15	-	12 50	2,196 12	175 69
Liaising with agents	-	4 10	4 80	-	8 90	1,565 00	175 84
Partner/ manager review approval and signing	0 60	-	-	-	0 60	288 00	480 00
Realisation of Assets, Other	0 35	3 35	1 45	-	5 15	1,030 50	200 10
Sub-Total	171 30	756 45	99 85	0 25	1,027 85	232,148 09	225 86
Trading							
Trading on decision and day 1-3 operations	14 85	2 00	0 75	-	17 60	5,741 25	326 21
Sales and customers	-	0 05	1 60	-	1 65	238 25	144 39
Purchasing and suppliers	8 90	19 70	194 45	-	223 05	37,254 50	167 02
Accounting	5 85	132 80	5 75	-	144 40	30 754 50	212 98
Insurances	0 80	28 10	0 10	-	29 00	6 192 00	213 52
Staff and payroll (including PAYE/NIC)	12 95	52 70	78 85	0 30	144 80	28,694 50	198 17
Premises issues (inc landlord and site clearance)	10 00	142 95	5 10	5 00	163 05	34 390 00	210 92
Security	0 50	2 45	0 60	-	3 55	761 25	214 44
Partner/ manager review approval and signing	0 45	-	-	-	0 45	190 00	422 22
Trading, other	-	2 90	0 55	-	3 45	688 75	199 64
Sub-Total	54 30	383 65	287 75	5 30	731 00	144,905 00	198 23
Creditors							
HP and lease creditors	-	10 80	15 60	-	26 40	4,544 75	172 15
RPO and ERA claims and tribunals	2 75	93 40	159 20	9 20	264 55	47,138 25	178 18
Employees and pensions (other)	13 55	92 90	117 60	6 20	230 25	42,558 75	184 84
Crown	-	1 15	0 80	-	1 95	373 50	191 54
Unsecured creditors	29 85	208 35	172 65	6 50	417 35	81 811 75	196 03
Retention of title claims	-	3 80	9 65	-	13 45	2,260 00	168 03
Distributions for preferential and unsecured creditors	3 25	48 50	619 00	8 90	679 65	114,781 25	168 88
Partner/ manager review approval and signing	0 45	2 05	0 35	-	2 85	681 25	239 04
Creditors, other	-	2 20	4 65	-	6 85	1 201 00	175 33
Sub-Total	49 85	463 15	1,099 50	30 80	1,643 30	295,350 50	179 73
Trustees							
Trustees general communications	-	3 65	-	-	3 65	732 50	200 68
Trustees non-statutory reporting	-	7 65	-	-	7 65	1,530 00	200 00
Trustees Other	-	3 95	-	0 50	4 45	842 25	189 27
Sub-Total	-	15 25	-	0 50	15 75	3,104 75	197 13
Total Hours	680 40	2,047 85	2,012 90	104 80	4,845 95	-	-
Total £	239,263 00	426,768 54	322,182 30	4,512 50	-	992,726 34	204 86

V Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are

- Smith & Williamson LLP's policies in relation to
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including

- The industry and/or practice area expertise required to perform the required work
- The complexity and nature of the assignment
- The availability of resources to meet the critical deadlines in the case
- The charge out rates or fee structures that would be applicable to the assignment
- The extent to which we believe that the advisers in question can add value to the assignment

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2016.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr			Regional offices £/hr		
	From 1/7/13	From 1/7/14	From 1/7/15	From 1/7/13	From 1/7/14	From 1/7/15
Partner / Director (from 1 January 2016)	480	480	425-480	350	350	350
Associate Director	370	370	370	295-325	295-325	295-300
Managers	235-310	235-310	235-310	190-285	190-290	190-290
Other professional staff	150-235	150-235	150-235	110-170	120-175	120-175
Support & secretarial staff	85	85	85	28-75	60-135	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2016	London office £/hr	Regional offices £/hr
Partner / Director	435-485	350-375
Associate Director	370-380	295-305
Managers	235-315	190-290
Other professional staff	150-235	120-175
Support & secretarial staff	85-90	60-135

Notes

- 1 Time is recorded in units representing 3 minutes or multiples thereof
- 2 It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases
- 3 The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates
- 4 The majority of work on this case has been undertaken by David Blenkarn (current charge out rate £350), Kevin Parish (current charge out rate £305), Chris Trimble (current charge out rate £205) and Danny Hackling (current charge out rate £175)

www.smithandwilliamson.com

Principal offices London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton

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