

AM08

Notice of revision of administrator's proposals



Companies House

THURSDAY



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08/04/2021

#171

COMPANIES HOUSE

please

house

1 Company details

Company number 0 1 7 1 1 5 0 2

Company name in full The Southampton Nuffield Theatre Trust

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

2 Court details

Court name High Court of Justice

Court number C R - 2 0 2 0 - 0 0 2 3 8 6 2 0

3 Administrator's name

Full forename(s) Gregory Andrew

Surname Palfrey

4 Administrator's address

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

AM08

Notice of revision of administrator's proposals

5 Administrator's name ①

Full forename(s)	Stephen John	① Other administrator Use this section to tell us about another administrator.
Surname	Adshead	

6 Administrator's address ②

Building name/number	4th Floor Cumberland House	② Other administrator Use this section to tell us about another administrator.
Street	15-17 Cumberland Place	
Post town	Southampton	
County/Region		
Postcode	S O 1 5 2 B G	
Country		

7 Date of revised proposals

Date	^d 1 ^d 2	^m 0 ^m 3	^y 2 ^y 0 ^y 2 ^y 1
------	-------------------------------	-------------------------------	---

8 Revised proposals
☒ I attach a copy of the revised proposals
9 Sign and date

Administrator's signature	Signature X  X
Signature date	^d 0 ^d 7 ^m 0 ^m 4 ^y 2 ^y 0 ^y 2 ^y 1

**Presenter information**

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

Contact name **Kevin Parish**

Company name **Smith & Williamson LLP**

Address
4th Floor Cumberland House
15-17 Cumberland Place

Post town **Southampton**

County/Region

Postcode **S O 1 5 2 B G**

Country

DX **49667 Southampton 2**

Telephone **023 8082 7600**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

AM09

Notice of result of creditors' decision on revised administrator's proposals



Companies House

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1 Company details

Company number 0 1 7 1 1 5 0 2

Company name in full The Southampton Nuffield Theatre Trust

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Gregory Andrew

Surname Palfrey

3 Administrator's address

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

4 Administrator's name ①

Full forename(s) Stephen John

Surname Adshead

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

② Other administrator

Use this section to tell us about
another administrator.

AM09

Notice of result of creditors' decision on revised administrator's proposals

6 Date of revised proposals

Date

d	1	d	2	m	0	m	3	y	2	y	0	y	2	y	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7 Purpose of procedure or meeting

Decision Procedure to consider revised Joint Administrators' Proposals

8 Description of procedure or meeting

Decision Procedure by deemed consent

Whether it was a virtual or physical meeting, some other decision procedure (please describe), or deemed consent.

9 Address of meeting

If a meeting was held at a physical location, give the address below.

Building name/number

Street

Post town

County/Region

Postcode

Country

10	Other platform for decision procedure or meeting	1
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	Deemed consent by correspondence	
--	----------------------------------	--

		1 If a meeting was not held at (or the decision procedure was not undertaken at) a physical location, tell us what means were used—for example email, videolink
--	--	---

11	Meeting	
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	If a meeting was held was the required quorum met?	
--	--	--

	☐ Yes	
--	------------------------------	--

	☐ No	
--	-----------------------------	--

	N/A - No meeting held	
--	-----------------------	--

12	Details of creditors' decisions	
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	Details of decisions including any modifications to the proposals approved by the creditors are as follows:	
--	---	--

	1. That the Administrators' revised proposals for achieving the purpose of the Administration, as set out in the Administrators' Revised Proposals Statement, be approved.	
--	--	--

	2. That no creditors' committee be formed under Rule 3.39.	
--	--	--

13	Details of any resolutions passed	
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	Give details of any resolutions which were passed.	
--	--	--

	N/A	
--	-----	--

AM09

Notice of result of creditors' decision on revised administrator's proposals

14 Date and time of any decision made or resolution passed

Date	^d 3	^d 1	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1	
Time	^h 1	^h 1	:	^m 5	^m 9				

15 Sign and date

Administrator's
signature

Signature

X

E A P New

X

Signature date

^d0 ^d7 ^m0 ^m4 ^y2 ^y0 ^y2 ^y1

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Contact name	Kevin Parish
Company name	Smith & Williamson LLP
Address	4th Floor Cumberland House 15-17 Cumberland Place
Post town	Southampton
County/Region	
Postcode	S O 1 5 2 B G
Country	
DX	49667 Southampton 2
Telephone	023 8082 7600

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The Southampton Nuffield Theatre Trust In Administration

Revision of the Administrators' proposals

12 March 2021



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Executive summary

REVISION OF PROPOSALS

Approval and revision of Administrators' proposals

On 13 July 2020 the Joint Administrators' proposals (the "Proposals") were approved by means of a qualifying decision procedure.

This document sets out a substantial revision to the Proposals (the "Revision").

Purpose and statutory objective of Administration

An Administrator is required to achieve one of the three statutory objectives of administration and to disclose which of those objectives they are pursuing as part of the Proposals.

At the time of issuing and approving the Proposals it was anticipated that the Company's business could be sold as a going concern. As a consequence the Administrators believed that they could achieve purpose (b) being:

"achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration)"

The expectation was that the adopted strategy would ultimately lead to a distribution to unsecured creditors.

Reasons for the Revision

A variety of factors (as detailed in our most recent progress report), resulted in the need to close the Company's business and for the assets to be sold on a more restricted basis.

While there will still be a distribution to unsecured creditors the events that have transpired since the administrators' appointment are thought to have reduced the likely level of return to a level that might have been commensurate with a liquidation of the Company and sale of assets.

The Administrators consider that a revision is required only because the statutory objective of the administration has changed.

The Revision

The principal change to the Proposals put forward by the Revision is to:

- To change the Administrators' objective from that set out in P(3)(1)(b) SchB1 IA1986 (as set out above) to that in P3(1)(c) being *"realising property in order to make a distribution to one or more secured or preferential creditors"*

No other substantial changes are included and it is still proposed that the Company will exit administration via Creditors' Voluntary Liquidation to allow a distribution to unsecured creditors as soon as the revision is approved.

The Revision is made pursuant to P54 SchB1 IA1986 and R3.42 IR 2016.

The Revision requires a decision procedure as defined in R15 IR2016, which in this case is deemed consent.

1. Statutory information

Relevant Court	High Court of Justice, Business and Property Court
Court Reference	002386 of 2020
Trading Name(s)	NST
Trading Addresses	142-144 Above Bar Street, Southampton, SO14 7DU
Former Name(s)	None
Registered Office	4 th Floor, Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (Formerly 142-144 Above Bar Street, Southampton, SO14 7DU)
Registered Number:	01711502
Joint Administrators	Gregory Andrew Palfrey and Stephen John Adshead both of 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (IP No(s) 9060 and 8574) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Contact details	 Tel: 023 8082 7600 Email: sam.tovey@smithandwilliamson.com
Date of Appointment	6 May 2020
Appointed by	Directors
Date of Proposals	Delivered to creditors 30 June 2020
Approval of Proposals	Decision by correspondence on 13 July 2020
Progress report	6 May 2020 to 5 November 2020, issued via Web Portal on 2 December 2020
Extension to period of administration	There have been no extensions to the period of administration.
Directors/officers	Sally Jolleys, Nicholas Humby, William McGowan, Jeremy Meadow, Jonathan Ward and Marina Wickens
Shareholders	Not applicable

2. Proposals and the Revision

2.1 Reasons for the Revision

At the time of the Administrators' appointment it was anticipated that a sale of the Company's business as a going concern could be achieved which would have had the following impacts on value compared to an immediate closure, cessation of trade and distressed sale of assets:

- Enhanced value for the assets compared to a distressed/break up basis;
- Reduced creditor claims from parties that might have included:
 - Employee claims arising on cessation of employment;
 - Some property related costs such as dilapidations;
 - Other contractual termination claims.

The Administrators operated the Company on a more limited basis continuing furlough and working with employees to maintain and manage the site in an attempt to achieve this outcome.

The reduction in cash value of assets compared to a going concern sale and the increase in claims resulting from the final cessation of the Company's business has resulted in the likelihood of the outcome / return for unsecured creditors being no better than it would have been had the Company immediately entered liquidation.

This means that the objective set out in the Proposals is no longer the correct objective for the Administration, although the practical steps taken and to be taken remain largely the same.

2.2 Original proposals

Our original proposals were formulated with the intention of achieving the objective of administration set out in P3(1)(b) SchB1 IA86 i.e.

“achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration),”

The detailed proposals were set out in section 10 of that document as follows:

- i. The administrators will continue to manage the affairs of the Company in order to achieve the purpose of the administration, namely with the objective of, achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) pursuant to P3(1)(b) Sch B1. Specifically, this will include continuing to seek a sale of the Company's business and assets including discussions and negotiations with interested parties and liaison with other parties such as SCC and ACE as appropriate in order to facilitate achieving a sale of the business.
- ii. As the joint administrators do not consider that the survival of the existing Company is achievable, the administrators are taking any action they consider necessary to achieve a sale of the business and assets as a going concern to maximise returns to the administration estate.
- iii. The administrators will collect in or realise other unrealised assets of the Company with the assistance of the Company's employees not on furlough and/or agents where considered appropriate.
- iv. If having realised the assets of the Company, the joint administrators think that a distribution will be made to unsecured creditors, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the

joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made.

- v. If the administrators consider it appropriate and cost effective to do so, they may make an application to court for permission to make a distribution to the unsecured creditors instead of moving the Company to CVL and then making a distribution. (Note: If permission is granted, subject to the need for further investigations as detailed in the next section, the Company will exit into dissolution once the distribution has been made and the administration concluded).
- vi. If the joint administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the Company.
- vii. The joint administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 IA86, as they consider desirable or expedient to achieve the purpose of the administration.
- viii. The administrators propose asking creditors to consider establishing a creditors' committee. If such a committee is formed the creditors who become members of the committee will be responsible for sanctioning the basis of the joint administrators' remuneration and disbursements, any unpaid pre-administration costs and certain proposed acts on the part of the joint administrators. The committee will be able to make these decisions without the need to report back to a further meeting of creditors generally.

2.3 Exit route and appointment of liquidators

In addition to the matters dealt with above the Administrators also made the following statements in section 11 of their proposals concerning the appointment of liquidators in a creditors' voluntary liquidation:

- (i) If having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, it is proposed that the joint administrators, Gregory Andrew Palfrey and Stephen John Adshead will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.
- (ii) Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the joint administrators prior to these proposals being approved. Where this occurs, the joint administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the joint administrators will automatically become the joint liquidators of the Company in the subsequent CVL.

2.4 Summary

Our Original Proposals can be summarised as follows:

- To continue to manage the affairs of the Company in order to achieve the purpose of administration
- To complete a sale of the Company's business and assets
- To collect in or realise other assets of the Company, in particular cash at bank and its book debts.
- To exit the administration either by way of:
 - a move to CVL if asset realisations were sufficient to enable a distribution to unsecured creditors other than by way of the prescribed part; or
 - a move to dissolution.
- To do all such other things and generally exercise their powers to achieve the purpose of the administration.

2.5 Revised proposals

Our revised proposals are as follows incorporating solely the outstanding matters yet to be done as set out under the Original Proposals. The substantial revision for which approval is being sought from the creditors is expressly set out under (i). The remaining items had already been provided for under the Original Proposals:

- (i) The objective of the administration be amended to be to make a distribution to one or more secured or preferential creditors, pursuant to P3(1)(c) Sch B1. The administrators have achieved this objective and there remain further assets in hand and to be realised from which any residual preferential claims can be settled and a distribution to unsecured creditors will be made once the Company moves from administration into creditors' voluntary liquidation pursuant to P83 Sch B1 IA86 as referred to at (iii) below for the benefit of the Company's unsecured creditors.
- (ii) The administrators will collect in or realise any remaining unrealised assets of the Company including deferred consideration on the sale of assets and from a tax relief claim being brought by its subsidiary for the benefit of the preferential creditors in respect of their residual claims (if any) and the unsecured creditors of the Company. This will include underwriting the costs of the advisers working on that reclaim.
- (iii) Following approval of the Revision the Administrators propose (as originally envisaged under numbered paragraph 10(iv) of the Original Proposals and referred to at 2.2 above) filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL with the joint administrators becoming the joint liquidators of the Company as referred to at 3 below in order that the expected distribution to unsecured creditors can be made.
- (iv) The joint administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 IA86, as they consider desirable or expedient to achieve the purpose of the administration.
- (v) The creditors did not form a creditors' committee in response to the administrators initial invitation to do so. The administrators do not propose to actively seek the establishment of a committee unless creditors wish them to do so. If such a committee is formed the creditors who become members of the committee will be responsible for sanctioning any increase in the joint administrators' remuneration and disbursements, any unpaid pre-administration costs and certain proposed acts on the part of the joint

administrators. The committee will be able to make these decisions without the need to report back to creditors generally.

2.6 Impact of the Revision on creditors

The impact is as follows:

2.6.1 Change of administration objective

The revision to the Proposal as set out at 2.5(i) above and giving rise to the change of the administration objective, should not directly impact the Company's creditors for the following reasons:

- The Administrators would have taken the same series of actions whether or not they had initially set out to pursue objective (c) - i.e. they would have sought a going concern sale that secured employment and mitigated some other liabilities as well as (probably) achieving a higher value for the assets.
- This change of objective is a consequence of the difficulties with the sale process and the inability to complete a going concern transaction at an enhanced value as originally intended. This has had the effect of increasing costs in the administration and reducing the level of return compared to that anticipated when the Original Proposals were produced. Appendix I contains further commentary on this matter reproduced directly from our recent Progress Report. There have been no changes to this overview in the period since.

2.6.2 Other

None of the other modifications to the Proposals as set out in 2.5 (ii)-(v) are substantial in nature for the purposes of P54 Sch B1 IA86 and the creditors approval is not expressly required for any revision to them. In any event these revisions are not expected to have any impact on the level of return to the Company's creditors.

3. Exit to CVL

In anticipation of the Company moving into CVL pursuant to P83 Sch B1 IA86 in order to distribute funds to unsecured creditors the following statements are made in compliance with S231 IA86 (ability of liquidators to act jointly and severally) and P83(7)(a) IA1986 and R3.60(6)(b) IR2016.

- (i) Having realised many of the assets of the Company and based on their expectations of future recoveries, the joint administrators think that a distribution will be made to the unsecured creditors, they therefore intend to file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made. In these circumstances, it is proposed that the joint administrators, Gregory Andrew Palfrey and Stephen John Adshead will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.
- (ii) Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the joint administrators prior to these proposals being approved. Where this occurs, the joint administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the joint administrators will automatically become the joint liquidators of the Company in the subsequent CVL.

4. Financial information

Below is a combined receipts and payments account and estimated outcome statement for creditors together with appropriate explanatory notes.

Statement of Affairs	Front To	Period 06/05/2020 05/11/2020	Period 06/11/2020 12/03/2021	Total 06/05/2020 12/03/2021	Estimated future transactions	Estimated final position
£		£	£	£	£	£
ASSET REALISATIONS						
146,050.30	Theatre equipment	30,000.00	-	30,000.00	45,000.00	75,000.00
-	- Motor vehicles	-	1,750.00	1,750.00	-	1,750.00
66,309.53	Trade debtors	53,976.55	-	53,976.55	-	53,976.55
13,100.19	Other debtors	1,132.34	-	1,132.34	-	1,132.34
61,060.27	VAT refund	52,898.11	8,253.45	61,151.56	-	61,151.56
422,278.57	Cash at bank	422,215.37	-	422,215.37	-	422,215.37
31,540.87	Accrued income	13,040.52	-	13,040.52	-	13,040.52
-	- Bank interest gross	490.71	59.33	550.04	-	550.04
-	Sundry receipts	988.62	345.33	1,333.95	-	1,333.95
-	Intercompany/tax relief claim	-	-	-	130,000.00	130,000.00
		574,742.22	10,408.11	585,150.33	175,000.00	760,150.33
COST OF REALISATIONS						
	Pre-appointment legal fees	(4,684.00)	-	(4,684.00)	-	(4,684.00)
	Pre-appointment legal disbursements	(54.95)	-	(54.95)	-	(54.95)
	Pre-appointment Smith & Williamson fees	(8,415.80)	-	(8,415.80)	-	(8,415.80)
	Administrators' fees	(209,447.95)	-	(209,447.95)	(119,552.05)	(329,000.00)
	Administrators' expenses	(1,090.00)	-	(1,090.00)	(6,563.65)	(7,653.65)
	Agents' fees	-	(6,175.00)	(6,175.00)	(2,460.00)	(8,635.00)
	Agents' expenses	-	(360.00)	(360.00)	-	(360.00)
	Legal fees	(47,666.50)	(1,332.00)	(48,998.50)	(700.00)	(49,698.50)
	Legal expenses	(90.60)	(3.13)	(93.73)	-	(93.73)
	IT consultants' fees	(1,860.00)	-	(1,860.00)	(250.00)	(2,110.00)
	Accountant's fees - Co. Sec (Subsidiaries)	-	(139.00)	(139.00)	(7,160.00)	(7,299.00)
	Stationery and postage	(45.84)	-	(45.84)	-	(45.84)
	Employment agent costs	(1,470.00)	(275.00)	(1,745.00)	(500.00)	(2,245.00)
	Rents payable	(28,065.03)	-	(28,065.03)	-	(28,065.03)
	Other property expenses - Electricity @ NST City/Wide Lane	(6,420.26)	(33.82)	(6,454.08)	-	(6,454.08)
	Telephone and IT costs	(4,501.46)	-	(4,501.46)	-	(4,501.46)
	Sub-total, Property expenses	(38,986.75)	(33.82)	(39,020.57)	-	(39,020.57)
	Wide Lane clearance costs	(4,136.80)	-	(4,136.80)	-	(4,136.80)
	Insurance of assets	(2,071.40)	-	(2,071.40)	-	(2,071.40)
	Wages and salaries	(203,040.66)	-	(203,040.66)	-	(203,040.66)
	HMRC Job Retention Scheme Grant	140,803.98	-	140,803.98	-	140,803.98
	Sub-total, wages and salaries	(62,236.68)	-	(62,236.68)	-	(62,236.68)
	Sundry expenses	(1,094.91)	-	(1,094.91)	-	(1,094.91)
	Bank charges	(113.05)	(2.05)	(115.10)	(50.00)	(165.10)
		(383,465.23)	(8,320.00)	(391,785.23)	(137,235.70)	(529,020.93)
	Net Receipts/payments	191,276.99	2,088.11	193,365.10	37,764.30	231,129.40
	Employee wage arrears	(16,615.51)	-	(16,615.51)	-	(16,615.51)
	Employee holiday pay	(11,115.85)	-	(11,115.85)	-	(11,115.85)
	Total preferential claims settled	(27,731.36)	-	(27,731.36)	-	(27,731.36)
	Net balance	163,545.63	2,088.11	165,633.74	37,764.30	203,398.04
	Potential available funds for unsecured creditors			165,633.74		203,398.04
REPRESENTED BY						
	Clients Deposit (Int Bearing)			142,025.33		
	VAT Payable			(350.00)		
	VAT Receivable Flt Chg			23,958.41		
				165,633.74		

4.1 Requirements of SIP7

4.1.1 Pre-appointment costs

Smith & Williamson, pre-appointment costs		£
Paid by NST before appointment		17,604.00
Paid from estate		8,415.80
		<u>26,019.80</u>

4.1.2 Administrators' time costs and fee estimate

The administrators' fees were approved on a time costs basis on 13 July 2020 and were subject to an estimate of £209,447.95.

More details of our time costs and concerning remuneration generally (including challenge provisions) may be found in our recent progress report dated 2 December 2020. A brief update in respect of those costs may be found in Section 5.

4.1.3 Other disclosures

- All amounts are shown exclusive of VAT. Where VAT is irrecoverable it is separately identified as such.
- Details of significant expenses and payments to subcontractors and advisers are set out in our progress report dated 2 December 2020. The only significant change is that relating to external advisers for the tax relief claim (see section 6 below).
- All bank accounts are interest bearing
- There are no foreign currency holdings

4.1.4 Total employment costs

Employment costs		£
Wages and salaries		203,040.66
Arrears of wages and salaries paid in trading		16,615.51
Accrued holiday pay during trading		11,115.85
Recoveries from Coronavirus Job Retention Scheme		(140,803.98)
		<u>89,968.04</u>

4.2 Comments on EOS

The EOS reflects:

- Future recoveries from deferred consideration and the likely recovery from a tax relief claim being brought by an associated company (substantially all of the benefit of which will flow back to the Company).
- Costs reflect a potential increase in the costs of the administration and liquidation arising from the factors set out in section 2.1. This amount has not yet been agreed and the administrators / liquidators will need to seek additional authority from creditors or the Court for this amount before drawing any further fees.
- Future costs have increased compared to our recent progress report by the addition of a provision for underwriting the costs of preparing tax computations and accounts for a subsidiary company that are necessary to bring a tax relief claim.

5. Remuneration - summary details

At 28 February 2021 the joint administrators' time costs were as follows:

Description of activity	Cumulative time to date restated			Estimated future costs			Revised fee estimate			Difference to prior estimate	
	Hours	£	£/hr	Hours	£	£/hr	Hours	£	£/hr	Hours	£
Administration & planning	289.43	83,638.64	288.97	55.50	14,304.00	257.73	344.93	97,942.64	283.95	(91.68)	(39,613.29)
Investigations	45.50	12,332.60	271.05	-	-	-	45.50	12,332.60	271.05	(2.30)	(2,263.00)
Realisation of assets	304.47	112,290.56	368.81	21.00	6,048.00	288.00	325.47	118,338.56	363.60	(141.72)	(57,948.96)
Trading	186.32	71,334.96	382.87	-	-	-	186.32	71,334.96	382.87	(47.92)	(24,016.56)
Creditors	106.12	25,640.45	241.62	73.00	16,512.00	226.19	179.12	42,152.45	235.33	(41.12)	(14,605.05)
Case Specific	13.90	6,048.00	435.11	-	-	-	13.90	6,048.00	435.11	0.40	(254.40)
Total (non insolvency teams)	19.61	3,522.30	179.62	9.00	2,340.00	260.00	28.61	5,862.30	204.90	(28.61)	(5,862.30)
Grand totals	965.34	314,807.51	326.11	158.50	39,204.00	247.34	1,123.84	354,011.51	315.00	(352.94)	(144,563.56)

The Administrators have not included a full table of time analysis as those costs not yet approved and drawn will be subject to further approval from creditors and further details of the work activities will be provided at that time.

The administrators intend to seek the approval of creditors to an increase in this estimate once the Company is in liquidation.

6. Administration expenses

Full details of all expenses incurred and expected are set out in our progress report dated 4 December 2020.

These are summarised in the receipts and payments account either as payments to date or future payments.

6.1.1 Undertaking to meet additional accounting costs in connection with subsidiary entity

The administrators have agreed to meet the costs of the Company's subsidiary preparing tax returns and filing accounts while a tax relief claim is made. The proceeds of this claim will ultimately flow to the Company through either repayment of intercompany debt or shareholder value. The directors of the subsidiary are assisting in making the required claims but the costs of the external advisers needed to be provided for.

An amount of £7,160 has been provided.

The accounting and tax return work is being undertaken by Nyman Libson Paul, who were the Company's previous advisers in this regard. They are a firm of accountants and statutory auditors and have the requisite knowledge of the relevant entities affairs and specialist sector knowledge relating to creative industries accounting and tax and were therefore considered to be the ideal provider in the circumstances.

Included within the provision is also an allowance for consultancy fees for a former employee of the Company whose assistance may be required in completing the returns.

7. Decision procedure and reporting

7.1 Revision of proposals

We are seeking a decision of creditors on the approval of the Revision by Deemed Consent as permitted by R3.42(3) IR2016.

7.1.1 Procedure for objecting

Unless more than 10% in value of relevant creditors object to the decision to approve the revised proposals by deemed consent, approval of the proposals will take effect from **31 March 2021** (the "Decision Date")

Relevant creditors are those creditors who would be entitled to vote in the event of an alternative decision procedure being used.

If the threshold objection is met the joint administrators will convene an alternative decision procedure.

7.1.2 Request for a physical meeting

Details of the requirements for convening a physical meeting of creditors are set out in the attached notice.

Please note that the date for giving notice to the administrators of a request for a physical meeting is earlier than the Decision Date (this is a legal requirement).

7.1.3 Aggregation of objections or meeting requests

It is the joint administrators' responsibility to aggregate any objections to see if the threshold is met for the decision to approve the proposals by deemed consent is to be taken as having not been made.

7.2 Guidance and Notice of a Decision Procedure

The letter and attachments issued to creditors with this report (or the link to this report) contains further information about the decision procedure.

7.3 Further report

Assuming that the Revised Proposals are approved we anticipate our next report being that required to conclude the administration and commence the CVL of the Company, which will be issued as soon as possible after the Revised Proposals are approved.


Greg Palfrey (Mar 12, 2021 17:22 GMT)

Gregory Andrew Palfrey and Stephen John Adshead

Joint Administrators

Date: 12 March 2021

Appendix I: Objective (b) - additional information

This section is reproduced from the administrators' progress report.

5.1 Sale of business and assets

As previously reported, our initial strategy was to seek a buyer for the Company's business and assets.

Following a marketing process, three parties came forward with offers for the Company's business and assets. Any party wishing to progress with a purchase required the support of both SCC and ACE in respect of future funding and, in SCC's case as landlord of the NST City premises, SCC's agreement to ongoing occupation of those premises. To that end the bidders were asked to make submissions to SCC and ACE.

On 30 June 2020, we were advised that none of the bidders had been successful in obtaining the support of SCC or ACE, and consequently none were able to proceed with a purchase of the business and assets of the Company.

The sales and marketing process undertaken had been particularly involved as a result of the following:

- The number of interested parties that had come forward.
- The requirement to take account of the interests of multiple stakeholders including ACE and SCC (whose support was likely to be required by any potential purchaser).
- Variances in the structure of offers received, which needed to be analysed and evaluated carefully to enable comparison.
- Various claims as to the ownership of a significant number of the physical assets on site at both the City Centre and Campus sites.
- The unprecedented uncertainties over when theatres would be likely to be able to re-open, and what restrictions on operating may still be required after re-opening.

Taking the above into account a sale of business strategy was no longer viable.

5.2 Sale of assets

Once it became apparent that there were no parties able to proceed with a purchase of the Company's business and assets, we sought to realise the Company's physical assets.

Given the volume and nature of the assets, our agent's advice was that the best value (after taking account of associated costs of sale) would be obtained by selling the assets as a single lot in situ.

We sought to identify parties that would be interested in purchasing the assets as a single lot (including potentially those bidders for the business and assets), and entered into discussions with a number of parties in this regard including additional parties put to us by SCC.

The operator selection process run by SCC and ACE had a significant bearing on the sale of the assets. However, during what became a protracted period one of the original parties put forward a significant time dependent offer. Balancing this with the ongoing costs for the site and seeing no discernible time for a decision by SCC and ACE, we set a best and final offers deadline of 17 July 2020. This led to SCC making a quick decision which led the bidder, who was unsuccessful, to reduce the offer significantly. All other parties withdrew their interest and the eventual buyer, The Mayflower, became the only realistic bidder for the assets. The

Mayflower made an offer for the assets alone with an additional amount payable if it is successful in the SCC tender process, and is able to reach an acceptable funding agreement, to operate Studio 144.

Having negotiated an improvement in The Mayflower's base offer for the assets alone to £30,000 on 20 July 2020, we decided to proceed with The Mayflower.

It then took several weeks to progress The Mayflower's offer to completion due to the many issues and parties involved in addition to negotiating the terms of the sale contract. In particular, to be able to complete the sale it was necessary to agree arrangements with SCC to terminate the Company's licence to occupy Studio 144 and return the keys to SCC and for The Mayflower to reach agreement with SCC to be able to keep the assets at Studio 144 pending the outcome of its negotiations with SCC and ACE. This involved SCC undertaking a number of processes and checks before confirming its agreement.

The sale of the physical assets to The Mayflower was completed on 20 August 2020. The sale consideration was an initial payment of £30,000, with a further £45,000 payable should The Mayflower be successful in obtaining agreements with SCC and ACE for future funding and ongoing occupation. We understand that The Mayflower is close to formally obtaining these agreements, following which the additional sum will become payable.

Our agents advised that the price achieved was acceptable in the circumstances and would result in greater net realisations than a break-up sale via auction.

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