

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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1 Company details

Company number 0 1 7 1 1 5 0 2

Company name in full Southampton Nuffield Theatre Trust (The)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice Business and Property Courts
of England and Wales Insolvency Companies list ChD

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

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

AM22

Notice of move from administration to creditors' voluntary liquidation

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	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	The	
Surname	Directors	
8	Proposed liquidator's name	
Full forename(s)	Stephen John	
Surname	Adshead	
Insolvency practitioner number	8 5 7 4	
9	Proposed liquidator'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		

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Notice of move from administration to creditors' voluntary liquidation

10		Proposed liquidator's name^①	
Full forename(s)	Gregory Andrew		
Surname	Palfrey		
Insolvency practitioner number	9	0	6 0
① Other liquidator Use this section to tell us about another liquidator.			
11		Proposed liquidator'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 liquidator Use this section to tell us about another liquidator.			
12		Period of progress report	
From date	d 0 6	m 1 1	y 2 0 2 0
To date	d 2 7	m 0 4	y 2 0 2 1
13		Final progress report	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
14		Sign and date	
Administrator's signature	Signature X <i>Greg Palfrey</i> X Greg Palfrey (Apr 27, 2021 16:15 GMT+1)		
Signature date	d 2 7	m 0 4	y 2 0 2 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 and dated the form.

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The Southampton Nuffield Theatre Trust NST (in administration)

Joint administrators' final progress report

27 April 2021



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1. Glossary

Abbreviation	Description
the Company	The Southampton Nuffield Theatre Trust t/a NST
the administrators/joint administrators	Gregory Andrew Palfrey and Stephen John Adshead
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
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
CVL	Creditors' Voluntary Liquidation
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
ACE	Arts Council England
SCC	Southampton City Council
HCC	Hampshire County Council
UOS	The University of Southampton
NST Campus	Nuffield Southampton Theatres, University Road, Southampton, SO17 1TR
NST City	Nuffield Southampton Theatres, 142-144 Above Bar Street, Southampton, SO14 7DU
BEIS	Department of Business, Energy and Industrial Strategy
Studio 144	The theatre premises at 142-144 Above Bar Street, Southampton, SO14 7DU
LA	Lester Aldridge Solicitors
The Mayflower	The Mayflower Theatre Trust



Abbreviation	Description
NPL	Nuffield Productions Limited
RPS	Redundancy Payments Service
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited
S&WBTS	Smith & Williamson Business Tax Services
Original Proposals	The Proposals of the administrators under P49 Sch B1 IA1986
Revised Proposals	The revised proposals of the administrators issued under P54 Sch B1 IA1986 on 12 March 2021 and approved by deemed consent on 31 March 2021
Revision	The changes to the Original Proposals issued as the Revised Proposals

2. Introduction

This report provides an account of the administration of the Company for the period 6 November 2020 to 20 April 2021 and a summary of the outcome of the administration of the Company.

This report should be read in conjunction with the following previous documents issued by the administrators:

- The joint administrators' proposals pursuant to P49 Sch B1 IA86;
- The joint administrators' previous progress report to 5 November 2020; and
- The Revised Proposals dated 12 March 2021.

We Gregory Andrew Palfrey and Stephen John Adshead, of Smith & Williamson LLP, 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG, were appointed administrators of the Company on 6 May 2020.

Appendix I contains statutory information in respect of the Company and the administration.

3. Key points and steps taken in the administration

This section includes a summary of the administration as a whole (as required by R3.53 IR2016).

- After agreeing the strategy with SCC and ACE (the former being the largest expected creditor and the latter a significant potential creditor) an extensive marketing campaign was carried out. A number of bidders were identified who were interested in purchasing the Company's business and assets. The process was protracted due to the lock down restrictions in force. We received 3 offers ranging from £50k to £300k and because approval was required from SCC as landlord and from SCC and ACE for major grant support we



submitted these parties to those bodies for approval. None of the parties identified were able to meet the desired requirements for those bodies in respect of ongoing funding (and in SCC's case, occupation of the NST City site), and consequently we were not able to complete a sale of the business and assets.

- SCC and ACE then started a process to select a new operator for the city centre site and referred parties to us in respect of the assets for sale. Initially this was for two parties, who coincidentally had previously dropped out of the sales process we had run and, after representations from others, subsequently included all of the parties who had made offers to us previously. This process took some time, during which one of the interested parties made a good offer for the assets on a break-up basis and set a deadline of Friday 17 July 2020 for that offer to be accepted. As costs of the site continued to run without a definite time for a decision from SCC and ACE we set the same deadline for interested parties to make offers. This deadline brought forward the decision by SCC as to who would be its preferred operator in principle, which was not the candidate making us the offer. Therefore, that party and all others dropped out of the process other than SCC's successful candidate, The Mayflower. After much further negotiation a deal was concluded on 20 August by us with The Mayflower.
- The administrators have completed the sale of the Company's chattel and certain other assets to The Mayflower for an initial consideration of £30k with a further £45k falling due following The Mayflower reaching agreement with SCC and ACE for ongoing occupation of the NST City premises and future funding. Both amounts have now been received.
- Following our appointment, we had continued to furlough members of staff and assess those continuing to work. After it became clear that we would not be able to complete a sale of the business and assets all except four staff were made redundant on 2 July 2020. The remaining four staff were made redundant during the course of July 2020 as and when there was no longer a requirement for their assistance.
- Significant further realisations in the administration have been:
 - Cash at bank of £422k.
 - Book debt collections totalling £56k.
- The main remaining asset still to be realised is a debt due from NPL of approximately £130k. NPL has recently made a claim for repayment of Theatre Tax Relief that (if received) will allow it to make payments to the Company.
- On 13 July the joint administrators' initial proposals were approved by creditors.
- On 13 July 2020 the basis of the joint administrators' remuneration was approved by the creditors on a time costs basis and were estimated to total £209k. Fees incurred during the administration have exceeded this amount. The reasons and extent of current costs and likely future costs are set out in this report. The agreed fees up to £209k have been drawn during the administration.
- As noted above, on 20 August 2020 the administrators concluded a sale of the Company's chattel and certain other assets to The Mayflower, we received a first payment of £30k at that time as agreed. On 12 April the second payment of £45k was received as a result of The Mayflower reaching agreement with SCC and ACE for ongoing occupation of the NST City premises and future funding.



- The main remaining asset still to be realised is a debt due from NPL of approximately £130k. NPL has recently made a claim for repayment of Theatre Tax Relief that (if received) will allow it to make payments to the Company.
- Preferential creditors are anticipated to be paid in full in the liquidation, the majority of preferential claims having been dealt with through wages and salaries paid during the administration, any balance is to be settled in the liquidation and enquiries are in hand to agree these claims.
- Unsecured creditors are expected to receive a distribution following payment of preferential claims and of the costs of the administration/liquidation in full. It is currently estimated that funds available to unsecured creditors will be approximately £162k.
- On 31 March 2021 a revision to the administrators' proposals was approved by creditors. The reasons a revision to the administrators' proposals was required are detailed in section 4.2 of this progress report.

4. Administrators' proposals

The purpose of an administration is to achieve one of the three statutory objectives set out in the legislation. The administrator must identify as part of their proposals the objective that they expect to achieve. The statutory objectives are:

- (a) Rescuing the Company as a going concern; or
- (b) 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 placed into administration; or
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

In this case the objective set out in the original proposals was objective (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 strategy for achieving objective (b) was approved by creditors on 13 July 2020 as part of the process of approving the Proposals.

The revision to the Proposals changed the statutory objective to purpose (c) reflecting the fact that the effects of COVID-19 on the entertainment and events sector had impacted the administrators' ability to achieve an enhanced value for the business and/or assets and that the final net return received may not have been better overall than liquidation.

4.1 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.

4.2 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 the 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.

4.3 Revised Proposals

The Revised Proposals were as follows incorporating solely the outstanding matters yet to be done at that time as set out under the Original Proposals. The substantial revision for which approval was being sought from the creditors was 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 4.1 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 12.1 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.

4.4 Impact of the Revision on creditors

The impact of the Revision was described in that document (and remains) as follows:

4.4.1 Change of administration objective

The revision to the Proposal as set out at 4.3 (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.

4.4.2 Other

None of the other modifications to the Proposals as set out in 4.3 (ii)-(v) were substantial in nature for the purposes of P54 Sch B1 IA86 and the creditors approval was 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.

5. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 6 November 2020. This account includes cumulative figures for the whole of the period of the administration from 6 May 2020.

The receipts and payments account also includes a comparison with the directors' SOA values.

5.1 Sale of assets

As previously reported, The Mayflower made an offer for NST's theatre assets with an additional amount payable if it was successful in the SCC tender process, and was able to reach an acceptable funding agreement, to operate Studio 144.

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.

During the reporting period, the Mayflower was successful in obtaining these agreements with SCC and ACE. On 12 April 2021 we received the second payment due of £45,000 bringing total realisations from the sale of NST's theatre assets to £75,000.

5.2 Leasehold properties

5.2.1 Wide Lane

As well as leasing the properties referred to as NST Campus and NST City, the Company also leased a unit at an industrial park at Wide Lane on the outskirts of Southampton, which was mainly used for storage of props and costumes from past performances.

There were some difficulties remaining in closing out the utility accounts at this site and extended correspondence and interaction with the electricity provider was required. During the reporting period the final applicable charges were agreed and settled with the electricity supplier.

5.3 Motor vehicle

The Company's assets included a van with an ETR value in the directors' SOA of £500, that was not part of the sale of assets to The Mayflower.

As previously reported these funds were being held by our agents. Our agents raised their fee and transferred the net balance to us accordingly. Therefore, we have now accounted for the motor vehicle realisation of £1,750.

5.4 Theatre tax relief claim

As previously reported the directors' SOA detailed an intercompany debt due of approximately £113k in relation to a debt due from a subsidiary company.

The subsidiary (NPL) has made a claim for Theatre Tax Relief for the year ended 31 March 2020. Once received by NPL the funds will be available to make repayment of the intercompany account/and or permit a dividend to the Company once received. This receipt is anticipated to be of the order of £130k and was submitted to HMRC ahead of the 31 March 2021 deadline.

Since the proceeds of the TTR claim are expected to ultimately benefit the administration estate the administrators agreed to underwrite the costs of the accountants and of a former employee of NST to prepare the necessary accounts and returns for NPL. Those costs are treated as expenses of the administration in section 9 on the assumption that the Company will pay them.

5.5 Business Interruption Insurance claim

Following a Supreme Court decision in *Financial Conduct Authority v Arch Insurance & Others* [2021] in January, we investigated whether we could pursue a business interruption insurance claim in respect of the business disruption of Covid-19. We liaised with the Company's insurance broker and our own brokers to review the Company's previous insurance policy and comment on whether a claim could and should be pursued.

We have established that the Company's previous insurance policy wording specified cover for a list of diseases not including Covid-19 and therefore there was no prospect of a claim.

We consider that whilst this has increased costs in the administration by approximately £2k, this work could potentially have achieved a significant additional asset realisation for the benefit of the creditors.

5.6 Strike-off of other subsidiary/associated entities

We have liaised with the directors of the Company and a former employee in respect of the potential striking off of various subsidiary and associated entities and agreed to meet certain limited costs of doing so, details of which are included within the subcontractors costs in the administration expenses.

The administrators consider that these modest costs (some £469, see 9.2) are more than offset by the savings in time spent dealing with enquiries relating to those entities from stakeholders.

5.7 Other matters

We summarise below the other key matters that we have dealt with during the reporting period. We have:

- Continued to deal with statutory and best practice administrative matters.
- Obtained the transfer of and analysed further funds that had been received into the Company's former bank account.
- In conjunction with S&WEBC, reviewed the status of the Company's pension scheme to establish whether there is a liability that will form an unsecured claim for dividend purposes or whether the scheme liabilities can be dealt with in another manner. This is ongoing.
- Continued to deal with consumer and other creditor enquiries on an ad-hoc basis.

5.8 Assets still to be realised

Following the move to CVL we will continue to work to realise any remaining assets of the Company being:

- Funds from NPL of approximately £130k.

6. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential and as a result, we are unable to disclose their content.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate.

This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to our request to complete an investigation questionnaire. Our investigations did not reveal any issues requiring further work.

7. Pre-administration costs

The following amounts in respect of pre-administration costs were approved on 13 July 2020:

Pre-administration expenses		Reported in Proposals £	Paid in prior period £	Paid in period £	Outstanding £
Smith & Williamson LLP	Financial advice as detailed in the administrators' proposals (balance of unpaid time costs)	8,415.80	8,415.80	-	-
Lester Aldridge	Legal advice on rationale on for administration and filing of appointment documentation	4,684.00	4,684.00	-	-
Total pre-administration expenses		13,099.80	13,099.80	-	-

Note: Legal disbursements of £54.59 were also incurred and paid in connection with the appointment.

8. Administrators' remuneration

8.1 Approval of remuneration

On 13 July 2020 the 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. These costs were estimated to total £209,447.45 at that time.

8.2 Costs to 31 March 2021

The administrators' time costs (further details in Appendix III) and original estimate are set out below:

Reporting period	Hours	£	Average rate £/hr	Fees drawn £
6 May 2020 to 5 November 2020	842.07	275,557.80	327.24	209,447.95
6 November to 31 March 2021	147.11	46,416.65	315.52	-
Subtotal of costs to date	989.18	321,974.45	325.50	209,447.95
Future estimated costs	144.00	40,139.00	278.74	
Total revised fee estimate	1,133.18	362,113.45	319.56	
Fee estimate	770.90	209,447.95	271.69	
Under/(over) estimate	(362.28)	(152,665.50)	(47.87)	

The reasons for the variance between the current estimate compared to the approved fee estimate is dealt with in detail in the appendices (see Appendix IV).

The difference to that in the Revised Proposals reflects work done in the interim period that has been more intensive and required more senior input around pensions and the possible insurance claim.

8.2.1 Smith & Williamson Employee Benefit Consultants (Smith & Williamson Financial Services Limited)

The Administrators have chosen to use S&WEBC to provide assistance in respect of the Company's pension scheme liabilities.

These costs would be classified as payments to associates according to SIP9. As a consequence, they are included in the table above but are also split out below for reference.

Any payments to S&WEBC are a payment to an associate by virtue of the fact that they are payments to another company in the wider group of professional services companies to which the administrators' firm belongs.

Those costs included above relating to S&EBC and S&WBTS are as follows:

Time costs to date and to conclusion (S&WEBC ONLY)	
of subsequent liquidation	£
6 May 2020 to date	1,280
Additional costs to conclude	750
Total costs	2,030

Fee estimate	-
Under/(over) estimate	(2,030)

Separate approval for these costs will need to be sought by the administrators and further details will be sent to creditors in due course.

8.2.2 S&W BTS

The time costs of S&WBTS are payments to the same legal entity that the administrators remuneration is charged by and are therefore treated as time costs/administrators remuneration within the existing (and any future) fee estimates without separate authority from creditors.

Time costs to date and to conclusion (S&WBTS ONLY)	
of subsequent liquidation	£
6 May 2020 to date	2,402
Additional costs to conclude	932
Total costs	3,334

Fee estimate	-
Under/(over) estimate	(3,334)

8.3 Time analyses

- Appendix III provides details of the activities and costs incurred by staff grade during the period of this report. Narrative details of work carried out in the period are also included in the appendix.
- Appendix IV provides a summary of the costs incurred in the period and on a cumulative basis and provides a comparison and variances to the fee estimate.

8.3.1 Changes to time recording and reporting systems

On 1 August 2020, Smith & Williamson LLP replaced its time recording and reporting software. As a result, changes have been made to time classifications and reporting formats with the objectives of providing stakeholders with additional clarity in key areas while also simplifying the presentation of those costs to make them more accessible.

For reporting periods that straddle the changeover date we have reclassified the cumulative time costs and restated the fee estimate under the new headings.

In this report

- Time costs for the period are presented according to staff grade; and
- Cumulative costs, a summary of our fee estimate, and any other comparatives are presented on the basis of the aggregate time across all staff grades. This allows all the relevant data to be presented in a single table to make for easier comparisons.

These disclosures were also included in our previous report.

8.4 Fee estimate exceeded and future costs

The Administration period time costs have exceeded the approved fee estimate and costs estimate, therefore the subsequently appointed joint liquidators will need to contact creditors under separate cover to seek approval of a revised fee estimate during the liquidation.

Creditors should be aware that there will be additional costs in the administration to those shown in Appendix IV in respect of the preparation and issue of this report and in respect of any matters arising during the period between issuing this report and the administration ending. The administration will end and our appointment as liquidators will take effect when the Registrar of Companies registers the notice of moving to Creditors' Voluntary Liquidation which we will file with our final progress report.

8.5 Statutory and regulatory information concerning fees

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

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Due to recent changes made to SIP9 (the regulatory guidance that deals with insolvency practitioner fees) these guidance notes now differ to those linked in previous reports.

Details of our charge out rates and policies in relation to the use of staff are provided at Appendix V.

8.6 Work providing a financial benefit to creditors

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

and the costs of statutory reporting and compliance activities required by our regulators/best practice.

In this case work within the time analysis that relates to Realisation of Assets, Trading and to a lesser extent dealing with Creditor claims arguably provides some financial benefit to creditors since these are those categories in which activities that are focussed around generating realisations and managing the claims of creditors are focussed.

Other categories (such as most work under the heading Administration and Planning) provides no direct benefit to creditors but is, instead, work required by statute, best practice or regulation.



9. Administration expenses

9.1 Summary of expenses

The table below sets out a high-level summary of expenses by type and their location in this report together with a comparison to the estimates provided in the administrators' proposals.

Expense type	Section	Incurring in period	Paid in period	Outstanding	Costs to date	Expected future	New total expected	Proposals estimate	Variance
		£	£	£	£	£	£	£	£
Subcontractors	9.2	1,310.00	925.00	5,533.65	9,288.65	2,250.00	11,538.65	8,000.00	(3,538.65)
Professional advisers	9.3	9,330.13	11,465.13	6,500.00	65,722.23	2,000.00	67,722.23	39,500.00	(28,222.23)
Administrators' disbursements	9.4	-	-	-	1,090.00	190.00	1,280.00	422.00	(858.00)
Other expenses	9.5	36.67	36.67	-	109,222.10	50.00	109,272.10	79,050.00	(30,222.10)
Total		10,676.80	12,426.80	12,033.65	185,322.98	4,490.00	189,812.98	126,972.00	(62,840.98)

Each following section provides further details of the main costs incurred including the reasons that they were necessary and the reasons for any expected future costs.

9.1.1 Changes to SIP9

On 1 April 2021 the primary guidance to insolvency practitioners on reporting remuneration and expenses was updated and these changes apply retrospectively to existing cases. One of the changes in the revised SIP9 is the change in categorisation of expenses and removal of some of the demarcation between different categories of expenses that we previously reported separately.

For the purposes of this report we have retained the same analysis as used in earlier reports. One of the other key requirements of SIP9 is that of consistency where possible and in the context of this case and the impending move to liquidation we consider that it is likely to be more beneficial to retain a layout that is consistent with our earlier reporting.

The revised SIP9 also introduces more requirements around payments to "associates". There are no third party service providers here that the administrators consider fall within that definition.

9.1.2 Service provider selection

Appendix V sets out our general policies concerning engagement of subcontractors and professional advisers.

Paragraph 0 sets out selection criteria and other information concerning the choice of subcontractors and professional advisers in this matter.

9.2 Subcontractors

We have used the following subcontractors during the administration as set out in the table below:

	Fee type	Incurring in period £	Paid in period £	Outstanding £	Costs to date £	Expected future £	New total expected £	Proposals estimate £	Variance £
Subcontractors									
ERA Solutions									
Employment claims processing	Fixed	160.00	275.00	160.00	1,905.00	1,250.00	3,155.00	1,000.00	(2,155.00)
Iron Mountain									
Records collection and storage	Fixed unit cost	500.00	-	5,373.65	5,373.65	1,000.00	6,373.65	5,000.00	(1,373.65)
AB Services									
IT support	Fixed fee	650.00	650.00	-	2,010.00	-	2,010.00	2,000.00	(10.00)
Subcontractors		1,310.00	925.00	5,533.65	9,288.65	2,250.00	11,538.65	8,000.00	(3,538.65)

*Total costs outstanding for Iron Mountain relate to two invoices received from Iron Mountain for collecting records from NST Campus and NST City. These invoices are to be paid by S&W LLP and recharged to the Company as disbursements. Iron Mountain is the document storage provider to the administrators' firm. The estimate of Iron Mountain charges in the current period is an estimate.

9.2.1 Main variances to the estimate in the Proposals

There are no specific matters to comment on in relation to the variance other than to note that without a business transfer there has been and will be more cost in respect of records retention (where a purchaser might have assumed some responsibility for those records) and employee claims handling (due to no transfer of staff).

9.2.2 Reason for expected future costs (per table above)

ERA Solutions Assistance with processing preferential and unsecured employment claims
Iron Mountain Ongoing records storage

9.3 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which was subject to review on a regular basis.

	Fee type	Incurring in period £	Paid in period £	Outstanding £	Costs to date £	Expected future £	New total expected £	Proposals estimate £	Variance £
Professional advisers									
Lester Aldridge	Hourly rate	2,358.00	2,358.00	-	50,024.50	2,000.00	52,024.50	n/a	n/a
Lester Aldridge	Dsb	3.13	3.13	-	93.73	-	93.73	n/a	n/a
Lester Aldridge	Hourly rate +								
Legal advice	Dsb	2,361.13	2,361.13	-	50,118.23	2,000.00	52,118.23	37,500.00	(14,618.23)
Proudley Associates	Hourly rate +								
Chattel agents	Dsb	-	8,635.00	-	8,635.00	-	8,635.00	2,000.00	(6,635.00)
Nyman Libson Paul	Hourly rate +								
Chartered accountants	Dsb	6,500.00	-	6,500.00	6,500.00	-	6,500.00	-	(6,500.00)
On The Spot									
Cosec and accounting fees -	Hourly rate								
Subsidiaries		469.00	469.00	-	469.00	-	469.00	-	(469.00)
Subtotal professional advisers		9,330.13	11,465.13	6,500.00	65,722.23	2,000.00	67,722.23	39,500.00	(28,222.23)

9.3.1 Main variances to the estimate in the Proposals

Lester Aldridge	Additional work undertaken in relation to the sale of assets and negotiating and formally documenting the vacation of both the NST City and NST Campus premises. Additional work was undertaken in the reporting period relating to a review of the Revised Proposals.
Proudley Associates	Additional work undertaken because of the extended and more complex than anticipated sales process, in particular work required to identify and verify assets claimed as third party, and updates to the asset listing as appropriate. Additional valuation advice was required due to the business sale not completing and the change in strategy to an asset sale.
Accounting and Cosec	These costs relate to resolve queries relating to the Subsidiary entities but also work required to undertake a tax relief claim in one of the subsidiaries that is ultimately expected to benefit the Company through repayment of an intercompany balance. Ordinarily these costs would be borne by the relevant subsidiary but have been underwritten by the Company as none of the subsidiary entities has a cash balance presently and it was therefore considered appropriate to include them within the administration expenses.

9.3.2 Reason for expected future costs (per table above)

In addition to the above legal advice maybe required for the agreement of any complex creditor claims. Therefore we have included £2,000 as a general provision in this regard.

9.4 Administrators' disbursements

We have paid and/or incurred the following disbursements during the administration:

	Fee type	Incurred in period £	Paid in period £	Outstanding £	Costs to date £	Expected future £	New total expected £	Proposals estimate £	Variance £
Administrators' disbursements									
Administrators' bond	At cost	-	-	-	140.00	-	140.00	140.00	-
Statutory advertising	At cost	-	-	-	91.00	190.00	281.00	182.00	(99.00)
Mail direction	At cost	-	-	-	216.00	-	216.00	-	(216.00)
Media announcement	At cost	-	-	-	640.00	-	640.00	-	(640.00)
Land Registry	At cost	-	-	-	3.00	-	3.00	-	(3.00)
Business mileage (cat 2)	45p/mile	-	-	-	-	-	-	100.00	100.00
Total disbursements		-	-	-	1,090.00	190.00	1,280.00	422.00	(858.00)

9.4.1 Main variances to the estimate in the Proposals

Media announcement Given the large number of consumer creditors the administrators took the decision to make a press announcement following their appointment to try and put information into the public domain that would help creditors (including consumers) and generate interest from parties who might acquire the business and to assist them in understanding the intended process.

9.4.2 Reason for expected future costs (per table above)

Advertising costs These relate to the statutory advertisements required by the soon to be appointed liquidators.

9.4.3 Category 2 expenses

No category 2 expenses have been incurred in the reporting period (or during the administration as a whole).

9.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during administration 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 any expenses incurred but not paid. For the convenience of creditors, we have split these according to property costs and other expenses:

9.5.1 Property

	Fee type	Incurring in period	Paid in period	Outstanding	Costs to date	Expected future	New total expected	Proposals estimate	Variance
		£	£	£	£	£	£	£	£
Other expenses, property									
Southampton City Council									
Rent & service charge City	At cost	-	-	-	25,007.37	-	25,007.37	-	n/a
Primmer Olds									
Rent, Wide Lane	At cost	-	-	-	3,057.66	-	3,057.66	-	n/a
Haven Power									
Electricity NST City	At cost	33.82	33.82	-	6,454.08	-	6,454.08	-	n/a
Various									
Telephony and IT	At cost	-	-	-	4,501.46	-	4,501.46	-	n/a
Property costs		33.82	33.82	-	39,020.57	-	39,020.57	22,500.00	(16,520.57)

9.5.2 Property, main variances to the estimate in the Proposals

Property costs

As previously reported these costs were estimated to include security and other property costs including rent, telephone and IT. The actual costs include costs reported in Appendix II as Other property expenses, Rent, Telephone & IT costs. The charges have been higher than anticipated principally because of the administrators being in occupation of the NST city premises longer than originally anticipated, and also the service charge sums due to SCC being higher than originally advised.

9.5.3 Other

	Fee type	Incurring in period £	Paid in period £	Outstanding £	Costs to date £	Expected future £	New total expected £	Proposals estimate £	Variance £
Marsh UK Insurances	At cost	-	-	-	2,071.40	-	2,071.40	4,000.00	1,928.60
Various									
Clearance at Wide Lane	At cost	-	-	-	4,136.80	-	4,136.80	-	(4,136.80)
Wages and salaries	At cost	-	-	-	62,236.68	-	62,236.68	52,500.00	(9,736.68)
Bank charges	At cost	2.85	2.85	-	115.90	50.00	165.90	50.00	(115.90)
Sundry expenses	At cost	-	-	-	1,140.75	-	1,140.75	-	(1,140.75)
IT consultant	At cost	-	-	-	500.00	-	500.00	-	(500.00)
Other expenses		2.85	2.85	-	70,201.53	50.00	70,251.53	56,550.00	(13,701.53)
Property and other		36.67	36.67	-	109,222.10	50.00	109,272.10	79,050.00	(30,222.10)

9.5.4 Main variances to the estimate in the Proposals

Various re Wide Lane	We had originally hoped that a purchaser would take on responsibility for the items stored at Wide Lane premises, however this did not happen so we were required to oversee the clearance of the premises before handing the site back to the landlord.
Wages and salaries	The administrators were required to retain staff longer than was originally planned for.

9.5.5 Reason for expected future costs (per table above)

Bank charges	To cover the costs of payments during the administration and liquidation.
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9.6 Selection of advisers and 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.

Provider	Services	Reasons for cost	Selection criteria
Lester Aldridge	Legal advice in respect of employment, property, charity and insolvency matters, including the contract for the sale of assets	Required to manage risk to all parties and ensure that documentation and legal processes (especially with respect to the asset sale and employment were appropriately dealt with).	Regulated legal firm. Experienced in insolvency and charity/not-for-profit matters.
Proudley Associates	Valuation of company's business and assets and disposal of assets	Required to manage disposal of assets and to obtain expert valuation advice.	Appropriate experience of asset types found and of supporting disposals of assets in insolvency matters. Location and speed of response during lockdown conditions were also a factor.
ERA Solutions	Provision of employment claims management and calculation services	As specialists in this field ERA are often able to undertake work that would be undertaken by the administrators at a lower cost and thereby benefit the estate.	There are a limited number of providers. We have experience of working with ERA on previous assignments and appropriate arrangements in place with them.
AB Services	Provision of IT support	To secure the IT/data and to deal with issues surrounding the website.	AB Services offers a flexible and cost-effective approach with knowledge of a wide variety of systems and the requirements of insolvency practitioners.
S&WEBC	Pension advice	As specialists in this field S&WEBC have undertaken work to review the Company's unsecured liability for dividend purposes in respect of some older pension schemes and have been	Regulated firm and competitively priced. Vastly experienced and familiar with the queries being raised in respect of the pension schemes involved in this

		liaising with the appropriate pension providers.	matter. These costs have been reported separately in Appendix IV
S&WBTS	Tax advice	As specialists in this field, BTS have undertaken work to review the Company's pre appointment tax position to check for any other tax reliefs and will be undertaking work to prepare the Company's administration period tax return	Regulated firm and competitively priced. Vastly experienced and familiar with RRS requirements and potential for internal economies of scale. These costs are reported separately in Appendix IV

Arrangements with service providers are reviewed as part of our periodic review process for quality and value. Where regulation requires providers hold appropriate authorisations and professional indemnity insurances.

Under the recently revised SIP9 the concept of payments to associates has been expanded. In the interests of transparency, we note that one of the administrators is related to a partner at Lester Aldridge who has undertaken some work on this matter. Given the respective sizes of the organisations and the balance of work across partners within the law firm this is not considered to create a relationship of associate between the firms that would require separate approval for the costs of Lester Aldridge and there is no direct personal benefit to either individual from the fee arrangements.

S&WEBC is considered to be an associate and therefore under the revised SIP9 its costs will need to be approved by creditors in due course. This approval will be requested by the appointed liquidators at the same time that we seek an uplift of our remuneration as mentioned in section 8.4.

S&WBTS is a reference to a different (tax) department within the same legal entity as that which the Administrators fees are charged. Any work undertaken by this department is therefore encompassed by the existing fee arrangements.

10. Outcome for creditors

The outcome for each class of creditor is set out below.

10.1 Prescribed Part

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

10.2 Preferential creditors

The Statement of Affairs included an estimate of £13,860 for preferential creditors, relating to accrued holiday.

As part of the wages and salaries paid during the administration, the outstanding balances due to employees for unpaid wages and accrued holiday pay at the date of administration were paid to the employees.

We estimate the amount paid in respect of wage arrears to be £16,615, and the amount paid in relation to holiday pay was £11,116. Of the wage's payments, £12,744 will have been recovered via the Coronavirus Job Retention Scheme.

There are some residual preferential claims that were not dealt with through wages and salary payments. Our employee claims agent expects these claims total £4,738. We anticipate these claims will be paid in full following the move to liquidation.

10.3 Unsecured creditors

Notice under Rule 14.37 of IR16

We confirm that realisations are sufficient to pay a dividend to unsecured creditors. The administrators anticipate a dividend will be paid to unsecured creditors in the succeeding creditors' voluntary liquidation and unsecured creditors' claims will be reviewed and agreed or rejected by the joint liquidators.

We currently anticipate that funds available for distribution could be of the order of approximately £162k. This is subject to successful realisation of the Theatre Tax Relief balance. It also takes account of the proposed revised fee estimate detailed in Section 8.

A summary of unsecured claims received is set out below:

Unsecured creditors	SOA	Received
Number	4,500	105
Value (£000)	913	453

11. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at

<https://smithandwilliamson.com/rrsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

12. Ending the administration

12.1 Exit route from administration

This is our final report as joint administrators and covers the period ended 26 April 2021. However, our appointment as joint liquidators will only take effect once the Registrar of Companies registers the notice to this effect. Consequently, there may be additional matters arising during this hiatus period and will be reported to the joint liquidators. In turn, the joint liquidators will provide creditors with this information.

12.2 Discharge from liability

Authorisation for the administrators to be discharged from liability was granted by the creditors on 13 July 2020.

The administrators will be-discharged from liability under P98(3) of Sch B1 following registration of the notice of move from administration to liquidation by the Registrar of Companies.

13. Outstanding matters

We have set out below details of the remaining actions to be concluded in the administration and the anticipated subsequent liquidation of the Company and approximate costs of the same. Please note the costs estimated below are provided as a guide only and do not constitute a formal fee estimate.

Description of activity	Estimated £
<ul style="list-style-type: none"> Finalisation of this report and submission of the final report and move to liquidation estimated to cost £3-4k. 	4,000
<ul style="list-style-type: none"> Taking the necessary steps to realise the balance due from NPL in relation to the TTR claim. This may involve placing NPL in liquidation and will involve arranging preparation and submission of the relevant return to HMRC by NPL. We anticipate our future costs in this respect to be £3k-£5k, although a large proportion of these costs will be borne by NPL in the first instance (with the effect that the amount paid by NPL will be reduced). This work is in progress and a claim has now been submitted to HMRC. 	3,500
<ul style="list-style-type: none"> Issuing notices of intended distribution to the preferential and unsecured creditors separately, following which claims will be reviewed, agreed or otherwise adjudicated upon, and agreed claims will be paid. The costs will be dependent on the final number of claims received, the complexity of these claims and how contentious the larger claims are. We anticipate that these will be between £22k and £27k based on the high level of interaction that has been had between the administrators and the more complex claims and consumer creditors. These costs could be less if the adjudication process proves uncontentious. 	25,000
<ul style="list-style-type: none"> Further statutory reporting including closure of the liquidation, and case administration estimated to cost £5-6k. 	6,000
<ul style="list-style-type: none"> Further time to be undertaken by non-insolvency teams including S&WBTS and S&WEBC as mentioned earlier in section 8.2.1 	1,500
	<hr/> 40,000 <hr/>

13.1 Overall costs of administration and liquidation

The joint administrators have exceeded their original fee estimate as noted in Section 8. The table below sets out the current expected final position in respect of the total overall costs of the administration and anticipated proposed creditors' voluntary liquidation.

Time costs to date and to conclusion of subsequent liquidation	£
6 May 2020 to date	321,974
Additional costs to conclude	40,139
Total costs	362,113
Fee estimate	209,448
Under/(over) estimate	(152,666)

Please note that the estimated amounts above are based on present information and may change due to unforeseen circumstances arising. The joint administrators (or liquidators once in office) will need to provide an update and seek approval from the creditors before drawing any additional sums. Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

14. 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 Gregory Andrew Palfrey or Stephen John Adshead 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:

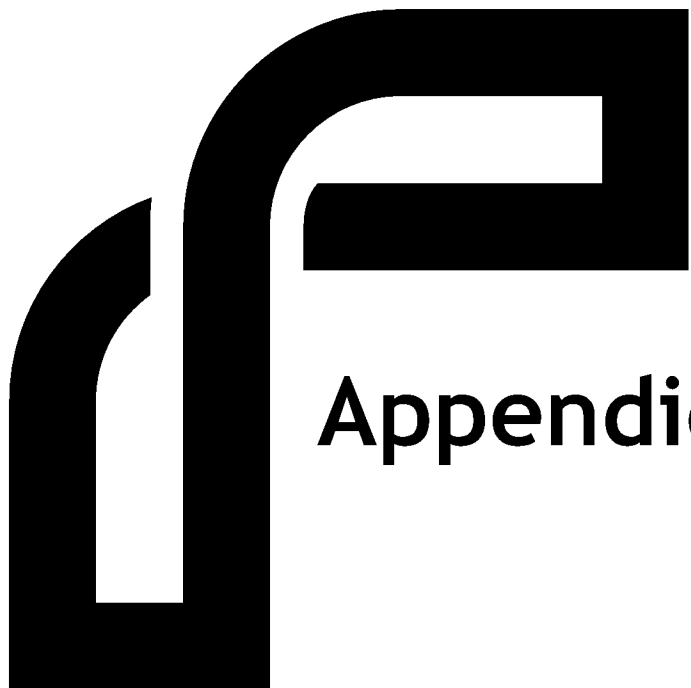
1. Email: insolvency.enquiryline@insolvency.gsi.gov.uk
2. Telephone number: +44 300 678 0015
3. Post: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.


Greg Palfrey (Apr 27, 2021 16:15 GMT+1)

Gregory Andrew Palfrey and Stephen John Adshead

Joint Administrators

Date: 27 April 2021



Appendices



I 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
Revision of Proposals	Delivered to creditors 15 March 2020
Approval of Revised Proposals	Decision by deemed consent on 31 March 2021
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

II Receipts and payments account and estimated outcome

Statement of Affairs	From To	Period 06/05/2020 05/11/2020	Period 06/11/2020 27/04/2021	Total 06/05/2020 27/04/2021	Estimated future transactions	Estimated final position
	£	£	£	£	£	£
ASSET REALISATIONS						
146,050.30	Theatre equipment	30,000.00	45,000.00	75,000.00	-	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	60.60	551.31	2.00	553.31
-	Sundry receipts	988.62	448.83	1,437.45	-	1,437.45
-	Intercompany/tax relief claim	-	-	-	130,000.00	130,000.00
		574,742.22	55,512.88	630,255.10	130,002.00	760,257.10
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)	(152,665.05)	(362,113.00)
	Administrators' expenses	(1,090.00)	-	(1,090.00)	(6,563.65)	(7,653.65)
	Agents' fees	-	(8,275.00)	(8,275.00)	-	(8,275.00)
	Agents' expenses	-	(360.00)	(360.00)	-	(360.00)
	Legal fees	(47,666.50)	(2,358.00)	(50,024.50)	(2,000.00)	(52,024.50)
	Legal expenses	(90.60)	(3.13)	(93.73)	-	(93.73)
	Pension consultants' fees - S&WEBC	-	-	-	(1,655.00)	(1,655.00)
	IT consultants' fees	(1,860.00)	(650.00)	(2,510.00)	-	(2,510.00)
	Accountant's fees - Co. Sec (Subsidiaries)	-	(469.00)	(469.00)	(6,500.00)	(6,969.00)
	Stationery and postage	(45.84)	-	(45.84)	-	(45.84)
	Employment agent costs	(1,470.00)	(275.00)	(1,745.00)	(1,250.00)	(2,995.00)
	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)	(2.85)	(115.90)	(50.00)	(165.90)
		(383,465.23)	(12,426.80)	(395,892.03)	(170,683.70)	(566,575.73)
	Net Receipts/payments	191,276.99	43,086.08	234,363.07	(40,681.70)	193,681.37
	Employee wage arrears	(16,615.51)	-	(16,615.51)	(3,985.00)	(20,600.51)
	Employee holiday pay	(11,115.85)	-	(11,115.85)	(752.74)	(11,868.59)
	Total preferential claims settled	(27,731.36)	-	(27,731.36)	(4,737.74)	(32,469.10)
	Net balance	163,545.63	43,086.08	206,631.71	(45,419.44)	161,212.27
	Potential available funds for unsecured creditors			206,631.71		161,212.27
REPRESENTED BY						
	Clients Deposit (Int Bearing)			191,332.10		
	VAT Payable			(9,350.00)		
	VAT Receivable Flt Chg			24,649.61		
				206,631.71		

Notes and further information required by SIP 7

- As previously reported, we received £17,604.00 from NST in respect of the pre appointment costs prior to our appointment. As shown above we have drawn the balance of approved pre appointment costs of £8,415.80 bringing total S&W pre appointment costs to £26,019.80.



- The joint administrators' fee estimate totalling £209,447.95 was approved by creditors on 13 July 2020.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts remain interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.
- Total employment costs during the administration are summarised below:

Employment cost overview	£
Wages and salaries	203,040.66
Arrears of wages and salaries paid in trading	16,615.51
Accrued holiday paid during trading	11,115.85
Recoveries from Coronavirus Job Retention Scheme	(140,803.98)
Net wages and salaries cost	89,968.04



III Time analysis for the period 6 November 2020 to 31 March 2021

Period	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	8.12	25.30	1.00	11.58	-	46.00	15,753.75	342
Case administration	3.72	4.33	1.10	11.93	-	21.08	6,139.02	291
Post appointment AML	-	1.55	0.40	-	-	1.95	704.60	361
Sub-total Administration & planning	11.83	31.18	2.50	23.52	-	69.03	22,597.37	327
Investigations								
Directors	1.42	0.10	0.15	0.15	-	1.82	761.82	419
Records and investigations	-	0.25	-	0.40	-	0.65	174.60	269
Sub-total Investigations	1.42	0.35	0.15	0.55	-	2.47	936.42	380
Realisation of assets								
Leasehold property assets	-	0.43	-	-	-	0.43	161.19	372
Other assets	4.47	8.33	0.25	3.18	-	16.23	5,866.29	361
Tax assets	4.22	13.50	0.15	-	-	17.87	6,992.70	391
Business sale	0.50	0.30	-	-	-	0.80	339.60	424
Leasing and HP assets	-	1.02	0.20	0.10	-	1.32	462.61	351
Premises clearance	-	-	-	1.50	-	1.50	306.00	204
Sub-total Realisation of assets	9.18	23.58	0.60	4.78	-	38.15	14,128.39	370
Trading								
Trading suppliers and expenses	0.27	0.85	-	0.30	-	1.42	498.96	352
Trading accounting	-	1.15	-	-	-	1.15	427.80	372
Trading shutdown/handover	0.20	-	0.55	-	-	0.75	267.20	356
Sub-total Trading	0.47	2.00	0.55	0.30	-	3.32	1,193.96	360
Creditors								
Employees, Pensions & RPS	1.23	0.82	2.45	0.38	-	4.88	1,728.41	354
Unsecured creditors (exc. Staff)	0.65	0.40	0.45	7.65	-	9.15	2,149.80	235
Sub-total Creditors	1.88	1.22	2.90	8.03	-	14.03	3,878.21	276
Time undertaken by non insolvency teams								
S&WBTS	-	-	3.53	12.58	-	16.11	2,402.30	149
S&WEBC	-	4.00	-	-	-	4.00	1,280.00	320
Total hours (non insolvency teams)	-	4.00	3.53	12.58	-	20.11		
Total £ (non insolvency teams)	-	-	-	-	-		3,682.30	
Grand total hours	24.78	62.33	10.23	49.76	-	147.11		
Grand total £	27,291.38	23,049.32	16,064.00	15,467.85	-		46,416.65	

Explanation of major work activities undertaken during the reporting period

Administration & Planning

This section of the analysis encompasses the cost of the office holders and their staff in complying with their statutory obligations (including tax compliance) and best practice guidelines. Work undertaken in this area includes:

- Preparation of the Revised Proposals and this final progress report.
- Case reviews and planning
- Maintaining and managing the case bank accounts and associated cashing.
- Dealing with pre and post appointment tax obligations.
- Reviewing the Company's pre-appointment tax affairs to establish whether any amounts may be recoverable for the estate.
- Maintaining physical and electronic case files and information.



Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. Work undertaken in this area includes:

- General director communications and filing of the directors' statement of affairs and statements of concurrence.

Realisation of assets

This section is in relation to continuing the realisation of the Company's assets, which is explained in detail through the contents of our report. Work undertaken in this area includes:

- Liaising with The Mayflower to check when agreement achieved with the SCC and ACE to realise the second payment due for the sale of NST's theatre assets.
- Arranging for the transfer of further funds received into the Company's pre-appointment bank account, and analysis of any such receipts.
- Liaise with the Company's finance staff to prepare and submit the Company's Theatre Tax Relief Claim

Trading

This section relates to dealing with aspects relating to the wind down of the Company's trade. Work undertaken in this area includes:

- Payment of expenses in relation to electricity supplies to Wide Lane.

Creditors

Work in this area consists of correspondence with creditors of the Company and making distributions, as appropriate, to the different classes of creditors. Work undertaken in this area includes:

- Liaising with our agents, ERA Solutions, in relation to claims by former employees.
- Dealing with trade and further consumer creditor queries that were received



IV Cumulative time analysis and comparison to estimate

Description of activity	Time in period			Cumulative time to date (restated)			Existing fee estimate (restated)			Variance to fee estimate	
	Hours	£	£/hr	Hours	£	£/hr	Hours	£	£/hr	Hours	£
Administration & planning											
Statutory & Regulatory	46.00	15,753.75	342.47	146.00	42,552.55	291.46	83.40	19,495.15	233.75	(62.60)	(23,057.40)
Case administration	21.08	6,139.02	291.18	145.85	41,590.38	285.16	150.15	36,100.20	240.43	4.30	(5,490.18)
Post appointment AML	1.95	704.60	361.33	1.95	704.60	361.33	-	-	-	(1.95)	(704.60)
Administration & planning - other (legacy)	-	-	-	11.30	3,528.50	312.26	19.70	2,734.00	138.78	8.40	(794.50)
Sub-total Administration & planning	69.03	22,597.37	327.34	305.10	88,376.03	289.66	253.25	58,329.35	230.32	(51.85)	(30,046.68)
Investigations											
Directors	1.82	761.82	419.34	26.55	7,694.40	289.81	14.95	3,574.40	239.09	(11.60)	(4,120.00)
Records and Investigations	0.65	174.60	268.62	19.35	4,719.80	243.92	28.25	6,495.20	229.92	8.90	1,775.40
Sub-total Investigations	2.47	936.42	379.62	45.90	12,414.20	270.46	43.20	10,069.60	233.09	(2.70)	(2,344.60)
Realisation of assets											
Freehold property assets	-	-	-	0.90	248.00	275.56	-	-	-	(0.90)	(248.00)
Leasehold property assets	0.43	161.19	372.01	9.57	3,837.37	401.12	-	-	-	(9.57)	(3,837.37)
Other assets	16.23	5,866.29	361.37	111.57	43,785.27	392.46	17.00	4,182.40	246.02	(94.57)	(39,602.87)
Tax assets	17.87	6,992.70	391.39	18.67	7,253.90	388.61	-	-	-	(18.67)	(7,253.90)
Business sale	0.80	339.60	424.50	158.85	55,669.80	350.46	163.45	55,319.20	338.45	4.60	(350.60)
Leasing and HP assets	1.32	462.61	351.34	4.07	1,286.61	316.38	2.70	648.00	240.00	(1.37)	(638.61)
Invoice discounting/factors	-	-	-	0.15	36.00	240.00	-	-	-	(0.15)	(36.00)
Premises clearance	1.50	306.00	204.00	3.80	1,013.00	266.58	-	-	-	(3.80)	(1,013.00)
Realisation of assets, other (legacy)	-	-	-	2.25	802.20	356.53	0.60	240.00	400.00	(1.65)	(562.20)
Sub-total Realisation of assets	38.15	14,128.39	370.34	309.82	113,932.15	367.74	183.75	60,389.60	328.65	(126.07)	(53,542.55)
Trading											
Trading suppliers and expenses	1.42	498.96	352.22	58.92	20,983.96	356.16	46.25	14,392.80	311.20	(12.67)	(6,591.16)
Trading accounting	1.15	427.80	372.00	1.70	599.80	329.29	0.55	132.00	240.00	(1.15)	(427.80)
Trading employees	-	-	-	96.78	37,283.98	385.23	85.10	29,985.60	352.36	(11.68)	(7,298.38)
Trading shutdown/handover	0.75	267.20	356.27	6.90	2,670.40	387.01	-	-	-	(6.90)	(2,670.40)
Trading, other (legacy)	-	-	-	22.20	9,920.40	446.86	6.50	2,808.00	432.00	(15.70)	(7,112.40)
Sub-total Trading	3.32	1,193.96	360.00	186.50	71,418.54	382.94	138.40	47,318.40	341.90	(48.10)	(24,100.14)
Creditors											
Employees, Pensions & RPS	4.88	1,728.41	353.94	33.63	9,022.21	268.25	20.90	5,112.60	244.62	(12.73)	(3,909.61)
Unsecured creditors (exc. Staff)	9.15	2,149.80	234.95	74.07	17,016.22	229.74	116.95	22,370.00	191.28	42.88	5,353.78
Creditors, other (legacy)	-	-	-	0.15	64.80	432.00	0.15	64.80	432.00	-	-
Sub-total Creditors	14.03	3,878.21	276.36	107.85	26,103.23	242.03	138.00	27,547.40	199.62	30.15	1,444.17
SAR & client assets											
Stakeholders	-	-	-	13.25	5,751.60	434.08	14.30	5,793.60	405.15	1.05	42.00
General Communications - PR Media	-	-	-	0.65	296.40	456.00	-	-	-	(0.65)	(296.40)
Sub-total SAR & client assets	-	-	-	13.90	6,048.00	435.11	14.30	5,793.60	405.15	0.40	(254.40)
Time undertaken by non insolvency teams											
SEWBTS	16.11	2,402.30	149.12	16.11	2,402.30	149.12	-	-	-	(16.11)	(2,402.30)
SEWEBEC	4.00	1,280.00	320.00	4.00	1,280.00	320.00	-	-	-	(4.00)	(1,280.00)
Total (non insolvency teams)	20.11	3,682.30	183.11	20.11	3,682.30	183.11	-	-	-	(4.00)	(1,280.00)
Grand total	147.11	46,416.65	315.52	989.18	321,974.45	325.50	770.90	209,447.95	271.69	(218.28)	(112,526.50)

Comparison to approved Fee Estimate

As noted in Appendix IV, our approved fee estimate covering the administration and liquidation periods is £209,447.95.

Our total time costs for the period ended 31 March 2021 have exceeded this fee estimate. An increase to the fee estimate will be sought after the move to liquidation has been completed.

A comparison of the approved estimate and our actual costs to 31 March 2021 is shown in the table above and the main variations are described below.

Administration and planning - currently £30k above estimate

- The extended sale process and change of strategy away from a business and assets to an assets only sale has contributed to the overall level of costs. The complexity of several the issues resulted in a requirement for additional planning and strategy discussions as did the ongoing trading activity.

Realisation of assets - currently £53.5k above estimate

- Costs in this area are significantly higher than originally anticipated as a result of the complexity of the sales process and the involvement of the major stakeholders.
- We were compelled to change the strategy in respect of realising assets due to all offers received for the sale of the Company's business and assets being withdrawn.
- Additional costs have been incurred in seeking an acquirer for the Company's entire asset list. Future costs in this area will be incurred to complete the final few realisations as reported in section 5.8 of this report.

Trading - currently £24k above estimate

- We have undertaken more work than anticipated in dealing with each of the three sites that the Company occupied, being NST Campus, NST City and Wide Lane storage unit.
- Originally two of the sites were expected to be vacated quickly but this due to lock down and other issues did not turn out to be the case.
- We have cleared and vacated the Wide Lane storage unit to the landlord's satisfaction. We have cleared and vacated NST Campus to the landlord's satisfaction.
- We are currently negotiating a surrender of the lease at NST City now that we have completed the sale of the Company's assets.
- We do not anticipate significant further costs in this area but by undertaking this additional work we have been able to reduce the potential total claims from landlords substantially, which will benefit other creditors.

Creditors - currently £1.4k below estimate

- The cost of dealing with creditors is higher than we would have expected at this stage due to time spent in discussions with some of the larger creditors having not yet formally agreed creditor claims.
- The number of consumer claims has also been considerably higher than that anticipated at the commencement of the administration and this also informs our expected future costs.
- We anticipate significantly more claims arising between now and declaration of any dividend.

As a consequence of the above we ultimately expect to exceed our estimate of costs in this area.

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 including S&WFS
 - Disbursement recovery
- Smith & Williamson LLP's and S&WFS' 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 during the administration 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 several 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.

Payments to associates

Smith & Williamson Employee Benefit Consultants (S&WEBC) a division of Smith & Williamson Financial Services Limited (S&WFS)

S&WFS, through its Employee Benefits Consultancy division, provides specialist advice to insolvency practitioners on their appointment as office-holders of insolvent estates in relation to all aspects of pensions. S&WFS is a company associated with Smith & Williamson LLP and

may be engaged to deal with the pension affairs of insolvent estates of which insolvency practitioners from Smith & Williamson LLP are appointed office-holders.

Payments to parties in which office-holders or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9. Consequently, details of the charge out rates for S&WFS are set out below. Fees for their services are accrued on a time costs basis.

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 August 2020	£
Director	280-360
Associate Director	220-275
Manager	160-200
Administrator	70-110

S&WFS

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs. Payments to parties in which insolvency practitioners or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9.

The creditors have not yet approved S&WFS's remuneration and this approval request will be included in the liquidators' fee report in due course. S&WFS's time costs for the reporting period to 31 March 2021 are £1,280. This represents 4 hours at an average rate of £320 per hour. No payments have been paid on account because these time costs have not yet been approved.

Details of S&WFS's charge out rates are included at Appendix V.

S&WEBC will add best value and service because

- the expertise and experience are as follows: Specialised in this field for more than 20 years.
- they hold appropriate regulatory authorisations as follows: Associates of the Pensions Management Institute and the Chartered Insurance Institute, members of the Personal Finance Society.
- the professional and ethical standards applicable are as follows: Part of the Transparency Task Force

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

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 administration 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.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 1/7/19	From 1/7/20	From 1/7/19	From 1/7/20
Partner / Director (from 1 January 2016)	470-540	495-570	376-432	396-456
Associate Director	440	465	352	372
Managers	270-380	285-400	216-304	228-320
Other professional staff	180-380	190-465	144-192	152-204
Support & secretarial staff	100	105	80	84

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units 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.

Smith & Williamson LLP Business Tax Services Charge out rates as at		Regional office £/hr 1 July 2020	Regional office £/hr 1 Jan 2021
Partner / Director		500-595	550-710
Associate Director		400	400
Managers		215-345	215-345
Other professional staff		75-185	95-185
Support & secretarial staff		55	55



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Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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