

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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26/02/2021

#30

COMPANIES HOUSE

1 Company details

Company number 03467634

Company name in full Gostling Limited

→ 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 in Liverpool,
Insolvency & Companies List (ChD)

Court case number C R - 2019 - 000135

3 Administrator's name

Full forename(s) Henry Anthony

Surname Shinnars

4 Administrator's address

Building name/number Smith & Williamson LLP

Street 25 Moorgate

Post town London

County/Region

Postcode EC2R 6AY

Country United Kingdom

AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ①	
Full forename(s)	Emma Louise	① Other administrator Use this section to tell us about another administrator.
Surname	Thompson	
6	Administrator's address ②	
Building name/number	Smith & Williamson LLP	② Other administrator Use this section to tell us about another administrator.
Street	25 Moorgate	
Post town	London	
County/Region		
Postcode	E C 2 R 6 A Y	
Country	United Kingdom	
7	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Funding CircleTrustee Limited	
Surname		
8	Proposed liquidator's name	
Full forename(s)	Henry Anthony	
Surname	Shinners	
Insolvency practitioner number	9 2 8 0	
9	Proposed liquidator's address	
Building name/number	Smith & Williamson LLP	
Street	25 Moorgate	
Post town	London	
County/Region		
Postcode	E C 2 R 6 A Y	
Country	United Kingdom	

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s) Emma Louise

Surname Thompson

Insolvency practitioner
number 2 1 0 3 0**① Other liquidator**Use this section to tell us about
another liquidator.**11 Proposed liquidator's address^②**

Building name/number Smith & Williamson LLP

Street 25 Moorgate

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country United Kingdom

② Other liquidatorUse this section to tell us about
another liquidator.**12 Period of progress report**

From date d 2 d 6 m 0 m 8 y 2 y 0 y 2 y 0

To date d 2 d 2 m 0 m 1 y 2 y 0 y 2 y 1

13 Final progress report☒ I have attached a copy of the final progress report.**14 Sign and date**Administrator's
signature

Signature

X



X

Signature date d 1 d 9 m 0 m 2 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 **Cameron Dalrymple-Rockett**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

Post town **London**

County/Region

Postcode

E	C	2	R		6	A	Y
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Country **United Kingdom**

DX

Telephone **020 7131 4000**

**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.

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



Gostling Limited (in administration)

Joint administrators' final progress report

19 February 2021



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1. Glossary

Abbreviation	Description
the Company	Gostling Limited
the administrators/joint administrators	Henry Anthony Shinnars and Emma Louise Thompson
CVL	Creditors' Voluntary Liquidation
ETR	Estimated Value to Realise
FC	Funding Circle Limited
the Purchaser	Gostling Lighthouse LLP
SIP	Statement of Insolvency Practice (England & Wales)
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
SOA	Statement of Affairs
SRA	Solicitors Regulatory Authority
HMRC	HM Revenue & Customs

2. Introduction

This report provides an account of the administration of the Company since the last progress report and a summary of the outcome of the administration of the Company. It should be read in conjunction with our proposals and any previous reports. By way of reminder, we, Henry Anthony Shinnars and Emma Louise Thompson, were appointed administrators of the Company on 26 February 2019.

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

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

As a result of the latest government advice and restrictions, we continue to have limited access to some of our physical case files and where relevant have had to produce this report from records available on our IT systems. We have taken every reasonable step to ensure that the information is accurate but if anything is incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

3. Administrators' proposals

As previously advised the administrators must perform their functions with the purpose of achieving one of the following objectives:

1. Rescuing the Company as a going concern; or
2. 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
3. Realising property in order to make a distribution to one or more secured or preferential creditors.

The objective pursued in this case was the second objective above and our strategy for achieving this objective was set out in our proposals, which were approved on 8 May 2019 by creditors via deemed consent. Our proposals were accepted without modification.

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 26 August 2020 to 22 January 2021. This account includes cumulative figures for the whole of the period of the administration from 26 February 2019.

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

4.1 Receipts – Fixed Charge

4.1.1 Bank Interest Gross

An amount of 22.71 was earned in interest for the funds held in the administration's fixed charge account for this period. The total gross bank interest received over the duration of the administration is £239.44

4.1.2 Sales consideration

As reported in the joint administrators' proposals, a going concern sale of the Company's business and assets (excluding book debts) was achieved to the Purchaser on 22 March 2019. The business and assets were sold to the bidder which offered the highest price.

The assets sold comprised the following.

- Goodwill and intellectual property rights.
- Contracts.
- Leasehold property.
- Work-in-progress.
- Equipment.
- Third party claims.

The total consideration received for these assets was £225,003 plus work undertaken from appointment date to completion date of £4,182.

Of the £225,003 referred to above, the following payments were received:

Date	£
15 September 2019	10,000
15 October 2019	10,000
15 November 2019	15,000
15 December 2019	15,000
15 January 2020	15,000
15 February 2020	15,000
15 March 2020	15,000
15 April 2020	15,000
15 May 2020	15,000
15 June 2020	15,000
Total	£140,000

The above figures were representative of the payment instalments due to be received. Although the total figure of £225,003 was received, there were elements of offset as we had received funds due to be returned to the Purchaser.

The Purchaser has granted a debenture over its assets in favour of the Company as security for the sale consideration detailed above. The debenture was registered at Companies House on 5 April 2019.

4.2 Receipts - Floating Charge

As part of the sale of the Company's business and assets to the Purchaser, proceeds of £7,697 have been received in respect of floating charge assets, as follows:

	Amount
Work in Progress	£4,182
Furniture & equipment	£2,500
License fee	£1,012
Leasehold property (The Innovation Centre, Millennium Road, Skipton, North Yorkshire BD23 2TZ)	£1

	Amount
Contracts	£1
Third party claims	£1
Total	£7,697

4.2.1 Trade Debtors

The administrators have received £405.85 of receipts in respect of trade debtors during this period. This takes the total of trade debtor recovered in the course of the administration to £63,920.11.

4.2.2 Third party funds

The administrators have received £1,326 in regard from a third party. As these funds are not attributable to any book debts, the sum will be refunded to the respective parties.

The cumulative total of third party funds received during the administration has been £2,059.00.

4.2.3 Unallocated debtor receipts

An amount of £3,201.75 has been received in respect of unallocated debtors. The administrators have reconciled the amounts received and returned £2,039.40 to the respective parties. The remaining figure will be due to be returned is £1,162.35.

4.2.4 Miscellaneous receipts

Amounts totalling £2,453.79 have been received into the Company's former bank account during the administration. £520.29 are to be returned to the respective parties.

4.2.5 Cash at bank

The administrators received £11,233.60 in relation to the Company's cash at bank. This figure incorporates cash received from the Company's HSBC and Royal Bank of Scotland accounts.

4.2.6 Bank Interest Gross

An amount of £3.08 was earned in interest for the funds held in the administration's floating charge account. The total gross bank interest for the floating charge account during the administration has been £164.52

4.3 Payments – Fixed Charge

4.3.1 Distribution to FC

Following the sale of the Company's goodwill, an amount of £42,841 was paid to FC during the period under the terms of their security. This is further detailed in section 9.1.

4.4 Payments – Floating Charge

No payments have been made during this period from the Company's floating charge account. The various payments made throughout the administration are detailed in section 8.

4.5 Assets to be realised

4.5.1 Book debts

As noted in previous reports, the book debts remain to be the principle asset of the Company. To date we have received £63,920.11 against an ETR value of £200,000 from the directors' SOA. Throughout the administration the administrators have worked alongside the Purchaser to collect the available book debts.

The administrators are confident that further recoveries can be made during the liquidation and the liquidators will instruct a collection agent to assist with the collection of the remaining book debts.

4.5.2 Recoveries from investigations

The administrators have identified payments to third parties from the Company account that are of interest. The administrators have reviewed the Company's records and have taken steps to seek further information by establishing meaningful dialogue with these parties. No recoveries have been made as of yet, but investigations are ongoing and will be continued in the CVL.

The administrators believe that recoveries can be made with further investigation and dialogue, however the liquidators will take a pragmatic and commercial approach to the return of these funds. If the liquidators believe that there is a likelihood of recovery, then a formal claim will be launched in respect of those funds. The liquidators will inform creditors when recoveries are made as a result of claims launched or settlements received.

4.6 Administration strategy

There have been no changes to the administrators' strategy, as documented in the Proposals dated 23 April 2019, which is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The administrators believe they have pursued this objective.

5. Investigations

As a reminder to creditors, the director has been disqualified to act as a result of his bankruptcy which was commenced from 12 March 2019. The director has also given a bankruptcy restriction undertaking for three years from 4 June 2020 to 3 June 2023.

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 as a response to our request for information. During the initial stages of the administration, the administrators identified payments from the Company to various parties prior to our appointment. These payments were of concern and interest and have been investigated.

The administrators have continued to pursue the investigations into the various transactions in detail are still in the process with liaising with solicitors as to potential claims of antecedence. As these matters are ongoing and will be continued to be pursued in the liquidation. To avoid prejudicing that outcome, they remain confidential.

6. Pre-administration costs

As a reminder the administrators have pre-administration costs that remain outstanding, as the administrators assisted Funding Circle in the pre-appointment period and have time costs in that respect of £12,325.50 plus VAT. The pre-appointment costs should be recovered if the Funding Circle debt is repaid in full from the Company or from the guarantors of Funding Circle's loan.

7. Administrators' remuneration

The creditors approved that the basis of the administrators' remuneration be by reference to the time properly spent by them and their staff in attending to matters arising in the administration. This was granted following the joint administrators providing a fees' and expenses' estimate (along with subsequent increases, if applicable) and the requisite authorisation of the secured creditors granting approval by means of a resolution by correspondence via deemed approval held on the 8 May 2019.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
26 February 2019 to 25 August 2019	563.20	142,347.00	252.75	Nil
26 August 2019 to 25 February 2020	96.85	27,612.75	285.11	70,000.00
26 February 2020 to 25 August 2020	56.10	16,549.75	295.00	Nil
26 August 2020 to 22 January 2021	69.20	18,014.90	260.33	Nil
Total	785.35	204,524.40	260.42	70,000.00

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

Also attached as Appendix IV, is a cumulative time analysis for the period from 26 February 2019 to 22 January 2021 which provides details of the administrators' time costs since appointment. A total of £70,000.00 has been drawn on account of these costs. As per Appendix II, the remuneration drawn has been split between the two accounts. As can be seen £40,000 of the remuneration has been drawn from the fixed charge account and £30,000 from the floating charge account.

The joint administrators' costs to date are £204,524.40, as above, compared to our original estimate of £130,000.00. Appendix V provides a copy of the previously authorised time cost estimate breakdown for comparison purposes against the explanation for the increased costs in Appendix IV. The joint liquidators are likely to seek approval for increased remuneration in due course.

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 providing information relating to the Company and its former officers as required by the Company Directors' Disqualification Act 1986.

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

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

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

On a general note, please be aware that the charge out rates are subject to an annual review.

8. Administration expenses

8.1 Subcontractors

We have not utilised the services of any subcontractors during the administration.

8.2 Professional advisers

We have used the following professional advisers during this period.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Druces LPP (Legal advice regarding the sale of the business and assets & investigations)	Hourly rate and disbursements	Nil	1,506.80	19,159.20	16,527.20
Lambert Smith Hampton Group Ltd (Property Valuation)	Fixed fee	Nil	Nil	1,038.40	1,038.40
SIA Group (UK) London Ltd (Valuation and Disposal advice)	Hourly rate and disbursements	Nil	Nil	1,684.46	1,684.46
Total		Nil		21,882.06	19,250.06

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

The administrators instructed Druces LLP as we considered that they represented good value and service. Druces LLP have a proven track record when it comes to instructions for insolvency matters. Smith and Williamson have instructed them on previous matters and their expertise and experience have achieved the desired results in those previous engagements. Druces LLP are regulated by the SRA and meet the required professional and ethical standards. Druces LLP offer the best value with reasonable hourly rates and these rates are subject to regular review.

The administrators instructed Lambert Smith Hampton Group Ltd as they had the relevant expertise in the valuation of the Company's property. Their work was required as their property valuation factored into the sale consideration for the purchase of the Company's business and assets. They also represent great value for services as they operated on a fixed fee basis for their work. Lambert Smith Hampton Group Ltd are regulated by the Royal Institute of Chartered Surveyors.

The administrators instructed SIA Group (UK) Ltd to assist with the valuation of the Company's assets prior to the sale to Gostling Lighthouse LLP and the disposal advice on the Company's aged IT and office equipment. The administrators believe that SIA Group (UK) Ltd were an appropriate choice of advisor as they are experienced in

valuations and disposals and offer the highest level of service at the best rate. SIA Group (UK) Ltd are regulated by the Royal Institute of Chartered Surveyors.

8.3 Administrators' disbursements

No disbursements that have been incurred or paid in the current period.

Description	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Accommodation	Nil	Nil	609.00	609.00
Administrators' bonds	Nil	Nil	140.00	140.00
Company searches	Nil	Nil	110.68	110.68
Statutory advertising	Nil	Nil	2,332.43	2,332.43
Subsistence	Nil	Nil	442.70	442.70
Travelling	Nil	Nil	3,405.00	3,405.00
Total	Nil	Nil	7,039.81	7,039.81

8.4 Category 2 disbursements

No Category 2 disbursements have been incurred or paid in the administration.

8.5 Other expenses

It should be noted that during the administration payments were made to creditors. These payments were necessary as enable the administrators to fulfil their duties. The amounts paid in this regard total £2,492.

8.6 Policies regarding use of third parties and disbursement recovery

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

9. Outcome for creditors

Our current assessment of the likely outcome for creditors is as follows:

- Secured creditors' position - Due to the professional costs in dealing with the secured assets, the level of distribution is uncertain at this time. However, subject to the recovery of book debts it is anticipated that the first ranking chargeholder, Funding Circle, should be paid in full.
- Preferential creditors' position - we have not received any preferential creditor claims.

- Unsecured creditors' position - we presently forecast that there will be a distribution to the Company's unsecured creditors under the Prescribed Part and that there is a reasonable prospect of a dividend to unsecured creditors outside of the Prescribed Part.

Please note that, where creditors have submitted claims in foreign currency, they have been converted to £Sterling at the applicable rate at the date of administration, 26 February 2019. If any creditor considers the rate to be unreasonable, they may apply to court for determination.

9.1 Secured creditors

Funding Circle holds a debenture containing fixed and floating charges over the Company's assets. At the date of the administration, the debt was estimated at £198,107. Interest has been, and continues to be, added until the liability has been paid in full.

Following completion of the sale of the business and assets to the Purchaser, £42,841 has been paid on account to Funding Circle under its fixed charge. A second distribution will be made in the near future

Overall, the Company has granted charges over its assets as follows:

Chargeholder	Type of charge	Date	Amount Due £	Paid to Date £
Funding Circle	Debenture - Fixed and floating	24 January 2013	198,107	42,841
The North West Fund for Business Loans LP	Fixed and floating	10 June 2014	52,777	Nil
HSBC Bank Plc	Fixed and floating	5 May 2017	150,000	Nil
Totals			400,384	42,841

9.2 Prescribed Part

Where a company has created a floating charge on or after 15 September 2003 Section 176A of the Insolvency Act 1986 makes provision for a share of the company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. The company's net property is the balance that remains after preferential creditors have been paid and which would then otherwise be available for satisfaction of the claims of any holder of a debenture secured by a floating charge.

The amount of the Prescribed Part is calculated as follows:

50% of the net property up to £10,000, plus
20% of the net property over £10,000
up to a maximum Prescribed Part of £600,000.

The Company granted a floating charge to FC on 24 January 2013. Accordingly, we are required to set aside a Prescribed Part fund for unsecured creditors out of the Company's net floating charge property.

Based on present information, we currently estimate the value of the Company's net floating charge property to be £13,983.04. Arising from this, the value of the unsecured creditors' Prescribed Part fund is estimated to be £5,796.61. Please be aware that the value of this fund is likely to fluctuate during the course of the administration, due predominantly to debtor recoveries, and further updates will be provided in our progress reports in due course.

9.3 Preferential creditors

We have not received any preferential claims at this stage.

9.4 Unsecured creditors

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

	SOA claims £	Claims received £	Claims agreed in the current period £	Claims agreed £
Amount of claims (£)	1,972,220.64	749,608.90	Nil	Nil
Number of claims	55	20	Nil	Nil

The administrators have not taken any steps to adjudicate claims received from creditors.

10. 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.

11. Ending the administration

This is our final report as joint administrators and covers the period ended 22 January 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.

Inevitably, any time costs for supplementary work will not have been disclosed in the analysis attached as appendix III. Whilst these costs will not exceed the estimates already provided and the basis and approval to draw carries over into the liquidation, creditors should be aware that these costs will be drawn once in office as joint liquidators and a breakdown provided in the first progress report.

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.

12. 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 Henry Anthony Shinnars or Emma Louise Thompson in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

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

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

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



Henry Anthony Shinnars and Emma Louise Thompson

Joint Administrators

Date: 3 February 2021

I Statutory information

Relevant Court	High Court of Justice, Business and Property Courts in Liverpool, Insolvency & Companies List (ChD)
Court Reference	135 of 2019
Trading Name(s)	N/A
Trading Addresses	The Innovation Centre Millennium Road, Airedale Business Centre, Skipton, BD23 2TZ
Former Name(s)	N/A
Registered Office	The Innovation Centre Millennium Road, Airedale Business Centre, Skipton, BD23 2TZ
Registered Number:	03467634
Joint Administrators	<p>Henry Anthony Shinnars and Emma Louise Thompson both of 25 Moorgate, London, EC2R 6AY</p> <p>(IP No(s) 9280 and 21030)</p> <p>In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.</p>
Contact details	henry.shinnars@smithandwilliamson.com
Date of Appointment	26 February 2019
Extension to period of administration	Extension granted from 26 February 2020 to 25 February 2021.

II Receipts and payments account

Receipts and payments account to 22 January 2021

**Gostling Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 26/08/2020 To 22/01/2021 £	From 26/02/2019 To 22/01/2021 £
POST APPOINTMENT SALES		
Sales	NIL	21,811.12
	NIL	21,811.12
OTHER DIRECT COSTS		
Direct Labour	NIL	18,302.77
	NIL	(18,302.77)
TRADING EXPENDITURE		
Bank Charges	NIL	18.95
Staff expenses	NIL	40.05
PAYE	NIL	3,318.80
NIC	NIL	3,852.70
	NIL	(7,230.50)
TRADING SURPLUS/(DEFICIT)	NIL	(3,722.15)

**Gostling Limited
(In Administration)
Joint Administrators' Receipts and Payments**

	GENERAL FIXED CHARGE		
	Goodwill & IPR	NIL	221,293.90
	Joint Administrators' Fees	NIL	(40,000.00)
	Joint Administrators' Disbs	NIL	(4,596.70)
	Legal Fees	6.80	(12,993.20)
	Legal Disbursements	NIL	(34.00)
	Bank Interest FCR	22.71	239.44
	Bank Charges FCR	NIL	(1.25)
	Chargeholder	NIL	(42,841.75)
		29.51	121,066.44
	ASSET REALISATIONS		
190,000.00	Goodwill	NIL	NIL
	Amounts due to Gostling Lighthouse LLP	NIL	(377.48)
	Bank Interest Gross	3.08	163.79
200,000.00	Book Debts/Trade Debtors	405.85	63,920.91
	Cash at Bank	NIL	11,233.60
	Contracts	NIL	1.00
5,000.00	Furniture & Equipment	NIL	2,500.00
	Leasehold Property	NIL	1.00
	License fees	NIL	1,012.60
	Miscellaneous receipts	NIL	520.29
	Third party funds	1,326.00	2,059.00
	TRADING SURPLUS/(DEFICIT)	NIL	(3,722.15)
	Unallocated debtor receipts	NIL	1,162.35
1,700.00	WIP	NIL	4,182.00
		1,734.93	82,656.91

	COST OF REALISATIONS		
	Administrators' Fees	NIL	30,000.00
	Agents/Valuers Expenses	NIL	102.86
	Agents/Valuers Fees	NIL	2,620.00
	Bank Charges	0.20	7.90
	Company Search	NIL	110.68
	Legal Fees	1,500.00	3,500.00
	Statutory Advertising	NIL	2,332.43
		(1,500.20)	(38,673.87)
	FLOATING CHARGE CREDITORS		
(202,000.00)	Floating Charge Creditor	NIL	NIL
(198,000.00)	Funding Circle	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(67,000.00)	Consumers Creditors	NIL	NIL
(22,100.00)	Employees & Directors Claims	NIL	NIL
	Ransom Creditor	NIL	2,492.36
(264,500.00)	Trade & Expense Creditors	NIL	NIL
		NIL	(2,492.36)
(356,900.00)		264.24	162,557.12
	REPRESENTED BY		
	Clients Deposit (Int Bearing)		18,186.39
	FCR Clients Deposit (Int Bearing)		109,546.10
	Suspense Account		(220.80)
	Trade Debtors		19,667.60
	VAT Payable Flt Chg		(4,328.48)
	VAT Receivable Fixed Chg		- 11,520.34
	VAT Receivable Flt Chg		8,185.97
			162,557.12

Notes and further information required by SIP 7

- No payments have been made to us from outside the estate. 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 are 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.

III Time analysis for the period

From 26 August 2020 to 22 January 2021

Gostling Limited - Breakdown of the time spent by Smith & Williamson LLP for the period 26 August 2020 to 22 January 2021

Classification of work function	Partner	Associate Director	Manager	Other Professionals	Total Hours	Cost	Avg Rate £/hr
Case administration							
Case review and monitoring	0.25	0.28	1.77	10.20	12.50	3,224.91	257.99
Cashiering & bonding	0.70	0.62	0.00	4.97	6.28	1,775.32	282.55
Employees, Pensions & RPS							
Pension	0.00	0.00	0.00	2.15	2.15	473.00	220.00
Freehold property assets							
Agents	0.00	0.00	0.25	0.00	0.25	100.00	400.00
Legal actions (civil recoveries)							
Establishing claim(s)	0.00	0.00	2.95	4.50	7.45	2,170.00	291.28
Other assets							
Debtors - other	0.00	0.00	1.00	6.00	7.00	1,720.00	245.71
Debtors - trade	0.00	0.00	1.25	6.50	7.75	1,930.00	249.03
Shares and other investments	0.15	0.00	0.00	0.00	0.15	85.50	570.00
Records and Investigations							
Collecting and control records	0.00	0.00	0.00	3.57	3.57	784.67	220.00
DCRS and SIP2	0.00	0.00	0.00	2.00	2.00	440.00	220.00
Statutory & Regulatory							
2nd Progress Report	1.05	0.00	0.08	0.00	1.13	631.82	557.50
3rd + Progress Reports	0.00	0.00	1.88	14.50	16.38	3,943.32	240.69
Case closure	0.00	0.00	0.17	1.25	1.42	341.68	241.18
Unsecured creditors (exc. Staff)							
Other	0.00	0.00	0.77	0.00	0.77	306.68	400.00
Trade	0.00	0.00	0.00	0.40	0.40	88.00	220.00
Total Hours To Date	2.15	0.90	10.12	56.03	69.20	18,014.90	260.33
Staff Type Average Rate	570.00	464.97	400.00	219.95			

IV Cumulative time analysis

From 26 February 2019 to 22 January 2021

Gostling Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 31 July 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	3.35	0.00	17.93	32.70	0.00	53.95	13,604.50	252.17
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	15.35	0.00	15.35	2,702.00	176.03
Cashiering general, including bonding	0.60	0.00	1.00	34.70	0.00	36.30	10,335.25	284.13
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	3.00	0.25	6.20	20.20	0.00	29.65	7,734.00	260.04
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.75	0.30	0.00	5.50	0.00	6.55	1,679.75	256.45
Travelling	0.00	0.00	2.00	15.50	0.00	17.50	2,292.50	188.14
Filing, file and information management	0.00	0.00	0.00	32.60	0.00	32.60	5,036.25	179.03
Agents and advisers, general	0.60	0.00	0.00	1.90	0.00	1.90	262.50	185.33
Director/manager review, approval and signing	5.60	0.00	0.00	3.65	0.00	9.45	3,770.75	399.02
Other	0.15	0.00	30.55	0.25	0.00	30.95	9,072.00	293.12
Investigations								
Directors' correspondence & conduct questionnaires	0.30	0.20	0.00	3.55	0.00	4.05	865.25	213.64
Statutory books and accounting records review	0.70	0.00	0.00	2.25	0.00	3.05	850.25	278.77
Investigation of legal claims	2.05	1.10	32.00	1.80	0.00	36.95	11,190.00	292.64
SIP2 and SIP4 obligations (inc CDDA03 forms)	0.40	0.00	2.50	0.00	0.00	2.90	933.00	321.72
Asset tracing (e.g. Land Registry and Company Searches)	0.00	1.70	0.50	2.00	0.00	4.20	1,318.00	313.81
\$235/6 hearings & applications	0.00	0.20	0.60	0.00	0.00	0.20	85.00	440.00
Realisation of assets								
Fixed charge Property (land and buildings)	0.00	0.00	5.00	0.00	0.00	5.00	1,450.00	290.00
Debtors subject to invoice discounting/factoring	0.00	0.00	0.00	2.25	0.00	2.25	393.75	175.00
Debtors not financed (includes reassigned debtors)	2.45	0.10	38.50	12.15	0.00	54.20	15,024.00	277.23
Other chattel assets	0.00	0.25	3.10	0.00	0.00	3.35	1,015.00	302.99
Financed assets (only if equity/other wise creditors, incl HP and leasing)	0.00	0.00	0.00	0.50	0.00	0.50	165.00	210.00
Sale of business as a whole, including liaison with legal advisers agents etc	18.60	0.00	58.90	0.00	0.00	77.50	26,757.00	345.25
Completion of work in progress	0.00	0.00	0.70	0.00	0.00	0.70	210.00	300.00
Sale of business-post completion matters	2.85	0.00	10.50	13.35	0.00	16.70	4,575.00	342.70
Director/manager review, approval and signing	0.20	0.00	0.00	0.00	0.00	0.20	165.00	542.00
Other	0.00	0.00	6.90	0.00	0.00	6.90	2,070.00	300.00
Trading								
Trading on decision and day 1-3 operations	1.25	0.00	20.50	9.55	0.00	31.30	8,266.25	264.10
Sales and customers	0.95	0.00	7.50	6.10	0.00	14.55	3,736.50	256.80
Purchasing/suppliers (not landlord)	0.00	0.00	0.35	2.00	0.00	2.35	437.50	186.17
Accounting	0.00	0.00	1.50	0.25	0.00	1.75	478.75	273.57
Staff and payroll (inc PAYE/NIC for trading periods)	0.20	0.00	0.00	0.70	0.00	0.90	226.50	251.67
Premises issues (inc landlord and site clearance)	0.00	0.00	1.50	1.50	0.00	3.40	767.50	225.74
Shutdown or handover	0.00	0.00	0.00	4.00	0.00	4.00	700.00	175.00
Filing-trading	0.00	0.00	0.00	2.50	0.00	2.50	437.50	175.00
Director/manager review, approval and signing	0.35	0.00	0.00	0.00	0.00	0.35	162.00	520.00
Other	0.00	0.00	11.50	1.00	0.00	12.50	3,510.00	280.00
Creditors								
Fixed charge creditors	1.50	0.00	0.00	0.00	0.00	1.60	840.00	525.00
Floating charge creditors	2.55	0.00	0.00	0.00	0.00	2.55	1,355.50	531.57
HP & lease creditors	0.00	0.00	0.00	2.20	0.00	2.20	359.00	161.36
RPO and ERA claims & tribunals	0.00	0.00	0.00	16.70	0.00	16.70	3,069.75	183.82
Employees & pension (other) (incl Jobcentre/ CSA etc)	1.15	0.00	0.20	18.90	0.00	20.25	4,435.50	219.04
Crown (not RPO etc)	0.75	0.25	0.00	1.15	0.00	2.15	744.50	346.26
Unsecured creditors	1.30	0.00	2.65	12.80	0.00	16.75	3,933.00	234.01
Creditors - Case Specific 1)	0.00	0.00	0.40	0.00	0.00	0.40	116.00	290.00
Director/manager review, approval and signing	0.20	0.00	0.00	0.00	0.00	0.20	104.00	520.00
Other	0.00	0.00	6.10	2.50	0.00	8.60	2,381.50	240.07
Corporate Finance								
Corporate Finance	2.00	0.00	0.00	20.00	0.00	22.00	2,690.00	122.27
Forensics								
Forensics	27.50	0.00	32.50	35.60	0.00	95.60	21,370.25	223.54
Total	81.00	4.35	300.95	326.40	0.00	712.70	£185,493.25	£260.27

**Gostling Limited - Breakdown of the time spent by Smith & Williamson LLP for the period 1 August 2020 to
22 January 2021**

Classification of work function	Partner	Associate Director	Manager	Other Professionals	Total Hours	Cost	Avg Rate £/hr
Case administration							
Case review and monitoring	0.25	0.28	1.97	10.85	13.35	3,447.91	258.27
Cashiering & bonding	0.70	0.87	0.00	5.72	7.28	2,056.57	282.37
Employees, Pensions & RPS							
Pension	0.00	0.00	0.00	2.15	2.15	473.00	220.00
Freehold property assets							
Agents	0.00	0.00	0.25	0.00	0.25	100.00	400.00
Legal actions (civil recoveries)							
Establishing claim(s)	0.00	0.00	2.95	4.50	7.45	2,170.00	291.28
Other assets							
Debtors - other	0.20	0.00	1.50	6.00	7.70	2,034.00	264.16
Debtors	0.00	0.00	1.25	7.40	8.65	2,128.00	246.01
Shares and other investments	0.15	0.00	0.00	0.00	0.15	85.50	570.00
Records and investigations							
Collecting and control record	0.00	0.00	0.00	3.57	3.57	784.67	220.00
DCRS and SIP2	0.00	0.00	0.00	2.00	2.00	440.00	220.00
Statutory & Regulatory							
2nd Progress Report	1.05	0.00	0.08	0.00	1.13	631.82	557.50
3rd + Progress Reports	0.00	0.00	1.88	14.50	16.38	3,943.32	240.69
Case closure	0.00	0.00	0.17	1.25	1.42	341.68	241.18
Unsecured creditors (exc. Staff)							
Other	0.00	0.00	0.77	0.00	0.77	306.68	400.00
Trade	0.00	0.00	0.00	0.40	0.40	88.00	220.00
Total Hours To Date	2.35	1.15	10.82	58.33	72.65	19,031.15	261.96
Staff Type Average Rate	570.00	464.98	400.00	219.95			

Notes

It should be noted that due to a Smith and Williamson internal system upgrade, which changed the mechanics of how time was recorded, two tables have been produced to show the time costs incurred in the period. The administrators would like to make clear that the new reporting mechanism is still compliant and records all time expended in the administration although under different reporting titles.

Explanation of major work activities undertaken during the administration

Administration and Planning

This section of the analysis encompasses the cost of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters.

This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment;
- Statutory notifications and advertising;
- Protection of Company's assets and records (including electronic);
- Dealing with routine correspondence;
- Dealing with agents on general appointment matters, not relating to the sale of assets or correspondence with advisers on investigation matters;

- Maintaining physical case files and electronics case details on IPS (case management software);
- Case reviews throughout the administration (including 6 month reviews);
- Case bordereau and reviews;
- Operating a client account and repatriating funds as required;
- Case planning, administration, and general case progression, including adjustments in appointment strategy;
- Review of the Company position and strategy regarding conversion to CVL;
- Preparing reports to stakeholders, including the progress reports and this final report;
- Dealing with cashing matters for various advisors and remittance;
- Maintaining and managing the appointment's cash book and bank accounts;
- Travelling to site to trade the business and conclude the sale;
- Ensuring statutory lodgements and tax lodgements obligations are met; and
- Dealing with client identification and internal Smith & Williamson LLP compliance requirements.

Investigations

- Investigations to be carried out in accordance with the Joint Administrators' statutory responsibilities;
- Complying with our statutory duties in accordance with the Directors' Disqualification Act 1986;
- Investigation the actions of various parties in the lead up to the administration of the Company;
- Corresponding with previous directors regarding our directors' questionnaire;
- Review of transactions of interest and evaluating the potential and commerciality of any claim;
- Liaising with solicitors regarding merits of potential claims; and
- Dealing with various investigation matters with associated companies and their effect on the Company.

Realisation of Assets

This section is in relation to the realisation of the Company's assets.

The work generally includes the following:

- Discussions with our sales agents including in respect of the most appropriate sales strategy and tactics to conclude the sale as soon as reasonably practicable;
- Discussions with our legal advisors in respect of sales documentation and subsequently in relation to tax matters;
- Negotiations with interested parties when marketing for sale;
- Review of Book debt position;
- Liaising with Gostling Lighthouse LLP regarding position and collection;
- Liaising with debtors regarding collection;
- Bringing claims against two parties for antecedence;
- Dealing with a considerable number of debtors and queries;
- Insurance of the assets, and claims under policies if required;
- Dealing with any assignment of the lease;
- Miscellaneous asset realisations outlined in the contents of the report; and
- Liaising with Professional Advisers in respect of the above.

Trading

This section is in relation to the ongoing trade of the Company at the initial stages of the administration. The work includes the following:

- Raising sales invoices for various services provided.

- Engaging with employees in respect of the trading administration.
- Engaging with management on a daily basis in respect of WIP, general trading performance, financial reporting and employee matters.
- Liaising with numerous creditors to negotiate ongoing supply.
- Dealing with the Company's bankers, HSBC, to recover funds into the administration bank account to facilitate payment of salaries.
- Dealing with client monies received from HMRC and, where necessary, arranging for these funds to be returned in line with Clients' Money Regulations.
- Arranging payments to suppliers.
- Dealing with post appointment taxation including VAT and PAYE.
- Arranging the payroll for February 2019's wages and salaries.
- Monitoring trade against the forecasts prepared.

Creditors

Work under this section includes correspondence and other contact with creditors of the Company.

This work includes the following:

- Reporting to the secured creditors;
- Assisting employees with any claims to the Redundancy Payments Service;
- Dealing with creditor & employee correspondence;
- Dealing with creditors' correspondence;
- Maintaining creditors' information on our insolvency database; and
- Distributions to various categories of creditors.

Comparison of incurred time against the approved fee estimate

The following gives a summary of our original estimates, provided in our proposals, and the actual time costs incurred as at 25 August 2020 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	24,915.00	69,285.05
Investigations	26,415.00	18,244.50
Realisation of Assets	20,345.00	56,567.25
Trading	24,662.50	18,742.50
Creditors	12,607.50	18,246.43
Cost of Administration Extension	4,195.00	Nil
Distributions	8,160.00	Nil
Corporate Finance	Nil	2,690.00
Forensics	8,700.00	21,370.25
Total	130,000.00	205,540.65

The material differences between our original estimates and what has actually been incurred as at 25 August 2020 can be explained as follows:

Administration and Planning (£44,370.05 underestimated)

Administration and planning have been underestimated due to the following reasons:

- Case complexity resulting in a high volume of correspondence.
- Operating a client account and dealing with a number of issues to repatriate funds or offset where client is a debtor.
- Larger than expected volume of receipts and payments resulting in more frequent cashiering.
- Communication with HSBC to return funds paid by mistake into the Company's old bank account.
- Travelling to the business premises.
- Data and information handling.
- Additional planning and strategy given certain contentious matters.

Investigations (£8,170.50 overestimated)

Investigations have been overestimated at stage due to the following reasons:

- Investigations are still ongoing and are yet to be concluded.
- It should be noted that some correspondence with solicitors and progression of investigation claims would have fallen under the progression section under Administration and Planning.

Realisation of Assets (£36,222.25 underestimated)

Realisation of Assets has been underestimated due to the following:

- Increased time costs on the sale of the business to the Purchaser and post-sale administration.
- Investigation and recuperation of outstanding book debts, which includes liaising with the Gostling Lighthouse LLP to collect outstanding debts.
- Dealing with a considerable number of disputed debts.
- Liaising with Gostling Lighthouse LLP as to book debts collected.
- Review of the remaining book debt position.

Trading (£5,920 overestimated)

The cost of Trading has been underestimated due to the following reasons:

- An accelerated sale process of the Company and its assets in the early stages of the administration.
- Reduced time trading the business before completion of the sale.

Creditors (£5,638.93 underestimated)

Creditors have been underestimated due to the following reasons:

- Heightened correspondence with the general body of creditors.
- Correspondence with HM Revenue & Customs with regards to their claim.
- Seeking approval from creditors regarding extension of administration.

Corporate Finance (£2,690.00 underestimated)

Corporate Finance has been underestimated due to the following reason:

- It has been necessary for our corporate finance team to assist with the sale of the Company's business and assets.

Forensics (£12,670.25 underestimated)

Forensic time has been underestimated due to the following reasons:

- Further time costs were incurred by our forensic team in taking an image of the Company server.
- Imaging the senior staff's computers.
- Preparation and information management of the imaged server.

It should be noted that the work and cost extending the administration fell under the Administration and Planning section which also contributed to the higher than anticipated time costs.

The administrators have not incurred time for Distributions as the no distributions have been made. The administrators have not taken any steps to agree claims for distribution purposes.

V Previously approved fee estimate

Gostling Limited - In Administration								
Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	2	Year						
	Partner	Director	Senior Manager / Manager	Administrator	Assistants & support staff			
Hourly rate (£)	625	565	350	250	110			
	Hours					Total hours	Total estimated time costs (£)	Average hourly rate (£)
Classification of work function								
Administration and planning								
Statutory returns, reports & meetings	1.00	2.00	5.00	5.00	-	13.00	4,755.00	365.77
Initial post-appointment notification letters, including creditors	0.50	0.50	4.00	5.00	-	10.00	3,245.00	324.50
Cashflow general, including bonding	0.50	0.50	1.00	3.00	-	5.00	1,695.00	339.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, check-list & diary)	1.00	2.00	2.00	2.00	-	7.00	2,955.00	422.14
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.50	0.50	1.00	2.00	-	4.00	1,445.00	361.25
Insurance & general asset protection	0.50	0.50	1.00	1.00	-	3.00	1,195.00	398.33
Filing, file and information management	0.50	0.50	4.00	7.00	-	12.00	3,245.00	312.08
Agents and advisers, general	1.00	1.00	2.00	3.00	-	7.00	2,640.00	377.14
Pensions - review and notification to the relevant bodies			1.00	2.00	-	3.00	850.00	283.33
Director/manager review, approval and signing	1.00	1.00	2.00	2.00	-	6.00	2,390.00	398.33
Investigations						-	-	-
Designated members' correspondence to conduct questionnaires	1.00	1.00	3.00	3.00	-	8.00	2,990.00	373.75
Statutory books and accounting records review	1.00	3.00	10.00	10.00	-	24.00	8,320.00	346.67
Reporting to The Disqualification Unit	1.00		-	1.00	-	2.00	875.00	437.50
Dealing with and reviewing creditors' & members' complaints / Reviewing designated members conduct	1.00	2.00	2.00	2.00	-	7.00	2,955.00	422.14
Investigation of legal claims	-	2.00	8.00	8.00	-	18.00	5,930.00	329.44
Enquiries of advisors and any parties with relevant information and former dealings	1.00	2.00	3.00	3.00	-	9.00	3,355.00	395.00
Director/manager review, approval and signing	1.00	1.00	1.00	1.00	-	4.00	1,790.00	447.50
Realisation of assets								
Good Debts / WIP	1.00	1.00	8.00	12.38	-	22.38	7,085.00	316.58
Cash at Bank	0.50	0.05	3.00	2.00	-	5.55	1,890.75	340.68
Lease Assignment	0.50	1.00	4.00	4.00	-	9.50	2,277.50	345.00
Other Assets (including goodwill)	1.00	1.00	12.00	10.81	-	24.81	8,091.75	326.19
Trading (closure)								
Trading and day to day operations	0.50	0.50	20.00	22.00	-	43.00	13,095.00	304.53
Property issues (inc landlord and site clearances)	1.00	0.50	1.00	2.00	-	4.50	1,757.50	390.56
Security	1.00	1.00	1.00	1.00	-	4.00	1,790.00	447.50
Shut down or handover	1.00	1.00	3.00	4.00	-	9.00	3,240.00	360.00
Director/manager review	1.00	1.00	2.00	2.00	-	6.00	2,390.00	398.33
Other	1.00	1.00	2.00	2.00	-	6.00	2,390.00	398.33
Creditors								
Floating charge creditors			1.00	1.00	-	2.00	600.00	300.00
Employees & pension (other) (incl Jobcentre/CSA etc)	0.50	1.00	1.00	1.00	-	3.50	1,477.50	422.14
HWP	0.50		5.00	5.00	-	10.50	3,312.50	315.48
Unsecured creditors	1.00	1.00	5.00	4.00	-	11.00	3,940.00	358.18
Director/manager review	0.50	1.00	4.00	4.00	-	9.50	2,277.50	345.00
Distributions								
Initial review and agreement of claims	1.00	1.00	1.00	2.00	-	5.00	2,040.00	408.00
Fixed and floating charge creditors	1.00	1.00	1.00	2.00	-	5.00	2,040.00	408.00
Choices of intended dividend and claim adjudication	1.00	1.00	1.00	2.00	-	5.00	2,040.00	408.00
Prescribed part (where applicable) and dividends	1.00	1.00	1.00	2.00	-	5.00	2,040.00	408.00
Forensics - where applicable								
Forensics	1.00	-	10.00	10.00	-	21.00	8,700.00	414.29
Costs of Administration Extension (if applicable)								
Costs of filing for Administration extension	2.00	3.00		5.00	-	10.00	4,195.00	419.50
Total	30.50	37.55	136.00	160.19	-	364.24	130,000.00	356.91

Gostling Limited - In Administration		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Specific bond		500.00
Statutory advertising costs		3,000.00
Search costs (HM Land Registry & Companies House)		100.00
Case specific costs - where applicable		
Security & other property costs		500.00
Insurance		2,000.00
Pensions - Smith & Williamson Financial Services Limited		5,000.00
Agents' fees		500.00
Legal fees		5,000.00
Storage costs		500.00
Subsistence		500.00
Accommodation		1,500.00
Travel		2,500.00
Total		19,200.00
Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.		



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

Introduction

Detailed below are:

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

Staff allocation and the use of subcontractors

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

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

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

Details of any subcontractors' services 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 a number of factors including:

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

Disbursements

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

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include

shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

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

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

Charge out rates

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

The rates applicable to this appointment are set out below. Changes to the charge out rates during the administration were applied with effect from 1 July 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	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	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2020	

Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2020	

Partner / Director	470
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

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