

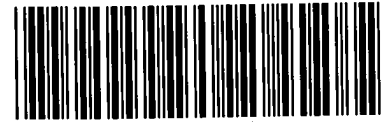
# AM10

## Notice of administrator's progress report



Companies House

MONDAY



\*A98PUFNF\*

A13

06/07/2020

#168

COMPANIES HOUSE

### 1 Company details

Company number 0 5 5 3 2 5 8 7

Company name in full GPC SIPP Ltd

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Adam Henry

Surname Stephens

### 3 Administrator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

### 4 Administrator's name ①

Full forename(s) Henry Anthony

Surname Shinnars

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 1	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X Adam Stephens

Adam Stephens (Jul 6, 2020 15:17 GMT+1)

X

07/06/20

Signature date

<sup>d</sup>0 <sup>d</sup>6 <sup>m</sup>0 <sup>m</sup>7 <sup>y</sup>2 <sup>y</sup>0 <sup>y</sup>2 <sup>y</sup>0

# AM10

## Notice of administrator's progress report



### 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	Zoe Percy
Company name	Smith & Williamson LLP
Address	25 Moorgate
	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	
DX	119507 Finsbury Square EC2
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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



# **GPC SIPP Ltd (in administration)**

**Joint administrators' progress report for the period from 11  
December 2019 to 10 June 2020**

**6 July 2020**

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# 1. Glossary

Abbreviation	Description
the administrators	Adam Henry Stephens and Henry Anthony Shinnars
the Company	GPC SIPP Ltd
CVL	Creditors' Voluntary Liquidation
FCA	Financial Conduct Authority
FOS	Financial Ombudsman Service
FSCS	Financial Services Compensation Scheme
GDPR	General Data Protection Regulation
Hartley	Hartley Pensions Ltd
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
	If preceded by S this denotes a section number
ICO	Information Commissioner's Office
IR16	Insolvency (England and Wales) Rules 2016
	If preceded by R this denotes a rule number
the Landlord	Kathryn Taylor and Guardian Pension Trustees Limited and Graham Mark Ashton as Trustees of the Guardian SIPP re Graham Mark Ashton, and Paul Hoyle and Guardian Pension Trustees Limited as Trustees of the Guardian SIPP re Paul Hoyle
NDA	Non-Disclosure Agreement
Sch B1	Schedule B1 to the Insolvency Act 1986
	If preceded by P this denotes a paragraph number
SIP	Statement of Insolvency Practice (England & Wales)
SIPP	Self-Invested Personal Pension

## 2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six-month period ended 10 June 2020. It should be read in conjunction with any previous reports. By way of reminder, Adam Henry Stephens and Henry Anthony Shinnars, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 11 June 2019.

The sale of the Company's SIPP and SSAS business and certain other assets to Hartley for £482,000 was completed on 12 August 2019. All proceeds have been received into the administration estate.

- The objective of the administration is as in P3(1)(b) Sch B1, namely 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).
- A creditors' committee was established on 1 October 2019 and the initial meeting was held on 7 November 2019 at which the administrators' remuneration was approved on a time cost basis.
- The administrators have agreed a settlement in relation to a proportion of the Company's book debts. The funds are due to be paid to the administrators shortly following the end of the current reporting period. The administrators will provide a further update in the next progress report.
- Based on current information the administrators are unable to confirm whether there will be sufficient realisations to enable a distribution to creditors, as this is dependent on the level of any further asset realisations from the book debts, the potential sale of a client database and/or any other realisations from potential claims resulting from investigation work that remains ongoing actions against third parties.

Please note that this report has been produced during the period of the Covid-19 lockdown restrictions. As a result, the administrators had limited access to physical case files and had to produce this report from incomplete records available on the administrators' IT system. Every reasonable step has been taken to ensure that the information is accurate but if anything is incorrect or incomplete, explanation will be provided and corrected information in the next progress report.

## 3. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 11 December 2019 to 10 June 2020. This account includes cumulative figures for the period from 11 June 2019 to 10 June 2020.

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

### 3.1 Bank interest gross

The administrators' bank account is interest bearing and gross interest totalling £712 was received during the period.

### 3.2 Book debts

The director's SOA disclosed book debts with a book value of c£2.4m, the estimated to realise figure being uncertain. The administrators have realised £9,933 during the period and £68,525 to date.

The debtor ledger primarily relates to outstanding SIPP administration fees that have not been paid on a large number of accounts due to there being insufficient funds within the SIPP or due to restrictions on the ability of the Company to take fees, which has resulted in a significant number of disputed debts.

The administrators have entered into a settlement agreement with solicitors acting for circa 500 clients of the Company on the debtor ledger that will result in debtor realisations of c£80,000. The consideration is due to be paid shortly after the current reporting period.

The specific details of the settlement agreement cannot be disclosed as this could prejudice realisations in respect of the remaining debtor ledger.

The administrators are reviewing the best course of action regarding the most effective method to maximise realisations of the remaining debtor. These include, the administrators collecting the debts, subcontracting the collection to a firm of specialist debt collectors, or selling the debtor ledger to a third party. We continue to communicate with the FSCS regarding the strategies being considered.

### 3.3 Fixtures, fittings and equipment

The administrators' valuation agents Sanderson Weatherall valued the chattel assets located at the Company's former trading premises in the region of £2,000 before any costs of sale. These assets did not form part of the sale to Hartley.

However, Hartley subsequently expressed an interest in acquiring the assets and, following negotiations, the administrators agreed a sale of the chattel assets to them for the sum of £1,750 plus VAT, which Sanderson Weatherall recommended should be accepted. Payment has been received in full.

### 3.4 Monies received in error

Certain funds have been received by the administrators from the Company's bank that are due to the purchaser of the business, Hartley. The sum of £2,155 was received during the period and the administrators are in the process of reconciling the receipts; any funds received which are due to Hartley are paid to them accordingly.

During the period £122 has been repaid to former clients of the Company that had paid monies into the administrators' bank account in error.

### 3.5 Refunds

The sum of £1,556 was received during the period relating to a refund owed to the Company in respect of a pre-appointment insurance policy. No further sums are anticipated in this regard.

### 3.6 Connected company loans

The Company's records show inter-company debtors at the date of the administration that total £894,282, made up as follows:

Debtor	Amount Owed to GPC SIPP Ltd £
GPC Consultancy Ltd	599,078
Nutrifresh Ltd	134,052
D'Montt Equestrian Ltd	106,067
GPC Auto Enrolment Ltd	33,193
Serene Living Ltd	17,318
Kat Taylor Ltd	4,549
The SIPP Lounge Ltd	25
<b>Total</b>	<b>894,282</b>

Of the companies listed above all except The SIPP Lounge Ltd are in CVL. The administrators' have submitted a claim in each of the respective liquidations. For all the companies the liquidators have advised that there is no prospect of a dividend to creditors and therefore no realisation is expected in relation to the connected company debtors.



### 3.7 Assets still to be realised

The Company's client database was included as part of the sale to Hartley but not on an exclusive basis. The administrators received an offer from a third party to purchase the client database; the amount of the offer cannot be disclosed at present as it could prejudice the sale.

Since the last progress report the administrators' solicitors have been communicating with the ICO to ensure any sale terms are compliant with data protection (e.g. GDPR) legislation and regulation. These communications remain ongoing and we will provide further details in our next report.

### 3.8 Administration strategy

There have been no changes to the administrators' strategy, as documented in the Report and Statement of Proposals dated 5 August 2018, 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 are continuing to pursue this objective. The outstanding matters to be concluded in the administration are set out in section 9 of this report.

## 4. Investigations

Under the Company Directors Disqualification Act 1986 the administrators 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.

The administrators have complied with our duty in this regard. As all submissions are strictly confidential the administrators are unable to disclose their content.

Additionally, the administrators have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Shortly after appointment, the administrators 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 the administrators request to complete an investigation questionnaire.

The administrators' enquiries are continuing in establishing the merits of potential claims that the administrators may be able to bring and the likelihood of recoveries for the administration estate. Advice has also been sought on the above matters.

We are unable to disclose further information at present as this could prejudice any future action that may be taken by the administrators.

## 5. Pre-administration costs

At the initial creditors' committee meeting held on 7 November 2019, the following pre-appointment costs were approved:

Recipient	Brief description of services provided	Amount approved £	Amount paid £
Smith & Williamson LLP	Undertaking an accelerated marketing exercise to sell the Company's business & assets and advice regarding placing the Company into administration	47,465	47,129
Weightmans LLP	Legal disbursements - Counsel's fees	2,070	NIL

Recipient	Brief description of services provided	Amount approved £	Amount paid £
Total		49,535	47,129

On 2 December 2019 the following additional pre-administration costs were approved by the creditors' committee via a Qualifying Decision Procedure. The following costs were paid during the current period:

Recipient	Brief description of services provided	Amount approved £	Amount paid £
Taylor's Solicitors	Legal fees	15,750	15,750
UHY Hacker Young	Advice to the Company regarding placing the Company into administration	10,000	10,000
Total		25,750	25,750

## 6. Administrators' remuneration

The creditors' committee 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 on 7 November 2019. This was granted following the administrators providing a fees' and expenses' estimate and the members of the liquidation committee granting approval at a meeting held on 7 November 2019.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
11 June 2019 to 10 December 2019	749.05	306,538.80	409.24	NIL
11 December 2019 to 10 June 2020	132.20	56,666.85	428.32	111,101.05
<b>Total</b>	<b>882.35</b>	<b>363,205.65</b>	<b>412.10</b>	<b>111,101.05</b>

Attached as Appendix II, 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 III, is a cumulative time analysis for the period from 11 June 2019 to 10 June 2020 which provides details of the administrators' time costs since appointment. A total of £111,101.05 has been drawn on account of these costs.

The administrators' costs to date are £363,205.65, as above, compared to the original estimate of £370,502.30 (for the period 11 June 2019 to 10 June 2020). Appendix IV provides a copy of the previously authorised time cost estimate breakdown for comparison purposes. Going forward, the administrators anticipate future costs to be in the region of £60,000 to the end of the administration. We intend to seek approval for our time costs from 11 June 2020 from the Creditors' Committee in due course and will provide a fee estimate at that time.

An explanation of these costs can be found in the 'Outstanding matters' section of this report.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that a fees estimate is likely to be exceeded, the administrators will need to provide an update and seek approval from the appropriate 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.

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 V.

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

## 7. Administration expenses

### 7.1 Subcontractors

The administrators have not utilised the services of any subcontractors during the period. Please refer to the administrator's previous progress report for details of subcontractors utilised during the prior period.

### 7.2 Professional advisers

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

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £	Total costs paid £	Estimated total costs £	Variance £
Weightmans LLP Solicitors	Hourly rate and disbursements	12,169	NIL	120,876	90,000	220,000	(28,000)
Forbes Solicitors	Set commission	NIL	65	NIL	287	6,000	(1,000)
ITUS Ltd - investigation agents	Hourly rate and disbursements	NIL	1,500	NIL	4,000		
Phillip Arnold Auctions	Set fee	150	150	NIL	150		
<b>Total</b>		<b>12,319</b>	<b>1,715</b>	<b>120,876</b>	<b>94,437</b>	<b>226,000</b>	<b>(38,000)</b>

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

Weightmans solicitors' fees relate to work undertaken in the reporting period on the following:

- Discussions with the ICO regarding the sale of the database
- Initial consideration of potential legal claims
- Negotiating standstill agreements over creditor claims.

- Advice regarding data subject access requests

### 7.3 Administrators' disbursements

The administrators have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Accommodation	NIL	230	NIL
Joint administrators' bonds	NIL	140	NIL
Travel & Subsistence	NIL	1,370	NIL
Data Room	NIL	130	NIL
Vehicle Road Tax	NIL	256	NIL
Postage	NIL	170	NIL
Land Registry	NIL	9	NIL
Category 2 disbursements (see next section)	NIL	1,066	NIL
<b>Total</b>	<b>NIL</b>	<b>3,371</b>	<b>NIL</b>

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

The estimated total costs of general administration disbursements for the period to 10 June 2020 was £3,000. The total incurred and paid to date is £3,371 being a variance of £371.

### 7.4 Category 2 disbursements

The following Category 2 disbursements have been incurred and/or paid in the current period:

Description	Basis of expense arrangement	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £	Total costs paid £
Business mileage	@ HMRC rates	NIL	1,066	NIL	1,066
<b>Total</b>		<b>NIL</b>	<b>1,066</b>	<b>NIL</b>	<b>1,066</b>

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

Approval to recover the Category 2 disbursements shown above was given by the creditors' committee at a meeting on 7 November 2019.

### 7.5 Other expenses

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

Supplier/Service Provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
JLT	Insurance of Assets	NIL	NIL	2,000
Former Financial Controller	Assistance in relation to reconciling the SSAS accounts	NIL	140	NIL
<b>Total</b>		<b>NIL</b>	<b>140</b>	<b>2,000</b>

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

#### 7.6 Policies regarding use of third parties and disbursement recovery

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

## 8. Estimated outcome for creditors

### 8.1 Secured creditors

There are no secured creditors.

### 8.2 Prescribed Part

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

### 8.3 Preferential creditors

Preferential creditors were shown on the SOA totalling £11,131.

As part of the sale of the business and assets to Hartley the employees transferred to Hartley under TUPE and the director entered into a settlement agreement regarding any potential claims she may have had against Hartley and the Company. There are therefore no preferential creditors.

### 8.4 Unsecured creditors

The director's SOA showed unsecured creditors totalling £1,216,371. The administrators have received claims from 10 creditors totalling £37,554,510 to date. There are a number of creditors that have not yet submitted a claim.

Please note, the administrators received a significant claim during the period from the FSCS. The claim received from the FSCS is an interim claim based on the level of claims received and compensation paid to clients of the Company and so the final amount of unsecured creditor claims is therefore uncertain at present.

Based on present information dividend prospects for the unsecured creditors are dependent on further realisations in respect of the Company's book debts and the potential sale of the client database, both of which are uncertain at present. There may also be recoveries in relation to potential claims as a result of the ongoing investigation work which may increase the dividend prospect for unsecured creditors. If there are no further realisations it is not anticipated that there will be funds available to enable a dividend to be paid to the unsecured creditors.

The administrators have not undertaken any work on agreeing creditor claims to date.

## 9. Outstanding matters

The administrators' costs to date are £363,205.65, as detailed in section 6, compared to the original estimate of £370,502.30 (to 10 June 2020) and only the incurred time costs within the approved estimate will be drawn.

In addition to the original estimate, the anticipated future costs are in the region of £60,000. Should further fee approval be required the administrators will seek approval from the Creditors' Committee.

An explanation of these future costs can be found below.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, the administrators 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.

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.

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

- Further investigations as outlined in section 4 (please note limited information can be provided at present in order not to prejudice any potential claims)
- Collection and/or sale of the Company's remaining book debts
- Ongoing discussions with third party regarding the potential sale of the client database
- Reporting to, and meeting with, the Creditors' Committee
- Preparing a fees and expenses estimate to seek approval of further fees on a time costs basis from the Creditors' Committee
- Obtaining tax clearance
- Closure of the administration, including preparing and issuing the final report
- Please note the time costs in relation to the preparation of this progress report are included in the estimate as the report has been prepared after 10 June 2020.

## 10. Privacy and data protection

As part of the role of the administrators, they may need to access and use data relating to individuals. In doing so, the administrators must abide by data protection requirements. Information about the way that the administrators will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact this 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

At the appropriate time, the administrators will use their discretion to exit the administration by way of one of the following means:

- (i) If having realised the assets of the Company, the administrators think that a distribution will be made to the unsecured creditors (other than by virtue of the Prescribed Part), they will file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if the associated incremental costs of a CVL are justified. In these circumstances, Adam Henry Stephens and Henry Anthony Shinnars will automatically become the liquidators in the CVL.
- (ii) If there are insufficient funds that would permit a distribution to the unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The administrators will send copies of these documents to the Company and its creditors. The administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Administrators have the power to bring claims against former officers of the company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect.

Authorisation for discharge from liability was granted by the creditors following the Decision Procedure on 22 August 2019.

## 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 the administrators conduct, please contact Adam Henry Stephens or Henry Anthony Shinnars in the first instance. If the matter is not resolved to your satisfaction, you may contact the 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](mailto: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.

## 13. Next report

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

*Adam Stephens*

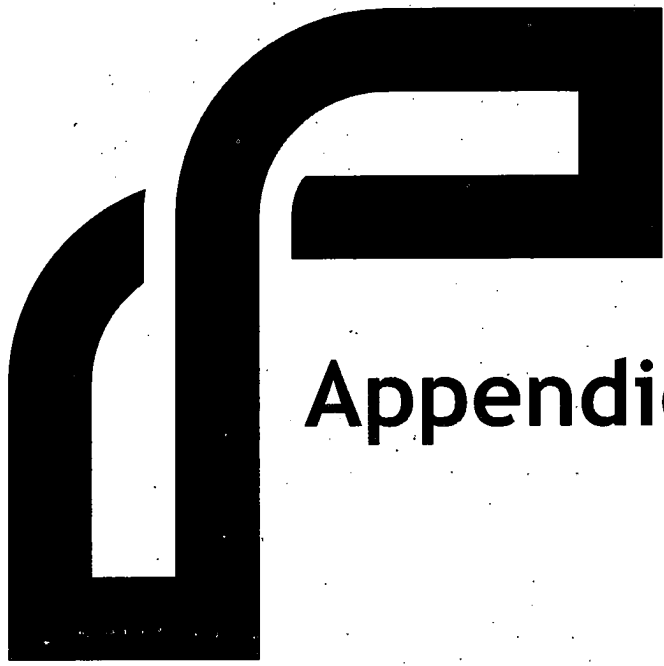
Adam Stephens (Jul 6, 2020 15:17 GMT+1)

Adam Henry Stephens and Henry Anthony Shinnars

Joint Administrators

Date: 6 July 2020





# Appendices

# I Receipts and payments account

## Receipts and payments account to 10 June 2020

Statement of Affairs £	From 11/12/2019 To 10/06/2020 £	From 11/06/2019 To 10/06/2020 £
POST APPOINTMENT SALES		
Sales	(4,126.52)	221,168.90
Contribution to Franking Machine	NIL	707.20
Monies Received in Error	NIL	2,426.40
	(4,126.52)	224,302.50
OTHER DIRECT COSTS		
Direct Labour	NIL	41,763.20
Direct Expenses	NIL	396.24
	NIL	42,159.44
TRADING EXPENDITURE		
Accountancy Fees	NIL	995.00
Bank Charges	0.80	33.90
Cleaning Services	NIL	786.27
Compliance Support Services	NIL	1,442.00
Confidential Shredding	NIL	60.00
Consultancy Fees	NIL	1,575.00
Franking Machine	NIL	1,379.38
ICO Fees	NIL	480.00
Insurance premiums	NIL	271.84
IT Services/Software	NIL	28,471.20
Office Supplies	NIL	154.17
PAYE/NIC	NIL	23,802.00
Pension Contributions	NIL	3,342.64
Rents	NIL	1,547.94
Return of Monies Received in Error	NIL	2,426.40
SIPP Property Insurance	NIL	2,462.44
SIPP Transfer	NIL	3,105.20
Telephone	NIL	746.47
Utilities	NIL	666.15
	(0.80)	(73,748.00)
TRADING SURPLUS/(DEFICIT)	(4,127.32)	108,395.06

Statement of Affairs £		From 11/12/2019 To 10/06/2020 £	From 11/06/2019 To 10/06/2020 £
(32,583.00)	MOTOR VEHICLES		
23,860.00	Less: Audi Finance	NIL	NIL
	Motor Vehicle	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	711.82	1,171.15
Uncertain	Book Debts	9,932.66	68,525.33
	Business Intellectual Property	NIL	1.00
48,791.00	Cash at Bank	NIL	48,793.98
	Client Database	NIL	481,996.00
Uncertain	Connected company loans	NIL	NIL
	Contribution to Director Settlement	NIL	10,000.00
Uncertain	Director's loan account	NIL	NIL
2,000.00	Fixtures, fittings & equipment	1,750.00	1,750.00
	Goodwill	NIL	1.00
	Information Technology	NIL	1.00
	Licence Fee	NIL	3,009.31
	Monies Received in Error	2,155.46	3,866.46
	Refunds	1,556.42	1,655.73
	SSAS Contracts	NIL	1.00
	TRADING SURPLUS/(DEFICIT)	(4,127.32)	108,395.06
		11,979.04	729,167.02
	COST OF REALISATIONS		
	Accommodation	230.00	230.00
	Agents/Valuers Expenses	250.00	250.00
	Agents/Valuers Fees	1,465.22	7,936.16
	Bank Charges	1.60	36.74
	Company Search	9.00	9.00
	Compensation from Royal Mail	NIL	20.00
	Consultancy Fees	140.00	705.00
	Contribution to Director's Legal Fees	NIL	28,000.00
	Data room fees / Vehicle Tax	385.35	385.35
	Joint Administrators' Fees	111,101.05	111,101.05
	Land Registry Searches	NIL	7.00
	Legal Expenses	NIL	4,365.06
	Legal Fees	NIL	90,000.00
	Legal Fees (pre-appointment)	15,750.00	15,750.00
	Mileage	1,066.00	1,066.00
	Rents Payable	NIL	1,516.99
	Repayment of monies received in error	121.94	131.94
	S&W pre-appointment fees	47,129.00	47,129.00
	Settlement Agreement with Director	NIL	18,500.00
	Specific Bond	140.00	140.00
	Stationery & Postage	170.00	170.00
	Statutory Advertising	NIL	84.50
	Third Party Prep of S. of A. Fees	NIL	750.00
	Travel and Subsistence	1,369.62	1,369.62
	UHY Hacker Young Fees (pre-appt)	10,000.00	10,000.00
		(189,328.78)	(339,653.41)
	PREFERENTIAL CREDITORS		
(4,499.00)	Employees Holiday Pay	NIL	NIL
(6,632.00)	Employees Wage Arrears	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(5,377.00)	Employees - Arrears of Wages	NIL	NIL
(289,780.00)	Employees - PILON	NIL	NIL
(52,237.00)	Employees - Redundancy	NIL	NIL
(326,635.00)	HM Revenue & Customs - CT	NIL	NIL
(473,066.00)	HM Revenue & Customs - PAYE	NIL	NIL
(33,130.00)	HM Revenue & Customs - VAT	NIL	NIL
(36,146.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Called up share capital	NIL	NIL
		NIL	NIL
<b>(1,185,534.00)</b>		<b>(177,349.74)</b>	<b>389,513.61</b>
	REPRESENTED BY		
	Clients Deposit (Int Bearing)		304,277.45
	Trade Debtors - VAT Bad Debt Claim		46,067.11
	VAT Payable Ftt Chg		(53.74)
	VAT Receivable Ftt Chg		39,222.79
			<b>389,513.61</b>

### Notes and further information required by SIP 7

- Details of significant expenses paid are provided in the body of the report.
- The negative figure for post appointment trading sales relates to duplicate trading sales received in error that had been repaid from debtors in the previous reporting period, which have been transferred to repayments from trading sales in the current reporting period.
- Information concerning the administrators' 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 the 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.

### Notes and further information required by SIP 9

Please refer to the body of the report for full details on the significant payments made during the period.

# II Time analysis for the period

From 11 December 2019 to 10 June 2020

Classification of work function	Partner / Director	Associate director	Hours Manager/ Assistant Manager	Other professional staff	Assistants & support staff	Total hours	Time cost	Average hourly rate
<b>Administration and planning</b>								
Statutory returns, reports & meetings	1.80	4.80	7.05	2.25	0.00	15.90	6,201.00	390.00
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	0.25	0.00	0.25	118.75	475.00
Cashiering general, including bonding	0.30	0.00	1.30	4.25	0.00	5.85	2,338.25	399.70
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	2.40	0.80	1.55	1.20	0.00	5.95	2,937.50	493.70
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.70	0.00	1.80	0.00	2.50	689.60	275.84
Protection of company records (incl electronic)	0.30	0.00	0.00	0.00	0.00	0.30	202.50	675.00
Insurance & general asset protection	0.00	0.35	0.10	0.00	0.00	0.45	188.00	417.78
Filing, file and information management	0.00	0.00	0.50	0.00	0.00	0.50	170.00	340.00
Agents and advisers, general	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
Filing - Administration and planning	0.00	0.00	0.50	0.00	0.00	0.50	170.00	340.00
Director/manager review, approval and signing	0.95	0.00	0.00	0.00	0.00	0.95	641.25	675.00
Other	0.00	0.00	4.65	0.35	0.10	5.10	1,685.00	330.39
<b>Investigations</b>								
Directors' correspondence & conduct questionnaires	0.20	0.00	0.00	0.00	0.00	0.20	135.00	675.00
Investigation of legal claims	1.65	1.65	0.00	0.00	0.00	3.30	1,839.75	557.50
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.00	0.35	1.00	0.00	0.00	1.35	494.00	365.93
Asset tracing (e.g. Land Registry and Company Searches)	0.25	9.40	0.75	0.00	0.00	10.40	4,559.75	438.44
Enquiries of advisers	1.15	0.90	0.00	0.00	0.00	2.05	1,172.25	571.83
<b>Realisation of assets</b>								
Debtors subject to invoice discounting/factoring	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
Debtors not financed (includes reassigned debtors)	6.15	14.05	5.20	3.00	0.00	28.40	12,766.50	449.52
Other chattel assets	0.00	0.95	0.25	0.00	0.00	1.20	503.00	419.17
Sale of business as a whole, including liaison with legal advisers agents etc	0.20	0.00	0.00	0.00	0.00	0.20	135.00	675.00
Cash at Bank	0.00	0.25	0.00	0.00	0.00	0.25	110.00	440.00
Sale of business-post completion matters	0.00	0.25	1.60	0.00	0.00	1.85	654.00	353.51
Other	0.00	1.40	1.50	0.00	0.00	2.90	1,126.00	388.28
<b>Trading</b>								
Sales and customers	0.00	3.10	0.00	0.00	0.00	3.10	1,364.00	440.00
Purchasing/suppliers (not landlord)	0.00	0.00	0.50	0.00	0.00	0.50	170.00	340.00
Accounting	0.10	0.00	0.00	0.00	0.00	0.10	67.50	675.00
Shutdown or handover	0.00	2.05	0.00	0.00	0.00	2.05	902.00	440.00
<b>Creditors</b>								
Employees & pension (other) (Incl Jobcentre/CSA etc)	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
Unsecured creditors	0.75	1.45	1.20	0.00	0.00	3.40	1,552.25	456.54
Creditors' committee	0.20	0.25	1.25	0.00	0.00	1.70	670.00	394.12
Other	0.00	2.00	0.90	0.00	0.00	2.90	1,186.00	408.97
<b>Case-Specific 3</b>								
Client communications	0.00	1.15	0.00	0.00	0.00	1.15	506.00	440.00
Data Subject Access Requests	0.00	8.10	0.00	0.00	0.00	8.10	3,564.00	440.00
<b>Corporate Tax</b>								
Corporate Tax	0.00	0.00	0.00	0.50	0.00	0.50	120.00	240.00
<b>Forensics</b>								
Forensics	0.00	0.00	0.00	17.70	0.00	17.70	7,473.00	422.20
<b>Total</b>	<b>16.40</b>	<b>53.95</b>	<b>30.55</b>	<b>31.30</b>	<b>0.10</b>	<b>132.30</b>	<b>56,666.85</b>	<b>428.32</b>

## Explanation of major work activities undertaken

### 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 and issuing the administrators' report and statement of proposals to creditors and Companies House.
- Maintaining and managing the appointment's cash book and bank accounts, including debtor payments from SIPP clients.
- Case planning; administration; general case progression, including adjustments in appointment strategy, and periodic case reviews.
- Preparing the post appointment VAT and PAYE/NIC returns to HMRC.
- Protection of the Company's assets and records (including electronic records).
- Dealing with routine correspondence.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case bordereau and reviews.
- Dealing with and instructing agents and professional advisers.
- The time recorded under the sub-heading 'Other' primarily relates to communications with the FCA and FSCS regarding the progress of the administration.

### Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs.

This work includes the following:

- Investigating the reasons for the failure of the Company.
- Investigation of potential legal claims that may lead to a recovery for the administration estate.
- Liaising with asset tracing agents.
- Review of the Company's books and records, including a detailed review of the bank statements and financial statements.

### Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail in section 3 of this report:

The work generally includes:

- Review of Company book debts and liaison with third parties regarding the purchase of such debts.
- Liaison with solicitor representing c.500 clients to arrange a mediation regarding the book debts owed by their clients.
- Discussing the potential sale of the client database with interested party, lawyers, FCA and FSCS.
- Liaising with Hartley regarding the sale of the Company's fixtures & fittings.
- Reviewing the inter-company debtor position to ascertain whether there are any anticipated realisations.
- Realising the cash in the Company's bank accounts.

- The time recorded under the sub-heading 'other' relates to the work undertaken negotiating the potential sale of the client database and liaising with solicitors, the FCA and the FSCS.

## Trading

The work generally includes the following:

- Reconciling SIPP and SASS receipts.
- Concluding all liabilities with suppliers in relation to continuity of certain services at both premises.

## Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors' information on our insolvency database.
- Liaising with the FSCS regarding contingent creditor claims.
- Liaising with the Creditors' Committee.
- The time recorded under the sub-heading 'Other' relates to responding to specific client queries with complaints against the Company in relation to pre-administration matters and the provision of information from the Company's records requested by the FSCS.

## Case-Specific

- Dealing with client enquiries and queries in relation to their pensions.
- Dealing with in excess of 500 data subject access requests.

## Corporate Tax

- Advice in relation to potential tax payable on any trading profit or the sale of the business.

## Forensics

- Interrogation of the image of the Company's server in order to assist with locating information to respond to more than 500 data subject access requests.

# III Cumulative time analysis

From 11 June 2019 to 10 June 2020

Classification of work function	Partner / Director	Associate director	Hours Manager/ Assistant Manager	Other professional staff	Assistants & support staff	Total hours	Time cost	Average hourly rate
<b>Administration and planning</b>								
Statutory returns, reports & meetings	7.85	35.20	13.40	36.10	0.00	92.55	£32,560.45	351.81
Initial post-appointment notification letters, including creditors	4.55	0.45	2.10	10.25	1.00	18.35	£6,987.00	380.76
Cashiering general, including bonding	0.60	0.00	9.25	41.65	0.00	51.50	£20,612.85	400.25
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	9.30	3.35	6.30	5.40	0.00	24.35	£11,441.50	469.88
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	9.10	1.00	2.20	0.00	12.30	£4,340.40	352.88
Protection of company records (incl electronic)	0.55	0.00	1.15	0.50	0.00	2.20	£906.25	411.93
Insurance & general asset protection	0.30	0.35	0.65	0.25	0.00	1.55	£649.50	419.03
Travelling	1.00	8.85	25.75	0.00	0.00	35.60	£13,811.50	387.96
Filing, file and information management	0.00	0.00	1.65	0.00	0.00	1.65	£561.00	340.00
Agents and advisers, general	0.00	0.95	0.25	0.65	0.00	1.85	£590.20	373.08
Filing - Administration and planning	0.00	0.00	0.75	0.50	0.00	1.25	£399.00	319.20
Director/manager review, approval and signing	2.55	0.00	0.00	0.00	0.00	2.55	£1,721.25	675.00
Other	0.00	0.75	10.70	7.45	0.10	19.00	£5,873.50	309.13
<b>Investigations</b>								
Directors' correspondence & conduct questionnaires	0.20	0.00	0.00	0.25	0.00	0.45	£207.00	460.00
Creditor & shareholder complaints	0.00	0.50	0.00	0.00	0.00	0.50	£220.00	440.00
Statutory books and accounting records review	0.20	0.00	0.00	0.50	0.00	0.70	£241.00	344.29
Investigation of legal claims	5.30	11.85	1.10	0.00	0.00	18.25	£9,095.50	498.38
SIP2 obligations (inc CDDA86 forms)	0.75	7.70	8.40	0.00	0.00	16.85	£6,750.25	400.61
Asset tracing (e.g. Land Registry and Company Searches)	0.45	12.10	4.40	0.25	0.00	17.20	£7,728.75	423.18
Enquiries of advisers	1.25	0.90	1.05	0.00	0.00	3.20	£1,596.75	498.98
Other	0.00	0.40	0.00	0.00	0.00	0.40	£176.00	440.00
<b>Realisation of assets</b>								
Debtors subject to invoice discounting/factoring	0.00	0.45	0.25	0.00	0.00	0.70	£283.00	404.29
Debtors not financed (includes reassigned debtors)	8.35	33.30	13.20	12.70	0.00	67.55	£27,791.90	411.43
Stock	0.00	0.00	0.45	0.00	0.00	0.45	£175.50	390.00
Other chattel assets	10.90	1.40	0.25	0.00	0.00	12.55	£7,536.50	600.52
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0.00	0.00	0.00	0.25	0.00	0.25	£53.00	212.00
Sale of business as a whole, including liaison with legal advisers agents etc	78.20	25.00	39.15	13.60	0.00	155.95	£80,114.05	513.72
Completion of work in progress	0.00	0.00	1.00	0.00	0.00	1.00	£340.00	340.00
Cash at Bank	0.00	0.75	1.65	0.25	0.00	2.15	£756.50	351.86
Sale of business-post completion matters	0.00	4.40	18.05	0.00	0.00	22.45	£8,048.00	358.49
Other	0.00	11.85	2.00	0.00	0.00	13.85	£5,919.00	427.36
<b>Trading</b>								
Trading on decision and day 1-3 operations	0.50	0.00	14.75	0.00	0.00	15.25	£6,065.00	397.70
Sales and customers	0.00	13.00	3.10	1.00	0.00	17.10	£7,215.75	421.97
Purchasing/suppliers (not landlord)	1.35	7.45	22.30	4.25	0.00	35.35	£13,479.75	381.32
Accounting	2.30	0.45	1.10	0.00	0.00	3.85	£2,144.50	557.01
Insurances	0.00	0.00	0.35	0.00	0.00	0.35	£136.50	390.00
Staff and payroll (inc PAYE/NIC for trading period)	2.75	6.55	6.00	0.00	0.00	15.30	£6,992.00	456.99
Premises issues (inc landlord and site clearance)	0.00	1.80	0.00	0.00	0.00	1.80	£792.00	440.00
Shutdown or handover	1.40	8.40	0.00	0.00	0.00	9.80	£4,641.00	473.57
Other	0.00	0.35	1.25	0.00	0.00	1.60	£554.00	346.25
<b>Creditors</b>								
RPO and ERA claims & tribunals	0.00	0.00	0.00	2.25	0.00	2.25	£477.00	212.00
Employees & pension (other) (incl Jobcentre/CSA etc)	0.00	0.35	0.50	5.50	0.00	6.35	£1,661.00	261.57
Unsecured creditors	9.20	8.20	5.35	4.65	0.00	27.40	£12,669.30	462.38
Creditors' committee	7.00	13.65	17.00	2.00	0.00	39.65	£16,935.00	427.11
Other	0.00	3.80	8.75	2.50	0.00	15.05	£5,367.00	356.61
<b>Case-Specific 1, Shareholders in an MVL</b>								
Shareholder general communications	0.00	1.40	0.00	0.00	0.00	1.40	£616.00	440.00
Other	0.00	0.00	0.00	0.50	0.00	0.50	£106.00	212.00
<b>Case-Specific</b>								
Client communications	0.00	1.15	0.00	0.00	0.00	1.15	£506.00	440.00
Data Subject Access Requests	0.00	8.10	0.00	0.00	0.00	8.10	£3,564.00	440.00
<b>Corporate Tax</b>								
Corporate Tax	0.00	0.00	0.00	1.50	0.00	1.50	£370.00	246.67
<b>Forensics</b>								
Forensics	0.00	0.00	1.00	77.45	0.00	78.45	£21,776.75	277.59
<b>Total</b>	<b>156.80</b>	<b>243.75</b>	<b>245.35</b>	<b>234.35</b>	<b>1.10</b>	<b>881.35</b>	<b>363,205.65</b>	<b>412.10</b>




The following gives a summary of our original estimates, provided in our proposals, and the actual time costs incurred as at 10 June 2020 for ease of comparison:

Category	Estimate	Actual	Difference
<b>Administration and planning</b>			
Statutory returns, reports & meetings	34,146.65	32,560.45	1,586.20
Initial post-appointment notification letters, including creditors	6,868.25	6,987.00	(118.75)
Cashiering general, including bonding	18,822.90	20,612.85	(1,789.95)
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	17,340.25	11,441.50	5,898.75
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	5,033.00	4,340.40	692.60
Protection of company records (incl electronic)	2,035.75	906.25	1,129.50
Insurance & general asset protection	801.50	649.50	152.00
Travelling	11,897.50	13,811.50	(1,914.00)
Filing, file and information management	1,118.00	561.00	557.00
Agents and advisers, general	2,738.20	690.20	2,048.00
Filing - Administration and planning	871.00	399.00	472.00
Director/manager review, approval and signing	1,385.00	1,721.25	(336.25)
Other	5,180.00	5,873.50	(693.50)
	108,238.00	100,554.40	7,683.60
<b>Investigations</b>			
Directors' correspondence & conduct questionnaires	72.00	207.00	(135.00)
Creditor & shareholder complaints	1,424.00	220.00	1,204.00
Statutory books and accounting records review	2,902.50	241.00	2,661.50
Investigation of legal claims	12,347.00	9,095.50	3,251.50
SIP2 obligations (inc CDDA86 forms)	6,098.25	6,750.25	(652.00)
Asset tracing (e.g. Land Registry and Company Searches)	1,793.00	7,278.75	(5,485.75)
Enquiries of advisers	2,761.50	1,596.75	1,164.75
Director/manager review, approval and signing	1,065.00	0.00	1,065.00
Other	3,290.50	176.00	3,114.50
	31,753.75	25,565.25	6,188.50
<b>Realisation of assets</b>			
Debtors subject to invoice discounting/factoring	0.00	283.00	(283.00)
Debtors not financed (includes reassigned debtors)	20,362.45	27,791.90	(7,429.45)
Stock	175.50	175.50	0.00
Other chattel assets	6,138.00	7,536.50	(1,398.50)
Financed assets (only if equity-otherwise creditors, incl HP and leasing)	53.00	53.00	0.00
Sale of business as a whole, including liaison with legal advisers agents etc	79,979.05	80,114.05	(135.00)
Completion of work in progress	340.00	340.00	0.00
Cash at Bank	476.50	756.50	(280.00)
Sale of business-post completion matters	7,011.00	8,048.00	(1,037.00)
Other	16,120.00	5,919.00	10,201.00
	130,655.50	131,017.45	(361.95)
<b>Trading</b>			
Trading on decision and day 1-3 operations	6,065.00	6,065.00	0.00
Sales and customers	4,905.75	7,215.75	(2,310.00)
Purchasing/suppliers (not landlord)	12,986.75	13,479.75	(493.00)
Accounting	2,077.00	2,144.50	(67.50)
Insurances	136.50	136.50	0.00
Staff and payroll (inc PAYE/NIC for trading period)	6,992.00	6,992.00	0.00
Premises issues (inc landlord and site clearance)	3,466.00	792.00	2,674.00
Shutdown or handover	3,629.00	4,641.00	(1,012.00)
Director/manager review, approval and signing	440.00	0.00	440.00
Other	2,171.00	554.00	1,617.00
	42,869.00	42,020.50	848.50
<b>Creditors</b>			
RPO and ERA claims & tribunals	477.00	477.00	0.00
Employees & pension (other) (incl Jobcentre/CSA etc)	1,576.00	1,661.00	(85.00)
Crown (not RPO etc)	1,304.50	0.00	1,304.50
Unsecured creditors	11,596.55	12,669.30	(1,072.75)
Creditors' committee	16,707.00	16,935.00	(228.00)
Other	4,825.50	5,367.00	(541.50)
	36,486.55	37,109.30	(622.75)
<b>Shareholders</b>			
Shareholder general communications	2,172.00	616.00	1,556.00
Other	0.00	106.00	(106.00)
	2,172.00	722.00	1,450.00
<b>Case Specific</b>			
Client communications	0.00	506.00	(506.00)
Data Subject Access Requests	0.00	3,564.00	(3,564.00)
	0.00	4,070.00	(4,070.00)
<b>Corporate Tax</b>			
Corporate Tax	3,950.00	370.00	3,580.00
<b>Forensics</b>			
Forensics	14,377.50	21,776.75	(7,399.25)
<b>Total</b>	<b>370,502.30</b>	<b>363,205.65</b>	<b>7,296.65</b>

Overall, the administrators' time costs for the 12-month period are within the fee estimate provided for the period. Should further fee approval be sought a new fee estimate will be provided to the Creditors' Committee prior to seeking approval.

# IV Fee estimate

GPC SIPP Ltd - In Administration												
Fees estimate according to number of hours, grade of staff and expected work to be undertaken												
Anticipated case duration		Year										
	Partner	Partner	Associate Directors	Managers	Other professional staff	Other professional staff	Other professional staff	Support & secretarial staff				
Hourly rate (£)	625	470	440	340	212	240	150	125				
	Hours								Total hours	Total estimated time costs (£)	Average hourly rate	
Classification of work function												
Administration and planning												
Statutory returns, reports & meetings	6.00	-	10.00	20.00	3.00	-	-	1.00	40.00	15,761.00	394.03	
Cashiering general, including bonding	-	-	-	2.00	5.00	-	-	1.00	8.00	1,915.00	239.38	
Job planning, reviews and progression (fact & month reviews and planning meetings, checklists & diary)	4.00	-	6.00	10.00	5.00	-	-	2.00	27.00	9,950.00	368.52	
Post-appointment taxation (VAT, PAYE/NC, Corp Tax that are not trading related)	1.00	-	4.00	3.00	2.00	-	-	-	10.00	3,879.00	387.90	
Protection of company records (incl electronic)	-	-	1.00	2.00	1.00	-	-	-	4.00	1,332.00	333.00	
Insurance & general asset protection	-	-	-	1.00	-	-	-	-	1.00	340.00	340.00	
Online file and information management	-	-	-	1.00	1.00	-	-	1.00	3.00	727.00	242.33	
Agents and advisors - general	1.00	-	2.00	2.00	1.00	-	-	-	6.00	3,397.00	566.50	
Office - administration and planning	-	-	-	1.00	1.00	-	-	1.00	3.00	727.00	242.33	
Director/manager review, approval and signing	-	-	1.00	-	-	-	-	-	1.00	440.00	440.00	
Other	1.00	-	1.00	2.00	2.00	-	-	1.00	7.00	2,344.00	334.86	
Investigations												
Statutory books and accounting records review	0.50	-	2.00	1.00	5.00	-	-	1.00	9.50	2,767.50	291.32	
Dealing with and reviewing creditors' & shareholders' complaints	-	-	1.00	1.00	2.00	-	-	-	4.00	1,204.00	301.00	
Investigation of tenant claims	4.00	-	5.00	5.00	15.00	-	-	2.00	31.00	10,922.00	352.34	
Asset tracing	-	-	1.00	1.00	1.00	-	-	-	3.00	992.00	330.67	
Enquiries of advisors and any parties with relevant information and former dealings	1.00	-	2.00	2.00	2.00	-	-	-	7.00	2,609.00	372.71	
Director/manager review, approval and signing	1.00	-	1.00	-	-	-	-	-	2.00	1,065.00	532.50	
Other	1.00	-	2.00	2.00	1.00	-	-	1.00	7.00	2,372.00	338.86	
Realisation of assets												
Debtors	7.50	-	9.00	9.00	3.00	-	-	3.00	31.50	12,858.50	408.52	
Other	8.00	-	10.00	4.00	1.00	-	-	1.00	24.00	11,447.00	476.96	
Trading/closure												
Property issues, fire landings and site clearance	1.00	-	2.00	3.00	0.50	-	-	1.00	7.50	2,806.00	374.13	
Director/manager review	-	-	1.00	-	-	-	-	-	1.00	440.00	440.00	
Other	1.00	-	1.00	1.00	1.00	-	-	-	4.00	1,617.00	404.25	
Creditors												
HMRC	0.50	-	1.00	1.00	1.00	-	-	-	3.50	1,304.50	372.71	
Unsecured creditors	0.50	-	1.50	2.00	1.00	-	-	1.00	6.00	2,039.50	339.92	
Liquidation committee	5.00	-	10.00	15.00	4.00	-	-	2.00	37.00	14,448.00	390.49	
Other	0.50	-	1.00	1.00	1.00	-	-	1.00	4.50	1,479.50	328.78	
Shareholders												
Shareholder correspondence	0.50	-	2.00	2.00	1.00	-	-	0.50	6.00	2,172.00	362.00	
Corporate Tax												
Pre and post-appointment Corporation Tax	2.00	-	-	5.00	-	-	5.00	-	12.00	3,700.00	308.33	
Forensics												
Forensics	-	0.50	-	-	-	1.50	-	-	2.00	595.00	297.50	
Total	48.00	0.50	78.50	100.00	61.50	1.50	5.00	20.50	315.50	116,510.50	369.29	
Time costs for the period from 11.06.19 to 20.10.19										615.80	253,991.80	412.46
Grand Total for the period from 11.06.19 to 10.06.20										931.30	370,502.30	397.63

GPC SIPP Limited - In Administration		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
For the period 11 June 2019 to 10 June 2020		
Estimated expenses applicable to all cases		Total
Specific bond		155.00
Statutory advertising costs		85.00
Search costs (HM Land Registry & Companies House)		20.00
Case specific costs - where applicable		
Agents' fees		5,000.00
Bank charges		100.00
Consultancy fees		600.00
Contribution to director's legal fees		28,000.00
Direct staff costs		42,159.00
General administration disbursements (travel, sustenance)		3,000.00
Insurance		2,000.00
Legal fees & expenses		192,000.00
Rent Payable		1,517.00
Settlement Agreement with director		18,500.00
Third party prep of Statement of Affairs fees		750.00
Trading expenses		74,000.00
<b>Total</b>		<b>367,886.00</b>
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.		

#### Explanation of the above categories

##### **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:

- Statutory reporting, including the preparation of this fees estimate and report to the creditors committee, a 6 month progress report and final report to creditors & Companies House
- Dealing with routine correspondence.
- Maintaining physical case files and electronic case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereaux and reviews.
- Case planning, administration, and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the administrator's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).

##### **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 SP2 which governs both the investigations of the Company's failure and also examine the conduct of the directors. This work includes the following:

- Investigating the reasons for the failure of the Company (including enquiries with the company's directors and possible interviews of key stakeholders).
- Review and investigation of stakeholders' complaints and responses into the failure of the business and actions of company's directors.
- Review and storage of books and records.
- Asset tracing (including land registry and company searches).
- Possible actions (including legal recourse) to compensate the company for the financial losses incurred.
- Discussions and correspondence with relevant personnel and agents.

##### **Realisation of assets**

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report.

The work generally includes the following:

- Determining the best strategy to maximise realisations in respect of the Company's book debts.
- Communications with the FCA, FSCS, ICO and potential purchaser in relation to the sale of the client database.

##### **Trading**

In order to achieve a better realisation of the Company's assets and to maintain the goodwill of the business the office holders continued to trade the business until a sale of the business and certain assets was concluded.

Detailed below is a breakdown of time spent in relation to trading:

- Premises issues (in connection with the licence to occupy).
- Finalising all payments to suppliers for stock in during the trading period.

##### **Creditors**

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Corresponding with the FSCS and providing information requested in relation to claims received against the Company.
- Dealing with creditors' committee correspondence via email and telephone. Meetings of the creditors' committee is also recorded within "Administration and Planning" in respect of statutory matters and meetings.
- Maintaining creditors' information on our insolvency database.

##### **Shareholders**

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Maintaining members' information on IPS.
- Shareholder communications, including non-statutory reporting.

##### **Corporate Tax**

- Advice in relation to potential tax payable on any trading profit or the sale of the business.
- Post-appointment corporation tax returns.

##### **Forensics**

- Providing access to electronic data retrieved from the Company's server.

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

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## 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 and where this will add best value and service.

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

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

## 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 best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations;
- The professional and ethical standards applicable to the service provider.

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 period covered by this report are set out in the body of this report.

## Charge out rates

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

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2019.

S&W	£/hr
<b>Restructuring &amp; Recovery Services</b>	
<b>Charge out rates as at 1 July 2018</b>	
Partner / Director	625
Associate Director	-
Managers	300-390
Other professional staff	198-384
Support & secretarial staff	175

S&W	£/hr
<b>Restructuring &amp; Recovery Services</b>	
<b>Charge out rates as at 1 July 2019</b>	
Partner / Director	675
Associate Director	440
Managers	340-390
Other professional staff	212-475
Support & secretarial staff	175

## Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

Smith & Williamson LLP	As at 01.07.18	As at 01.07.19
Corporate Tax	£/hr	£/hr
<b>Charge out rates</b>		
Partner / Director	575-690	575-690
Associate Director	460	460
Managers	245-400	245-400
Other professional staff	115-210	115-210
Support & secretarial staff	60	60

Smith & Williamson LLP	As at 01.07.18	As at 01.07.19
Forensics	£/hr	£/hr
<b>Charge out rates as at 1 July 2019</b>		
Partner / Director	470	470
Associate Director	-	-
Managers	320-410	320-410
Other professional staff	240	240
Support & secretarial staff	-	-

[www.smithandwilliamson.com](http://www.smithandwilliamson.com)

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

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