

AM23

Notice of move from administration to dissolution



Companies House

THURSDAY



A20 *A8CWKVA8* 29/08/2019 #29
COMPANIES HOUSE

1 Company details

Company number 8 4 4 3 1 0 1
Company name in full 4Children (Gloucestershire) Limited

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

2 Court details

Court name High Court of Justice, Chancery Division, Companies
Court
Court number 0 0 5 1 9 4 2 0 1 6

3 Administrator's name

Full forename(s) Adam Henry
Surname Stephens

4 Administrator's address

Building name/number 25 Moorgate
Street London
Post town EC2R 6AY
County/Region
Postcode
Country

AM23

Notice of move from administration to dissolution


5 Administrator's name ①

Full forename(s)	Finbarr Thomas	① Other administrator Use this section to tell us about another administrator.
Surname	O'Connell	

6 Administrator's address ②

Building name/number	25 Moorgate	② Other administrator Use this section to tell us about another administrator.
Street	London	
Post town	EC2R 6AY	
County/Region		
Postcode		
Country		

7 Final progress report☒ I have attached a copy of the final progress report**8 Sign and date**

Administrator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div>^d2^d2^m0^m8^y2^y0^y1^y9</div>	

AM23

Notice of move from administration to dissolution



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	Martin Ewing
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 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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Andrew Stephen
Surname McGill

3 Insolvency practitioner's address

Building name/number 3rd Floor
Street 9 Colmore Row
Post town Birmingham
County/Region
Postcode B 3 2 B J
Country



4Children (Gloucestershire) Limited (in administration)

Joint administrators' final progress report

14 August 2019



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1. Glossary

Abbreviation	Description
the Company	4Children (Gloucestershire) Limited
the administrators/joint administrators	Adam Henry Stephens, Finbarr Thomas O'Connell and Andrew Stephen McGill
the Charity Group	4Children, 4Children (Trading) Limited, 4Children (Direct) Limited, 4Children (Gloucestershire) Limited, and 4Children (Worcestershire) Limited (all in administration) & 4Children (Plymouth) Limited (in liquidation)
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
FSE	FSE Social Impact Accelerator Limited (note that FSE novated their security to Social Investment Scotland on 2 November 2018).
S&WFS	Smith & Williamson Financial Services Limited

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, Adam Henry Stephens, Andrew Stephen McGill and Finbarr Thomas O'Connell, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 31 August 2016.

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

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 was 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 deemed approved on 15 September 2016.

A summary of our proposals is set out below.

We do not believe that the first objective could have been achieved on the basis of the Charity's pressing cash-flow issues and substantial short and long term liabilities, and there was no prospect of sufficient funds being raised to resolve this position.

We believe that the second objective has been met on the basis that realisations from administration have significantly exceeded what would have been achieved in liquidation, enabling a better return to all creditors within the Charity Group. Should the Charity Group have ceased to trade, it is likely that recoveries from debtors would have been materially eroded by the immediate cessation of the services. This, along with the extensive redundancy costs, would have significantly reduced the funds available to the unsecured creditors.

The third objective has not been achieved as there were insufficient realisations to make distribution to the preferential and secured creditors.

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 1 March 2019 to 14 August 2019. This account includes cumulative figures for the whole of the period of the administration from 31 August 2016 to 14 August 2019.

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

4.1 Sale of business

As creditors will recall from my previous reports, the prepack sale consideration encompassed the whole Charity Group, and the proceeds received totalled £53,520.

A pre-packaged sale of a majority of the Charity's business and assets was completed on 31 August 2016 to Action For Children. The remainder of services were taken back in-house by the relevant local authority or transferred (at the local authority's request) to another provider. Full details of this transfer were provided in the joint administrators' proposals.

As part of the pre-pack the consideration was apportioned as follows:-

Assets	£
Nursery and related contracts -service continuity deeds (£1 for which there are 17).	17
Global licence to occupy the related premises	1
Beneficiary data and beneficiary database	1
Employee data and beneficiary database	1
Plant & Equipment (£1,500 per nursery site of which there are 29)	43,500
Website	10,000
Total	53,520

The proceeds received were in respect of all six companies in the Charity Group. As highlighted above, the majority of the consideration received was in respect of plant and equipment. The accounting records of the Company, or any of the companies within the Charity Group, in respect of these assets were insufficient to allow an obvious allocation of monies between the six Companies.

After careful consideration, the joint administrators allocated the whole consideration to 4Children (in administration) because the majority of the joint costs were paid by this estate. In addition, according to the available Company's accounting records the majority of the plant and equipment was allocated to 4Children (in administration).

4.2 Book Debts

According to the SOA, the book value of the book debts was £346,132 at the date of the administration however the estimate to realise value was uncertain.

On appointment, the joint administrators reviewed the position of the book debt outstanding from Gloucestershire county council, and a revised indebtedness of £163,565.70 was calculated. Gloucestershire county council offset this indebtedness against sums due from the Company including a pension liability.

The joint administrators have realised book debts of £527.40 which was credited into the Company's pre-appointment bank account and later transferred into the administration bank account.

4.3 Cash at bank

The signed SOA stated that the Company had cash at bank of £110 however a sum of £11,910.51 was recovered from the Company's HSBC bank account.

4.4 Business rates refund

A sum of £2,682.40 has been received in respect of business rates refund from Gloucester City Council and Cotswold District Council.

4.5 Utility Refund

A sum of £481.02 has been received from one of the utility service providers.

4.6 Bank Interest

A sum of £40.45 was received in respect of bank interest.

4.7 Unrealisable assets

Fixed assets of £500 were disclosed in the directors' SOA and this related to furniture and equipment.

On review of the assets at the various sites, the value of the furniture and equipment meant it would not be commercial to recover.

5. Investigations

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

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

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to our request to complete an investigation questionnaire. Our investigations did not revealed any issues requiring further work.

6. Pre-administration costs

The following amounts in respect of pre-administration costs were approved on 24 January 2018 by the secured and preferential creditors. The table below summarises the entire quantum of professional fees. These costs have not been paid by the Company but from the estates of 4Children or 4Children (Trading) Limited.

Charged by/services provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP Time Costs	150,473.50	150,473.50	4Children	Nil
Smith & Williamson LLP Disbursements	2,894.52	2,894.52	4Children	Nil
Russell-Cooke LLP - Legal Advice	108,310.26	102,525.00	4Children	5,785.26
Sanderson Weatherall LLP - Chattel Agents	24,000.00	10,100.00	4Children (Trading) Limited	13,900.00



Charged by/services provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Total	285,678.28	265,993.02	-	19,685.26

Smith and Williamson LLP's pre-appointment time costs totalled £150,473.50 plus VAT and of this amount, £97,999 plus VAT was paid by the Charity Group prior to our appointment, with £52,474.50 remaining outstanding. Smith and Williamson LLP have drawn these fees from the estate of 4Children (in administration).

Russell-Cooke's costs were reported in our proposals as having outstanding pre-appointment fees of £108,310.26, of this amount, £73,950.26 was paid prior to the administration. Russell Cooke have subsequently been paid a sum of £28,575 in relation to their outstanding fees and the balance of their pre-appointment costs of £5,785.26 have been written off.

Sanderson Weatherall LLP have been paid a sum of £10,100 and expenses £4,022 through the estate of 4Children (Trading) Limited. No further fees are due to Sanderson Weatherall LLP and the balance of their fees has been written off.

7. Administrators' remuneration

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

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
31 August 2016 - 27 February 2017	86.20	22,817.14	264.70	NIL
28 February 2017 -30 August 2017	35.60	7,755.75	217.86	NIL
31 August 2017 - 27 February 2018	20.10	4,969.50	247.24	NIL
28 February 2018 -30 August 2018	26.65	6,695.25	251.23	NIL
31 August 2018-27 February 2019	12.10	3,226.00	266.61	NIL
1 March 2019-14 August 2019	7.80	1,875.00	240.38	11,589.67
Total	188.45	47,338.64	251.20	11,589.67

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 appendix.

As detailed above and as shown in Appendix IV, a cumulative time analysis of the administrators' time costs since appointment, the joint administrators' costs to 14 August 2019 were £47,338.64. As a reminder the current administrators' approved fee estimate for their time costs is £42,403.25. The joint administrators' have drawn £11,589.67 of these costs, therefore, the balance of these costs will be written off. Also attached as Appendix V, is the joint administrators fee estimate.

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

7.1 S&WFS

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs. Payments to parties in which administrators or their firm have an interest must be disclosed to, and approved by creditors.

The secured creditors and preferential creditors approved S&WFS' remuneration on a time costs basis limited to £2,000. S&WFS' have not incurred any time costs in this reporting period.

S&WFS' cumulative time costs to 14 August 2019 are £ 877.50. This represents 4.50 hours at an average rate of £195.00. The Charity Group operated two pension schemes and S&WFS reviewed the groups' payroll records to submit a claim to the Redundancy Payments Service. S&WFS conducted a review of the pension records of the Charity Group as a whole. S&WFS over-estimated their time by approximately £1,100 as no claims were identified.

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

8. Administration expenses

8.1 Subcontractors

We have utilised the services of the following subcontractors during the administration:

Provider/Service(s)	Basis of fee arrangement	Costs incurred in current period	Costs paid in current period	Total costs incurred	Total costs paid
		£	£	£	£
CAPA	20% of realisations	Nil	Nil	371.16	371.16
ERA Solutions Limited	Rate per employee claim or hourly rate agreed	Nil	Nil	275.00	275.00

8.2 Professional advisers

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

Name of professional adviser/Services	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £	Estimated total costs	Variance £
Russell Cooke LLP - Legal advice re employees issue, data protection and leasehold issues	Hourly rate and disbursements	Nil	Nil	2,600.00 plus disbursements of £428.13	2,600.00 plus disbursements of £428.13	100,000.00	97,400.00

The estimate for legal fees was provided for the 6 companies within the group. Legal fees of £75,583.05 have been incurred by the Charity Group. Agents' fees were estimated at £6,000 for the group in relation to the realisation of the chattel assets. No fees were incurred in relation to the realisation of chattel assets however the Company incurred agents' fees of £646 in relation to ERA Solutions Limited and CAPA. Their services were required in relation to realising business rate refunds and assisting with employee matters.

8.3 Administrators' disbursements

Details of administrators' disbursements that have been incurred and/or paid in the current period together with the cumulative totals for the period of the administration are set out below.

Description	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £	Estimated total costs £	Variance £
Administrators' bonds	Nil	140.00	140.00	140.00	140.00	Nil
Advertising	Nil	140.58	140.58	140.58	200.00	51.42
Storage	Nil	97.24	97.24	97.24	500.00	402.76
Postage	Nil	Nil	Nil	Nil	100.00	(100.00)
Total	Nil	377.82	377.82	377.82	940.00	354.18

Note: the disbursements were incurred in prior periods.

8.4 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

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

9.1 Secured creditors

FSE holds a fixed and floating charge over the Company's assets. It also has a series of cross guarantees over almost all of the other Charity Group's assets. FSE have a claim for £503,893.

A dividend of £349,508.23 was paid to the secured creditor under its floating charge from the estate of 4Children Direct Limited (in administration) and a sum of £63,431.77 has been paid through the estate of 4Children (Trading) Limited (in administration).

There were insufficient funds to facilitate a distribution through the Company.

9.2 Prescribed Part

The Company granted a floating charge to the FSE on 9 October 2014. Accordingly, we were required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

The value of the unsecured creditors' Prescribed Part fund was below £10,000 and accordingly there is no requirement to set aside funds for unsecured creditors out of the Company's net floating charge property.

9.3 Preferential creditors

Notice under Rule 14.37 of IR16

The joint administrators hereby give notice that they will not be in a position to declare any dividend as the funds realised have been used to cover the costs of the proceedings, as disclosed in the receipts and payments account. Consequently, no steps were taken to agree claims.

A summary of preferential claims agreed is set out below:

Preferential creditor	SOA claims £	Claims received £
Department for Business, Energy & Industrial Strategy	NIL	800.00

9.4 Unsecured creditors

Notice under Rule 14.37 of IR16

The joint administrators hereby give notice that they will not be in a position to declare any dividend as the funds realised have been used to cover the costs of administration, as disclosed in the receipts and payments account. Consequently, no steps have been taken to agree unsecured creditors' claims.

We have received claims totalling £ 662,015.63 from 27 creditors. Total claims as per the directors' SOA were £32,974.

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/rsgdpr>

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 14 August 2019.

Authorisation for the administrators to be discharged from liability was granted by the secured creditor on 24 January 2018 by correspondence.

The Company has no property which might permit a distribution to creditors and, consequently, notice will be filed with the Registrar of Companies to this effect in accordance with Paragraph 84 (1). On registration of the notice by the Registrar of Companies, the administrators appointment will cease to have effect and, at that point, they will be discharged from liability under P98(3) of Sch B1 immediately. Three months after the date of registration of the notice, the Company will be dissolved.

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.

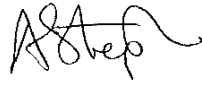
On a general note, if you have any comments or concerns in connection with our conduct, please contact Adam Henry Stephens or Finbarr Thomas O'Connell in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY 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.

A handwritten signature in black ink, appearing to read 'AStep', with a stylized flourish at the end.

Adam Henry Stephens, Andrew Stephen McGill and Finbarr Thomas O'Connell

Joint Administrators

Date: 14 August 2019

I Statutory information

Relevant Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	5194 of 2016
Trading Address	City Reach, 5 Greenwich View Place, Isle of Dogs, London, E14 9NN
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly City Reach, 5 Greenwich View Place, Isle of Dogs, London, E14 9NN)
Registered Number:	8443101
Joint Administrators	Adam Henry Stephens, Finbarr Thomas O'Connell of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Andrew Stephen McGill of 9 Colmore Row, Birmingham B3 2BJ (IP Nos 9748, 7931 and 9530) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the joint administrators to act jointly and severally.
Contact details	Adam Henry Stephens of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, adam.stephens@smithandwilliamson.com and 020 7131 4000.
Date of Appointment	31 August 2016
Extension to period of administration	1 st extension by the consent of the secured until 31 August 2018. 2 nd extension by sanction of the Court until 31 August 2019.

II Receipts and payments account

Receipts and payments account to 14 August 2019

Statement of Affairs £		From 01/03/2019 To 14/08/2019 £	From 31/08/2016 To 14/08/2019 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	40.45
346,132.00	Book Debts	NIL	527.40
	Business Rates Refund	NIL	2,682.40
110.00	Cash at Bank	NIL	11,910.51
500.00	Furniture & Equipment	NIL	NIL
	Utility Refund	NIL	481.02
		<u>NIL</u>	<u>15,641.78</u>
	COST OF REALISATIONS		
	Administrators' Fees	11,589.67	11,589.67
	Agents/Valuers Fees	NIL	646.16
	Legal Expenses	NIL	428.13
	Legal Fees	NIL	2,600.00
	Specific Bond	140.00	140.00
	Statutory Advertising	NIL	140.58
	Storage Costs	97.24	97.24
		<u>(11,826.91)</u>	<u>(15,641.78)</u>
	FLOATING CHARGE CREDITORS		
(500,000.00)	Floating Charge Creditor	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(21,496.00)	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(174,754.00)		<u>(11,826.91)</u>	<u>NIL</u>

Notes and further information required by SIP 7

- The administrators' remuneration has been approved.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of 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.

IV Cumulative time analysis

From 31 August 2016 to 14 August 2019

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	3.10	0.00	14.90	32.85	0.35	51.20	12,595.50	246.01
Initial post-appointment notification letters, including creditors	0.00	0.00	1.50	7.75	0.00	4.25	1,032.50	242.94
Cashiering general (including bonding)	0.00	0.00	0.20	0.20	5.00	5.40	1,270.50	235.78
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	2.00	0.00	7.75	10.70	0.35	20.80	5,323.30	255.93
Post-appointment taxation (VAT, PAYE/IRC, Corp Tax that are not trading related)	0.00	0.00	1.45	2.15	0.00	3.60	862.25	239.51
Protection of company records (incl electronic)	0.00	0.00	1.15	0.00	0.00	1.15	327.75	285.00
Filing, file and information management	0.00	0.00	1.40	0.00	0.00	1.40	343.75	245.54
Agents and advisors, general	0.00	0.00	0.15	0.40	0.00	0.55	77.50	221.42
Filing - Administration and planning	0.00	0.00	0.05	1.60	0.00	1.65	332.50	201.52
Director/manager review, approval and signing	0.05	0.00	0.30	0.00	0.05	0.40	116.25	293.63
Other	0.00	0.00	1.95	8.55	0.00	10.50	2,766.25	215.83
Investigations								
Directors' correspondence & conduct questionnaires	0.90	0.00	0.00	0.00	0.00	0.90	468.00	520.00
Statutory books and accounting records review	0.00	0.00	0.75	0.00	0.00	0.75	217.50	290.00
SIP2 and SIP4 obligations (inc CDDAR6 forms)	0.60	0.00	1.10	5.50	0.00	7.20	1,841.00	255.69
Realisation of assets								
Debtors not financed (includes re-assigned debtors)	1.40	0.00	10.75	6.70	0.00	18.75	5,293.60	290.06
Other chattel assets	0.00	0.00	1.00	0.40	0.00	1.40	398.00	284.29
Completion of work in progress	0.00	0.00	0.20	0.00	0.00	0.20	58.00	290.00
Cash at Bank	0.00	0.00	0.45	0.00	0.00	0.45	130.50	290.00
Sale of business's post completion matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Trading								
Trading on decision and day to day operations	0.00	0.00	3.25	1.05	0.00	4.25	1,196.25	281.47
Creditors								
Floating charge creditors	1.10	0.00	4.50	0.00	0.00	5.60	1,877.00	335.18
RPO and ERA claims & tribunals	0.00	0.00	0.15	1.45	0.00	1.60	353.00	220.63
Employees & pension (other (incl Jobcentre/CSA etc))	0.45	0.00	1.70	3.75	0.00	6.10	1,660.00	272.13
Unsecured creditors	0.00	0.00	6.75	19.35	0.10	26.20	6,291.75	240.14
Filing- creditors	0.00	0.00	0.00	2.40	0.00	2.40	528.00	220.00
Corporate Tax								
Corporate Tax	0.00	0.00	6.70	5.75	0.00	12.45	2,477.99	199.04
Total	9.80	0.00	68.00	104.80	5.85	188.45	£47,338.64	£251.20

Breakdown of time spent by Smith & Williamson Financial Services employees

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			
Smith & Williamson Financial Services								
SWFS Employee Benefits Consultancy	1.50	0.00	0.00	3.00	0.00	4.50	877.50	195.00
Total	1.50	0.00	0.00	3.00	0.00	4.50	£877.50	£195.00

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:

- Drafting the 6 month progress reports to creditors
- Dealing with routine correspondence.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).

III Time analysis for the period

From 1 March 2019 to 14 August 2019

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	0.00	0.00	0.00	3.00	0.00	3.00	690.00	230.00
Cashiering general, including bonding	0.00	0.00	0.00	0.00	0.20	0.20	64.00	320.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0.00	0.00	0.90	3.60	0.10	4.60	1,121.00	243.70
Total	0.00	0.00	0.90	6.60	0.30	7.80	£1,875.00	£740.38

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:

- Drafting the 6 month progress reports to creditors
- Dealing with routine correspondence.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.

IV Cumulative time analysis

From 31 August 2016 to 14 August 2019

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	3.10	0.00	14.90	32.85	0.35	51.20	12,595.50	246.01
Initial post-appointment notification letters, including creditors	0.00	0.00	1.50	2.75	0.00	4.25	1,032.50	242.94
Cashiering general, including bonding	0.00	0.00	0.20	0.20	5.00	5.40	1,270.50	235.28
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	2.00	0.00	7.75	10.70	0.35	20.80	5,323.30	255.93
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	1.45	2.15	0.00	3.60	862.25	239.51
Protection of company records (incl electronic)	0.00	0.00	1.15	0.00	0.00	1.15	327.75	285.00
Filing, file and information management	0.00	0.00	1.40	0.00	0.00	1.40	343.75	245.54
Agents and advisers, general	0.00	0.00	0.15	0.20	0.00	0.35	77.50	221.43
Filing Administration and planning	0.00	0.00	0.95	1.60	0.00	1.55	332.50	201.52
Director/manager review, approval and signing	0.05	0.00	0.30	0.00	0.05	0.40	116.25	290.63
Other	0.00	0.00	1.95	8.55	0.00	10.50	2,766.25	2715.83
Investigations								
Directors' correspondence & conduct questionnaires	0.90	0.00	0.00	0.00	0.00	0.90	468.00	520.00
Statutory books and accounting records review	0.00	0.00	0.75	0.00	0.00	0.75	217.50	290.00
SIP2 and SIP4 obligations (incl CDDAB6 forms)	0.60	0.00	1.10	5.50	0.00	7.20	1,841.00	255.69
Realisation of assets								
Debtors not financed (includes reassigned debtors)	1.40	0.00	10.65	6.70	0.00	18.25	5,293.60	290.05
Other chattel assets	0.00	0.00	1.00	0.40	0.00	1.40	398.00	284.29
Completion of work in progress	0.00	0.00	0.20	0.00	0.00	0.20	58.00	290.00
Cash at Bank	0.00	0.00	0.45	0.00	0.00	0.45	130.50	290.00
Sale of business post completion matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Trading								
Trading on decision and day 1-3 operation	0.00	0.00	3.25	1.00	0.00	4.25	1,196.25	281.47
Creditors								
Financing charge creditors	1.10	0.00	4.50	0.00	0.00	5.60	1,877.00	335.18
RPO and ERA claims & tribunals	0.00	0.00	0.15	1.45	0.00	1.60	393.00	270.63
Employees & pension (other) (incl Jubcentre/CSA etc)	0.65	0.00	1.70	3.75	0.00	6.10	1,660.00	272.13
Unsecured creditors	0.00	0.00	6.75	19.35	0.10	26.20	6,291.75	240.14
Filing creditors	0.00	0.00	0.00	2.40	0.00	2.40	528.00	220.00
Corporate Tax								
Corporate Tax	0.00	0.00	6.70	5.75	0.00	12.45	2,477.99	199.04
Total	9.80	0.00	68.00	104.80	5.85	188.45	£47,338.64	£251.20

Breakdown of time spent by Smith & Williamson Financial Services employees

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			
Smith & Williamson Financial Services								
SGWFS Employee Benefits Consultancy	1.50	0.00	0.00	3.00	0.00	4.50	877.50	195.00
Total	1.50	0.00	0.00	3.00	0.00	4.50	£877.50	£195.00

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:

- Drafting the 6 month progress reports to creditors
- Dealing with routine correspondence.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).

- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.

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:

- Liaising with secured charge holders in respect of the sale of assets subject to their security.
- Book debt collection. Significant time was incurred reviewing the Company's books and records, reconciling the debtors and corresponding at length with a number of parties in regard to sums owed.
- Management and assignment if subject to finance.
- Miscellaneous asset realisation (i.e. cash at bank), outlined in the contents of the report.
- Reconciling the cash at bank and corresponding with HSBC
- Ensuring all matters in regard to the sale are dealt with including leases and matters of concern for Action for Children. Local Authority transfers have been broadly concluded without equivalent challenges.

Trading

This section is in relation to the evacuation of the Charity Group's head office. The work includes the following:

- Collecting all the books and records
- Liaising with agents in regards to the leased assets and other assets that required to be dealt with prior to vacating the premises.

Creditors

Work under this section includes extensive correspondence and other contact with the creditors of the Company regarding sale, continued services and amount owing. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Preparing reports to charge holders.
- Maintaining creditors' information on our insolvency database.

Corporation Tax

- Our tax department were instructed to complete the tax returns for the Group. These tax returns proved complex due to the structure of the Group and the lack of information available in the Company's books and records. In addition, our tax department had to agree the final pre-appointment tax position.

V Fee Estimate

Anticipated case duration	31 August 2016 to 30 August 2018							
	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Hourly rate (£)	500	285	235	220	165			
	Hours					Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration and planning								
Statutory returns, reports & meetings	3.00		13.00	15.00	0.10	33.10	8,341.50	252.01
Initial post appointment notification letters			1.50	0.40		1.90	440.50	231.84
Cashflow forecast, including funding	0.50		1.50	3.00	4.65	6.65	2,029.75	305.34
Job planning, reviews and progression (the 6 month reviews and planning meetings, checklist & diary and any costs of extending the administration)	2.00		6.00	5.00		13.00	3,510.00	270.00
Post-appointment location (VAT, PAYE/BIC Corp Tax that are not trading related)	0.50		1.50	2.00		4.00	1,042.50	260.63
Protection of company records and files from loss			1.15			1.15	270.25	235.00
Insurance & general asset protection			0.50	1.50		2.00	447.50	223.75
Filing, BPs and administration management			1.40	2.00		3.40	769.00	226.18
Agents and advisers - general				0.20		0.20	44.00	220.00
Revisions - to ensure satisfaction to the relevant bodies	0.50		3.50	2.00		4.50	1,160.00	257.78
Filing - administration and planning				1.60		1.60	352.00	220.00
Director/manager/ trustee approval and signing	1.50					1.50	750.00	500.00
Other			2.00	12.00		14.00	3,110.00	222.14
Investigations								
Directors' correspondence to creditor questionnaires	0.90					0.90	450.00	500.00
Statutory books and accounting records review			0.75			0.75	176.25	235.00
SFP2 and SFP4 obligations (inc. CDDAR6)	0.60		1.10	5.50		7.20	1,768.50	245.63
Realisation of assets								
Fixed charge property (plant and buildings)			0.45			0.45	105.75	235.00
Debtors not known (includes assigned debtors)	0.50		7.85	6.20		14.55	3,458.75	237.71
Other chargeholders			1.00	0.40		1.40	323.00	230.71
Sale of business post completion matters	0.90					0.90	450.00	500.00
Tax refunds				1.00		1.00	220.00	220.00
Sale of business post completion matters			0.20			0.20	47.00	235.00
Cash at Bank			0.45			0.45	105.75	235.00
Trading (closure)								
Trading on decision and day 1-3 operations			3.25	1.00		4.25	983.75	231.47
Creditors								
Floating charge creditors	1.50		2.50	3.00		7.00	1,997.50	285.36
RPO and FRA claims and tribunals			0.80	1.00		1.80	408.00	226.67
HP & leave creditors				1.00		1.00	220.00	220.00
Employees' claims, dealing with Redundancy Payments Service & tribunals	0.50		1.00	4.00		5.50	1,365.00	248.18
Employees & pension (other) (incl Jobs Centre/ESA etc.)			0.20	4.50		4.70	1,037.00	220.64
Unsecured creditors			6.00	23.00		29.00	6,470.00	223.10
Filing - creditors				2.50		2.50	550.00	220.00
Total	12.40		58.10	97.80	4.75	173.55	42,403.25	244.33

	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Total hours	Total estimated time costs (£)	Average hourly rate
Hourly rate (£)	295	200	185	145			
Pensions	3.00	-	4.00	2.59	9.59	2,000.55	208.61

4Children (Gloucestershire) 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		140.00
Statutory advertising costs		200.00
Case specific costs - where applicable		
Pensions - Smith & Williamson Financial Services Limited		2,000.00
Agents fees		6,000.00
Legal fees		100,000.00
Storage costs		500.00
Postage		100.00
Total		108,840.00
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.		

Note: Legal fees related to the whole Charity Group.

The following gives a summary of our estimates, and the actual time costs incurred as at 14 August 2019 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	22,267.00	24,548.05
Investigations	2,394.75	2,526.50
Realisation of Assets	4,710.25	5,880.10
Trading	983.75	1,196.25
Creditors	12,047.50	10,709.75
Corporation Tax	Nil	2,477.99
Total	42,403.25	47,338.64

The joint administrators prepared time costs estimate for two years however it would be beneficial to creditors for comparisons at the closure stage

The material differences between our original estimates and what has actually been incurred as at 14 August 2019 can be explained as follows:

Corporation Tax (£2,477.99 underestimated)

Costs incurred by our tax department have been underestimated due to the following:

- Our tax department were instructed to complete the tax returns for the Group. These tax returns proved complex due to the structure of the Group and the lack of information available in the Company's books and records. In addition, our tax department had to agree the final pre-appointment tax return.

Administration and Planning (£2,281.05 underestimated)

- The fee estimate was underestimated because the administrators decided not to conclude the administration until the assets of the whole Charity group has been realised and all matters concluded.

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 including S&WFS
 - Disbursement recovery
- Smith & Williamson LLP's S&WFS' current charge out rates

Staff allocation and the use of subcontractors

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

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

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

Details of any subcontractors' services during the administration are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing 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.

S&WFS

S&WEBC is a pensions consultancy firm which specialises in providing advice to Insolvency Practitioners on their appointment in relation to all aspects of pensions. It is a division of S&WFS, a company associated with Smith & Williamson LLP.

S&WEBC may be engaged to deal with the Company's pension affairs. Payments to parties in which the administrators or their firm have an interest must be disclosed to, and approved by, creditors. Fees for their services are accrued on a time costs basis. Consequently, details of the charge out rates for S&WEBC are provided to creditors.

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.

No Category 2 disbursements have been incurred and/or recovered in the administration.

Charge out rates

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

The rates applicable to this appointment are set out below.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office		Regional offices	
	£/hr		£/hr	
	From 1/7/16	From 1/7/17	From 1/7/16	From 1/7/17
Partner / Director (from 1 January 2016)	435-485	435-500	350-375	350-375
Associate Director	370-380	390-410	295-305	295-315
Managers	235-315	250-350	190-290	190-310
Other professional staff	150-235	160-305	120-175	120-180
Support & secretarial staff	85-90	80-170	60-135	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office	Regional offices
	£/hr	£/hr
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

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.

S&WFS Employee Benefits Consultancy Charge out rates	From 1/7/16 £/hr	From 1/7/17 £/hr
Director	225-420	245-349
Associate Director	200-240	204-244
Manager	185-195	139-195
Administrator	70-145	88-170

S&WFS Employee Benefits Consultancy Charge out rates from 1 July 2018	Per hour £
Director	245-349
Associate Director	204-244
Manager	139-195
Administrator	88-170

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2019	£
Director	245-349
Associate Director	204-244
Manager	139-195
Administrator	88-170

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	470
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

www.smithandwilliamson.com

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

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