

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A29 *A7FHTWLU* #147
29/09/2018
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 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) Finbarr Thomas
Surname O'Connell

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	^d 2	^d 8	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8
To date	^d 3	^d 0	^m 0	^m 8	^y 2	^y 0	^y 1	^y 8

7 Progress report

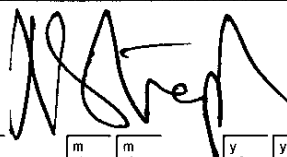
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 2	^d 5	^m 0	^m 9	^y 2	^y 0	^y 1	^y 8
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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

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	Martin Ewing
Company name	Smith & Williamson LLP
Address	25 Moorgate London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	
DX	
Telephone	020 7131 4000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



4Children (Gloucestershire) Limited(in administration)

Joint administrators' progress report for the period from 28
February 2018 to 30 August 2018

25 September 2018



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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, 4Children (Plymouth) Limited, 4Children (Worcestershire) Limited - All in Administration
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 <i>If preceded by S this denotes a section number</i>
Sch B1	Schedule B1 to the Insolvency Act 1986 <i>If preceded by P this denotes a paragraph number</i>
IR16	Insolvency Rules 2016 <i>If preceded by R this denotes a rule number</i>
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
S&WFS	Smith & Williamson Financial Services Limited

2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six month period ended 30 August 2018. It should be read in conjunction with 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.

- The Charity Group's business and assets were sold as a going concern to Action for Children on 31 August 2016 for a total consideration of £53,520.
- The objective of the administration is as in P3(1)(b) Sch B1, namely achieving a better result for the Charity's creditors as a whole than would be likely if the Company were wound up (without first being in administration).
- The joint administrators' fee basis has been approved by the secured and preferential creditors.
- There are insufficient realisations to declare a distribution to the preferential and unsecured creditors.
- The administrators have reviewed matters with the secured creditor in regards to the Charity Group and an interim dividend will be declared shortly.
- The administration was extended by the consent of the secured and preferential creditors until 31 August 2018. In addition, the administration has been further extended by sanction of the Court until 31 August 2019.
- The joint administrators have been reviewing costs and expenses incurred within the Charity group for any potential reallocation.
- The joint administrators have been working with our corporation tax department in relation to finalising the pre appointment tax position and the return for the first year of the administration.
- The administrators are looking to settle all administration expenses within the next 6 months.
- The joint administrators anticipate concluding the administration within the next 9 months.
- **On this Company, due to insufficient realisations from the Company's assets we confirm that no dividend to unsecured creditors will be made.**

3. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 28 February 2018 to 30 August 2018. This account includes cumulative figures for the period from 31 August 2016 to 30 August 2018

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

3.1 Sale of the 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.

The consideration continues to be held by the administrators' solicitors, Russell Cooke LLP who assisted with the pre-pack sale of the business.

3.2 Bank Interest Gross

A sum of £14.75 was received in respect of bank interest.

3.3 Administration strategy

There has been no change in the administration strategy outlined in the joint administrators' proposals. All assets have been realised however the administration cannot be concluded because there are various outstanding matters within the Charity Group.

4. 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 on 24 January 2018. This was granted following the joint administrators providing a fees' and expenses' estimate and the requisite majority of creditors granting approval by means of a resolution by correspondence.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
31 August 2016 - 27 February 2017	87.60	21,501.05	245.45	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
Total	169.95	40,921.55	240.79	NIL

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 31 August 2016 to 30 August 2018, which provides details of the administrators' time costs since appointment.

The joint administrators' costs to date are £40,921.55, as above, compared to our original estimate of £42,403.25 and only the incurred time costs approved by the secured and preferential creditors will be drawn. The joint administrators have not exceeded their fee estimate, however any sum in excess of the approved estimated time costs will not be recovered by the joint administrators. Appendix III provides a detailed breakdown of the joint administrators' costs to date, while Appendix IV provides a copy of the previously authorised time cost estimate breakdown. To date no fees have been drawn.

A detailed narrative 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 the fees estimate is likely to be exceeded, the joint 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. It is unlikely that the joint administrators will request a further fee authority.

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 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.

4.1 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 and preferential creditors approved S&WFS' remuneration on a time costs basis limited to £2,000. S&WFS' have recorded any time in this reporting period however they have outstanding time costs of £877.50. To date, no fees have been drawn by S&WFS.

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

5. Administration expenses

5.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

5.2 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 is 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 outstanding at period end £
*Russell Cooke LLP - Legal advice re: Fee authority, concluding the sale of business & extension	Hourly rate and disbursements	2,500.00 plus expenses of 155.00	4,069.00 plus expenses of 155.00	2,500.00

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

*The table above summarises the quantum of professional fees paid directly by 4Children (in administration). The joint administrators' are reviewing these costs and the allocation across the Charity Group.

5.3 Administrators' disbursements

No disbursements have been incurred or paid in this reporting period however the joint administrators have outstanding disbursements of £237.24.

5.4 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.

6. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

6.1 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. In the period covered by this report, no payments have been made to the secured creditor. The joint administrators are in the process of finalising the distribution to the secured creditor for the Charity Group.

6.2 Prescribed Part

The Company granted a floating charge to the FSE on 9 October 2014. Accordingly, we are 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 is estimated to be below £10,000 and accordingly is no requirement to set aside funds for unsecured creditors out of the Company's net floating charge property.

6.3 Preferential creditors

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

It is unlikely that a distribution will be declared to the preferential creditors.

6.4 Unsecured creditors

We have received claims totalling £623,356.42 from 13 creditors. Total claims as per the directors' SOA were £32,974.

Due to insufficient realisations from the Company's assets we confirm that no dividend to unsecured creditors will be made. We have not therefore taken steps to agree unsecured creditor claims in the administration.

7. Outstanding matters

The joint administrators' costs to date are £40,921.55, as detailed in section four, compared to our original estimate of £42,403.25 and only the incurred time costs within the approved estimate will be drawn. Any sums in excess of the approved estimated time costs are unlikely to be recovered by the joint administrators.

The anticipated future costs are in the region of £5,000 and Appendix V provides a detailed breakdown of our anticipated future costs.

The matters detailed below are the remaining matters that must be dealt with in the administration.

- Filing corporation tax returns and obtaining tax clearance in respect of the administration period.
- Paying all costs and expenses of the administration.
- Closure of the administration, including preparing and issuing the final report.

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 joint 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 joint administrators estimate that their future time costs will be in the region of £5,000 however it is unlikely that a further fee increase will be requested from the creditors.

8. 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 www.smithandwilliamson.com/rrsgdpr. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

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

9. Ending the administration

It is anticipated that once the administration has been concluded then the administrators will file the relevant form at Companies House to dissolve the Company.

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 secured and preferential creditors on 28 January 2018 by means of a resolution by correspondence.

10. 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:

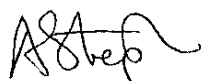
i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

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

11. Next report

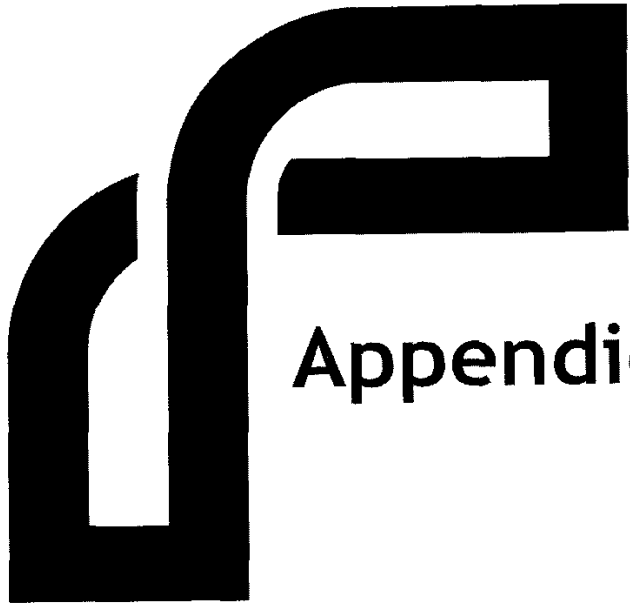
We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



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

Joint Administrators

Date: 25 September 2018



Appendices

I Receipts and payments account

Receipts and payments account to 30 August 2018

Statement of Affairs £		From 28/02/2018 To 30/08/2018 £	From 31/08/2016 To 30/08/2018 £
	ASSET REALISATIONS		
500.00	Furniture & Equipment	NIL	NIL
346,132.00	Book Debts	NIL	527.40
110.00	Cash at Bank	NIL	11,910.51
	Business Rates Refund	NIL	2,682.40
	Utility Refund	NIL	481.02
	Bank Interest Gross	14.72	33.57
		<u>14.72</u>	<u>15,634.90</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees	NIL	646.16
	Legal Expenses	155.00	155.00
	Statutory Advertising	NIL	140.58
		<u>(155.00)</u>	<u>-941.74</u>
	FLOATING CHARGE CREDITORS		
(500,000.00)	Floating Charge Creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(21,496.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(174,754.00)		<u>(140.28)</u>	<u>14,693.16</u>
	REPRESENTED BY		
	Clients Deposit (Interest Bearing)		14,693.16
			<u>14,693.16</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.
- The sale consideration of £53,520 from the sale of the Charity Group's business and assets is held with our solicitors.

II Time analysis for the period

From 28 February 2018 to 30 August 2018

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	0.60	0.00	2.25	3.35	0.05	6.25	1,664.25	266.28
Cashiering general, including bonding	0.00	0.00	0.00	0.00	0.55	0.55	141.75	254.55
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0.30	0.00	0.20	1.50	0.05	2.05	495.25	242.36
Post-appointment taxation (VAT, PAYE/IRC, Corp Tax that are not trading related)	0.00	0.00	0.50	1.10	0.00	1.60	352.00	219.00
Agents and advisers, general	0.00	0.00	0.15	0.00	0.00	0.15	17.50	250.00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.00	0.00	1.20	0.00	0.00	1.20	456.00	380.00
Creditors								
Floating charge creditors	0.00	0.00	1.00	0.00	0.00	1.00	292.00	292.00
PPD and ERA claims & tribunals	0.00	0.00	0.15	0.00	0.00	0.15	37.50	250.00
Employees & pension (other than Jobcentre/CSA etc)	0.00	0.00	0.15	0.00	0.00	0.15	387.50	258.33
Unsecured creditors	0.00	0.00	0.55	0.00	0.00	0.55	141.50	257.27
Corporate Tax								
Corporate Tax	0.00	0.00	6.25	5.00	0.00	11.25	2,454.50	218.16
Total	1.80	0.00	13.25	10.95	0.65	26.65	£6,695.25	£251.23

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								
SAWFS Employee Benefits Consultancy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	0.00

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
- Protection of Company's assets and records (including electronic).
- Dealing with routine correspondence.
- Dealing with agents on general matters, not relating to the sale of assets or correspondence with advisers on investigation matters.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (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.
- Submitting VAT returns and Corporation Tax returns (when due).
- Making application to Court to extend the administration

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:

- Book debt collection and management

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.

III Cumulative time analysis

From 31 August 2016 to 30 August 2018

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	2.65	0.00	14.00	24.50	0.15	41.30	10,737.00	245.49
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 banking	0.00	0.00	0.00	0.20	4.00	4.20	579.50	273.21
Job planning, review and progression (inc 6 month reviews and planning meetings checklist & diary)	1.75	0.00	6.10	5.75	0.25	13.45	3,440.30	252.94
Post-appointment taxation (VAT, PAYE/MIC, Corp Tax that are not trading related)	0.00	0.00	1.05	1.80	0.00	2.85	465.75	213.60
Protection of company records (incl electronic)	0.40	0.00	1.15	0.00	0.00	1.55	327.75	285.50
Filing, file and information management	0.00	0.00	1.20	0.00	0.00	1.20	285.75	238.11
Agents and advisors, 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	0.05	1.60	0.00	1.65	332.50	201.52
Director/inspector review, approval and signing	0.00	0.00	0.30	0.00	0.00	0.30	90.25	297.86
Other	0.00	0.00	1.75	9.05	0.00	10.80	2,308.25	213.73
Investigations								
Director's correspondence to conduct questionnaires	0.00	0.00	0.00	0.00	0.00	0.00	371.50	435.00
Statutory books and accounting records review	0.00	0.00	0.75	0.00	0.00	0.75	176.75	235.00
SIP2 and SIP4 obligations (inc CDD&Bo forms)	0.00	0.00	1.10	5.50	0.00	6.60	1,619.50	244.93
Realisation of assets								
Fixed charge Property (land and buildings)	0.00	0.00	0.45	0.00	0.00	0.45	132.75	295.00
Debtor and financed (includes re-assigned director)	0.20	0.00	9.55	6.20	0.00	16.45	4,195.75	255.06
Other chattel assets	0.00	0.00	1.00	0.40	0.00	1.40	365.00	260.71
Completion of work in progress	0.00	0.00	0.20	0.00	0.00	0.20	47.00	235.00
Cash at Bank	0.00	0.00	0.45	0.00	0.00	0.45	105.75	235.00
Sale of business/post completion matters	1.00	0.00	0.65	0.00	0.00	1.65	818.75	377.22
Trading								
Trading on decision and day 1-3 operations	0.00	0.00	3.25	1.00	0.00	4.25	1,129.25	265.00
Creditors								
Floating charge creditors	1.10	0.00	4.50	0.00	0.00	5.60	1,638.75	292.63
RPO and ERA claims to tribunals	0.00	0.00	0.15	1.45	0.00	1.60	334.50	209.06
Employees for pension (other than Lloyds/Barentine/CSA etc)	0.65	0.00	1.90	3.75	0.00	6.30	1,667.00	247.14
Unsecured creditors	0.00	0.00	6.30	19.35	0.10	25.75	5,611.25	217.91
Filing creditors	0.00	0.00	0.00	2.40	0.00	2.40	480.00	200.00
Corporate Tax								
Corporate Tax	0.00	0.00	6.25	5.60	0.00	11.85	2,514.50	212.19
Total	9.75	0.00	63.75	91.90	4.55	169.95	£40,921.55	£240.79

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

IV Original fee estimate

4Children (Gloucestershire) in Administration Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	31 August 2016 to 30 August 2018							
	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistant & 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								
Initial contact with creditors/creditors	3.00		15.00	15.00	0.10	33.10	8,341.50	252.01
Initial contact with creditors/creditors			1.50	0.40		1.90	440.50	231.84
Initial contact with creditors/creditors	0.50		1.50	3.00	4.65	9.65	2,029.75	210.54
Initial contact with creditors/creditors	2.00		6.00	5.00		13.00	3,510.00	270.00
Initial contact with creditors/creditors	0.50		1.50	2.00		4.00	1,042.50	260.63
Initial contact with creditors/creditors			1.15			1.15	270.25	235.00
Initial contact with creditors/creditors			0.50	1.50		2.00	447.50	223.75
Initial contact with creditors/creditors			1.40	2.00		3.40	769.00	226.18
Initial contact with creditors/creditors				0.20		0.20	44.00	220.00
Initial contact with creditors/creditors	0.50		2.00	2.00		4.50	1,160.00	257.78
Initial contact with creditors/creditors				1.60		1.60	352.00	220.00
Initial contact with creditors/creditors	1.50					1.50	750.00	500.00
Initial contact with creditors/creditors			2.00	12.00		14.00	3,110.00	222.14
Investigations								
Initial contact with creditors/creditors	0.50					0.50	450.00	500.00
Initial contact with creditors/creditors			0.75			0.75	176.25	235.00
Initial contact with creditors/creditors	0.40		1.10	5.50		7.20	1,768.50	245.63
Realisation of assets								
Initial contact with creditors/creditors			0.45			0.45	105.75	235.00
Initial contact with creditors/creditors	0.50		7.85	6.20		14.55	3,458.75	237.71
Initial contact with creditors/creditors			1.00	0.40		1.40	323.00	230.71
Initial contact with creditors/creditors	0.90					0.90	450.00	500.00
Initial contact with creditors/creditors				1.00		1.00	220.00	220.00
Initial contact with creditors/creditors			0.20			0.20	47.00	235.00
Initial contact with creditors/creditors			0.45			0.45	105.75	235.00
Trading (closure)								
Initial contact with creditors/creditors			3.25	1.00		4.25	983.75	231.47
Creditors								
Initial contact with creditors/creditors	1.50		2.50	3.00		7.00	1,997.50	285.36
Initial contact with creditors/creditors			0.80	1.00		1.80	408.00	226.67
Initial contact with creditors/creditors				1.00		1.00	220.00	220.00
Initial contact with creditors/creditors	0.50		1.00	4.00		5.50	1,365.00	248.18
Initial contact with creditors/creditors			0.20	4.50		4.70	1,037.00	220.64
Initial contact with creditors/creditors			6.00	23.00		29.00	6,470.00	223.10
Initial contact with creditors/creditors				2.50		2.50	550.00	220.00
Total	12.90		58.10	97.80	4.75	173.55	42,403.25	244.33

The following gives a summary of our estimates, and the actual time costs incurred as at 30 August 2018 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	22,267.00	19,777.05
Investigations	2,394.75	2,187.25
Realisation of Assets	4,710.25	5,695.00
Trading	983.75	1,126.25
Creditors	12,047.50	9,621.50
Corporation Tax	Nil	2,514.50
Total	42,403.25	40,921.55

The joint administrators have not exceeded their fee estimate of £42,403.25.

The material differences between our original estimates and what has actually been incurred as at 30 August 2018 can be explained as follows:

Corporation Tax (£2,514.50 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.

V Revised time cost estimate

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	3.15	0.00	15.00	20.90	0.15	49.20	11,757.00	249.27
Initial post-appointment notification letters, including creditors	0.00	0.00	1.50	2.75	0.00	4.25	1,019.50	242.94
Cashiering general, including building	0.00	0.00	0.00	0.70	4.00	4.70	579.50	123.71
Job planning, review, and progress review (typ. 6 month reviews) and planning meetings, checklist & diary	2.55	0.00	8.10	4.75	1.25	16.65	5,115.10	277.28
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax then and but that he related)	0.00	0.00	1.05	5.50	0.00	7.55	1,515.75	246.59
Production of company records (first 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	1.20	0.00	0.00	1.20	285.75	238.11
Agents and advisors, general	0.00	0.00	0.15	0.70	0.00	0.85	77.50	241.45
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	0.00	3.00	0.50	0.90	0.00	4.40	175.75	270.18
Other	0.00	0.00	2.05	9.05	0.00	11.10	2,391.75	215.65
Investigations								
Director's correspondence & conduct questionnaires	0.90	0.00	0.00	0.00	0.00	0.90	351.50	415.07
Statutory books and accounting records review	0.00	0.00	0.75	0.00	0.00	0.75	176.25	235.00
SIP2 and SIP4 obligations (inc. CDDAB6 forms)	0.60	0.00	1.10	5.10	0.00	7.70	1,619.50	224.93
Realisation of assets								
Fixed charge Property (land and buildings)	0.00	0.00	0.45	0.00	0.00	0.45	132.75	295.60
Debtors (not financed (includes assigned debtors)	0.70	0.00	10.60	6.20	0.00	17.50	4,495.00	256.86
Other chattel assets	0.00	0.00	1.00	0.40	0.00	1.40	365.00	260.71
Completion of work in progress	0.00	0.00	0.20	0.00	0.00	0.20	47.00	235.00
Cash at Bank	0.00	0.00	0.45	0.00	0.00	0.45	105.75	235.00
Sale of business-post completion matters	1.90	0.00	0.95	0.00	0.00	2.85	813.75	377.22
Trading								
Trading on decision and day to day operations	0.05	0.00	3.25	1.00	0.00	4.25	1,176.25	265.00
Creditors								
Floating charge creditors	1.10	0.00	4.50	0.00	0.00	5.60	1,618.75	292.61
PPG and ERA claims & tribunals	0.00	0.00	0.15	1.15	0.00	1.60	334.50	209.59
Employees & pension (other than Jobcentre/CSC, etc)	0.65	0.00	1.90	3.75	0.00	6.30	1,597.00	247.14
Unsecured creditors	0.00	0.00	7.10	20.35	0.10	27.55	6,131.25	220.95
Filing - Creditors	0.00	0.00	0.00	3.45	0.00	3.40	480.00	200.90
Corporate Tax								
Corporate Tax	0.00	0.00	6.25	5.60	0.00	11.85	2,511.50	212.19
Total	11.25	0.00	69.90	101.90	5.55	188.60	£46,406.80	£246.06

The administrators estimate that future time costs will be in the region of £5,000. This is due to the following reasons, however please note that an increase in fees authority is unlikely to be requested from the creditors:

- Finalise the Company's tax position and obtaining tax clearance.
- Finalising all administrative matters within the administration
- Drafting the final report.

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

Introduction

Detailed below are:

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

Staff allocation and the use of subcontractors

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

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

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

Details of any subcontractors' services utilised in the period covered by this report 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.

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

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 2018.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office		Regional offices	
	office		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	

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	From 1/7/16	From 1/7/17
Charge out rates	£/hr	£/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	Per hour
Charge out rates from 1 July 2018	£
Director	245-349
Associate Director	204-244
Manager	139-195
Administrator	88-170

Smith & Williamson LLP	London office	
Corporation Tax	£/hr	
Charge out rates	From 1/7/17	From 1/7/18
Partner / Director (from 1 January 2016)	520-600	630-525
Associate Director	400-500	365-420
Managers	300-350	225-315
Other professional staff	100-215	190-105
Support & secretarial staff	60	60

www.smithandwilliamson.com

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

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