

AM10

Notice of administrator's progress report



Companies House

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12/03/2020

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COMPANIES HOUSE

1	Company details	
Company number	0 8 8 0 2 5 3 7	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited	
2	Administrator's name	
Full forename(s)	Martin C	
Surname	Armstrong	
3	Administrator's address	
Building name/number	Allen House	
Street	1 Westmead Road	
Post town	Sutton	
County/Region	Surrey	
Postcode	S M 1 - 4 L A	
Country	United Kingdom	
4	Administrator's name ^①	
Full forename(s)	James E	① Other administrator Use this section to tell us about another administrator.
Surname	Patchett	
5	Administrator's address ^②	
Building name/number	Allen House	② Other administrator Use this section to tell us about another administrator.
Street	1 Westmead Road	
Post town	Sutton	
County/Region	Surrey	
Postcode	S M 1 - 4 L A	
Country	United Kingdom	

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Notice of administrator's progress report

6 Period of progress report

From date	d 1	d 4	m 0	m 8	y 2	y 0	y 1	y 9
To date	d 1	d 3	m 0	m 2	y 2	y 0	y 2	y 0

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten signature]

X

Signature date	d 1	d 1	m 0	m 3	y 2	y 0	y 2	y 0
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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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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

**The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited –
In Administration (“the Company”)**

JOINT ADMINISTRATORS’ PROGRESS REPORT TO CREDITORS

For the six months ending 13th February 2020

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APPENDICES

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1. EXECUTIVE SUMMARY

This is my progress report to members and creditors for the six-month period ending 13th February 2020. This report should be read in conjunction with the Joint Administrators' proposals and my prior progress report, copies of which can be provided on request.

James E Patchett and I were appointed as Joint Administrators of WL and the CRCs on 14th February 2019.

The detailed report is provided below, but in summary:

- The actions taken by the Joint Administrators since their last report are detailed in Section 3 of this report;
- In summary, I have sought to realise and deal with the Company's remaining assets, consisting of sums due to the Company from trade debtors, sums due from KSS under the LtoO and tax losses;
- In addition, I have continued to liaise with landlords and pay rent for the properties subject to the LtoO;
- The actions taken by the Joint Administrators have enabled distributions from the Administration estates of WL and the CRCs to the secured creditor, Symbiont, in order to discharge their liability in full;
- As reported previously, HMPPS paid a debt of £2,132,575.95 it owed to Wales CRC shortly after Administration. However, HMPPS claim that this was paid in error and have requested that this sum be repaid to them. The position remains subject to final agreement between the parties;
- As floating charge distributions have been made to the secured creditor based on pro rata realisations in each CRC estate, until it has been established whether the debtor monies will need to be repaid, it is uncertain whether Wales CRC will need to reimburse the Company and Dorset CRC for any possible overpayments made to the secured creditor in those estates;
- It is anticipated that preferential creditors (consisting of a subrogated claim from the MoJ and unpaid pension contributions) will be paid in full but these claims currently remain subject to review;
- A dividend to unsecured creditors is also anticipated. Unfortunately, I am unable to estimate the quantum and timing of any dividend since this will largely depend on whether the HMPPS debt realised in the Wales CRC estate is required to be repaid or not (as this impacts the Company);
- The Administration was extended by creditor consent and is now due to end on 13th February 2021;
- Depending on the determination of the status regarding the Wales CRC HMPPS debt and the impact this will have on the Company, I envisage that the Administration will be concluded shortly and that the Company will move to CVL to enable a distribution to be made to preferential and *non-preferential unsecured creditors*.

2. STATUTORY INFORMATION

Company name:	The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited
Court name and reference:	In the High Court of Justice No. 873 of 2019
Registered office:	Allen House 1 Westmead Road Sutton Surrey SM1 4LA
Former registered office:	Queensway House The Hedges St Georges Weston Super Mare Avon BS22 7BB
Registered number:	08802537
Joint Administrators' names;	Martin C Armstrong and James E Patchett
Joint Administrators' address:	Allen House 1 Westmead Road Sutton Surrey SM1 4LA
Joint Administrators' date of appointment:	14 th February 2019
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

As stated above, on 10th October 2019 the creditors agreed to extend the Administration of the Company for a period of 12 months, such that the Administration will now automatically end on 13th February 2021.

3. JOINT ADMINISTRATORS' ACTIONS SINCE LAST PROGRESS REPORT

The work undertaken in the reporting period principally comprises the following:

3.1. Properties

The Company traded from various properties across the UK. These properties were occupied on a variety of terms, including under formal leases and rolling rental agreements. In addition, WL held leases for properties which were occupied by the CRCs.



Following appointment, a LtoO was entered into to allow KSS to occupy the premises they required whilst they made separate arrangements for future use directly with the respective landlords.

However, KSS were unable to make direct arrangements with all affected landlords during the term of the initial LtoO and therefore requested an extension of six months. Whilst an extension to the LtoO was not, on the face of it, considered to provide any benefit to the Administration, it was considered appropriate on the basis that it would facilitate the ongoing services provided by KSS to vulnerable members of the public. It was agreed, however, that any extension to the LtoO with KSS would be subject to a mark-up of 20% on any payments made by the Joint Administrators relating to the extended LtoO period. This would therefore provide a return to the Administration and ensure that the costs associated with the extension are not borne by the Administration estate (where possible). The extended LtoO with KSS expired on 14th February 2020.

As a result of the original LtoO and the subsequent extension, the following work has been required in the reporting period:

- General day to day correspondence with landlords;
- Reviewing rental invoices and arranging payments to landlords for post-appointment rent (and other obligations);
- Calculating and invoicing KSS in respect of the mark-up;
- Liaising with KSS regarding the occupation and vacation of certain properties.

3.2. MoJ Claim / HMPPS

Following Administration, the MoJ put the Joint Administrators on notice that they anticipated submitting an unsecured claim in the Administrations of WL and the CRCs.

Whilst a summary of their claim was submitted in the Administrations of each of the CRCs and WL (in respect of a parent guarantee), this has not been adjudicated upon and remains subject to legal advice.

Following Administration, Wales CRC received a payment from HMPPS which was requested to be refunded. This matter is set out in more detail later in this report. It should be noted that the outcome will affect the Company since it will have a bearing on whether the Company will receive a reimbursement from Wales CRC in respect of floating charge distributions made to Symbiont.

In the reporting period both the Joint Administrators and CRS have been in correspondence with the MoJ regarding their claim and the monies paid to Wales CRC by HMPPS. The matter remains subject to final agreement between the parties. The payment received by Wales CRC from HMPPS has a material impact on the Administration of the Company as detailed above.

3.3. Pensions

The Company operated three pension schemes and, whilst agents have been engaged to assist with our obligations in respect of the above pension schemes, the following work has been required in this regard in the reporting period:

- Liaising with pension agents and dealing with queries;
- Assisting with and reviewing unpaid pension contribution claim prepared by pension agents;
- Corresponding with the Local Government Pension Scheme.

3.4. Distributions

In the reporting period, a final floating charge distribution totalling £17,189 and a first and final fixed charge distribution totalling £1 has been paid to Symbiont.

The following work was required to be undertaken in this regard in the reporting period:

- Correspondence with Symbiont regarding their claim and proposed/actual distributions;
- Consideration of the appropriate priority of payments from the Administrations of WL and the CRCs taking into account the overall anticipated outcome for creditors of the four estates as a whole;
- Preparation of estimated outcome statements and calculation of provisions required prior to distributions being made;
- Calculating and paying a first and final fixed charge distribution to the secured creditor;
- Calculating and paying a final floating charge distribution to the secured creditor.

Full details of the distributions made can be found in Section 6 of this report.

3.5. Tax losses

As detailed in my last progress report, it was agreed in principle that a formal agreement to surrender the relevant tax losses of the Company be entered into as follows:

Transferee	Tax losses surrendered	Potential tax saving for Transferee	Proposed compensation	Compensation as a percentage of potential tax savings
Briar Chemicals Ltd	£1,291,073.84	£248,531.71	£14,520.22	5.84%

The above agreement was formally entered into during the reporting period and the agreed compensation of £14,520.22 was received on 20th December 2019 in accordance with the terms of the agreement.

Whilst the compensation agreed amounts to a relatively small percentage of the anticipated tax saving, the losses could not be surrendered to any party outside of the Group and this was the maximum that the Transferee (or any other potential group Transferee) was willing to pay. I therefore concluded that it was in the interests of creditors to accept the compensation proposed in order to maximise realisations for the benefit of creditors.

3.6. General

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 1.

4. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 14th August 2019 to 13th February 2020 is attached at Appendix 2.

Since the reporting period, the following transactions have taken place:

Date	Receipt/(Payment)	Details
19/02/2020	(£6,691.34)	Legal Fees (net of VAT)
21/02/2020	£40,000.00	Property Licence fee payment on account
24/02/2020	(£18,208.12)	Payment to landlords under LtoO (net of VAT)
25/02/2020	£47,374.44	VAT Control Account
28/02/2020	(£56.00)	Insurance costs
03/03/2020	£82.18	Gross Bank Interest
09/03/2020	(£3,021.75)	Payment to landlords under LtoO (net of VAT)

The majority of funds are held in an interest-bearing estate bank account as can be seen on the receipts and payments account. All other accounts are non-interest bearing.

5. ASSETS

Creditors should refer to my previous progress report for details of assets realised in the prior reporting period. The following assets were realised in this reporting period:

5.1. Book Debts – Trade Debtors

The SoA includes book debts with a book value of £50,878 and an estimated to realise value of nil. Following appointment, it was established that a number of debtors had paid prior to my appointment.

Following appointment, I instructed Freeths LLP to assist me in the collection of the Company's residual debtor ledger which totalled £5,004.50. A sum of £1,404 has been received in total, of which £180 was received in the reporting period. At this stage, it is not expected that any further recoveries will be made.

5.2. Gross Bank Interest

As stated above, the majority of funds are held in an interest-bearing bank account. Gross bank interest totalling £580.86 was received in the reporting period.

5.3. Insurance Refund

A sum of £2,162.25 was received in the reporting period in respect of the full and final settlement of a motor vehicle claim that was made prior to my appointment.

5.4. Properties – Mark-up

As detailed in the receipts and payments account, a mark-up totalling £16,402.21 has been received in the reporting period. This relates to the agreed 20% mark-up on payments made to landlords for the period covered by the extended LtoO with KSS.

5.5. Property licence fee

A total sum of £187,999.11 plus VAT (where applicable) has been received from KSS in respect of sums due under the LtoO, of which £149,234.88 plus VAT (where applicable) was received in the reporting period. From this sum, payments totalling £191,792.80 plus VAT (where applicable) have been made to

landlords following receipt of invoices, of which £175,576.11 plus VAT (where applicable) was paid in the reporting period.

5.6. Tax losses

As advised earlier in this report, a formal agreement was entered into to surrender the relevant tax losses of the Company. Compensation totalling £14,520.22 was received in the reporting period in accordance with the terms of the agreement.

6. LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company had granted the following charges as at the date of Administration:

<u>Persons entitled</u>	<u>Type of charge</u>	<u>Created</u>	<u>Delivered</u>
Aurelius Sigma Limited	Fixed & floating charge	04/06/2018	06/06/2018
Aurelius Sigma Limited	Fixed & floating charge	19/07/2018	25/07/2018

The security held by Aurelius Sigma Limited related to a funding facility of c.£11m made available to WL. The facility was also secured by fixed and floating charges over WL and the CRCs and was also supported by cross-guarantees from the CRCs. The security held by Aurelius Sigma Limited was subsequently assigned to Symbiont under a Deed of Assignment dated 28th September 2018.

WL and the CRCs were jointly liable for the debt owed to Symbiont. Following my appointment I obtained legal advice which confirmed that the Company and the CRCs all shared liability for the debt owed to Symbiont equally and that there was no test or prescribed proportion that should be applied by each estate when calculating distributions to Symbiont. However, any decision as to which estate discharged the debt needed to be justifiable.

For reasons set out in my previous progress report, I concluded that it was in the interests of creditors as a whole for WL to discharge the debt owed to Symbiont (to the extent possible), with any shortfall discharged by the Administration estates of the CRCs on a pro-rata basis.

Following my appointment, Symbiont submitted a claim for £6,358,148.49 in the Administrations of WL and the CRCs. This claim was admitted in the Administration of the Company as follows:

Admitted claim in respect of fixed charge:	£1
Admitted claim in respect of floating charge:	£6,358,147.49

In line with the decision mentioned above, the following distributions have been made from the Administration estate in respect of this claim:

<u>Date of distribution</u>	<u>Type of distribution</u>	<u>Amount distributed</u>	<u>Rate of dividend</u>
04/07/2019	Floating	£250,000.00	3.93p in the £
02/09/2019	Fixed	£1.00	100p in the £
02/09/2019	Floating	£17,189.00	0.27p in the £

The above distributions amount to payments totalling £267,190 in respect of the claim of £6,358,148.49 and equate to a fixed charge dividend of £100p in the £ and floating charge dividends of 4.2p in the £.

I can also confirm that additional distributions have been made from the Administrations of WL and the CRCs which have discharged the liability to Symbiont in full. All charges held over the Company have now been formally satisfied.

At this stage, there is uncertainty as to whether Wales CRC will have to return the sum received from HMPPS (which they claim was paid in error). Distributions have been made to Symbiont in each CRC based on the worst-case scenario i.e. that the HMPPS funds are required to be repaid. If it subsequently transpires that some or all of the HMPPS funds are to be retained for the benefit of Wales CRC creditors, as floating charge distributions to the secured creditor are based on pro rata realisations across the CRCs, a reconciliation will need to be undertaken and it may be necessary to reimburse the Company and Dorset CRC for any overpayments made to Symbiont.

The legislation requires that if the Company has created a floating charge after 15th September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. Whilst there are now no creditors secured by a floating charge, and ordinarily the prescribed part provisions would not apply, the distributions paid to the secured creditor previously took into account that the prescribed part provisions applied at the time.

Preferential Creditors

The SoA did not anticipate any preferential creditors. However, the MoJ put the Joint Administrators on notice that they would be formulating and submitting a subrogated preferential claim in respect of payments made by them to employees of the Company for wages etc. prior to Administration. A claim in the sum of £187,588 was received which relates to the February payroll up to 14th February 2019 (capped at £800 per employee).

In addition, it is anticipated that there will be preferential claims totalling £25,335.42 in respect of unpaid pension contributions relating to two pension schemes.

Non-preferential unsecured Creditors

A summary of the non-preferential unsecured creditors included in the SoA and the claims received, is provided below:

Unsecured creditors	SoA (£)	Claim (£)
Crown creditors	788,448.00	477,625.85
Trade and Expense	696,550.00	926,844.89
GMPF Pension Fund	91,924.00	158,932.02
WL	914,241.00	See comments below
HMPPS/MoJ	-	3,505,482

Crown Creditors

HMRC has submitted a provisional claim of £477,625.85 to date. This claim does not include any amounts for PAYE/NI.

Trade and expense

Whilst it is understood that the financial information from which the SoA was prepared was the best available to the directors at the time, a number of claims have been received from creditors that were not included on the SoA. Further, a number of claims received from creditors included on the SoA exceed the claims anticipated.

Greater Manchester Pension Fund ("GMPF")

The GMPF has submitted a claim in respect of unpaid pension contributions for January 2019 and ill health retirement strain costs as follows:

	£
Employer Contributions	57,231.89
Ill Health Retirement Strain costs	101,700.13
TOTAL	158,932.02

WL

Menzies Chartered Accountants have been engaged to calculate and verify the sums owed to WL by the CRCs in order that claims can be submitted in the respective Administrations and hence no formal claim has been submitted to date. Whilst this work could have been undertaken by the Joint Administrators, the use of an independent third party to calculate these sums acts as a safeguard to reduce any actual, or perceived, threats to the Fundamental Principles of the Insolvency Code of Ethics. Since this work will ultimately benefit WL, the cost of this work will be paid from that estate.

MoJ / HMPPS

As reported previously, the MoJ has submitted a claim in the Administration in the sum of £3,505,482. The MoJ's claim in the Administration of the Company is subject to review and legal advice.

Whilst no unsecured claims have been formally adjudicated upon by the Joint Administrators, a preliminary review of claims is in progress. If any creditor has not yet submitted their claim in the Administration, they should do so by completing and returning the proof of debt form (together with supporting documentation) included at Appendix 6.

7. DIVIDEND PROSPECTS (AND ALLOCATION OF COSTS)

In accordance with SIP14, the Joint Administrators would normally be required to disclose and explain an apportionment of costs incurred to date that are directly attributable to the realisation of the Company's assets subject to a fixed charge, a floating charge, or any uncharged assets. Whilst SIP14 was considered in this case, in light of the nominal fixed charge realisations it was not deemed cost effective to undertake work to apportion costs in this regard. All asset realisations have been categorised as either fixed or floating charge realisations based on legal advice received. The costs and expenses of the Administration have therefore been allocated in full to asset realisations which were subject to a floating charge. Preferential creditors will be paid in full so this has not impacted them in any way.

Fixed charge creditors

Details of the fixed charge dividend paid to Symbiont can be found earlier in this report.

Preferential creditors

As stated above, the MoJ has submitted a subrogated preferential claim in the Administration which is currently subject to review.

It is anticipated that preferential creditors will be paid in full and a provision for payment of all preferential liabilities was made prior to making distributions to Symbiont.

Floating charge creditors

Details of the floating charge dividends paid to Symbiont can be found in section 6 of this report. As previously reported, the liability owed to Symbiont by WL and the CRCs jointly, has been discharged in full by way of dividends paid from all four Administration estates.

Non-preferential unsecured creditors

As previously advised, the Company gave floating charges to Aurelius Sigma Limited on 4th June 2018 and 19th July 2018. The security held by Aurelius Sigma Limited was subsequently assigned to Symbiont under an Assignment Deed dated 28th September 2018. Accordingly, the prescribed part provisions will apply.

On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Administration to date and expected future costs, the net property of the Company is £343,945.28, and I estimate that the prescribed part of the net property for unsecured creditors is £71,789.06. However, this estimate has been calculated on a worst-case basis i.e. that the full debt paid by HMPPS is returned and no reimbursement is received from Wales CRC.

A provision for the prescribed part was made prior to making distributions to the floating charge creditor. It is anticipated that additional funds over and above the prescribed part will be available to be distributed to unsecured creditors. However, this will be wholly dependent on whether the Wales CRC HMPPS debt is required to be repaid or not and the impact that this has on the Company.

In light of the above, I am unable to quantify the level of anticipated dividend to unsecured creditors (although it will be a minimum of the prescribed part of £71,789.06 mentioned above).

8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

Creditors should refer to my prior progress report for details of the investigations undertaken in the prior reporting period. The following area of investigation remains ongoing:

A full analysis of the Company's bank account in the prior reporting period highlighted certain payments that required further investigation. These related to significant 'batch' payments made by the Company for which a breakdown of the recipients is required. This information was requested from RBS, however, their response advised that the supply of this information would come at a significant cost. Whilst RBS could be compelled to provide this information free of charge under Insolvency legislation, it was deemed appropriate to ascertain if this information could be obtained from an alternative source. Despite my enquiries, I have not yet been able to procure the information in question, however, my investigations remain ongoing and are likely to be finalised following the Company's anticipated move to CVL.

This work may lead to potential recovery actions, and the work outlined above was undertaken to further those investigations with a view to establishing whether recoveries can be made for the benefit of the creditors.

9. PRE-ADMINISTRATION COSTS

On 25th April 2019, the following pre-administration costs were approved by the creditors:

<u>Description</u>	<u>Total</u>	<u>Paid in total</u>	<u>Paid in reporting period</u>	<u>To be paid</u>
	£	£	£	£
Joint Administrators' remuneration	3,912.50	3,912.50	3,912.50	Nil
Legal fees	7,555.00	7,555.00	Nil	Nil
Valuation agents' fees	1,800.00	1,800.00	Nil	Nil
Total	13,267.50	13,267.50	3,912.50	Nil

As can be seen from the table above, these costs have been paid in full, as detailed in the attached receipts and payments account.

The following pre-administration costs were paid prior to the Administration by the Company:

<u>Description</u>	<u>Paid pre-appointment</u>
	£
Valuation agents' fees	5,000.00
Total	5,000.00

10. JOINT ADMINISTRATORS' REMUNERATION

My remuneration was originally approved on a time cost basis based on a fees estimate of £103,895. This estimate was increased to £133,272 by approval of creditors. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 13th February 2020 amount to £122,469.50 representing 386.20 hours of work at a blended charge out rate of £317.11 per hour, of which £51,775 was charged in the period since 14th August 2019, at a blended charge out rate of £368.51 per hour.

I have drawn £90,053.50 to 13th February 2020, all of which was drawn in the period since 14th August 2019.

A detailed schedule of my time costs incurred to 13th February 2020 is attached as Appendix 3. A detailed schedule of my time costs incurred since 14th August 2019 is attached as Appendix 4. A comparison of my time costs and fees estimate is attached as Appendix 5. This also includes comments where the actual blended charge out rate incurred is higher than that anticipated for each category of work. Creditors will note that the overall blended rate is higher than that included in my fee estimate to creditors. This is as a result of the requirement for higher levels of staff being required to deal with certain matters in the Administration.

As at 13th February 2020, I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy are available at the link <https://www.turpinbainsolvency.co.uk/fees-and-links>. Please note that there are different versions of the Guidance Notes and in this case, you should refer to the April 2017 version.

11. JOINT ADMINISTRATORS' EXPENSES

A summary of the expenses I estimated I would incur when my remuneration was authorised by the creditors, in addition to the actual expenses incurred and paid to 13th February 2020 (and incurred and paid in the period since 14th August 2019), are provided below:

<u>Type of expense</u>	<u>Estimated expenses</u>	<u>Incurred in reporting period</u>	<u>Paid in reporting period</u>	<u>Incurred in total</u>	<u>Paid in total</u>
	£	£	£	£	£
Specific bond	1,030.00	Nil	Nil	1,030.00	1,030.00
Postal redirection	250.00	Nil	Nil	Nil	Nil
Statutory advertising	227.75	81.75	Nil	159.50	77.75
Insurance	5,000.00	56.00	56.00	1,120.00	1,120.00
Conference call costs	50.00	Nil	Nil	Nil	Nil
Property searches	1,000.00	Nil	Nil	Nil	Nil
Valuation agents	1,500.00	Nil	Nil	1,680.00	1,680.00
Legal costs	10,000.00	2,253.00	2,253.00	13,944.33	7,253.00
Tax advice/assistance	3,000.00	1,825.00	3,050.00	3,660.00	3,050.00
Document storage [Restore]	5,000.00	Nil	Nil	Nil	Nil
Document storage [VZX]	2,500.00	Nil	Nil	Nil	Nil
Pension services	3,500.00	1,341.00	1,275.00	4,217.00	4,151.00
ERA services	5,000.00	Nil	Nil	Nil	Nil
Debt collection agents	Nil	Nil	Nil	636.20	636.20
Total	38,057.75	5,556.75	6,634.00	26,447.03	18,997.95

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
CRS	Solicitors	Time costs + disbursements
Buzzacott	Tax advice/assistance	Time costs + disbursements
Restore Management	Document storage	Fixed fee (attributed to WL to date)
VZX Consultancy	Document management	Recurring fixed fee (attributed to WL to date)
Clumber Consultancy Limited	Pension services	Mixed basis (fixed fee and time costs)

Legal costs

CRS are engaged to provide legal advice and assistance to the Joint Administrators throughout the Administration and in relation to a number of matters. The work undertaken in the reporting period can be summarised as follows:

- Finalising the LtoO extension and post-completion formalities;
- Advising on the HMPPS mistaken payment, MoJ claim and related issues;
- Finalising the surrender of the tax losses.

Tax advice/assistance

Buzzacott are instructed to provide tax advice to the Joint Administrators and assist in finalising the Company's pre and post Administration tax returns. In addition, they have been advising on the proposed surrender of losses reported previously. The work undertaken in the reporting period relates to the following:

- Finalisation and submission of tax computations for the period ended 31st December 2018. The fees incurred in the reporting period in respect of this work amount to £1,150.
- Review of agreements for surrender of losses for the period ended 30th September 2017 via group relief and preparation of group relief surrender claim and submission to HMRC for the period ended 30 September 2017. The fees incurred in the reporting period in respect of this work amount to £675.

Document storage

The Group's historic accounting records were being stored by Restore. These amounted to circa 12,000 boxes and required continued storage following Administration. To date, the charges for the post-Administration period have been borne by WL. However, these costs are likely to include charges for storing records on behalf of the CRCs and therefore, whilst no sum is included in the table of expenses, this may be subject to later reconciliation between the four Administration estates.

Document management

VZX Consultancy were engaged to assist with the collection, listing and storage of the Company's records from various properties across the UK. This work has been undertaken throughout the reporting period. As above, the costs have been attributed to WL to date, but their work is likely to include work undertaken on behalf of the CRCs and hence may be subject to reconciliation between the four Administration estates.

Pension services

Clumber Consultancy Limited were instructed to assist the Joint Administrators in dealing with the Company's pension schemes and the associated obligations. The work undertaken in the reporting period is as follows:

- Liaising with pension providers and the Redundancy Payments Service on behalf of the Joint Administrators.
- Advising on the classification of the claims in relation to the GMPF.
- Ongoing advice and assistance to the Joint Administrators in respect of pension matters.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

As at 13th February 2020, I do not anticipate that the expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the creditors. However, this will depend on the reconciliation and possible reallocation of the document storage and management costs and also the level of additional legal fees to be incurred in dealing with the outstanding issues.

12. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

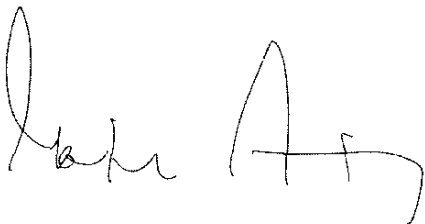
An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

13. SUMMARY

The Administration was extended by creditor consent and is now due to end on 13th February 2021. I anticipate that the Administration will be concluded shortly and the Company will move to CVL, as approved in the Joint Administrators' proposals, to enable a distribution to be made to preferential and non-preferential unsecured creditors (over and above the prescribed part). This will however depend on the determination of the status regarding the Wales CRC HMPPS debt and the impact this will have on the Company. As stated earlier in this report, the matter remains subject to final agreement between the parties.

If creditors have any queries regarding the conduct of the Administration, or if they would like hard copies of any of the documents made available online, they should contact this office by telephone on 020 8661 4004, or by email at workinglinks@turpinba.co.uk.



Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Martin C Armstrong and James E Patchett. The Joint Administrators act as agents of the Company and contract without personal liability.



APPENDIX 1

A DESCRIPTION OF THE ROUTINE WORK UNDERTAKEN SINCE THE LAST REPORT

Ref: MCA/JEP/XT0246

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders (and their managers). It does not give direct financial benefit to the creditors but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holders' estate bank account.
- Maintaining and managing the office holders' cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Seeking a decision of creditors to obtain the approval of the Joint Administrators' fee increase and to extend the Administration.
- Filing progress reports at Companies House.
- Preparing and filing VAT returns.
- Reviewing Corporation Tax returns and dealing with queries.

2. Creditors

Claims of creditors - the office holders need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory functions.

A summary of the work undertaken is as follows:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Providing regular updates to and making a distribution to Symbiont.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

APPENDIX 2

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Ref: MCA/JEP/XT0246

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

**The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company
Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

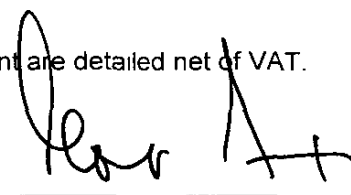
Statement of Affairs £		From 14/08/2019 To 13/02/2020 £	From 14/02/2019 To 13/02/2020 £
	FIXED CHARGE ASSETS		
	IPR	NIL	1.00
		NIL	1.00
	FIXED CHARGE CREDITORS		
(6,335,498.00)	Symbiont Facility Services Ltd	1.00	1.00
		(1.00)	(1.00)
	ASSET REALISATIONS		
NIL	Book Debts - HMPPS	NIL	NIL
NIL	Book Debts - Trade Debtors	180.00	1,404.00
	Books and records	NIL	1.00
701,316.00	Cash at Bank	NIL	715,051.47
1.00	Fixed Assets	NIL	NIL
	Furniture & Equipment	NIL	1.00
	Gross Bank Interest	580.86	629.26
	Insurance Refund	2,162.25	2,162.25
	Intangibles	NIL	1.00
	Motor Vehicles	NIL	14,746.00
	Properties - Mark-Up	16,402.21	16,402.21
	Property licence fee	149,234.88	187,999.11
	Refund of overpayment	NIL	63.76
	Sundry Refunds	NIL	42.22
	Tax losses	14,520.22	14,520.22
		183,080.42	953,023.50
	COST OF REALISATIONS		
	Agents' Fees - Debt Collection	NIL	636.20
	Agents'/Valuers' Post-App Fees - MBV	NIL	1,680.00
	Agents'/Valuers' Pre-App Fees - MBV	NIL	1,800.00
	Legal Fees - Post-App	2,253.00	7,253.00
	Legal Fees - Pre-App	NIL	7,555.00
		(2,253.00)	(18,924.20)
	COST OF ADMINISTRATION		
	Insurance of Assets	56.00	1,120.00
	Joint Administrators' Fees - Post-App	90,053.50	90,053.50
	Joint Administrators' Fees - Pre-App	3,912.50	3,912.50
	Pension Agents' Post-App Fees	1,275.00	4,151.00
	Rents Payable	175,576.11	191,792.80
	Specific Bond	NIL	1,030.00
	Statutory Advertising	NIL	77.75
	Tax Advice - Buzzacott	3,050.00	3,050.00
		(273,923.11)	(295,187.55)
	FLOATING CHARGE CREDITORS		
	Symbiont Facility Services Ltd	17,189.00	267,189.00
		(17,189.00)	(267,189.00)
	UNSECURED CREDITORS		
(91,294.00)	GMPF Pension Fund	NIL	NIL
(147,172.00)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(641,276.00)	HM Revenue & Customs - VAT	NIL	NIL
(696,550.00)	Trade & Expense Creditors	NIL	NIL
(914,241.00)	Working Links (Employment) Ltd	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10.00)	Ordinary Shareholders	NIL	NIL

**The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company
Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/08/2019 To 13/02/2020 £	From 14/02/2019 To 13/02/2020 £
(1.00)	Preference Shareholders	NIL NIL	NIL NIL
(8,124,725.00)		(110,285.69)	371,722.75
	REPRESENTED BY		
	Bank - Current a/c		221.52
	Bank - Interest Bearing		338,843.31
	Bank - Property Account		15,888.97
	Input VAT		3,555.77
	Output VAT		(34,161.26)
	Vat Control Account		47,374.44
			371,722.75

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.



Martin C Armstrong FCCA FABRP FIPA
Joint Administrator

APPENDIX 3

A SUMMARY OF THE JOINT ADMINISTRATORS' TIME COSTS IN THE ADMINISTRATION

Ref: MCA/JEP/XT0246

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

Time Entry - Detailed SIP9 Time & Cost Summary

XT0246 - The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited
To 13/02/2020
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 Cashing	10.70	11.50	0.50	11.90	34.60	10,738.00	310.35
508 Convening & holding meetings of creditors	0.60	0.00	0.00	1.90	2.50	547.00	218.80
510 Convening decision procedures	4.50	12.80	0.00	2.30	19.60	7,367.50	375.89
600 Administration	0.90	5.80	0.00	25.70	32.40	3,677.00	113.49
603 Statutory filing	1.90	1.10	0.00	0.30	3.30	1,482.50	443.18
604 Appointment notification	1.10	1.50	0.00	4.10	6.70	1,294.50	193.21
605 Case review	3.30	6.90	0.00	0.00	10.20	4,378.50	429.26
606 MLREnrich/Bribery checklists	1.70	1.30	0.00	1.20	4.20	1,383.50	329.40
607 Post-appointment VAT/ICT returns	2.00	3.40	0.00	0.00	5.40	2,326.00	430.74
608 Pension matters	0.60	1.00	0.00	0.50	2.10	730.00	347.62
611 Maintenance of case files/records	0.00	1.10	0.00	0.00	1.10	385.00	350.00
701 Strategy (incl Sales)	2.30	0.30	0.00	0.00	2.60	1,142.00	439.23
504 Statutory Reporting to Creditors	15.10	22.20	0.50	11.20	49.00	15,903.50	344.97
Administration & Planning	44.70	68.90	1.00	59.10	173.70	52,335.00	301.30
601 Case Specific 1	19.30	12.50	0.00	71.00	102.80	29,234.00	284.38
Case Specific Matters	19.30	12.50	0.00	71.00	102.80	29,234.00	284.38
500 Preferential Creditors	0.80	0.30	0.00	0.00	1.10	578.50	525.91
501 Unsecured Creditors	14.50	13.20	0.00	24.20	51.90	18,039.50	347.58
502 Employee Matters	0.20	0.00	0.00	0.40	0.60	139.00	347.50
505 Report / Secured Creditor	3.80	3.80	0.00	0.50	8.10	3,584.50	442.53
507 Dividend distribution/adjudicating claims	1.90	3.60	0.00	1.80	7.30	2,400.50	328.84
Creditors	21.20	20.90	0.00	26.70	68.80	24,742.00	359.62
201 CDDA Reports	5.90	2.90	0.00	3.80	12.60	4,610.50	365.91
203 Investigations (other)	8.80	2.20	0.00	1.30	12.30	6,068.00	493.33
204 Review/gisting books and records	0.00	0.00	0.00	0.20	0.20	8.00	40.00
205 Bank statement analysis	0.00	0.20	0.00	2.70	2.90	170.00	58.62
Investigations	14.70	5.30	0.00	8.00	28.00	10,855.50	387.73
300 Ident / Securing & Insuring	0.10	0.60	0.00	0.10	0.80	244.50	305.63
302 Property	0.20	0.00	0.00	0.00	0.20	119.00	595.00
303 Book Debits/retentions	0.80	1.20	0.00	0.00	2.00	806.50	403.25
304 Plant & Machinery / Motor Vehicles	0.00	0.40	0.00	0.00	0.40	114.00	285.00
306 Other Assets	3.60	3.00	0.20	0.00	6.80	3,219.00	473.38
307 Cash at bank	0.40	1.70	0.00	0.60	2.70	799.00	295.93
Realisation of Assets	5.10	6.90	0.20	0.70	12.90	5,302.00	411.01
Total Hours	105.00	114.50	1.20	165.50	386.20	122,460.50	317.11
Total Fees Claimed						90,053.50	

APPENDIX 4

A COMPARISON OF THE JOINT ADMINISTRATORS' TIME COSTS IN THE REPORTING PERIOD

Ref: MCA/JEP/XT0246

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

Time Entry - Detailed SIP9 Time & Cost Summary

XT0246 - The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited
From 14/08/2019 To 13/02/2020
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 Cashiering	5.90	5.80	0.00	7.10	18.80	5,680.50	302.15
504 Statutory Reporting to Creditors	9.50	9.90	0.00	6.70	26.10	9,437.50	361.59
508 Convening & holding meetings of creditors	0.20	0.00	0.00	1.90	2.10	309.00	147.14
510 Convening decision procedures	4.50	12.30	0.00	2.30	19.10	7,212.50	377.62
600 Administration	0.00	0.20	0.00	3.90	4.10	326.00	79.51
603 Statutory filing	0.20	0.40	0.00	0.30	0.90	286.00	321.11
605 Case review	3.30	6.50	0.00	0.00	9.80	4,238.50	432.50
606 MLR/Ethics/Inbery checklists	0.60	0.00	0.00	0.00	0.60	357.00	595.00
607 Post-appointment VAT/CT returns	1.50	1.60	0.00	0.00	3.10	1,452.50	468.55
608 Pension matters	0.00	0.00	0.00	0.00	0.20	70.00	350.00
611 Maintenance of case files/records	0.00	0.70	0.00	0.00	0.70	245.00	350.00
701 Strategy (incl Sales)	0.60	0.20	0.00	0.00	0.80	427.00	533.75
Administration & Planning	26.30	37.80	0.00	22.20	86.30	30,044.50	348.14
601 Case Specific 1	11.60	2.20	0.00	16.30	30.10	11,201.00	372.13
Case Specific Matters	11.60	2.20	0.00	16.30	30.10	11,201.00	372.13
505 Report / Secured Creditor	1.50	0.30	0.00	0.50	2.30	1,023.50	445.00
507 Dividend distribution/adjudicating claims	0.60	2.00	0.00	1.80	4.40	1,129.00	256.59
500 Preferential Creditors	0.80	0.00	0.00	0.00	0.80	476.00	595.00
501 Unsecured Creditors	6.40	4.70	0.00	0.60	11.70	5,549.00	474.27
502 Employee Matters	0.20	0.00	0.00	0.00	0.20	119.00	595.00
Creditors	9.50	7.00	0.00	2.90	19.40	8,295.50	427.65
302 Property	0.20	0.00	0.00	0.00	0.20	119.00	595.00
303 Book Debts/retentions	0.00	0.40	0.00	0.00	0.40	140.00	350.00
306 Other Assets	2.20	1.90	0.00	0.00	4.10	1,974.00	481.46
Realisation of Assets	2.40	2.30	0.00	0.00	4.70	2,233.00	475.11
Total Hours	49.80	49.30	0.00	41.40	140.50	51,775.00	368.51
Total Fees Claimed						90,053.50	

APPENDIX 5

A COMPARISON OF THE JOINT ADMINISTRATORS' TIME COSTS AND FEES ESTIMATE

Ref: MCA/JEP/XT0246

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

Appendix 5 - Comparative fee estimate and time summary

Classification of Work Function	ADM FEE ESTIMATE			TIME COSTS INCURRED IN PERIOD FROM 14TH FEB 2019 - 13TH FEB 2020			Reason blended rate has been/is likely to be exceeded
	Fee Estimate £	Total hours of work	Blended Rate £	Time Costs incurred to 13th February 2020 £	Total hours of work	Actual Blended Rate £	
Administration & Planning	56,345.00	210.50	267.67	52,335.00	173.70	301.30	Higher level of staff utilised due to nature of the case and to prepare and issue reports to creditors. An additional report was issued to creditors to request an increase in the fees estimate and a request to extend the Administration was also issued.
Investigations	10,857.00	28.10	386.37	10,856.50	28.00	387.73	Blended rate is largely in line with the fees estimate. In general, a higher level of staff was required to deal with certain investigative matters (including review of the Groups complex structure and associated intercompany activities).
Realisation of Assets	7,852.50	27.00	290.83	5,302.00	12.90	411.01	Higher level of staff utilised due to nature of assets and their background and knowledge of the case in general.
Creditors	27,752.50	132.00	210.25	24,742.00	68.80	359.62	Higher level of staff required to deal with certain claims/creditors (including MoI claim).
Case Specific Matters	30,465.00	119.00	256.01	29,234.00	102.80	284.38	Higher level of staff required to deal with data requests, GDPR matters and overseeing property related matters.
Total	133,272.00	516.60	257.98	122,469.50	386.20	317.11	

APPENDIX 6
PROOF OF DEBT FORM

Ref: MCA/JEP/XT0246

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

IN THE

High Court of Justice

Number:

873 of 2019

Name of Company in Administration:

**The Bristol, Gloucestershire, Somerset and Wiltshire
Community Rehabilitation Company Limited**

Company Registration Number:

08802537

Date of Administration:

14th February 2019

1 Name of creditor

(If a company, please also provide the company
registration number).

**2 Correspondence address of creditor (including
any email address)**

**3 Total amount of claim (£)
(include any Value Added Tax)**

**4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state
amount.**

**5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation
sheet to this form)**

**6 Details of any security held, the value of the
security and the date it was given.**

**7 Details of any reservation of title claimed in
respect of goods supplied to which the debt
relates.**

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

MARTIN ARMSTRONG
JOINT ADMINISTRATOR

MARTIN ARMSTRONG
JOINT ADMINISTRATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.