

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	8	8	0	2	5	3	7
Company name in full	THE BRISTOL, GLOUCESTERSHIRE, SOMERSET AND WILTSHIRE COMMUNITY REHABILITATION COMPANY LIMITED							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s)	MARTIN CHARLES
Surname	ARMSTRONG

### 3 Liquidator'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	

### 4 Liquidator's name ①

Full forename(s)	JAMES EDMUND
Surname	PATCHETT

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

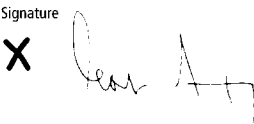

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#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>																
From date	d	0	d	5	m	0	m	2	y	2	y	0	y	2	y	1	
To date	d	0	d	4	m	0	m	2	y	2	y	0	y	2	y	2	
<b>7</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> The progress report is attached																	
<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	Signature 																
Signature date	d	0	d	4	m	0	m	4	y	2	y	0	y	2	y	2	

**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.

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**JOINT LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 4<sup>TH</sup>  
FEBRUARY 2022**

**The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited –  
In Creditors' Voluntary Liquidation**

For the purposes of this report, the following abbreviations shall be used:

<b>“Bristol CRC” or “the Company”</b>	The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited
<b>“CRS”</b>	Charles Russell Speechlys LLP, the solicitors engaged by the Joint Liquidators
<b>“CVL”</b>	Creditors’ Voluntary Liquidation
<b>“Dorset CRC”</b>	The Dorset, Devon and Cornwall Community Rehabilitation Company Limited
<b>“GMPF”</b>	Greater Manchester Pension Fund
<b>“HMPPS”</b>	Her Majesty’s Prison and Probation Service
<b>“HMRC”</b>	HM Revenue and Customs
<b>“KSS”</b>	The Kent, Surrey and Sussex Community Rehabilitation Company Limited
<b>“MoJ”</b>	Secretary of State for Justice
<b>“Permitted Subcontractors”</b>	Relevant subcontractors who were entitled to reimbursement of their losses by the MoJ in accordance with the Working Links Ministerial Direction dated 8 <sup>th</sup> May 2019
<b>“RBS”</b>	The Royal Bank of Scotland plc
<b>“RPS”</b>	Redundancy Payments Service
<b>“SoA”</b>	Statement of Affairs of The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited as at 14 <sup>th</sup> February 2019
<b>“SIP14”</b>	Statement of Insolvency Practice 14 (England & Wales)
<b>“Symbiont”</b>	Symbiont Facility Services Limited
<b>“the Companies” or “the CRCs”</b>	The Wales Community Rehabilitation Company Limited, The Dorset, Devon and Cornwall Community Rehabilitation Company Limited and The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited
<b>“the Court”</b>	The High Court of Justice
<b>“the Joint Liquidators” or “Joint Administrators”</b>	Martin C Armstrong and James E Patchett of Turpin Barker Armstrong
<b>“Wales CRC”</b>	The Wales Community Rehabilitation Company Limited
<b>“WL”</b>	Working Links (Employment) Limited (In Administration)

## **APPENDICES**

<b>Appendix 1</b>	A description of the routine work undertaken during the Liquidation
<b>Appendix 2</b>	Joint Liquidators' receipts and payments account
<b>Appendix 3</b>	Proof of Debt form
<b>Appendix 4</b>	A summary of the Joint Liquidators' time costs in the Liquidation
<b>Appendix 5</b>	A comparison between the Joint Liquidators' time costs and fee estimate
<b>Appendix 6</b>	Summary of expenses

**The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited –  
In Creditors' Voluntary Liquidation**

**JOINT LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the year ending 4<sup>th</sup> February 2022**

**EXECUTIVE SUMMARY**

This is our first report to members and creditors for the Liquidation. This report should be read in conjunction with the Joint Administrators' proposals and our prior progress reports issued during the Administration, copies of which can be provided on request.

James E Patchett and I were appointed as Joint Administrators of WL and the CRCs on 14<sup>th</sup> February 2019. The Company entered CVL on 5<sup>th</sup> February 2021, CVL being the exit route of Administration, and James E Patchett and I were appointed as Joint Liquidators. The Company moved to CVL to allow the following matters to be finalised:

- Finalise the investigations into the Company's affairs:
  - o To date, the banking records required to complete our investigations have not been provided by RBS. However, similar records have recently been received in the Liquidation of WL and therefore it is hoped that these will be received shortly to enable our investigations to be concluded.
- Pay a preferential dividend to one creditor whose claim was provisioned for at the time of declaration of the dividend:
  - o This dividend was paid in the reporting period.
- The adjudication of unsecured claims (including the significant claim received from WL):
  - o The adjudication of the WL claim became protracted for reasons set out later in this report which has delayed payment of a dividend to non-preferential unsecured creditors.
  - o The position regarding the WL claim was finalised following the end of this reporting period, however, further details are still included later in this report due to the significance of the outcome for creditors.
- Concluding all property related matters (including surrendering or disclaiming the Company's remaining leases as appropriate):
  - o Unfortunately, the Company's records were incomplete, and this work has therefore been more time consuming than initially envisaged.
- Paying a dividend to non-preferential unsecured creditors (over and above the prescribed part previously ringfenced):
  - o Whilst there are certain matters which still need to be resolved, we are taking steps to pay a first and final dividend to non-preferential unsecured creditors. In this regard, a

notice of intended dividend was recently issued to all non-proving creditors with a last date for proving of 28<sup>th</sup> April 2022.

- A dividend will be paid to non-preferential unsecured creditors within 2 months of the last date for proving.
- Based on claims received to date, and after taking into account fees and expenses incurred to date, together with estimated future fees and expenses, we estimate that the return to unsecured creditors will be between circa 1.5p and 2p in the £.



## STATUTORY INFORMATION

Company name:	The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited
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 Liquidators' names:	Martin C Armstrong and James E Patchett
Joint Liquidators' address:	Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA
Joint Liquidators' date of appointment:	5 <sup>th</sup> February 2021
Actions of Joint Liquidators:	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

## JOINT LIQUIDATORS' ACTIONS SINCE COMMENCEMENT OF THE LIQUIDATION

There is certain work that we are required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the commencement of the Liquidation is contained in Appendix 1.

Key aspects of the work undertaken in the reporting period are summarised below:

### Calculation and adjudication of WL claim in the Liquidation

As set out in our progress reports during the Administration, the SoA included sums owing by the CRCs to WL of £6,866,973. We instructed independent third-party accountants (Menzie's) to calculate the intercompany balances and their final report on the position concluded that amounts totalling £38,673,540 were owed to WL by the CRCs. A breakdown of this is as follows:

Debtor	Amount
Wales CRC	£7,483,295
Dorset CRC	£12,256,047
Bristol CRC	£18,934,198

According to the report prepared by Menzie's, the significantly higher intercompany balances were as a result of termination charges which were due to the Company under the Sub-Contracting Agreements entered into with the CRCs. The CRCs breached the Sub-Contracting Agreements by virtue of being in arrears and then also entering Administration. These breaches were considered terminable events and the early termination of the Sub-Contracting Agreements would normally result in termination charges (being the equivalent of the sums due for services to the end of the agreements) falling due (on or before the termination date).

Due to the contractual nature of the basis of the calculation, and on the basis the significantly higher intercompany balances would materially affect creditors in the Administrations of the CRCs, we requested legal advice from CRS on the contractual position giving rise to the termination charges. Following the provision and review of further information and documentation, in particular in relation to the termination of the CRCs' contracts with the MoJ, and due to the contractual complexities and potential conflicts of interest arising from the adjudication of claims between estates over which the Joint Liquidators are appointed, it was considered appropriate to obtain Counsel's advice on the position (which included whether they could act as quasi-adjudicator on the claims).

Legal advice from Counsel confirmed that the termination charges included in the claims of WL previously (per the independent report from Menzies) should not be claimed. This was based on a "purposive approach" to interpretation of the contract as opposed to a literal interpretation.

In essence, the Sub-Contracting Agreements between WL and the CRCs terminated automatically upon termination of the Services Agreements between the CRCs and the MoJ. At that point, WL and the CRCs became bound to honour the Exit Plans set out in the Sub-Contracting Agreements and this provided for a different mechanism to termination and one which is inconsistent with WL becoming entitled to claim the termination charges previously calculated.

In light of the above, WL's claims against the CRCs have been calculated as follows (and will be admitted as such for dividend purposes in the Liquidations of the CRCs):

<b>Estate</b>	<b>WL Claim</b>
Wales CRC	£4,717,024.00
Bristol CRC	£914,241.00
Dorset CRC	£1,234,689.50

The above is a significant reduction on the claims calculated previously which totalled £38,673,540 across all three estates, of which £18,934,198 was previously claimed in the liquidation of the Company. This will lead to an increase in the dividend rate paid to unsecured creditors of the CRCs.

The following work was undertaken in the reporting period in respect of the above:

- Liaising with CRS regarding the calculation of the intercompany balances and contractual basis of the termination charges included in Menzies' report.
- Corresponding with the MoJ to obtain further information and documentation relating to the Services Agreement with the CRCs (and their termination).
- Reviewing Counsel's advice and quantifying WL's claims against the CRCs in accordance with that advice.

#### MoJ claim

WL provided a guarantee to the MoJ for any liabilities owed by the CRCs under their contracts. Following Administration, the MoJ put the Joint Liquidators (then Joint Administrators) on notice that they anticipated submitting an unsecured claim in the Administrations of WL (under the guarantee) and the CRCs.

The MoJ originally submitted non-preferential unsecured claims as follows:

<b>Wales CRC</b>	<b>Dorset CRC</b>	<b>Bristol CRC</b>	<b>WL</b>
£7,262,447*	£6,539,397	£3,505,482	£15,174,750

*\*Includes the payment of £2,132,576 purportedly made to Wales CRC in error.*

The above, however, included previously unquantified elements and estimates. Following further correspondence between the MoJ and the Joint Liquidators in the reporting period, an updated claim from the MoJ has been received. The MoJ's revised non-preferential unsecured claims are as follows:

<b>Wales CRC</b>	<b>Dorset CRC</b>	<b>Bristol CRC</b>	<b>WL</b>
£6,743,869*	£4,857,104	£5,071,501	£16,672,474

*\*Includes payment of £2,132,576 purportedly made to Wales CRC in error.*

One of the unquantifiable elements of the MoJ's initial claim related to subrogated claims for sums which would be paid to Permitted Subcontractors. In some cases, these Permitted Subcontractors had already submitted claims in the Liquidation in respect of the losses they had suffered. As part of the claim adjudication process, we therefore liaised with the MoJ to obtain details of the Permitted Subcontractors and then then corresponded with the Permitted Subcontractors directly to invite them to formally withdraw their claims (on the basis they had been reimbursed fully by the MoJ and the MoJ has submitted a revised claim which included these sums). Whilst most of the Permitted Subcontractors have formally responded and withdrawn their claims, the position remains to be finalised for one of the Permitted Subcontractors in this Liquidation.

The work undertaken in the reporting period in respect of the above is as follows:

- Corresponding with the MoJ regarding their claims and the anticipated outcome of the Liquidation.
- Reviewing revised claim from the MoJ and supporting information.
- Corresponding with Permitted Subcontractors regarding the withdrawal of claims.

#### Properties

Now that the position regarding WL's claims against the CRCs has been finalised, the principal matter to resolve in the liquidation is the disclaimer of leases for the numerous properties occupied by the CRCs prior to administration. Unfortunately due to the lack of information in the Company's records regarding the properties and the associated leases, this process has become protracted.

The following work was undertaken in the reporting period in respect of the above:

- General correspondence with landlords.
- Liaising with KSS regarding the occupation and vacation of certain properties.
- Liaising with CRS and providing requested documentation/information where available.
- Obtaining legal advice proposed surrender or disclaimer of leases.

#### Surrender of Tax Losses

Tax losses for 2017 were previously surrendered to a group company with the premium payable calculated as a % of the tax saving. There was thought to be scope to surrender the 2018 tax losses and in this regard, we made enquiries of Aurelius as to whether another group entity would be

interested in acquiring the 2018 losses. Aurelius have confirmed they have no interest in acquiring these losses.

## RECEIPTS AND PAYMENTS

Our Receipts & Payments Account for the period from 5<sup>th</sup> February 2021 to 4<sup>th</sup> February 2022 is attached at Appendix 2. All amounts are shown net of VAT. We have reconciled the account against the financial records that we are required to maintain.

The following transactions have taken place since the end of the reporting period:

Date	Receipt/(Payment)	Details
03/03/2022	£2.00	Gross Bank Interest
08/03/2022	(£504.00)	Insurance
24/03/2022	(£4,242.74)	Legal fees (inclusive of VAT)

The balance of funds are held in an interest bearing estate bank account.

## ASSETS

The following assets were realised in the reporting period:

### Surplus from Administration

Creditors should refer to our previous progress reports in respect of assets realised during our tenure as Joint Administrators of the Company. A surplus of £284,948.24 was received into the Liquidation from the Administration.

### VAT Refund from Administration

At the conclusion of the Administration there remained a VAT refund totalling £11,767.79 due in respect of the Administration period. This was duly received in the CVL.

### Gross Bank Interest

As stated above, funds are held in an interest-bearing bank account. Gross bank interest totalling £84.81 was received in the reporting period.

## INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

As set out in the final report on the Administration, the following area of investigation required completion in the Liquidation as it could lead to identifying potential recovery actions for the benefit of creditors:

### Bank Analysis

A full analysis of the Company's bank account 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.

To date, the banking records required to complete our investigations have not been provided by RBS. However, similar records have recently been received in the Liquidation of WL and therefore it is hoped that these will be received shortly to enable our investigations to be concluded

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.

## **JOINT ADMINISTRATORS' REMUNERATION**

The Joint Administrators' unpaid remuneration of £6,080.00 was paid out of the assets of the Company in the Liquidation, and in priority to the costs and expenses of the Liquidation.

## **JOINT LIQUIDATORS' REMUNERATION**

We would remind creditors that as a result of the insolvency legislation, the basis of our remuneration for acting as Liquidator is the same as that approved in the preceding Administration.

Our remuneration was approved by the Creditors on a time cost basis based on an approved fees estimate of £126,405.00. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. Our total time costs to 4<sup>th</sup> February 2022 amount to £38,979.00, representing 98.3 hours of work at a blended charge out rate of £396.53 per hour.

We have not yet drawn any remuneration in this matter.

A detailed schedule of our time costs incurred to 4<sup>th</sup> February 2022 is attached as Appendix 4. In addition, a comparison of these costs with our fees estimate for the Liquidation 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. We would comment that the overall blended rate is higher than that estimated when providing our fee estimate to creditors, which was £278.43, due to the complex legal matters relating to the intercompany claims and the property position, requiring a higher level of staff to deal with these matters. Creditors will note, however, that the time costs incurred in the CVL are much lower than the increased fee estimate provided to creditors and based on current information we do not expect our total time costs to exceed our estimated remuneration we set out in our fees estimate when our 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/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which can also be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

## JOINT LIQUIDATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

A summary of the overall expenses we estimated we would incur when our remuneration was authorised by the creditors in the Administration, in addition to the actual expenses incurred and paid in the Administration and the Liquidation, is provided at Appendix 6. The expenses set out in Appendix 6 are all category 1 expenses. No category 2 expenses have been incurred.

The total expenses we have incurred in this matter have exceeded the total expenses we estimated we would incur when our remuneration was approved. The principal reasons we have exceeded the estimate are set out later in this section under the respective category of work. Further, additional insurance has become payable due to the delays in resolving the property position and the requirement for insurance to be kept in place in respect of these properties until the leases have been formally surrendered or disclaimed.

We have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
CRS	Solicitors	Time costs + disbursements
Buzzacott	Tax advice/assistance	Fixed fee
Clumber Consultancy Limited	Pension services	Fixed fee

### Legal costs

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

- Advising on property issues and analysing available property related documentation.
- Attempting to agree the surrender of leases with landlords.
- Preparing disclaimer documentation where possible/appropriate.
- Advising on the adjudication of WL's claim and instructing Counsel to provide advice on the position and act as quasi-adjudicator.

Increased legal costs have been incurred due to the broad range of complex matters which have arisen across the Administration and Liquidation, in addition to numerous matters which were not anticipated when the initial estimate was prepared or, became more protracted than expected. This includes, but is not limited to, negotiations with the MoJ/HMPPS and dealing with property related matters and the adjudication of intercompany claims.

#### Tax advice/assistance

Buzzacott are instructed to provide tax advice to the Joint Liquidators. The work undertaken in the reporting period relates to finalising the tax computation and return for the period ending 5<sup>th</sup> February 2021 (being the end of the Administration).

The estimated expenses for this have been exceeded as the Administration was required to be open longer than anticipated which resulted in additional tax returns being required to be prepared than originally anticipated. Further, additional queries arose from tax returns during the Administration which resulted in increased costs to complete.

#### Pension services

Clumber Consultancy Limited were instructed to assist the Joint Liquidators in dealing with the Company's pension schemes and the associated notifications following the move to CVL. The work undertaken in the reporting period relates to preparing and issuing certain statutory notices following the move to CVL. Their costs have exceeded our initial estimate as a result of ongoing correspondence and assistance in dealing with the GMPF claim during the Administration.

Our choice of professional advisors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also confirmed that they hold appropriate regulatory authorisations. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case and represent value for money.

### **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 28<sup>th</sup> September 2018.

As set out in our progress reports on the Administration, distributions were made in the Administrations of WL and the CRCs which have discharged the liability to Symbiont in full. All charges held over the Company have been formally satisfied.

The legislation requires that if the Company has created a floating charge after 15<sup>th</sup> 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 and paid in the Administration which related to the February payroll up to 14<sup>th</sup> February 2019 (capped at £800 per employee).

A preferential claim of £24,296.45 has also been received in respect of unpaid pension contributions (an increase on the estimated claim of £23,144.75 provisioned for when the preferential dividend was paid during the Administration).

#### Crown Creditors

The SoA included £788,488 owed to HMRC which is made of unpaid PAYE/NI of £147,172 and unpaid VAT of £641,276. HMRC has submitted a claim of £477,625.85 to date. This claim does not include any amounts for PAYE/NI.

#### Non-preferential unsecured Creditors

A summary of the other non-preferential unsecured creditors included in the SoA, and the claims received in respect of these categories of creditors is as follows:

<b>Unsecured creditors</b>	<b>SoA (£)</b>	<b>Claims received (£)</b>
Trade and Expense	696,550	711,455
GMPF Pension Fund	91,294	101,700
WL	914,241	914,241
MoJ/HMPPS	-	5,071,501
RPS	-	61,725

We would comment on the above creditor categories as follows:

#### 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.

#### GMPF

The GMPF has submitted a claim in respect of ill health retirement strain costs of £101,700.13. A claim was also submitted by the GMPF to the RPS in respect of the employer pension contributions of £57,231.89, which will rank as an unsecured claim. The RPS will stand in the shoes of the GMPF as a creditor in the Administration and a claim of £61,724.66 has been received from the RPS in respect of employer pension contributions, which comprises the £48,780.90 paid to the GMPF (being less than their original claim) and £12,943.76 paid in respect of non-preferential unsecured pension contributions in relation to another pension scheme previously operated by the Company.

#### WL

For the reasons set out previously in this report, WL's claim in the Liquidation is £914,241.



### MoJ/HMPPS

As previously mentioned, a summary of claim was originally submitted by the MoJ in the Administrations of each of the CRCs, however an updated claim was recently received which included sums for elements which were unquantifiable when their original claim was submitted. The MoJ's total updated unsecured claim against the CRCs amounts to £16,672,474. The MoJ's updated claim in the Liquidation of the Company is £5,071,501 and has been agreed based on the wider commercial agreement relating to the Wales CRC monies which was set out in our prior progress reports in the Administration.

The adjudication of creditor claims is nearly complete. 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 3 by 28<sup>th</sup> April 2022, being the last date for proving.

### **DIVIDEND PROSPECTS**

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 in the Administrations it was not deemed cost effective to undertake work to apportion costs in this regard. All asset realisations in the Administration were categorised as either fixed or floating charge realisations based on legal advice received. The costs and expenses of the Administration and the Liquidation have therefore been allocated in full to asset realisations which were subject to a floating charge. Preferential creditors have been paid in full so this has not impacted them in any way.

#### Fixed charge creditors

Details of the fixed charge dividend paid to Symbiont was set out in our progress reports on the Administration.

#### Preferential creditors

On 8<sup>th</sup> October 2020 (during the Administration), a dividend of 100p in the £ was declared and paid to preferential creditors. The total amount distributed was £187,588.01 (which was before a provision for one unsettled preferential claim as detailed below).

In calculating the above dividend, we made a provision for one unsettled preferential pension claim, estimated at £23,144.75. During the Liquidation, this final preferential claim was received in the sum of £24,296.45, being slightly higher than previously estimated. This claim was paid in full on 15<sup>th</sup> September 2021, bringing the total amount distributed to preferential creditors across the Administration and the Liquidation to £211,884.46.

#### Floating charge creditors

Details of the fixed charge dividend paid to Symbiont was set out in our progress reports on the Administration. 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

The legislation requires that if the Company has created a floating charge after 15<sup>th</sup> 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. As previously advised, the Company gave floating charges to Aurelius Sigma Limited on 4<sup>th</sup> June 2018 and 19<sup>th</sup> July 2018. The

security held by Aurelius Sigma Limited was subsequently assigned to Symbiont under an Assignment Deed dated 28<sup>th</sup> September 2018. The liability owed to Symbiont has now been repaid in full and the respective charges have been formally satisfied at Companies House.

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 and were based on the worst-case scenario (i.e., that the full debt paid by HMPPS was returned and no reimbursement was received from Wales CRC). Accordingly, the prescribed part of £71,789.06 was ringfenced for the benefit of non-preferential unsecured creditors when making distributions to the secured creditor. Following reimbursement being made by Wales CRC to the Company in respect of an overpayment made to Symbiont in this estate, additional funds over and above the prescribed part will be available to be distributed to non-preferential unsecured creditors.

Whilst there are certain matters which still need to be resolved, we are taking steps to pay a first and final dividend to non-preferential unsecured creditors. In this regard, a notice of intended dividend was recently issued to all non-proving creditors with a last date for proving of 28<sup>th</sup> April 2022. 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 3.

A dividend will be paid to non-preferential unsecured creditors within 2 months of the last date for proving. Based on claims received to date, the return to unsecured creditors is expected to be between circa 1.5p and 2p in the £.

## **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 Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

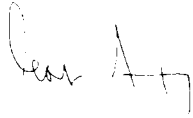
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their 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 Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

## **SUMMARY**

The Liquidation will remain open until the property position has been resolved and a first and final dividend has been paid to non-preferential unsecured creditors. We estimate that this will take approximately 6 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Administration, or if they would like hard copies of the documents made available online, they should contact us on 020 8661 4004 or by email at [workinglinks@turpinba.co.uk](mailto:workinglinks@turpinba.co.uk).

A handwritten signature in black ink, appearing to read 'Martin C Armstrong', written in a cursive style.

**Martin C Armstrong FCCA FABRP FIPA MBA FNARA**  
**Joint Liquidator**

## **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.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holders' appointment.
- Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- 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.
- Filing returns at Companies House.
- Preparing and filing VAT returns.

### **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.

Dividends - the office holders have to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Obtaining information from the case records about employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally

admitting them for the payment of a dividend.

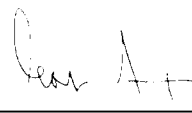
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Liaising with the MoJ regarding their claim and payments made to Permitted Subcontractors.
- Corresponding with Permitted Subcontractors regarding their claims and their withdrawal as appropriate.

The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments  
To 04/02/2022

S of A £	£	£
ASSET REALISATIONS		
Surplus from Administration	284,948.24	
VAT Refund from Administration	11,767.79	
Gross Bank Interest	84.81	
		296,800.84
COST OF REALISATIONS		
Legal Fees	2,308.74	
		(2,308.74)
COST OF ADMINISTRATION		
Statutory Advertising	81.75	
Insurance of Assets	1,008.00	
Telephone Telex & Fax	2.67	
Accountancy costs - tax advice	1,500.00	
Pension agent's fees	841.50	
Joint Administrators' Fees	6,080.00	
		(9,513.92)
PREFERENTIAL CREDITORS		
Redundancy Payments Service	24,296.45	
		(24,296.45)
UNSECURED CREDITORS		
NIL Trade & Expense Creditors	NIL	
NIL Directors	NIL	
		NIL
		260,681.73
REPRESENTED BY		
Input VAT		142.20
Bank 2 - Interest Bearing Account		260,539.53
		260,681.73

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 Liquidator

Proof of Debt – General Form

Name of Company in Liquidation:

The Bristol, Gloucestershire, Somerset And Wiltshire  
Community Rehabilitation Company Limited

Company Registration Number:

08802537

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

Admitted for dividend for

Amount (£)

Amount (£)

Date

Date

Martin Armstrong  
Joint Liquidator

Martin Armstrong  
Joint Liquidator

Notes:

1. 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.



Time Entry - Detailed SIP9 Time & Cost Summary

XT0288 - The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited  
From: 05/02/2021 To: 04/02/2022  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
603 : Statutory filing	0.20	0.00	0.00	0.00	0.20	119.00	595.00
604 : Appointment notification	0.40	0.50	0.00	0.00	0.90	413.00	458.89
605 : Case review	7.60	1.10	0.00	0.70	9.40	4,761.00	506.49
606 : MLR/Ethics/Bribery checklists	3.60	0.00	0.00	0.00	3.60	2,322.00	645.00
607 : Post-appointment VAT/CT returns	2.90	0.20	0.00	1.30	4.40	2,091.50	475.34
608 : Pension matters	0.60	0.70	0.00	0.00	1.30	530.00	407.69
609 : Administrative set up	0.00	0.00	0.00	0.30	0.30	12.00	40.00
610 : Case closure formalities	0.20	0.00	0.00	0.00	0.20	88.00	440.00
611 : Maintenance of case files/records	0.10	0.20	0.00	0.10	0.40	121.50	303.75
402 : Cashiering	6.90	0.50	0.00	8.10	15.50	4,606.50	297.19
504 : Statutory Reporting to Creditors	0.00	0.00	0.00	0.40	0.40	16.00	40.00
600 : Administration	1.30	1.20	0.00	9.90	12.40	2,197.50	177.22
Administration & Planning	23.80	4.40	0.00	20.80	49.00	17,278.00	352.61
601 : Case Specific 1	2.70	0.30	0.00	7.40	10.40	3,571.50	343.41
Case Specific Matters	2.70	0.30	0.00	7.40	10.40	3,571.50	343.41
507 : Dividend distribution/adjudicating claims	5.90	0.40	0.00	4.70	11.00	3,746.50	340.59
500 : Preferential Creditors	0.10	0.00	0.00	0.10	0.10	47.50	475.00
501 : Unsecured Creditors	22.60	0.60	0.10	4.00	27.30	14,064.00	515.16
Creditors	28.60	1.00	0.10	8.70	38.40	17,858.00	465.05
306 : Other Assets	0.50	0.00	0.00	0.00	0.50	271.50	543.00
Realisation of Assets	0.50	0.00	0.00	0.00	0.50	271.50	543.00
Total Hours	55.60	5.70	0.10	36.90	98.30	38,979.00	396.53
Total Fees Claimed						0.00	

Appendix 5 - Comparative fee estimate and time summary

	CVL FEE ESTIMATE			TIME COSTS INCURRED IN REPORTING PERIOD			
Classification of Work Function	Fee Estimate £	Total hours of work	Blended Rate £	Time Costs incurred in Reporting Period £	Total hours of work	Actual Blended Rate £	Reason blended rate has been/is likely to be exceeded
Administration & Planning	52,455.00	164.00	319.85	17,278.00	49.00	352.61	Higher level of staff utilised due to nature of the case and to prepare and issue reports to creditors. Only marginally higher than original estimate.
Investigations	6,790.00	25.00	271.60	0.00	0.00	0.00	N/A
Realisation of Assets	1,645.00	4.00	411.25	271.50	0.50	543.00	Higher level of staff utilised due to nature of potential asset (being the surrender of further tax losses).
Creditors	44,152.50	185.00	238.66	17,858.00	38.40	465.05	Higher level of staff required to deal with certain claims/creditors (principally the MoJ and WL claims).
Case Specific Matters	21,362.50	76.00	281.09	3,571.50	10.40	343.41	Higher level of staff required to deal with property related matters.
<b>Total</b>	<b>126,405.00</b>	<b>454.00</b>	<b>278.43</b>	<b>38,979.00</b>	<b>98.30</b>	<b>396.53</b>	

**Appendix 6 – Summary of expenses**

<u>Type of expense</u>	<u>Estimated expenses</u>	<u>Incurred in Administration</u>	<u>Paid in Administration</u>	<u>Incurred in reporting period</u>	<u>Paid in reporting period</u>	<u>Incurred in total</u>	<u>Paid in total</u>	<u>Amount unpaid</u>
	£	£	£			£	£	£
Specific bond	1,030.00	1,030.00	1,030.00	Nil	Nil	1,030.00	1,030.00	Nil
Postal redirection	250.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Statutory advertising	227.75	241.25	159.50	85.85	81.75	327.10	241.25	85.85
Insurance	5,000.00	1,680.00	1,680.00	1,008.00	1,008.00	2,688.00	2,688.00	Nil
Conference call costs	50.00	4.70	2.03	Nil	2.67	4.70	4.70	Nil
Property searches	1,000.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Valuation agents	1,500.00	1,680.00	1,680.00	Nil	Nil	1,680.00	1,680.00	Nil
Legal costs	10,000.00	14,698.85	14,698.85	4,335.24	2,308.74	19,034.09	17,007.59	2,026.50
Tax advice/assistance	3,000.00	5,900.00	5,900.00	1,500.00	1,500.00	7,400.00	7,400.00	Nil
Document storage [Restore]	5,000.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Document storage [VZX]	2,500.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pension services	3,500.00	5,022.00	5,022.00	841.50	841.50	5,863.50	5,863.50	Nil
ERA services	5,000.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Debt collection agents	Nil	638.00	638.00	Nil	Nil	638.00	638.00	Nil
Postage	Nil	0.68	0.68	Nil	Nil	0.68	0.68	Nil
<b>Total</b>	<b>38,057.75</b>	<b>30,895.48</b>	<b>30,811.06</b>	<b>7,770.59</b>	<b>5,742.66</b>	<b>38,666.07</b>	<b>36,553.72</b>	<b>2,112.35</b>