

In accordance with
Rule 3.56 of the
Insolvency (England
& Wales) Rules 2016
& Paragraph 80(2) of
Schedule B1 to the
Insolvency Act 1986.

AM21

Notice of end of administration



Companies House

FRIDAY



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11/08/2017

#311

COMPANIES HOUSE

1 Company details

Company number 0 0 5 0 1 6 7 5

Company name in full Stanbridge Earls School Trust

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

2 Court details

Court name High Court of Justice, Chancery Division, Companies Court

Court case number 6 1 1 0 o f 2 0 1 3

3 Administrator's name

Full forename(s) David John

Surname Blenkarn

4 Administrator's address

Building name/number Smith & Williamson LLP

Street 4th Floor, Cumberland House

15-17 Cumberland Place

Post town Southampton

County/Region Hampshire

Postcode S O 1 5 2 B G

Country

AM21

Notice of end of administration

5 Administrator's name ¹

Full forename(s) Gregory Andrew
Surname Palfrey

1 Other administrator
Use this section to tell us about another administrator.

6 Administrator's address ²

Building name/number Smith & Williamson LLP
Street 4th Floor, Cumberland House
15-17 Cumberland Place
Post town Southampton
County/Region Hampshire
Postcode S O 1 5 2 B G
Country

2 Other administrator
Use this section to tell us about another administrator.

7 Statement of appointment

I was/we were appointed as administrator(s) on:

Date ^d0 ^d3 ^m0 ^m9 ^y2 ^y0 ^y1 ^y3

8 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application

Full forename(s) the company
Surname

9 Attachments

☒ A copy of the final progress report is attached.

10 Sign and date

The purpose of administration has been sufficiently achieved and a notice of the end of administration is being filed with the court as well as with the registrar of companies.

Administrator's signature

Signature

X



X

Signature date

^d1 ^d1 ^m0 ^m8 ^y2 ^y0 ^y1 ^y7

AM21

Notice of end of administration



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 David Blenkarn

Company name Smith & Williamson LLP

Address 4th Floor, Cumberland House

15-17 Cumberland Place

Post town Southampton

County/Region Hampshire

Postcode S O 1 5 2 B G

Country

DX

Telephone 023 8082 7600



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 and dated 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

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Stanbridge Earls School Trust (in administration)

Joint administrators' final progress report

11 August 2017



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1. Glossary

Abbreviation	Description
the Company	Stanbridge Earls School Trust
the administrators/joint administrators	Gregory Andrew Palfrey and David John Blenkarn
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
RPS	Redundancy Payments Service

2. Introduction

This report provides an account of the administration of the Company since the last progress report and a summary of the outcome of the administration of the Company. It should be read in conjunction with our proposals and any previous reports. By way of reminder, we, David John Blenkarn and Gregory Andrew Palfrey, of Smith & Williamson LLP, 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG, were appointed administrators of the Company on 3 September 2013.

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

3. Administrators' proposals

As previously advised the administrators must perform their functions with the purpose of achieving one of the following objectives:

1. Rescuing the Company as a going concern; or
2. Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being placed into administration; or
3. Realising property in order to make a distribution to one or more secured or preferential creditors.

The objective pursued in this case was the second objective above and our strategy for achieving this objective was set out in our proposals, which were deemed approved on 7 November 2013.

We consider that the second objective has been achieved on the basis that the administration enabled us to complete the refurbishment of the Grade II* listed building which was a substantial part of the Company's main property, which maximised the value realised for this asset when compared with liquidation, where it is unlikely we would have been able to complete the refurbishment. This in turn increased the sums available for all creditors, who were paid in full together with statutory interest.

A summary of our proposals is set out below:

- To realise the assets of the Company;
- If considered appropriate, to apply to Court for permission to make a distribution to unsecured creditors in the administration;
- To do all such other things and generally exercise all of the administrators powers to achieve the purpose of the administration
- To exit the administration by one of the following methods, as considered appropriate by the administrators:
 - Move to creditors' voluntary liquidation
 - Move to dissolution
 - Move to compulsory liquidation

Our proposals anticipated that there may be surplus funds available following payment of all creditors in full, together with statutory interest, and that control of these funds (and consequently the Company) may be returned to the Trustees. This has proved to be the case.

The method for exiting the administration to enable this outcome, which is under the provisions of P80 Sch B1, was not, however, specifically referred to in our proposals. Consequently, we obtained the approval of creditors to exit the administration in this manner by way of business by correspondence on 11 March 2016. There have been no other variations to the strategy outlined in our proposals.

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 17 June 2017. This account includes cumulative figures for the whole of the period of the administration from 3 September 2013.

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

4.1 Exit from administration

During the reporting period, following discussions with the Trustees of the Company (who are also members of the Company) and their legal advisers, it has been concluded that following the cessation of the administration, the Company will be placed into members' voluntary liquidation, to be handled by Smith & Williamson LLP. The necessary filings to conclude the administration and the appointment of liquidators will take place on 11 August 2017.

The balance in hand of £2,522,066 will be transferred to the liquidation, and surplus funds from the liquidation will be distributed in accordance with Company's articles of association, which we anticipate to be to one or more charitable bodies with similar objects to that of the Company.

4.2 Main school property

The Company's main assets at the date of administration were its freehold property, which had an ETR value of £4.8m in the SOA and the equipment at the site. Part of the property consisted of a Grade II* listed house which had previously been used for teaching and administrative purposes by the school. At the date of our appointment there was a major refurbishment contract ongoing which commenced in March 2013 and had been due to be completed in December 2013.

We were advised by our agents that in order to realise the property for its full value, it would be necessary for the refurbishment work to be completed, as otherwise any purchaser would apply a substantial discount to their offer. As the property was a listed building, we were advised that the Heritage authorities also had the power to take over the project and place a charge over the property for the costs incurred, which would inevitably have been greater than if we continued to manage the project.

In view of the major impact non-completion of the refurbishment would have on the realisable value of the property, work on the contract was continued during the administration. This required extensive time being spent in dealing with negotiations with the contractors, the various construction professionals involved, and with the Heritage authorities. There were significant delays to the original programme of work due to additional works and other issues arising with subcontractors and suppliers, including the insolvency of the main contractor, which resulted in the administrators having to take on the management of the refurbishment contract including relationships with subcontractors.

While the refurbishment was ongoing, our agents, Savills, undertook an extensive marketing exercise in respect of the property, with a deadline for offers in January 2014. All of the parties who expressed interest advised that they would not be prepared to complete a purchase until the refurbishment contract was completed, as they did not wish to take on the ongoing construction work.

Following the recommendation of our agents, Savills, the highest offer was accepted. After extensive negotiations, contracts were exchanged on 18 March 2014 with completion to take place when the refurbishment contract was finished. The refurbishment contract completed on 9 July 2014 and the sale of the property completed on 21 July 2014.

The consideration received was £7,000,000, which was apportioned as £6,650,000 for the property and £350,000 for the equipment and other assets on the site.

Total costs incurred in completing the refurbishment contract were £1,350,291.

Rent totalling £9,030 was received from former staff who remained resident on the main school site under the terms of their employment contracts.

As noted above, the main contractor for the refurbishment went into administration prior to the completion of the contract. We submitted a claim of £250,000 in that administration in relation to costs incurred as a result of the contractor not completing the refurbishment, on which we received a dividend of £4,490.

4.3 Other property assets

4.3.1 Investment properties

The SOA showed investment properties with an ETR value of £575,000, which related to two freehold properties owned by the Company for investment purposes.

Both properties were sold during the administration, and the total amount received was £575,500.

Rent totalling £8,584 was received in respect of the properties for periods prior to their sale.

4.3.2 Plot of land

A small parcel of land outside the boundary of the main school site was excluded from the sale of the main property. It was originally anticipated that this land would remain with the Company following the cessation of the administration, however following research and discussion with the Company's Trustees it has been concluded that it would be appropriate to dispose of this land.

We have instructed Primmer Olds BAS as agents to oversee the disposal process. The disposal will not take place during the administration, but we anticipate this will be completed during the liquidation.

4.4 Cash at bank

The SOA showed cash at bank with an ETR value of £807,547. We have received £785,950 in the administration from funds held in the Company's bank accounts.

There is a balance of £26,961 still held in one of the Company's bank accounts as there is uncertainty as to whether this sum represents Restricted Funds held under the provisions of the Charities Act. This balance has remained in the separate bank account, and will be dealt with during the liquidation.

4.5 Quoted investments

The SOA showed quoted investments with an ETR value of £220,163. This related to COIF investments, which were managed for the school by CCLA.

We instructed CCLA to sell these investments and realised the sum of £229,330.

4.6 Subsidiary companies

The Company had two wholly owned subsidiary companies, Stanbridge School Trading Limited and Stanbridge Construction Limited. The SOA gave an ETR value of £44,319 in respect of these companies. This figure reflects the residual values on their balance sheets at the date of administration, which arose from trading income received by the subsidiaries prior to the administration, which in previous years had been transferred periodically to the Company.

The cash at bank from both companies, totalling £45,436, was transferred to the administration account.

Following this transfer, the subsidiaries had no remaining assets or liabilities, and the directors of the companies applied to the Registrar for them to be struck off, and they were dissolved in August 2016.

4.7 Book debts and other receipts

The SOA showed an ETR value of £30,491 in respect of various categories of debtors. We have realised £16,659 in the administration in this respect.

4.8 Records management

A significant requirement in the administration has been to deal with the records at the school in a controlled manner. We have received a substantial number of requests for information by former pupils, their representatives, insurers who are dealing with claims on behalf of the Company and the police in respect of investigations which they have undertaken. We retained some of the Company's employees in order to facilitate these requests, although due to the nature of the enquiries it has been necessary for the Administrator to also be directly involved in the process.

We have, with the advice of our solicitors, complied with specific legal requirements in respect of how to deal with the various types of records and the requests received for access to the information contained.

As part of this process, a small office was been set up in a separate location to deal with ongoing information requests, and the school records were transferred to an off-site storage facility. These facilities are still in place and will remain so during the Company's liquidation.

4.9 Unrealisable assets

The following assets have not been realised during the administration:

- The parcel of land noted in section 4.3.2. The disposal of this asset is ongoing, and the value of any sale is uncertain.
- Book debts with an ETR value of £13,832 per the SOA have proved to be unrealisable.

5. Investigations

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

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

After appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire. Our investigations did not reveal any issues requiring further work.

6. Pre-administration costs

Our proposals set out that our total time costs in assisting the Company prior to our appointment as administrators were £39,599.50. Prior to our appointment we received the sum of £30,000.00 from the Company in respect of these costs.

The balance of £9,599.50 due to Smith & Williamson was approved for payment as a pre-administration cost on 13 November 2013 and has been paid during the administration.

7. Administrators' remuneration

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

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
3 September 2013 to 16 June 2017	4,991	1,028,687	206	1,011,672
17 June 2017 to 31 July 2017	62	15,543	251	30,751
Total	5,053	1,044,230	207	1,042,423

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the appendix.

Also attached as Appendix IV, is a cumulative time analysis which provides details of the administrators' time costs since appointment. A total of £1,042,423 has been drawn on account of these costs.

Any unpaid costs in the administration (for the period 1 August 2017 to the date of closure) will be settled during the liquidation of the Company, which will be subject to approval by the Company's members.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015. Prior to this date, there was no statutory obligation to produce fees and costs estimates.

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

8. Administration expenses

8.1 Subcontractors

We not utilised the services of any subcontractors in relation to work arising in the administration.

8.2 Professional advisers

On this assignment we have used a number of professional advisers. Those advisers where material costs were paid/incurred are listed below with a description of activities undertaken. We have also indicated alongside the basis of our fee arrangement with them, which was subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred			
		in current period	Costs paid in current period	Total costs incurred	Total costs paid
		£	£	£	£
Bond Dickinson LLP / Legal advice re administration, information requests and insurance claims	Hourly rate and disbursements	22,578	13,471	183,644	174,537
Blake Morgan / Legal advice re properties, employment matters and Charity Commission inquiry	Hourly rate and disbursements	12,291	-	203,930	191,639
Savills / Valuation and disposal advice re main school property and one investment property	Fixed fee re valuations; % of realisations for disposals	-	-	119,080.00	119,080
Goadsby / Valuation and disposal advice re one investment property	Fixed fee re valuations; % of realisations for disposals	-	-	2,960	2,960
ES (Group) Ltd (now Lambert Smith Hampton) / chattel asset valuation and arranging site security	Hourly rate and disbursements	-	-	37,286	37,286
Consultancy fees / dealing with information requests from regulatory authorities and other parties	Daily rate and disbursements	10,940	10,940	91,031	91,031
Fletcher & Partners / Preparation of statutory accounts and returns	Fixed fee per period	-	-	18,000	18,000

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Primmer Olds BAS / valuation and disposal advice re plot of land	Fixed fee	2,400	-	2,400	-

Any outstanding costs will be paid as an expense of the liquidation of the Company.

8.3 Administrators' disbursements

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

Description	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Statutory advertising	-	-	1,091	1,0901
Administrators' bonds	-	-	140	140
Company / Land Registry searches	-	-	64	64
Courier / Postage	-	-	957	957
Stationery	-	-	25	25
Storage	-	-	396	396
Travel & subsistence	-	-	213	213
Category 2 disbursements (see next section)	5	5	1,991	1,991
Total	5	5	4,877	4,877

8.4 Category 2 disbursements

Details of the Category 2 disbursements that have been incurred and/or paid in the current period together with the cumulative totals for the period of the administration are set out below.

Description	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Business mileage @ HMRC rates	5	5	1,991	1,991

Approval to recover the Category 2 disbursements shown above was given by the creditors by way of business by correspondence on 13 November 2013.

8.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the current period together with cumulative totals for the period of the administration are shown in the receipts and payments summary at Appendix II. Detailed below are those expenses which we consider to be significant in the context of this case.

Supplier/Service provider	Nature of expense incurred	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Willis Limited	Insurance premiums and brokerage fees	-	-	58,255	58,255
AB Services	IT support, maintenance and management of the Company's computer servers	1,799	541	34,005	32,747
Eastleigh Borough Council	Rental of office	975	975	18,935	18,935
Ready Steady Store	Rental of storage unit containing company records	858	858	17,704	17,704
Various	Wages and salaries of employees retained to oversee an orderly wind down of the school property and records	-	-	303,558	303,558

8.6 Policies regarding use of third parties and disbursement recovery

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

9. Outcome for creditors

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

9.1 Secured creditors

At the date of our appointment, the Company did not have any secured creditors.

As detailed in our previous reports, a charge was registered against the Company's property in order to secure funds to complete the refurbishment work of the Company's main house. It was not necessary to draw down funds from this facility and this charge was subsequently cleared.

9.2 Prescribed Part

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

9.3 Preferential creditors

We set out below a summary of preferential claims:

Preferential creditor	SOA claims £	Total claims received £	Total claims agreed £	Total claims paid £
8 Employee claims	5,933	2,002	2,002	2,002
Department for Business Innovation & Skills	-	23,709	23,709	23,709
Pension scheme claims	37,455	-	-	-
Total	43,388	25,711	25,711	25,711

The following dividends have been paid to preferential creditors.

Date	Total amount of dividend paid £	Rate of dividend p in the £ £
15 January 2015	24,502	100
8 September 2015	1,209	100
Total paid	25,711	100

Accordingly, preferential creditors have been paid in full. No claims have been received, agreed or paid during the current period.

9.4 Unsecured creditors

A summary of unsecured claims received and agreed is set out below:

	SOA claims £	Claims received £	Claims Agreed in current period £	Total claims agreed £	Total claims paid £
Amount of claims (£)	2,290,606	1,542,535	-	1,370,541	1,370,541
Number of claims	369	280	-	273	273

The following dividends have been paid to unsecured creditors in the administration:

Dividend date	Total amount of dividend paid £	Rate of dividend p in the £
15 January 2015	1,180,824	100
22 January 2015	3,859	100
15 April 2015	95,038	100
6 August 2015	90,820	100
Total paid in administration	1,370,541	100
Total paid in period	-	-

As detailed in previous reports, the administrators made an application to court on 4 July 2014 to authorise them to pay dividends to unsecured creditors during the administration. The order was made on 4 July 2014.

Details of steps taken in respect of the agreement of claims and payments of dividends have been set out in previous reports.

9.5 Statutory interest

As detailed in our previous reports we have paid statutory interest at a rate of 8% per annum on agreed claims as detailed below. Interest has been calculated from the date of administration until the date of payment of each creditor's claim.

	Claims received £	Total claims agreed £	Total claims paid £
Amount of claims (£)	153,424	153,424	153,223

We have been unable to obtain up to date addresses and bank account details for all creditors. Accordingly we have been unable to issue payments totalling £201 to date.

Statutory interest on both preferential and unsecured claims has been aggregated and added to the unsecured dividends to creditors in the receipts and payments account.

9.6 Protective award claims

In addition to the claims which were provided for in the Statement of Affairs, there were claims submitted to an Employment Tribunal by 52 employees, in which they were seeking a Protective Award as a result of what they regarded as inadequate consultation prior to their redundancy. Following negotiations with the unions and solicitors representing the various Tribunal claimants, an agreement was concluded and signed by the union representatives and ACAS and is binding on all parties. The following claims were agreed and paid on 15 January 2015.

	SOA claims £	Claims received £	Total claims agreed £	Total claims paid £
Amount of claims (£)	-	373,880	204,337	204,337
Number of claims	-	52	52	52

9.7 Pensions Trust deficit payments

At the date of administration the Company was a member of a defined benefit pension scheme operated by The Pensions Trust. This scheme had a deficit and the Company was making monthly contributions to this deficit in accordance with the directions of The Pensions Trust. Failure to make these payments would have resulted in the Company's liability to the pension scheme crystallising at a time when the Company was not in a position to withdraw from the scheme. A total of £35,461 was paid in this respect during the administration,

Following discussions with the Trustees, it was concluded that the Company had no further requirement to remain a member of the scheme and we therefore requested that the Pensions Trust calculate the amount required for the Company to withdraw from the scheme.

Following receipt of the withdrawal debt figure from The Pensions Trust, a payment of £219,840 was paid to the Pensions Trust in full and final settlement of the Company's liabilities to the pension scheme and the Company has withdrawn from the scheme.

10. Ending the administration

Our previous reports detailed that it intended that, under Paragraph 80 of Schedule B1 IA86, the administrators ceasing to act once all matters in the administration had been dealt with. The administrators are now in a position to cease to act and will file the relevant notices with the Court and Registrar of Companies on 11 August 2017.

A meeting of the Company's members has been convened for this date, with the intention of placing the Company into members' voluntary liquidation once we have ceased to act as administrators.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect. Authorisation for discharge from liability was granted by the creditors on 13 November 2013 by way of a resolution passed by business by correspondence.

11. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Gregory Andrew Palfrey or David John Blenkarn in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

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

ii) Telephone number: +44 300 678 0015

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

A handwritten signature in black ink, appearing to read 'D. Blenkarn' followed by a flourish.

David John Blenkarn and Gregory Andrew Palfrey

Joint Administrators

Date: 11 August 2017

I Statutory information

Relevant Court	High Court of Justice, Chancery Division
Court Reference	6110 of 2013
Trading Name(s)	
Trading Addresses	Stanbridge Earls, Stanbridge Lane, Romsey, SO51 0ZS
Former Name(s)	
Registered Office	4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG Formerly: Imperial House, 18 - 21 Kings Park Road, Southampton, SO15 2AT (until 4 December 2017) Stanbridge Earls, Stanbridge Lane, Romsey, SO51 0ZS (until 9 September 2013)
Registered Number:	501675
Joint Administrators	Gregory Andrew Palfrey and David John Blenkarn both of 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (IP No(s) 9060 and 6676) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Contact details	Telephone: 023 8082 7600 Email: chris.trimble@smithandwilliamson.com
Date of Appointment	3 September 2013
Extension to period of administration	An extension to 3 September 2015 was granted by the Court on 4 July 2014, and a further extension to 3 September 2017 was granted by the Court on 19 August 2015.

II Receipts and payments account

Receipts and payments account to 11 August 2017

SOA	17/06/2017 - 11/08/2017	03/09/2013 - 11/08/2017
£	£	£
Receipts		
4,800,000.00	-	7,000,000.00
247,850.00	-	3,000.00
1,170.00	-	-
30,291.00	-	16,766.03
220,163.00	-	229,330.78
807,547.00	-	785,949.68
-	-	4,489.78
-	-	17,613.51
-	-	634.61
-	-	103.00
1,393.00	957.83	64,087.49
45,830.00	-	45,435.58
575,000.00	-	575,500.00
6,729,244.00	957.83	8,742,910.46

Notes and further information required by SIP 7

- The administrators' remuneration was approved by creditors on 13 November 2013 on a time cost basis.
- Smith & Williamson received £30,000 on account of pre-appointment fees from outside the estate. These fees were paid by the Company prior to our appointment in respect of advice provided to it relating to its financial position and the options available to it.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of VAT. The Company is not VAT registered and therefore VAT paid is irrecoverable.
- Dates and amounts of distributions to creditors are set out in section 6.

SOA	17/06/2017 - 11/08/2017	03/09/2013 - 11/08/2017
£	£	£
Payments		
- Electricity	-	30,046.37
- Telephone and Internet	-	5,582.39
- Insurance	-	59,692.55
- Repairs, Renewals & Maintenance	-	22,012.40
- Sundry Expenses	-	2,273.57
- Fuel	-	5,702.68
- Water	-	4,452.85
- Council Tax	-	8,648.54
- Waste Collection	-	385.21
- IT Costs	540.50	32,746.67
- Storage and Office Costs	1,833.12	36,638.52
- Finance Arrangement Costs	-	24,638.98
- Pensions Advice Fees	-	240.00
- Administrators' Pre Appointment Fees	-	9,599.50
- Administrators' Fees	30,750.75	1,042,422.25
- Administrators' Expenses	4.50	4,877.03
- Security Costs	-	3,223.82
- Agents/Valuers Fees	-	148,965.00
- Agents/Valuers Expenses	-	12,428.38
- Legal Fees	13,471.00	368,043.36
- Legal Expenses	367.50	8,884.57
- Irrecoverable VAT	9,144.97	355,937.18
- Professional Fees	-	23,740.00
- Consultancy Fees	10,890.00	90,065.00
- Consultancy Expenses	49.70	965.80
- Trustee Expenses	-	458.20
- Wages & Salaries	-	303,558.08
- PAYE & NI Interest	-	1.54
- Bank Charges	0.40	1,028.67
- The Pension Trust Deficit Payments	-	255,300.76
- Pension Schemes	-	14,854.17
- Protective Awards	-	204,336.94
	67,052.44	3,081,750.98
Refurbishment contract		
- Professional Fees re Construction	-	263,316.33
- Main House Building Works Contractor	-	1,086,974.73
- Irrecoverable VAT re Contract	-	239,326.40
		1,589,617.46
Preferential distribution		
- National Insurance Fund	-	23,709.57
- Employee Wages & Holiday Claims	-	2,001.65
		25,711.22
Unsecured distribution		
- Trade & Expense Creditors	-	607,199.79
- Employees	-	287,942.96
- National Insurance Fund	-	543,998.91
- HM Revenue & Customs	-	84,623.27
		1,523,764.93
Bank Accounts	(66,094.61)	2,522,065.87
	957.83	8,742,910.46
Balance in hand represented by		
- Clydesdale account	(52,556.94)	2,507,309.12
- Current account	(13,537.67)	14,764.24
- PAYE Control	-	(7.49)
	(66,094.61)	2,522,065.87

III Time analysis for the period

From 17 June 2017 to 31 July 2017

Activity Description	Partner	Manager	Other Senior Professionals	Assistants and Support	Totals Hours	£	Average Hourly Rate £
Administration & planning							
Statutory, returns, reports and meetings	-	2.10	5.20	1.50	8.80	1,489.25	169.23
Cashiering general, including bonding	-	0.70	1.30	-	2.00	428.00	214.00
Job planning, reviews and progression	1.35	8.00	0.25	-	9.60	2,329.50	242.66
Insurance and general asset protection	-	0.95	-	-	0.95	213.75	225.00
File and information management	-	-	0.10	-	0.10	17.75	177.50
Agents and advisers, general	-	0.25	0.45	-	0.70	137.25	196.07
Partner / manager review approval and signing	0.40	0.10	-	-	0.50	193.50	387.00
	0.50	-	-	-	0.50	175.00	350.00
Sub-Total	2.25	12.10	7.30	1.50	23.15	4,984.00	215.29
Investigations	5.65	-	-	-	5.65	1,977.50	350.00
Records management & dealing with information requests	11.25	0.95	-	-	12.20	4,151.25	340.27
Realisation of assets							
Sale of property	-	1.45	-	-	1.45	311.25	214.66
Realisation of assets, other	0.50	-	-	-	0.50	110.00	220.00
Sub-Total	0.50	1.45	-	-	1.95	421.25	216.03
Trading							
Purchasing and suppliers	-	0.35	2.80	-	3.15	577.50	183.33
Staff and payroll (including PAYE/NIC)	-	0.20	-	-	0.20	45.00	225.00
Sub-Total	-	0.55	2.80	-	3.35	622.50	185.82
Creditors							
Unsecured creditors	-	-	2.15	-	2.15	387.00	180.00
Sub-Total	-	-	2.15	-	2.15	387.00	180.00
Trustees							
Trustees, other	-	0.20	-	-	0.20	41.00	205.00
Sub-Total	-	0.20	-	-	0.20	41.00	205.00
Pre appointment - MVL							
AML, conflict & ethics checks, engagement letters	-	2.30	-	-	2.30	517.50	225.00
Preparation of pre appointment documents	-	8.75	-	-	8.75	1,968.75	225.00
Job planning	-	2.10	-	-	2.10	472.50	225.00
Sub-Total	-	13.15	-	-	13.15	2,958.75	225.00
Total Hours	19.65	28.40	12.25	1.50	61.80		
Total £	6,848.75	6,434.75	2,162.25	97.50		15,543.25	251.51

Explanation of major work activities undertaken

Administration & planning

- Maintaining bank accounts;
- General cashiering functions;
- Job planning including consideration and progression of the exit route from administration;;
- Case reviews;
- Filing;
- Preparing and issuing the administrators' eighth progress report in the administration.

Records management & dealing with information requests

- Continuing to deal with requests for information by former pupils, their representatives and insurers who are dealing with claims on behalf of the Company;
- Dealing with statutory bodies in respect of investigations which they are undertaking;
- Complying with legal requirements in dealing with the requests above.

Pre-appointment - MVL

- Preparation and planning for the members' voluntary liquidation of the Company.

III Cumulative time analysis

From 3 September 2013 to 31 July 2017

Activity Description	Partner	Manager	Other Senior Professionals	Assistants and Support	Hours	Totals £	Average Hourly Rate £
Administration & planning							
Statutory, returns, reports and meetings	27.10	120.95	189.65	22.50	360.20	67,335.00	186.94
Initial post-appointment work	2.75	0.95	10.45	-	14.15	2,680.00	189.40
Cashiering general, including bonding	2.10	31.55	179.45	-	213.10	36,380.25	170.72
Job planning, reviews and progression	115.85	107.05	79.65	-	302.55	75,732.75	250.31
Post-appointment taxation	19.90	3.10	12.20	-	35.20	8,426.75	239.40
Protection of company records	17.70	39.65	16.50	0.25	74.10	16,894.75	228.00
Insurance and general asset protection	2.60	10.50	2.70	-	15.80	3,519.50	222.75
Travelling	-	33.75	7.25	-	41.00	8,057.50	196.52
File and information management	-	50.15	16.55	33.05	99.75	13,744.50	137.79
Company searches	-	-	0.55	-	0.55	71.00	129.09
Agents and advisers, general	0.50	7.15	11.45	0.15	19.25	3,551.25	184.48
Partner/ manager review approval and signing	19.60	22.60	-	-	42.20	13,007.00	308.22
Administrative, other	1.85	9.90	5.95	-	17.70	3,651.00	206.27
Sub-Total	209.95	437.30	532.35	55.95	1,235.55	253,051.25	204.81
Investigations	58.05	11.10	31.25	7.30	107.70	27,460.25	254.97
Records management & dealing with information requests	212.75	5.15	0.55	13.90	232.35	76,251.75	328.18
Realisation of assets							
Sale of property	128.35	588.90	78.45	0.25	795.95	179,088.13	225.00
Debtors	0.50	0.50	3.70	-	4.70	828.00	176.17
Stock	-	-	0.25	-	0.25	35.00	140.00
Other chattel assets	-	7.95	1.20	-	9.15	1,761.00	192.68
Sale of business as a whole including liaison with legal advisers	41.50	157.05	2.85	-	201.40	47,577.09	236.23
Cash at bank	-	5.35	7.15	-	12.50	2,196.12	175.69
Liaising with agents	-	4.10	4.80	-	8.90	1,565.00	175.84
Partner/ manager review approval and signing	0.60	-	-	-	0.60	288.00	480.00
Realisation of Assets, other	0.85	3.50	1.45	-	5.80	1,171.25	201.94
Sub-Total	171.80	767.35	99.85	0.25	1,039.25	234,511.59	225.65
Trading							
Trading on decision and day 1-3 operations	14.85	2.00	0.75	-	17.60	5,741.25	326.21
Sales and customers	-	0.05	1.60	-	1.65	238.25	144.39
Purchasing and suppliers	8.90	21.15	204.35	-	234.40	39,300.00	167.66
Accounting	5.85	139.05	5.75	-	150.65	32,035.75	212.65
Insurances	0.80	28.10	0.10	-	29.00	6,192.00	213.52
Staff and payroll (including PAYE/NIC)	12.95	54.85	78.85	0.30	146.95	29,140.00	198.30
Premises issues (inc. landlord and site clearance)	10.00	143.05	6.50	5.00	164.55	34,665.50	210.67
Security	0.50	2.45	0.60	-	3.55	761.25	214.44
Partner/ manager review approval and signing	0.45	-	-	-	0.45	190.00	422.22
Trading, other	-	2.90	0.55	-	3.45	688.75	199.64
Sub-Total	54.30	393.60	299.05	5.30	752.25	148,952.75	198.01
Creditors							
HP and lease creditors	-	10.80	15.60	-	26.40	4,544.75	172.15
RPO and ERA claims and tribunals	2.75	93.40	159.20	9.20	264.55	47,138.25	178.18
Employees and pensions (other)	13.55	92.90	117.70	6.20	230.35	42,576.25	184.83
Crown	-	1.15	0.80	-	1.95	373.50	191.54
Unsecured creditors	29.85	208.55	177.50	6.50	422.40	82,732.25	195.86
Retention of title claims	-	3.80	9.65	-	13.45	2,260.00	168.03
Distributions for preferential and unsecured creditors	3.25	48.60	619.00	8.90	679.75	114,801.75	168.89
Partner/ manager review approval and signing	0.45	2.05	0.35	-	2.85	681.25	239.04
Creditors, other	-	2.20	4.65	-	6.85	1,201.00	175.33
Sub-Total	49.85	463.45	1,104.45	30.80	1,648.55	296,309.00	179.74
Trustees							
Trustees general communications	-	3.65	-	-	3.65	732.50	200.68
Trustees non-statutory reporting	-	7.65	-	-	7.65	1,530.00	200.00
Trustees, other	-	11.90	-	0.50	12.40	2,472.00	199.35
Sub-Total	-	23.20	-	0.50	23.70	4,734.50	199.77
Pre appointment - MVL							
AML, conflict & ethics checks, engagement letters	-	2.30	-	-	2.30	517.50	225.00
Preparation of pre appointment documents	-	8.75	-	-	8.75	1,968.75	225.00
Job planning	-	2.10	-	-	2.10	472.50	225.00
Sub-Total	-	13.15	-	-	13.15	2,958.75	225.00
Total Hours	756.70	2,114.30	2,067.50	114.00	5,052.50		
Total £	246,029.50	441,421.04	331,668.80	5,110.50		1,044,229.84	206.68

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

Introduction

Detailed below are:

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

Staff allocation and the use of subcontractors

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

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

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

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

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the administration are set out in the body of this report.

Charge out rates

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

The rates applicable to this appointment are set out below.

The rates applicable to the most recent periods in this appointment are set out below. Due to the long period of time covered by the administration we have not provided full details in respect of earlier periods however these are available upon request should any creditor wish to review the same.

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

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.
4. The majority of work on this case has been undertaken by David Blenkarn (current charge out rate £350), Kevin Parish (current charge out rate £315), Chris Trimble (current charge out rate £225) and Danny Hackling (current charge out rate £180).

www.smithandwilliamson.com

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

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