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Notice of administrator's progress report



Companies House

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1 Company details

Company number 0 1 1 7 9 9 7 5

Company name in full Dyslexia Institute Limited (trading as Dyslexia Action)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Matthew Robert

Surname Haw

3 Administrator's address

Building name/number RSM Restructuring Advisory LLP
Street 9th Floor, 25 Farringdon Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

4 Administrator's name ①

Full forename(s) Karen

Surname Spears

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number RSM Restructuring Advisory LLP
Street 9th Floor, 25 Farringdon Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

② Other administrator

Use this section to tell us about
another administrator.

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6 Period of progress report

From date	d 1 d 3	m 0 m 4	y 2 y 0 y 1 y 7
To date	d 1 d 2	m 1 m 0	y 2 y 0 y 1 y 7

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

x *Natthik*

x

Signature date

d 0 d 8 m 1 m 1 y 2 y 0 y 1 y 7

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Matthew Haw
Company name	RSM Restructuring Advisory LLP
Address	9th Floor, 25 Farringdon Street
Post town	London
County/Region	
Postcode	E C 4 A 4 A B
Country	
DX	
Telephone	0203 201 8000



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



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Crown Way, Cardiff, Wales, CF14 3UZ.
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In the matter of

**Dyslexia Institute Limited (trading as Dyslexia Action) - Company Limited by Guarantee - In
Administration (“the Charity”)**

in the High Court of Justice, Chancery Division, Companies Court no 2965 of 2017

Joint Administrators’ progress report

8 November 2017

**Matthew Haw and Karen Spears
 (“the Joint Administrators”)**

**RSM Restructuring Advisory LLP
9th Floor, 25 Farringdon Street
London EC4A 4AB**

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2. Progress of the administration in the previous six months
3. Matters preventing closure
4. Creditors' claims and dividend prospects
5. Receipts and payments summary
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- B. Summary of receipts and payments
- C. Current charging, expenses and disbursements policy statement
- D. Current charge out and disbursement rates
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1 Purpose of report

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the Administration in the period from 13 April 2017 to 12 October 2017.

This report has been prepared solely to comply with the statutory requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Charity. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Joint Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 Progress of the Administration in the previous six months

As noted in the Administrators' proposals report, prior to the Joint Administrators' appointment, an intensive marketing exercise was undertaken to attempt to complete a sale of all or selected parts of the Charity's business. It became clear that the training business of the Charity was the only part that was likely to attract serious interest, but despite expressions of interest no offer was received by the allotted deadline.

In conjunction, the inability to obtain the requisite investment to implement a turnaround plan meant that the trustees formed the view that the Charity had no reasonable prospect of avoiding insolvency.

Whilst the Charity may have been able to pay its debts as they fell due and therefore was not technically insolvent, it was evident it would be in the foreseeable future. The trustees therefore took steps to place the Charity into Administration before the position for its creditors worsened and the assets of the Charity were further depleted. The Joint Administrators were appointed on 13 April 2017.

The employees that serviced the training business were not made redundant on appointment. The Joint Administrators advised employees that there had been interest in this division of the Charity and as such they were going to attempt to sell the training business independently from the remainder of the Charity.

As such, the Joint Administrators reverted to a pre-appointment interested party who confirmed that they now wished to make an offer. Any offer needed to be submitted by close of business on 20 April 2017. Additionally, various other parties also contacted the Joint Administrators expressing an interest in the training business. These parties were provided with appropriate information and were also advised of the deadline for offers.

Two offers were received and the Administrators accepted the offer from Real Group Limited ("Real Group"), further details below at section 2.

Given the lack of interest in the regional centres of the Charity (the teaching and support services provided), the Joint Administrators took steps immediately on appointment to close all 27 regional centres and make the relevant staff redundant (aside from 3 of the finance team and 1 IT staff member).

The Joint Administrators instructed European Valuations ("our agent") to undertake the clearance and destruction of all confidential documents from the regional offices and collection of any items of value, to ensure that there was no risk of confidential or sensitive information being released.

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 7.

2.1 Realisation of assets

2.1.1 Sale of the Training business

The Joint Administrators completed a sale of the training business to Real Group on 26 April 2017. The Administrators' legal advisors on the sale were Pinsent Masons LLP ("Pinsent Masons"). Pinsent Masons have also been retained to provide further legal advice in connection with ongoing matters relating to the Charity.

The sale price was £301,000.00 and included the following Charity assets:

- Equipment;
- Goodwill;
- Intellectual Property;
- Test Materials,
- Business Records,
- Customer Contracts; and
- Supplier Contracts.

In addition, Real Group took on the ongoing obligation to ensure the following services were continued:

- the Dyslexia Guild;
- Dyslexia Guild Conference;
- APC accreditations; and
- All training courses.

The sale and purchase agreement provided that Real Group is obligated to fulfil any contractual obligation with customers relating to any of the above services, or alternatively provide refunds.

As a result, the sale mitigated potential creditor liabilities that would have otherwise arisen. Real Group also undertook responsibility for the Dyslexia Action Annual Conference, again reducing the potential claims from parties who had already paid to attend.

Deducted from the sale proceeds were prepayments held in the trust account in the sum of £60,741.98. These were amounts received by the Charity on or after 8 March 2017 in respect of any obligation of the Charity to provide services relating to assessment practicing certificates, continuing professional development, postgraduate teaching programmes and the Dyslexia conference to be held on 28 June 2017.

Subject to confirmatory legal advice, we will release this money from the trust account to the estate account for the benefit of the general body of creditors.

2.1.2 Licence to occupy

The Joint Administrators provided a three month licence for Real Group to occupy the premises from where the training business operated. All sums due under the licence have been paid.

2.1.3 Investments

On appointment, the Charity held various investments. The Joint Administrators deemed it appropriate to liquidate the investments and transfer them and liquidated funds of £562,271 have been received.

2.1.4 Pre-appointment debtor receipts

To date, we have received £16,978.85 in respect of invoices outstanding at the date of appointment.

2.1.5 Other intangible assets

A sum of £7,500.00 has been received in respect of other intangible assets of the Charity, in line with the estimate provided in the directors' statement of affairs.

2.1.6 Assessment material and IT assets

When clearing the Charity's offices, our agents collected certain assets and contents.

The Charity owned various assessment and training materials that were used by the teachers and psychologists in the business. Given that the materials were used and were of a specialist nature, our agents did not expect these to have a value.

Nevertheless, a number of parties expressed an interest in purchasing these items and our agent agreed seven private treaty sales, realising a total of £2,972.79.

The Charity also owned various items of used IT equipment, for which our agent provided an ex-situ valuation of £2,200.00. The value of the items was materially impacted by the requirement to cleanse the equipment of all data, to ensure that the Joint Administrators had fulfilled their data protection obligations.

The agent received three offers for the entirety of the IT equipment, the highest being £2,000.00 plus VAT. Although marginally below the valuation, the agent recommended the sale of the assets on the basis that the cost of storing the equipment would outweigh the potential benefit to be gained from increased marketing.

The equipment was sold to Clear It Solutions (UK) Limited, an agent of European Valuations that was used to clear the Charity's offices.

2.1.7 Refunds

We have received a refund of £3,445.00 due from cancellation of the Charity's pre-appointment insurance cover policy.

A sum of £1,476.97 was refunded in respect of rent paid for one of the Charity's former premises.

A further £1,775.00 was received by the Joint Administrators in respect of the training business, which was passed on to Real Group.

2.1.8 Other asset realisations

We have also accrued £281.45 in respect of gross bank interest on funds held in the Administration bank account.

2.1.9 Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators are so far not aware of any mis-sold products, but will complete their formal investigations on this matter in due course.

2.2 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation with the Department for Business, Energy and Industrial Strategy in relation to the conduct of the directors.

2.3 Case specific matters

Trust Account

On 8 March 2017, the trustees set up a separate bank account to protect customers who paid for a service that may not be delivered.

By appointment on 13 April 2017, the balance of the trust account money transferred to the Joint Administrators was £213,381.57. The Joint Administrators have undertaken a detailed exercise to return this money to those parties who are entitled to them and to date £79,017.45 has been returned.

The Joint Administrators continue to undertake the repayment exercise. The Charity's bankers have informed us that they have made refunds to the Charity's customers in respect of payments made by debit or credit card for services that weren't provided. Some of these refunds relate to monies held in the trust account. We are undertaking a reconciliation exercise in relation to such claims to assess who the funds rightly belong to.

The Joint Administrators review the validity of such claims by reference to any evidence provided and in conjunction with legal advice, if necessary.

Tribunal proceedings

The Joint Administrators have received a number of employment tribunal claims from former employees regarding the redundancy process prior to the Administration.

The Joint Administrators have taken legal advice on these claims and consider it in the best interests of creditors as a whole to defend these claims.

As the proceedings are ongoing, the Joint Administrators do not wish to disclose further detail at this time.

Historic Dyslexia reports

The Charity employed an external service provider to collect and upload paper copies of dyslexia reports to an online portal. The Joint Administrators have maintained access to this service because they have received a large number of requests for these reports from customers/former customers.

The Joint Administrators have undertaken to maintain this portal until March 2018, when the service will be disconnected. The costs incurred appear on the enclosed receipts and payments summary as Data Storage (BME).

For customers seeking copy reports, this portal does not contain every report ever undertaken, but the Joint Administrators will endeavour to provide copies where possible.

2.4 Administration and planning

In addition to the matters already described, it will be and has been necessary for the Joint Administrators and their staff to fulfil many statutory and administrative functions in relation to the Charity and the Administration. These include dealing with matters such as;

- Strategic discussions regarding the Administration;
- Initial notification to all creditors, landlords, the Charity Commission and the Charity's advisors;
- Issuing statutory notices including the advertisement of the appointment;
- Setting up case files;
- Set-up of Joint Administrators' bank accounts and processing receipts and payments;
- File reviews and general compliance;
- Requesting the Statement of Affairs;
- Preparation of the Joint Administrators' Proposals report;
- Obtaining company books and records to enable initial investigations to be commenced;

- Reporting to the Department of Business, Energy and Industrial Strategy on the conduct of the Charity's directors;
- Handling queries, claims and correspondence from the c.5,000 customers and creditors of the Charity. This has involved processing and responding to several thousand emails and calls;
- Discussions and correspondence with landlords, key creditors and leasing creditors;
- Correspondence with HM Revenue & Customs and tax advisors;
- Correspondence with our agents regarding the clearance of the properties and the assets collected;
- Liaising with the Charity's pension brokers and seeking further advice from external pension agents;
- Liaising with the Charity's payroll agents, and coordinating issuing final pay slips and P45s to employees;
- Ensuring that there is adequate insurance cover;
- Making the employees redundant and liaising with them regarding their employee claims;
- Discussions with legal advisors regarding the sale and other matters pertinent to the Administration, specifically the advice in relation to the trust account;
- Pursuing the Charity's Bank to obtain the cash in the Charity's bank accounts and obtaining legal advice in this respect;
- Correspondence with Real Group and negotiation of the sale contracts relating to the training business;
- Pursuing pre-appointment debtors;
- Realisation of assets as set out in section 2; and
- Issuing the Joint Administration progress report on the conduct of the Administration to date.

3 Matters preventing closure

3.1 Assets remaining to be realised

Cash at bank

On appointment of the Joint Administrators, there was a balance of cash at Lloyds Bank in the sum of £47,703.42 and we immediately requested the Charity's bank account to be frozen and funds transferred to the Administration bank account.

The Bank have frozen the account however the funds have not yet been transferred to the Administration Bank account. The Bank have advised that another member of its group has claimed that it can exercise a right of set off in respect of its liability, and the matter has been referred to the Bank's legal team for review. The Joint Administrators are obtaining legal advice and are continuing to pursue this matter accordingly.

Pre-appointment debtors

The directors' statement of affairs estimated the realisable value of the pre-appointment debtors as £38,294.00. To date the Joint Administrators have received £16,978.85.

The Joint Administrators continue to pursue such debts that are due, however a large proportion of the debtor ledger includes debts for services that were not provided in full and therefore these are unlikely to be collected.

Dyslexia Action Online Training

The Joint Administrators have received interest in the Charity's online training platform. We continue to investigate whether this is saleable.

Trust account

As noted at section 2.3 of this report, the Joint Administrators continue to reconcile the money in the trust account and return it to those parties who are entitled to it.

However, the Joint Administrators do anticipate that a proportion of this trust account money may be released into the estate account for the benefit of the general body of creditors.

To date, the Joint Administrators have assessed that the following trust sums totalling £77,806.81 should be shortly released to the estate bank account:

- Payments in respect of teacher training courses (CPD and PG) - £56,686.98
- Payments in respect of the membership of the Dyslexia Guild - £15,714.00
- Payments in respect of the conference - £4,055.00
- Payments for accreditation certificates - £1,100.00
- Payments in respect of other tuition - £250.83

3.2 Other outstanding matters

Administration exit

The Joint Administrators are in the process of finalising the Administration and moving the Charity to Liquidation, as per the resolution agreed in the Joint Administrators proposal report.

The Liquidation will allow the officeholders to finalise outstanding matters in relation to the Charity before providing a mechanism to distribute money to the Charity's preferential and unsecured creditors.

4 Creditors' claims and dividend prospects

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

However, the Joint Administrators can confirm that they expect a distribution to be paid to unsecured creditors. The timing and amount of such a distribution is not yet clear.

5 Receipts and payments summary

We attach as Appendix B a summary of our receipts and payments for the period from 13 April 2017 to 12 October 2017.

VAT basis

Receipts and payments are currently shown net of VAT as the Charity was partially exempt for VAT purposes, and consequently VAT is not believed to be recoverable from HM Revenue and Customs in full. The irrecoverable VAT is shown in the receipts and payments summary as a 'cost of realisation'.

The Joint Administrators have however sought guidance from our tax advisors to clarify the position and hope to provide further clarification in due course.

6 Costs and Joint Administrators' remuneration

The Joint Administrators' proposals report dated 8 June 2017 detailed un-paid pre-Administration costs totalling £24,663.60. The sums below have been approved.

Pre - Administration costs charged / incurred			
To whom paid	Amount approved £	Date approved	Date paid
RSM Restructuring Advisory LLP – fees	19,346.80	9 June 2017	31 June 2017
RSM Restructuring Advisory LLP – expenses	66.80	9 June 2017	31 June 2017
Pinsent Masons – legal fees	5,250.00	9 June 2017	21 July 2017

6.1 Joint Administrators' remuneration and disbursements

The Joint Administrators' remuneration was approved by the general body of creditors as set out below.

- On the basis of time costs limited to the sum of £290,976.00 (plus VAT) in accordance with the fee estimated attached to the Joint Administrators' proposals report.

Sums drawn in respect of remuneration in the period covered by this report are shown in the attached *receipts and payments summary*.

6.2 Remuneration and expenses (including disbursements) incurred in the period from 13 April 2017 to 12 October 2017

In accordance with insolvency legislation I am required to report remuneration 'charged'. This reflects the time charged to the case. In accordance with the fees estimate I cannot draw more than £290,976.00 plus VAT without obtaining the further approval of the creditors.

If there are insufficient realisations to allow the Joint Administrators' approved remuneration to be paid in full, any balance will be written off. Details of any write off will be set out in the final report.

Details of the amount of remuneration drawn in the period (and the total amount of remuneration drawn to date) are detailed in the section below headed 'Total remuneration incurred and paid to date since appointment'.

6.2.1 Category 2 disbursements

Approval was also given by the general body of creditors to the drawing of disbursements, including category 2 disbursements, at the rates prevailing at the time the costs were incurred. Details of disbursements incurred in this period and whether they have been paid, are attached.

6.2.2 Expenses and Category 1 disbursements

Details of the expenses (which include category 1 and category 2 disbursements) of £120,994.19 that are likely to be incurred during the course of the Administration were provided with the Joint Administrators' proposals report.

A statement of the expenses incurred during the period compared to the original estimate is attached. This includes all expenses incurred by the Joint Administrators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The amounts paid in the period are also included, and are shown in the receipts and payments abstract at Appendix B together with cumulative figures where this is the second, or subsequent, progress report.

As at the date of this report the quantum of the expenses (including disbursements) incurred and anticipated to be incurred is broadly in line with the estimate provided to creditors the Joint Administrators' proposals report, albeit some additional expenses have been incurred that were not included in the initial estimate. These are detailed at Appendix F.

One area where costs have exceeded the estimate is in relation to the legal fees. This is primarily due to additional work incurred in the aforementioned tribunal proceedings, which we were not aware of when the proposals report estimate was produced.

Conversely, the actual costs incurred in respect of the storage agents to date are substantially lower than the cost estimate sum of £24,262.92.

6.3 Other professional costs

As noted above Pinsent Masons solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have provided advice on the training business sale, tribunal matters and ad hoc advice as required. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Their agreed fees of £83,830.52 and disbursements of £64.00 plus VAT have been paid to date.

European Valuations were retained as agents to dispose of the Charity's tangible assets. Their remuneration has been agreed on the basis of their standard commission rates, plus disbursements and VAT. They have submitted invoices totalling £25,712.81 which have been paid plus expenses of £3,790.16.

Other professional costs that have been incurred are shown on the attached schedule. The receipts and payments abstract at Appendix B sets out which of these costs have been paid.

All such costs are subject to review before being paid and any payments made in the period are disclosed in the receipts and payments summary at Appendix B, together with cumulative figures where appropriate, where this is the second, or subsequent, report.

Additional costs incurred

The enclosed receipts and payments summary includes a number of additional costs not yet referred to in the report:

- Fees for preparation of SOA - £4,000.00 – fees paid to the previous CEO of the Charity in completing and providing the Charity's statement of affairs.
- Insurance - £2,192.38 – costs in respect of insuring the properties and assets of the Charity.
- Locksmiths costs - £999.87 – paid to various entities to assist in gaining access to secure the Charity's offices on appointment.
- Mail redirection - £275.00 – cost to Royal Mail to implement a mail redirection of post from the Charity's previous head office to the Joint Administrators office.
- Payroll costs - £2,206.95 – paid to the Charity's previous payroll provider to issue the employees P45s and prepare the RTI submission to HMRC.
- Pension agent's costs – £500.00 – costs incurred in independent pension agents reviewing the Charity's pension schemes and resulting obligations.
- Printing - £4,958.31 – costs incurred in writing to all the Charity's customers and creditors on appointment.
- Staff expense - £16,787.35 – costs paid to Charity staff retained to assist in the completion of the account reconciliations and orderly wind down of the Charity's affairs.
- Statutory advertising - £79.00 – cost to advertise the appointment of the Joint Administrators.

6.4 Total remuneration incurred and paid to date since appointment

Time cost basis

Time costs of £292,769.00 have been incurred in the current period. Of this, a total of £229,803.00 (plus VAT) has been paid and £62,966.00 remains outstanding. A summary of time costs is attached, and the sums paid are reflected in the attached receipts and payments summary.

Fees drawn to date are within the estimated amount of £290,976.00 approved by the creditors.

The Joint Administrators will not be seeking a further fee resolution in the Administration and any sums incurred prior to moving the Charity to Liquidation will be written off.

7 Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of the relevant legislation creditors have a right to request further information about remuneration or expenses (other than pre-Administration costs) and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the Administrator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

Should you have any further queries please do not hesitate to contact me.



Matthew Haw
RSM Restructuring Advisory LLP
Joint Administrator

Matthew Haw and Karen Spears are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

The affairs, business and property of the Charity are being managed by the Joint Administrators who act as agents of the Charity and without personal liability

Appendix A

Statutory, dividend and other information

Company Information		
Company name:	Dyslexia Institute Limited (trading as Dyslexia Action)	
Joint Administrators:	Matthew Haw and Karen Spears	
Date of appointment:	13 April 2017	
Functions:	The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.	
Previous company names:	Dyslexia Foundation Limited (30 July 1982 - 20 June 1991) Surrey Dyslexia Foundation Limited (6 August 1974 - 30 July 1982)	
Company registered number:	01179975	
Date of incorporation:	6 August 1974	
Trading name:	Dyslexia Action	
Trading address	Dyslexia Action House, 10 High Street, Egham, Surrey, TW20 9EA	
Principal activity:	Assessment and specialist teaching of dyslexics and related teacher training	
Registered office:	RSM Restructuring Advisory LLP, 25 Farringdon Street London EC4A 4AB	
Previous registered office:	Dyslexia Action House, 10 High Street, Egham, Surrey, TW20 9EA	
Appointor:	The Trustees of the Charity	
Details of any extension:	None	
Proposed exit route:	Creditors' Voluntary Liquidation	
Correspondence address & contact details of case manager	William Eyre Assistant Manager RSM Restructuring Advisory LLP, 9th Floor, 25 Farringdon Street, London EC4A 4AB	
Name, address & contact details of Joint Administrators	Primary Office Holder Matthew Haw RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London EC4A 4AB 0203 201 8178 IP Number: 9627	Joint Office Holder: Karen Spears RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London EC4A 4AB 0203 201 8421 IP Number: 8854

Dividend prospects	Owed	Paid to date	Estimated future prospects
Secured creditor	N/A	N/A	N/A
Preferential creditors	£123,057.00	Nil	100p in £
Unsecured creditors	£1,092,372.00	Nil	Unknown, but dividend likely
Estimated net property	N/A		
Estimated prescribed part available for unsecured creditors	N/A		
Whether and why the Administrators intend to apply to court under S176(A)(5) IA86	N/A		

Appendix B

Receipts and payments abstract

SOA Value £		13/04/2017 to 12/10/2017		Total to 12/10/2017	
		£	£	£	£
	ASSET REALISATIONS				
0.00	Assessment Materials	2,972.79		2,972.79	
0.00	Bank Interest Gross	324.81		324.81	
47,703.00	Cash at bank	0.00		0.00	
38,294.00	Debtors (Pre-Appointment)	16,978.85		16,978.85	
0.00	Final Investment Dividend	3,620.36		3,620.36	
0.00	Insurance Refund	3,445.00		3,445.00	
558,650.00	Investments	558,650.26		558,650.26	
2,000.00	IT Assets	2,400.00		2,400.00	
0.00	Licence to Occupy	3,175.00		3,175.00	
7,500.00	Other Intangible Assets	7,500.00		7,500.00	
0.00	Rent refund	1,476.97		1,476.97	
301,000.00	Sale of Training Centre	301,000.00		301,000.00	
0.00	Training Business Receipt	1,775.00		1,775.00	
955,147.00			903,319.04		903,319.04
	COST OF REALISATIONS				
0.00	Administrators Post Appointment Disbursements	(1,472.99)		(1,472.99)	
0.00	Administrators Post Appointment Fees	(229,803.00)		(229,803.00)	
0.00	Administrators Pre Appointment Fees	(19,346.30)		(19,346.30)	
0.00	Agents / Valuers Fees	(25,712.81)		(25,712.81)	
0.00	Agents Expenses	(3,790.16)		(3,790.16)	
0.00	Bank Charges	(75.00)		(75.00)	
0.00	Data Storage (BME)	(5,300.00)		(5,300.00)	
0.00	Fees for Preparation of SOA	(4,000.00)		(4,000.00)	
0.00	Insurance	(2,192.38)		(2,192.38)	
0.00	Legal Disbursements	(64.00)		(64.00)	
0.00	Legal Fees (Post Appointment)	(78,575.77)		(78,575.77)	
0.00	Legal Fees (Pre Appointment)	(5,254.75)		(5,254.75)	
0.00	Locksmith Costs	(999.87)		(999.87)	
0.00	Mail Redirection	(275.00)		(275.00)	
0.00	Payroll Costs	(2,206.95)		(2,206.95)	
0.00	Pensions agent's costs	(500.00)		(500.00)	
0.00	Printing	(4,958.31)		(4,958.31)	
0.00	Staff Expense	(16,787.35)		(16,787.35)	
0.00	Statutory Advertising	(79.00)		(79.00)	
0.00	Storage Costs	(1,797.48)		(1,797.48)	
0.00	Training /Guild/Conference/APC trust monies	(60,741.98)		(60,741.98)	
0.00	Training Business Receipt Paid Over	(1,775.00)		(1,775.00)	
	VAT Irrecoverable	(76,024.24)		(76,024.24)	
			(541,732.34)		(541,732.34)
	PREFERENTIAL CREDITORS				
(71,672.60)	Holiday Pay	0.00		0.00	
(45,768.07)	Wages	0.00		0.00	
			0.00		0.00
	UNSECURED CREDITORS				
(649,714.00)	Employees	0.00		0.00	
(484,868.00)	Trade and Expense Creditors	0.00		0.00	
			0.00		0.00
(296,875.67)			361,586.70		361,586.70
	REPRESENTED BY				
	Bank - (Metro)			361,586.70	
					361,586.70
					361,586.70

Notes:

1. The Joint Administrators hold trust account money of £134,410.82 in a separate designated account which is not included in the above Administration account.
2. The Joint Administrators are reconciling this trust account and will release trust money to the general account where appropriate.
3. The basis of the trust money to be released is detailed at section 3.1 of this report.

Appendix C

RSM Restructuring Advisory LLP

Charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP London are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A resolution to consider approving category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP London will be proposed to the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix D

RSM Restructuring Advisory LLP

Joint Administrators' current charge out and disbursement rates

Hourly charge out rates	Rates at commencement	Current rates
	£	£
Partner	545	545
Directors / Associate Directors	425 to 545	425 to 545
Manager	265 to 425	265 to 425
Assistant Managers	265 to 290	265 to 290
Administrators	180 to 265	180 to 265
Support staff	85 to 180	85 to 180

Category 2 disbursement rates	
Internal room hire	N/A
Subsistence	£25 per night (from 3 rd September 2013)
Travel (car)	42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix E

Table of Joint Administrators' category 2 disbursements incurred to date

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest					
Recipient, type and purpose	£				
	Original estimate	Incurred to date	Paid to date	Unpaid to date	
Employee mileage	775.47	625.77	625.77		Nil
Insolvency Point cost	Nil	8.00	8.00		Nil
Total	775.47	633.77	633.77		Nil

Appendix F

Statement of expenses incurred by the Joint Administrators in the period from 13 April 2017 to 12 October 2017

	£			
	Original estimate	Incurred to date	Expected future	Expected total
Bond	2,500.00	Nil	2,500.00	2,500.00
Chattel asset agent valuation	25,000.00	25,712.81	Nil	25,712.81
Fees for preparation of SOA	Nil	4,000.00	Nil	4,000.00
Insolvency Point cost	Nil	8.00	Nil	8.00
Legal fees	65,200.00	78,575.77	6,000.00	84,575.77
Locksmith	2,615.00	827	Nil	827
Locksmith costs	Nil	999.87	Nil	999.87
Mail redirection	Nil	275	Nil	275
Mileage	775.47	625.77	Nil	625.77
Payroll costs	Nil	2,206.95	Nil	2,206.95
Pension agent's costs	Nil	500	Nil	500
Printing	Nil	4,958.31	Nil	4,958.31
Staff expense	Nil	16,787.35	Nil	16,787.35
Statutory advertising	344.8	79	265.8	344.8
Storage agent (collection/storage of records)	24,262.92	5,565.16	3,000.00	8,565.16
Travel and expenses	296	337.69	Nil	337.69
Total	120,994.19	143,651.06	11,765.80	155,416.86

Appendix G

Joint Administrators' time cost analysis for the period from 13 April 2017 to 12 October 2017

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	0.1	0.0	0.0	0.7	13.7	1.2	15.7	£ 2,753.50	175.38
Background information	0.0	2.0	7.3	16.4	13.1	0.1	38.9	£ 8,437.00	216.89
Case Management	5.5	18.5	2.5	12.1	42.4	6.2	87.2	£ 21,210.00	243.23
Director(s)/debtor/bankrupt	0.9	0.3	0.6	1.4	3.7	0.0	6.9	£ 1,649.50	239.06
Pension Scheme	0.3	1.0	0.0	2.5	3.3	0.0	7.1	£ 1,634.50	230.21
Post-appointment - general	0.0	0.0	0.0	1.1	11.6	8.9	21.6	£ 3,372.50	156.13
Pre-appointment matters	0.0	0.1	0.0	0.0	4.2	0.0	4.3	£ 613.50	142.67
Receipts and Payments	0.1	0.5	2.5	6.7	31.5	0.0	41.3	£ 8,059.00	195.13
Statement of Affairs	1.0	0.0	1.6	0.0	1.5	0.0	4.1	£ 1,293.00	315.37
Tax Matters	0.0	2.8	6.4	5.2	12.6	0.0	27.0	£ 8,429.00	312.19
Total	7.9	25.2	20.9	46.1	137.6	16.4	254.1	£ 57,451.50	226.10
Investigations									
Investigations/CDDA	0.0	0.0	0.0	16.9	7.3	0.0	24.2	£ 4,708.00	194.55
Total	0.0	0.0	0.0	16.9	7.3	0.0	24.2	£ 4,708.00	194.55
Realisation of Assets									
Assets - general/other	1.7	1.2	0.9	7.6	8.4	0.2	20.0	£ 5,028.00	251.40
Chattels	0.6	2.0	0.0	0.0	1.2	0.0	3.8	£ 1,378.00	362.63
Debtors & sales finance	0.2	1.4	0.6	4.0	1.7	0.0	7.9	£ 2,008.50	254.24
HP/Leasing creditors	0.0	0.0	0.0	0.1	0.0	0.0	0.1	£ 25.00	250.00
Land and Property	2.2	14.3	16.6	34.0	31.7	4.2	103.0	£ 26,511.00	257.39
ROT/ Third Party Assets	0.7	0.0	0.0	0.0	5.0	0.0	5.7	£ 1,456.50	255.53
Sale of business	6.9	1.9	49.3	0.0	0.0	0.0	58.1	£ 20,590.50	354.40
Stock and WIP	0.0	0.0	0.0	0.0	8.0	0.0	8.0	£ 1,320.00	165.00
Total	12.3	20.8	67.4	45.7	56.0	4.4	206.6	£ 58,317.50	282.27
Trading									
Trading	0.0	0.0	17.0	0.0	0.0	0.0	17.0	£ 5,525.00	325.00
Total	0.0	0.0	17.0	0.0	0.0	0.0	17.0	£ 5,525.00	325.00
Creditors									
1st creditors/shareholders meetings and reports	5.3	0.0	21.9	4.3	0.0	0.0	31.5	£ 10,952.00	347.68
Employees	6.1	17.8	70.5	28.1	16.1	4.6	143.2	£ 33,931.50	236.95
Other Creditor Meetings and Reports	0.0	1.5	0.0	20.3	0.0	20.3	42.1	£ 8,462.00	201.00
Preferential Creditors	0.0	0.6	0.0	0.0	0.0	0.0	0.6	£ 255.00	425.00
Unsecured Creditors	7.2	12.4	35.2	150.5	361.8	11.9	579.0	£ 105,110.00	181.54
Total	18.6	32.3	127.6	203.2	377.9	36.8	796.4	£ 158,710.50	199.28
Case Specific Matters - Shareholders									
Shareholders / Members	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 81.00	135.00
Total	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 81.00	135.00
Case Specific Matters - Legal Matters									
Legal Matters	2.0	3.1	12.4	7.1	0.0	0.0	24.6	£ 7,975.50	324.21
Total	2.0	3.1	12.4	7.1	0.0	0.0	24.6	£ 7,975.50	324.21
Total Hours	40.8	81.4	245.3	319.0	579.4	57.6	1,323.5	£ 292,769.00	221.21
Total Time Cost	£ 22,026.00	£ 31,680.50	£ 71,732.00	£ 71,974.50	£ 86,533.50	£ 8,822.50	£ 292,769.00		
Total Hours	40.8	81.4	245.3	319.0	579.4	57.6	1,323.5	£ 292,769.00	221.21
Total Time Cost	£ 22,026.00	£ 31,680.50	£ 71,732.00	£ 71,974.50	£ 86,533.50	£ 8,822.50	£ 292,769.00		
Average Rates	539.85	389.20	292.43	225.63	149.35	153.17	221.21		