

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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07/12/2017

#402

COMPANIES HOUSE

1 Company details

Company number 0 1 1 7 9 9 7 5

Company name in full Dyslexia Institute Limited

→ 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 2 9 6 5 o f 2 0 1 7

3 Administrator's name

Full forename(s) Matthew Robert

Surname Haw

4 Administrator's address

Building name/number 9th Floor, 25 Farringdon Street

Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ^①

Full forename(s) Karen

Surname Spears

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

6 Administrator's address ^②

Building name/number 9th Floor, 25 Farringdon Street

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

7 Appointor/applicant's name

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

Full forename(s) The directors of Dyslexia Institute Limited

Surname

8 Proposed liquidator's name

Full forename(s) Matthew Robert

Surname Haw

Insolvency practitioner number 9 6 2 7

9 Proposed liquidator's address

Building name/number 9th Floor, 25 Farringdon Street

Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

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Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)	Karen
Surname	Spears
Insolvency practitioner number	8 8 5 4

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address^②

Building name/number	9th Floor, 25 Farringdon Street
Street	
Post town	London
County/Region	
Postcode	E C 4 A 4 A B
Country	

② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report


From date	d 1 d 3	m 1 m 0	y 2 y 0	y 1 y 7
To date	d 0 d 5	m 1 m 2	y 2 y 0	y 1 y 7

13 Final progress report☒ I have attached a copy of the final progress report.**14** Sign and date

Administrator's signature

Signature

X



X

Signature date

d 0 d 5	m 1 m 2	y 2 y 0	y 1 y 7
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Notice of move from administration to creditors' voluntary liquidation



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	William Eyre
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



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

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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' final progress report

5 December 2017

Matthew Haw and Karen Spears

Joint Administrators

**RSM Restructuring Advisory LLP
9th Floor, 25 Farringdon Street
London EC4A 4AB
Tel: 0203 201 8000
Email: restructuring.london.core@rsmuk.com**

Sections

1. Conduct of the Administration
2. Assets remaining to be realised
3. Creditors' claims and dividend prospects
4. *Receipts and payments summary*
5. Costs and Joint Administrators' remuneration
6. Creditors' right to information and ability to challenge expenses
7. Closure of the Administration

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- B Summary of receipts and payments
- C RSM Restructuring Advisory LLP charging, expenses and disbursements policy
- D RSM Restructuring Advisory LLP London current charge out and disbursement rates
- E Joint Administrators' category 2 disbursements table
- F Statement of expenses incurred by the Joint Administrators' in the period from 13 October 2017 to 5 December 2017
- G Joint Administrators' time cost analysis for the period from 13 October 2017 to 5 December 2017

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 October 2017 to 5 December 2017. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request

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 Company. 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 proposal.

1 Conduct of the Administration

This is the final report of the Administration and the Charity will shortly be converted to Creditors Voluntary Liquidation, in line with the Joint Administrators' Proposals at section 1.1 below.

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 5.

1.1. The Joint Administrators' proposals

The Joint Administrators' proposals in relation to the Charity were approved by a qualifying decision procedure of creditors on 23 June 2017. The proposals are:

- The Joint Administrators should continue to realise the assets of the Charity for the benefit of the creditors on such terms they consider appropriate.
- The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- The Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the Administration or their proposals.
- Subject to paragraph 10, the Company will exit the Administration by way of Creditors Voluntary Liquidation.
- That Matthew Haw and Karen Spears of RSM Restructuring Advisory LLP, 25 Farringdon Street, London EC4A 4AB be appointed Joint Liquidators of the Company following the cessation of the Administration and the Joint Liquidators will have the power to act jointly and severally.
- Notwithstanding the aforementioned, if circumstances arise which suggest that it may be appropriate, the Administration may exit via Dissolution.
- In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators

1.2. Realisation of assets

1.2.1 Sale of the Training business

The Joint Administrators completed a sale of the training business to Real Group on 26 April 2017. The Joint 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.

1.2.2 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.

1.2.3 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.

1.2.4 Pre-appointment debtor receipts

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

1.2.5 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.

1.2.6 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*, a company used by *European Valuations* to clear the Charity's offices but that is unconnected to the Joint Administrators.

1.2.7 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.

1.2.8 Other asset realisations

We have also accrued £368 46 in respect of gross bank interest on funds held in the Administration bank account.

1.2.9 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.

1.2 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.

1.3 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 it and to date £70,710.76 has been returned. It is noted that the equivalent figure in the previous report for trust funds returned was £79,017.45. The reason for the decrease is that a number of payments have been returned as individuals have reclaimed the monies through other sources.

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

1.4 Administration and planning

In addition to the matters already described, it 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, service users 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 1, and
- Issuing the Joint Administrators' progress report and final report on the conduct of the Administration.

2 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. On appointment £213,381.57 was in the trust account.

To date, the Joint Administrators have released the following trust sums totalling £77,806.81 into 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

We have returned £70,710.76 to service users who hadn't received Charity services

A balance of £64,864.00 remains in the trust account and the Joint Administrators 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.

3 Creditors' claims and dividend prospects

Details of the dividends paid to creditors, including the amount under the prescribed part, are shown in Appendix A. No distribution has been made to ordinary unsecured creditors in the Administration; the intention is that a distribution will be made by any subsequently appointed Supervisor or Liquidator, who will agree creditors' claims in due course, initially by reference to the proofs of debt lodged by creditors themselves

4 Receipts and payments summary

We attach as Appendix B a summary of our receipts and payments for the period from 13 October 2017 to 5 December 2017.

VAT basis

Receipts and payments are currently shown net of VAT. The Charity was partially exempt for VAT purposes, and consequently not all VAT is recoverable from HM Revenue and Customs. For the sake of prudence, all input VAT has been assumed to be irrecoverable and is shown as irrecoverable VAT 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. We expect to be able to recover a proportion of this VAT, however the amount is currently unclear.

5 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

5.1 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.

5.2 Remuneration and expenses (including disbursements) incurred in the period from 13 October 2017 to 5 December 2017 and since appointment

Joint Administrators are required to report remuneration 'charged' to the case in the period. This reflects the time charged to the case and is the maximum that can be taken in fees by the Joint Administrators

Joint Administrators have incurred time costs of £26,564.50 in respect of work done in the current period, a summary of which is attached. Time costs of £319,993.50 have been incurred since appointment. Of this, a total of £290,976.00 (plus VAT) has been paid

Details of the sum drawn in respect of remuneration for the period covered by this report and the total amount of remuneration drawn to date are set out in the receipts and payments account at Appendix C.

Fees drawn to date equal the estimated amount of £290,976.00 approved by the creditors

There have been a number of aspects of the Administration that were not anticipated in the Joint Administrators' initial fee estimate, for example dealing with the employment tribunal claims, agreeing the chargeback position with the bank and assessing the VAT position

As such, the Joint Administrators reserve the right to request that the creditors approve further Joint Administrators' fees in the Liquidation.

5.2.1 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.

5.2.2 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.

5.3 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.

5.4 Costs to closure

It is proposed that the Charity will exit the Administration by Creditors Voluntary Liquidation. I anticipate that we will incur additional costs to closure of £3,000.00. As referred to in section 5.2, the Joint Administrators reserve the right to request approval of further fees by the creditors of the Charity in due course.

6 Creditors' right to information and ability to challenge 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.

7 Closure of the Administration

The Joint Administrators will bring the Administration to a close and place the Charity into Creditors Voluntary Liquidation. The primary reason for the move to Liquidation is to pay a distribution to unsecured creditors.

Should you require any further information please do not hesitate to contact me



Matthew Haw
RSM Restructuring Advisory LLP

Appendix A

Statutory, dividend and other information

Company Information	
Company name:	Dyslexia Institute Limited (trading as Dyslexia Action)
Company 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, 9th Floor, 25 Farringdon Street, London, EC4A 4AB
Previous registered office:	Dyslexia Action House, 10 High Street, Egham, Surrey, TW20 9EA

Administration information		
Joint Administrators	Matthew Haw and Karen Spears	
Date of appointment:	13 April 2017	
Appointor:	The Trustees of the Charity	
Date of extension	None	
Details of any extension:	None	
Exit route:	Creditors' Voluntary Liquidation	
Correspondence address & contact details of case manager	William Eyre Assistant Manager 0203 201 8000 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 8000 IP Number: 9627	Joint Office Holder: Karen Spears RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street, London, EC4A 4AB 0203 201 8000 IP Number 8854

Dividend	Owed	Paid to date	Estimated future prospects
Secured creditor (1)	N/A	N/A	N/A
Secured creditor (2)			
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		
Why the Administrators applied to court under S176(A)(5) IA86	N/A		

Appendix B

Summary of receipts and payments

SOA Value £	13/10/2017 to 05/12/2017		Total to 05/12/2017	
	£	£	£	£
	ASSET REALISATIONS			
0 00	Assessment Materials	0 00	2 972 79	
0 00	Bank Interest Gross	43 65	368 46	
47,703 00	Cash at bank	0 00	0 00	
38,294 00	Debtors (Pre-Appointment)	0 00	16,978 85	
0 00	Final Investment Dividend	0 00	3,620 36	
0 00	Insurance Refund	0 00	3,445 00	
558,650 00	Investments	0 00	558,650 26	
2,000 00	IT Assets	0 00	2,400 00	
0 00	Licence to Occupy	0 00	3,175 00	
7,500 00	Other Intangible Assets	0 00	7,500 00	
0 00	Rent refund	0 00	1,476 97	
301,000 00	Sale of Training Centre	0 00	301,000 00	
0 00	Training Business Receipt	0 00	1,775 00	
0 00	Transfer from Trust account	77,806 81	77,806 81	
955 147 00			77,850 46	981,169 50
	COST OF REALISATIONS			
0 00	Administrators Post Appointment Disbursements	(86 92)	(1,559 91)	
0 00	Administrators Post Appointment Fees	(61,173 00)	(290,976 00)	
0 00	Administrators Pre Appointment Fees	0 00	(19,346 30)	
0 00	Agents / Valuers Fees	0 00	(25,712 81)	
0 00	Agents Expenses	0 00	(3,790 16)	
0 00	Bank Charges	0 00	(75 00)	
0 00	Data Storage (BME)	0 00	(5,300 00)	
0 00	Fees for Preparation of SOA	0 00	(4,000 00)	
0 00	Insurance	0 00	(2,192 38)	
0 00	Legal Disbursements	0 00	(64 00)	
0 00	Legal Fees (Post Appointment)	0 00	(78,575 77)	
0 00	Legal Fees (Pre Appointment)	0 00	(5,254 75)	
0 00	Locksmith Costs	0 00	(999 87)	
0 00	Mail Redirection	0 00	(275 00)	
0 00	Payroll Costs	0 00	(2,206 95)	
0 00	Pensions agent's costs	0 00	(500 00)	
0 00	Printing	0 00	(4,958 31)	
0 00	Staff Expense	0 00	(16,787 35)	
0 00	Statutory Advertising	0 00	(79 00)	
0 00	Storage Costs	0 00	(1 797 48)	
0 00	Training /Guild/Conference/APC trust monies	0 00	(60 741 98)	
0 00	Training Business Receipt Paid Over	0 00	(1,775 00)	
	VAT Irrecoverable	(12,251 98)	(88,276 22)	
			(73,511 90)	(615,244 24)
	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)			4,338 56	365,925 26
	REPRESENTED BY			
	Bank - (Metro)		365 925 26	
				365,925 26
				365,925 26

Notes:

- 1 The Joint Administrators hold trust account money of £64 864 00 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 1.3 of this report

Appendix C

RSM Restructuring Advisory LLP charging, expenses and disbursements policy

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 London 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

Joint Administrators' category 2 disbursements table

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

	£			
	Original estimate	Incurred to date	Expected future	Expected total
Bond	2,500.00	85.00	Nil	85.00
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	827.00	Nil	827.00
Locksmith costs	Nil	999.87	Nil	999.87
Mail redirection	Nil	275.00	Nil	275.00
Mileage	775.47	625.77	Nil	625.77
Payroll costs	Nil	2,206.95	Nil	2,206.95
Pension agent's costs	Nil	500.00	Nil	500.00
Printing	Nil	4,958.31	Nil	4,958.31
Staff expense	Nil	16,787.35	Nil	16,787.35
Statutory advertising	344.80	79.00	265.80	344.8
Storage agent (collection/storage of records)	24,262.92	5,565.16	3,000.00	8,565.16
Travel and expenses	296.00	337.69	Nil	337.69
Total	120,994.19	141,543.68	9,265.80	150,809.48

Appendix G

Joint Administrators' time cost analysis for the period from 13 October 2017 to 5 December 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	0.0	0.0	0.0	0.0	0.3	0.0	0.3	£ 40.50	135.00
Background information	0.0	0.0	0.0	0.0	0.4	0.0	0.4	£ 100.00	250.00
Case Management	0.8	2.3	0.0	2.4	1.6	1.1	8.2	£ 2,279.00	277.93
Closure	0.0	0.0	0.0	0.8	0.0	0.0	0.8	£ 176.00	220.00
Director(s)/debtor/bankrupt	0.0	0.0	0.0	0.0	0.4	0.0	0.4	£ 54.00	135.00
Pension Scheme	0.4	1.0	0.0	2.7	0.0	0.0	4.1	£ 1,237.00	301.71
Post-appointment - general	0.0	0.0	0.0	0.0	0.0	2.3	2.3	£ 414.00	180.00
Receipts and Payments	0.0	0.3	0.0	1.0	3.1	0.0	4.4	£ 898.00	204.09
Tax Matters	0.0	0.8	1.1	2.9	4.7	0.0	9.5	£ 2,534.50	266.79
Total	1.2	4.4	1.1	9.8	10.5	3.4	30.4	£ 7,733.00	254.38
Realisation of Assets									
Assets - general/other	0.0	0.0	0.0	0.8	0.1	0.0	0.9	£ 189.50	210.56
Debtors & sales finance	0.0	0.7	0.0	0.0	0.3	0.0	1.0	£ 338.00	338.00
Land and Property	0.0	0.0	0.0	0.3	0.0	0.0	0.3	£ 66.00	220.00
Total	0.0	0.7	0.0	1.1	0.4	0.0	2.2	£ 593.50	269.77
Creditors									
Employees	2.7	2.6	6.7	10.8	0.3	0.0	23.1	£ 6,299.50	272.71
Other Creditor Meetings and Reports	0.7	3.5	0.0	13.6	8.7	0.0	26.5	£ 6,035.50	227.75
Unsecured Creditors	0.3	0.8	0.0	6.2	25.8	0.0	33.1	£ 5,350.50	161.65
Total	3.7	6.9	6.7	30.6	34.8	0.0	82.7	£ 17,685.50	213.85
Case Specific Matters - Legal Matters									
Legal Matters	0.0	1.3	0.0	0.0	0.0	0.0	1.3	£ 552.50	425.00
Total	0.0	1.3	0.0	0.0	0.0	0.0	1.3	£ 552.50	425.00
Total Hours (From Jan 2003)	4.9	13.3	7.8	41.5	45.7	3.4	116.6	£ 26,564.50	227.83
Total Time Cost (From Jan 2003)	£ 2,670.50	£ 5,680.50	£ 2,071.00	£ 9,130.00	£ 6,505.00	£ 507.50	£ 26,564.50		
Total Hours	4.9	13.3	7.8	41.5	45.7	3.4	116.6	£ 26,564.50	227.83
Total Time Cost	£ 2,670.50	£ 5,680.50	£ 2,071.00	£ 9,130.00	£ 6,505.00	£ 507.50	£ 26,564.50		
Average Rates	545.00	427.11	265.51	220.00	142.34	149.26	227.83		