

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A8ZU6MY2

A14

29/02/2020

#342

COMPANIES HOUSE

1 Company details

Company number 01443436

Company name in full GSM London Limited

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

2 Administrator's name

Full forename(s) William Matthew

Surname Tait

3 Administrator's address

Building name/number 55 Baker Street

Street

Post town London

County/Region

Postcode W1U7EU

Country

4 Administrator's name ①

Full forename(s) Antony

Surname Nygate

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

5 Administrator's address ②

Building name/number 55 Baker Street

Street

Post town London

County/Region

Postcode W1U7EU

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	3	d	0	m	0	m	7	y	2	y	0	r	1	y	9
To date	d	2	d	9	m	0	m	1	y	2	y	0	r	2	y	0

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X

[Handwritten Signature]

X

Signature date

d	2	d	8	m	0	m	2	y	2	y	0	r	2	y	0
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Sarah Lotz**

Company name **BDO LLP**

Address **2 City Place**

Beehive Ring Road

Post town **Gatwick**

County/Region

Postcode

R H 6 0 P A

Country

DX

Telephone

0129 359 1048



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

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

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

**GSM London Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £		From 30/07/2019 To 29/01/2020 £	From 30/07/2019 To 29/01/2020 £
	POST APPOINTMENT SALES		
	Bank interest gross	2,690.16	2,690.16
2,369,164.50	Cash at Bank SLC ring fenced account	2,369,164.50	2,369,164.50
	Operational costs recovered from CUL	331,434.79	331,434.79
	Rental income sub-tenant	5,731.11	5,731.11
3,446,910.00	SLC receipts	4,274,397.50	4,274,397.50
		<u>6,983,418.06</u>	<u>6,983,418.06</u>
	TRADING EXPENSES		
	Admin payroll	1,737,196.40	1,737,196.40
	Associates payroll	72,367.99	72,367.99
	Bank charges	87.00	87.00
	Consultancy	282,153.31	282,153.31
	Credit refund to students	4,182.61	4,182.61
	Exam costs	11,242.49	11,242.49
	Insurance	5,570.93	5,570.93
	Interim temp payments	49,343.44	49,343.44
	IT and telephone costs	73,974.80	73,974.80
	Learning resources	24,879.68	24,879.68
	Legal fees and disbursements post app	422.50	422.50
	Other admin supplier payments	28,244.78	28,244.78
	Other property related costs	102,502.41	102,502.41
	PAYE/NIC	1,013,849.91	1,013,849.91
	Pension/others	137,251.75	137,251.75
	Postage and stationary	19,907.44	19,907.44
	PR Advisors	81,400.00	81,400.00
	Rates	240,626.38	240,626.38
	Records storage	121.24	121.24
	Rent and Service charges	735,524.05	735,524.05
	Security	89,022.51	89,022.51
	Student Protection Plan costs	400,000.00	400,000.00
	Utilities	51,987.28	51,987.28
	Welfare costs	9,240.00	9,240.00
		<u>(5,171,098.90)</u>	<u>(5,171,098.90)</u>
5,816,074.50	TRADING SURPLUS/(DEFICIT)	<u>1,812,319.16</u>	<u>1,812,319.16</u>

GSM London Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 30/07/2019 To 29/01/2020 £	From 30/07/2019 To 29/01/2020 £
ASSET REALISATIONS		
Book debts	32,883.06	32,883.06
5,227,887.50 Cash at Bank and In Hand	5,130,508.11	5,130,508.11
90,000.00 Furniture and equipment	93,028.00	93,028.00
Interest Gross	7,550.51	7,550.51
Lease premium	774,675.00	774,675.00
Prepayments and Sundry Refunds	2,055.85	2,055.85
54,250.00 Rent deposit	NIL	NIL
5,816,074.50 Trading Surplus/(Deficit)	1,812,319.16	1,812,319.16
	7,853,019.69	7,853,019.69
COST OF REALISATIONS		
Agents' fees and disbs - chattel assets	42,906.62	42,906.62
Agents' fees and disbs - employees	7,500.00	7,500.00
Agents' fees and disbs - PR and comms	1,375.00	1,375.00
Agents' fees and disbs - property	128,122.63	128,122.63
Bank Charges	117.00	117.00
Data Protection Registration Fee	60.00	60.00
Irrecoverable VAT	474,068.21	474,068.21
Joint Administrators' disbs - post appoi	4,833.22	4,833.22
Joint Administrators' disbs - pre-appoi	3,968.75	3,968.75
Joint Administrators' fees - post appoi	1,253,893.73	1,253,893.73
Joint Administrators' Fees - pre-appoin	35,801.00	35,801.00
Landlord's costs - solicitor	1,550.00	1,550.00
Landlord's costs - surveyor	750.00	750.00
Legal fees and disbs - post appointment	124,306.88	124,306.88
Legal fees and disbs - pre-appointment	10,745.00	10,745.00
Redirection of mail	1,878.00	1,878.00
Stationery and postage	567.50	567.50
Statutory advertising	81.00	81.00
Storage costs	539.57	539.57
	(2,093,064.11)	(2,093,064.11)
11,188,212.00	5,759,955.58	5,759,955.58
REPRESENTED BY		
Floating Current Account		4,150,275.38
Output VAT		(20,659.60)
SLC ringfenced account		1,630,339.80
		5,759,955.58



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5 Temple Square
Temple Street
Liverpool
L2 5RH

TO ALL KNOWN CREDITORS

28 February 2020

Our Ref WMT/AD/00317586/A6

Please ask for
Alice Denmark
0151 237 4497
BRCMT@bdo.co.uk

Dear Sir/Madam

GSM London Limited - In Administration ('the Company', 'GSM')

It is now six months since my appointment in respect of the Company. In accordance with Rule 18.6 of the Insolvency (England and Wales) Rules 2016 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration for the period from 30 July 2019 to 29 January 2020 ('the Period'). This report should be read in conjunction with the Joint Administrators' Proposals ('the Proposals') which were issued to creditors on 23 September 2019.

1 Statutory Information

The Joint Administrators are William Matthew Humphries Tait (officeholder number: 9564) and Antony David Nygate (officeholder number: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU and they were appointed in respect of the Company on 30 July 2019. Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators carry out their functions jointly and severally, meaning any action can be performed by one or both of them.

The Joint Administrators were appointed by the Directors of the Company, pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are dealt with in the Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) and the court case number is CR-2019-005063.

The Company's registered office is situated at 55 Baker Street, London, W1U 7EU and the registered number is 01443436.

2 Receipts and Payments

I enclose for your information, a summary of my receipts and payments for the Period showing a balance in hand of £5,759,956, together with a trading account detailing the costs associated with the Teach Out process, as detailed in the Proposals. I would provide further details in respect of significant receipts and payments as follows:

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of GSM London Limited. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notices/insolvencies>

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business

Receipts

Book Debts

As detailed in the Proposals and in the Directors' Statement of Affairs ('SOA'), GSM had debtors with a total book value of £6,755,692 as at the date of Administration. This balance was comprised of amounts due from the Student Loans Company ('SLC') in respect of tuition fees due to GSM for teaching services already delivered or in the course of being delivered at the date of Administration and debts due from individual self-funded students.

As a result of GSM's financial difficulties in the period prior to Administration, funds due from SLC had been 'paused' whilst an appropriate strategy in respect of the business was formulated. It was subsequently agreed between the Company and SLC that funds due in respect of tuition fees would be released to a specific ring-fenced account in the period prior to Administration. These monies were to be specifically utilised by GSM to fund the costs associated with delivering the Student Protection Plan ('SPP').

As at the date of Administration, £2,369,165 was held within the ring-fenced account and this sum is described as 'Cash at Bank (SLC ring fenced account)' within the trading account included with the summary of receipts and payments. Once appointed, the Joint Administrators were obliged to recognise these funds as being held for the specific purpose of delivering the SPP and consequently the funds are reflected as trading income.

During the course of the Teach Out period, further sums were paid by the SLC at specific 'liability points' and these are recorded as 'SLC Receipts' totalling £4,274,398. Although these receipts are recorded as trading income for the purposes of the receipts and payment summary (as they would otherwise not have been released by the SLC), they represent the realisation of the book debt recorded in the Directors' SOA.

GSM student debtors comprised a mixture of self-funded undergraduate students and post-graduate students. In circumstances where one of the objectives of the Administration was to secure the best outcome for as many students as possible and therefore mitigate student claims, it was not considered appropriate for the Joint Administrators to embark upon an aggressive debt collection exercise in the initial stages of the Administration.

Instead, student debtors were contacted in order to provide them with details of the Administration account to which payment should be made and to remind them that they remained responsible to pay for teaching services that had already been delivered to them by GSM.

Once all students had been withdrawn from GSM on 31 October and the Student Support Office ('SSO') closed on 15 November, the Joint Administrators reviewed their strategy regarding the collection of student debts. It was then decided that GSM's Finance team should more proactively engage with student debtors in an attempt to maximise realisations from this source.

The debt collection exercise is ongoing and is now being conducted by my staff with appropriate sensitivity given the likely economic circumstances of the students concerned. Since some of these debts are aged in nature and the overall counterparty covenant is considered weak, a proportional approach will be adopted so that the costs of the exercise

do not exceed expected realisations. For these reasons, significant further realisations from this source are not expected.

A total of £32,883 has been received from student debtors during the Period, as reflected in the receipts and payments summary.

Cash at Bank and in Hand

As described above, as at the date of appointment, the Company held £2,369,165 in the SLC ring-fenced account and a further £5,118,511 was held in its general bank accounts.

Cash totalling £11,998, in respect of sundry student receipts, was recovered from safes located at Greenwich and Greenford. Accordingly, a total of £5,130,508 was transferred to the general Administration bank account.

The funds within the SLC ring-fenced account were used to support the costs of delivering the SPP in accordance with the account's stated purpose, whilst the funds within GSM's general accounts were transferred to the Administration bank account shortly after my appointment for the ultimate benefit of creditors.

The Company's bankers, Lloyds Banking Group PLC ('Lloyds'), held some £396,000 in a blocked account as security for its potential exposure in respect of the Company's business credit card and to chargeback and S75 claims from students having made payment by credit card. Lloyds, with the consent of the Joint Administrators, has settled the business credit card liability of £6,079 from these funds. The balance of funds, net of any chargebacks and S75 claims, will be transferred to the Administration bank account once Lloyds are content that no further claims will be made. Lloyds will be making an interim payment due course.

The funds received from the SLC both prior and subsequent to Administration were held separate from the general Administration bank account as I was obliged to continue to observe the purpose for which the account had been established by the Company, namely that the monies were to be used to fund the Teach Out and the delivery of the SPP.

As a consequence, the receipts and payments summary details the net funds held within the SLC ring-fenced account and the general floating charge account. Now that the SPP has been delivered and GSM has closed, the residual funds after all final operating costs have been discharged will be transferred in due course to the general Administration account for the ultimate benefit of creditors.

Leasehold Premises and Chattel Assets

Coventry University London ('CUL') is a provider of higher education services with campuses in Dagenham, London Liverpool Street and Barking. CUL entered into early negotiations with the Joint Administrators for a proposal to offer places to a substantial proportion of GSM students.

Given the scope of CUL's offer, the Joint Administrators entered into a Data Sharing Agreement with CUL that enabled GSM to have visibility on students who were applying to and being accepted by CUL. Whilst final numbers have not yet been confirmed, it is currently expected that up to 1,500 students will be accommodated in this regard.

Offering places to this significant cohort of students led to a consideration of property requirements potentially met by GSM's premises in Greenwich. Accordingly, CUL entered into a Licence Agreement with GSM and the Joint Administrators to occupy part of the Greenwich site from 14 October 2019 to 30 June 2020. CUL commenced teaching a cohort of former GSM students from Greenwich in the week commencing 11 November 2019.

CUL also entered into a Transitional Services Agreement ('TSA') with GSM and the Joint Administrators in order that CUL could utilise the existing IT infrastructure and certain items of furniture and equipment at the Greenwich campus in order to deliver courses over the period of the Licence Agreement.

The terms of the Licence Agreement provided for a 'pass-through' of associated costs rather than seeking a profit rent. These arrangements have facilitated a successful outcome for a significant portion of GSM's students. The receipts and payments summary records the sum of £331,435 as having been recovered to date from CUL under the terms of the Licence Agreement and TSA within the trading account section.

The TSA also provided for a one-off utilisation fee in respect of GSM's assets required by CUL such that these will be available for disposal for the benefit of GSM's creditors at the expiry of the Licence period. The receipts and payments summary includes the receipt of this utilisation fee in the sum of £38,748 within the realisations reported under furniture and equipment.

The Joint Administrators' original strategy was for GSM to exit the campuses at Greenwich and Greenford (the lease to which was held by associated company Greenford Facilities Limited, also in Administration) once final semester teaching obligations had been fulfilled on or around 30 September 2019. At this point, legacy GSM operations were to have been consolidated into the London Bridge site in order to complete various processes prior to final closure.

The strategy was amended in light of CUL's proposal and issues around the configuration of GSM's IT infrastructure. In consequence the Greenford campus was closed on 30 September 2019 and remaining employees who worked from that location were transferred to either Greenwich or London Bridge.

The Joint Administrators engaged Cummings Commercial and Avison Young on a joint agency basis to market and dispose of GSM's leasehold properties to the extent that this was possible.

Hilco Global ("Hilco") were engaged to value GSM's tangible assets and provide advice as to a suitable disposal strategy in respect of these items on the best possible terms. Accordingly, all items of economic value at the Greenford site were disposed of prior to exit from that location on 30 September 2019.

There was however strong interest in the London Bridge premises and following the conclusion of a marketing exercise, a premium offer of £774,675 was accepted for the assignment of the lease to London South Bank University. This transaction was completed on 29 November 2019, at which point, GSM's rent deposit of £54,250 became repayable. The receipts and payment summary reflects the lease premium realised in respect of these premises. The rent deposit has yet to be returned by the landlord as we are awaiting the reconciliation of the service charge account that will be deducted from this sum in the first instance.

All items of economic value at London Bridge were disposed of by Hilco and the remaining items cleared from site to facilitate vacant possession upon completion of the assignment.

Following the completion of the Licence Agreement and TSA with CUL, legacy GSM co-habited the Greenwich site with CUL for the period 14 October to 13 December 2019 on the basis that overhead costs were shared on an equal basis. Hilco then arranged for the sale of all equipment not required by CUL in the week commencing 16 December 2019. Hilco will sell the remaining chattel assets utilised by CUL under the terms of the TSA at the point that CUL prepares to exit Greenwich in June 2020. The receipts and payments summary reflects the extent of realisations effected to date in respect of GSM's furniture and equipment at all three locations in the sum of £93,028, including the utilisation fee paid by CUL as mentioned above.

Several expressions of interest in the Greenwich premises have been received. Accordingly, the property agents are also actively marketing this site with the aim of attracting a purchaser that could enter into occupation on a phased basis to order to accommodate CUL's short-term occupation or take possession of the whole once the Licence Agreement has expired. Realisations from this source are, however, speculative and the property agents are retained on a commission basis only to reflect the uncertainty of further realisations.

GSM sublet part of the Greenford premises. Prior to GSM's vacation of the Greenford premises, £5,731 was received in rental income from the sub tenant.

Interest Gross

Bank interest of £7,551 has been received on funds held in the Administration bank account in the Period. As can be seen from the trading account, further gross interest of £2,690 has accrued in respect of the funds held within the SLC ring-fenced account.

Sundry Refunds

Sundry refunds from the British Library, Castle Water Limited, Affinity Water and AIG Life were received during the Period and totalled £2,056.

3 Payments

Professional Fees and Disbursements

Please refer to section 5 below for further commentary on the costs that have arisen in the Administration in this regard.

Bank Charges

Bank charges of £117 were paid during the Period.

Data Protection Registration Fees

A total of £60 was paid in the Period to ensure compliance with GDPR issues.

Irrecoverable VAT

Although GSM's business was partially exempt for VAT purposes, historically, the Company had not considered it economical to attempt recover any input VAT. Accordingly, for the purposes of the receipts and payments summary, I have assumed that all input VAT within the Administration is not recoverable, but I will be exploring whether it will be possible to recover input VAT relating to the costs associated with the disposal of VATable assets.

Landlord's Costs

The costs associated with the solicitors and surveyors retained by the landlord of the London Bridge premises in the total sum of £2,300 were payable as a condition of the lease assignment.

Redirection of Mail

Royal Mail were paid £1,878 in respect of mail redirection in respect of the Company across three different sites.

Stationery and Postage

Black and Callow received £568 for printing and mailing statutory notices to the Company's creditors.

Statutory Advertising

Costs of £81 were incurred for the advertisement of the appointment of the Joint Administrators and advertisement for claims in the London Gazette.

Storage Costs

Physical company records were placed into storage following the Joint Administrators' appointment. To date, Total Data Management Limited and Iron Mountain Limited have been paid £274 and £266 respectively for storage costs, a total of £540.

4 Trading in Administration

Trading Surplus

Included with the summary of the receipts and payments in the Period is a trading account, which details the income and expenditure associated with the period of Administration trading from 30 July to 13 December 2019.

As described in detail within the Proposals and also above, the Teach Out period in which the SPP was delivered was funded by SLC payments in respect of tuition fees, which were disbursed through a ring-fenced account specifically established for that purpose. These SLC payments were in respect of teaching services either which had been delivered prior to Administration or which would be delivered during the course of the final semester.

Accordingly, the sums that are described within the trading account as sales income relate in fact to the realisation of a book debt due to GSM from the SLC, whilst the trading

expenses represent the costs associated with the realisation of these monies, which would otherwise not have been received.

The trading account indicates that a surplus of realisations over costs of £1,812,319 has been achieved in the Period. I am still in the process of finalising the trading account and discharging a number of outstanding trading liabilities and in particular, utilities payments at the Greenwich site and therefore this surplus will be subject to change.

In addition, whilst CUL remains in occupation of part of GSM's Greenwich campus (see above), I will have an ongoing obligation to account for associated rent and rates payments and recover these costs from the occupier.

Section 9 below refers and I am presently estimating a final trading surplus of between some £1,530,000 and £1,675,000 to have been achieved in the Administration, which will be for the overall benefit of creditors.

Trading Overview

The Administration strategy was predicated on GSM continuing to deliver teaching, invigilation, marking and moderation services to students in the period to 27 September 2019, at which point, all students who had not completed a GSM withdrawal form indicating their intention to transfer to a new Higher Education Provider ('HEP'), were suspended from SLC funding.

Final Award Assessment Boards were held in the period 29 - 31 October 2019, following which all students were formally withdrawn from GSM and provided with their certificates and/or a transcript of their course credits that could be used as evidence of their academic achievement to support any future applications to alternative HEPs.

At the same time as delivering the course content for the remainder of the final semester, considerable work was undertaken by GSM to provide support and guidance to students to assist them in transferring to an alternative HEP of their choice, further details of which are provided below.

Other than achieving the best possible outcome for students and thereby minimising any claims that they might seek to advance for breach of contract and consequential loss, the period of Administration trading also afforded the opportunity to maximise realisations in respect of the Company's assets for the benefit of creditors.

As described above, the period of trading has not only resulted in the significant net realisation in respect of the sums due to GSM from the SLC, but has also served to:

- preserve the Company's cash at bank;
 - facilitated a mechanism to enhance realisations in respect of debtors; and
 - provide an opportunity to market the leasehold properties and chattel assets
- so as to increase expected recoveries beyond likely realisations in a forced sale environment if GSM had immediately ceased to trade.

Employees

The Joint Administrators and their staff attended GSM's sites at Greenwich and London Bridge on the morning of 31 July 2019 and made announcements to all staff. Following those initial meetings, 46 staff were made redundant with immediate effect. My agents

ERA Solutions Limited and Job Centre Plus were both in attendance at this meeting in order to provide guidance and support to affected staff. Following notification to GSM's students, a communications strategy in respect of all other stakeholders was then deployed.

A consultation process was then initiated as all remaining staff were at risk of redundancy due to the planned closure of GSM and this process was completed on 26 September 2019.

Further redundancies were then effected on 27 September and 1 November 2019 once key operating milestones had been achieved, leaving a small core GSM team to address registry and finance issues before final closure took place on 13 December 2019, at which point all remaining employees were also made redundant.

Since it was acknowledged that the Administration had a generally unsettling effect on staff and to ensure that morale and productivity could be maintained as far as possible, various staff incentive schemes were devised and communicated to employees including:

- the provision of an assurance to staff that no further redundancies would be effected before the end of the consultation period and that all staff would be paid until at least the end of September;
- accrued holiday entitlements would be recognised from 1 January 2019 rather than the commencement of the Administration and paid leave permitted or payments in respect of the accrued entitlement effected;
- 'on the spot' awards were made to certain employees who had made particular efforts on behalf of the Joint Administrators;
- incentive bonuses were paid to those employees still in service at certain key points in the Administration timeline; and
- further incentive payments were also made to certain key employees.

All of these incentives were well received by staff and had the desired effect, with no loss of key personnel such that GSM could maintain operational effectiveness during the Teach Out period.

In addition to the incentive schemes detailed, GSM also provided support to employees in terms of the availability of wellbeing services, assistance with job applications, arranging for the creation of a jobs board on the GSM intranet and the hosting of a recruitment fair. A number of the receiving HEPs attended the recruitment fair and indicated that they had opportunities available to staff once they were longer required by GSM. It is understood that the significant majority of GSM's former employees have secured alternative employment.

As detailed in the trading account included with the receipts and payments summary, costs associated with the retention of GSM personnel to support the Teach Out and student support and transition process totalled £2,141,061, which included payments to permanent salaried staff, associates, consultants and temporary staff. In addition, £1,013,850 was paid in respect of PAYE/NIC deductions and £137,252 was paid in respect of staff pension contributions.

ERA Solutions Limited continue to assist and support redundant employees with their statutory claims for redundancy and statutory and contractual claims for pay in lieu of notice and will liaise with the Redundancy Payments Service regarding the submission of appropriate claims in the Administration. Further details of the costs associated with the provision of this service are provided in section 5 below.

Students and the Student Protection Plan ('SPP')

As GSM had not been registered with the Office for Student ('OfS') at the point that it entered Administration, it did not have an approved SPP and therefore, GSM and the Joint Administrators supported the SPP of GSM's validator, the University of Plymouth ('UoP').

As part of the contingency planning process prior to Administration, UoP analysed GSM's student data and identified a number of London-based HEPs which could possibly provide GSM students with appropriately matched courses where they could continue their studies after the closure of GSM if they so desired.

Engagement with these HEPs commenced prior to Administration with the use of appropriate non-disclosure agreements, and continued in earnest subsequent to Administration, when other HEP's emerged as being interested in offering places to GSM students including CUL. UoP and GSM prepared information, advice and guidance on the offerings of the various HEPs and many of these providers were in regular attendance at the GSM campuses and at an exhibition hosted by UCAS.

Student Support Offices ('SSOs') were opened at the Greenwich and Greenford campuses on 7 August 2019; the SSOs were concerned with:

- ensuring that any academic or course issues were promptly resolved;
- engaging with students in order to provide them with options as to where they might apply in order to continue with their studies;
- providing information, advice and guidance around the alternative HEPs, the courses that they offered and their admissions process, with support provided by UCAS;
- supporting the wellbeing of students in respect of those already registered with Wellbeing Services and those adversely affected by the news of GSM's closure;
- Providing information, advice and guidance in conjunction with the SLC in respect of student finance queries; and
- Dealing with student complaints in conjunction with Office of Independent Adjudication ('OIA').

In order to obtain further relevant data regarding student destinations in addition to student engagement with the SSO, the Joint Administrators entered into data sharing agreements with both UCAS and CUL. OfS also encouraged other HEPs known to be engaging with the process to share data regarding the number of applications by and acceptances to GSM students.

As part of the student withdrawal and transfer process, SLC also provided details of individual student outcomes after 31 October 2019 and this became the main source of information once students had been withdrawn from GSM.

Whilst GSM had managed to engage with the significant majority of students, for those students who remained unresponsive, the outcome has been assumed that those students have chosen not to continue to pursue higher education at this time.

The SSO in Greenford was closed on 19 September 2019 due to the decommissioning and closure of that site. The SSO at Greenwich remained open for students until 31 October 2019, following which, support was made available to students by telephone and email. The SSO in Greenwich closed on 15 November 2019.

The indicative results of the SPP, which will only be confirmed once final data from the SLC becomes available, may be summarised as follows:

Student Outcomes	UG Students		PG Students		Total Students	
	No.	%	No.	%	No.	%
Confirmed Destination by SLC	2,149	65	49	21	2,198	62
Confirmed Destination by CUL Only	111	3	44	19	155	4
Achieved Intended Award	309	9	-	-	309	9
Successful Outcomes	2,569	77	93	40	2,662	75
Abandoned Studies	280	8	81	35	361	10
Disengaged Prior to Administration	189	6	32	14	221	6
Disengaged Subsequent to Administration	79	2	-	-	79	2
Destination Unknown	203	6	26	11	229	6
Total Student Population	3,320	100	232	100	3,552	100

On 23 October 2019, the Joint Administrators made repayment to students who had a personal credit balance of £1 or greater on their student ID cards. A total of £4,183 has been distributed to students in this regard, as shown in the trading account.

A final letter dated 5 November 2019 was sent to all students to encourage them to take proactive steps to continue with their studies elsewhere and provided confirmation of the closure of student support services and confirmation to the students that they were no longer a student of GSM.

Students have been provided with advice and guidance to assist their consideration as to whether they have a monetary claim for the non-delivery of the student contract. Student claims have been received and are being reviewed by the Joint Administrators and the OIA. It is not possible to determine the total value of student claims that will be upheld against GSM by the OIA at this stage, but further details in this regard will be included in future progress reports. I am, however, satisfied that the period of Administration trading that supported the Teach Out and the support for the SPP will have mitigated such student claims as far as possible, which in turn should enhance the overall dividend prospects for all creditors.

Other costs directly attributable to the Teach Out and providing support to students are detailed in the trading account within the receipts and payments summary. These include the provision of welfare services (£9,240), exam costs (£11,242), the maintenance of learning resources (£24,880), postage and stationery for communications, certificates and transcripts (£19,907) and the SPP fees of GSM's validating partner, UoP (£400,000). This includes validation services, including the awarding of degrees and the costs of the final graduation ceremony.

Other Trading Costs

As detailed within the trading account for the Period, other significant costs associated with the Teach Out period included insurance (£5,571), IT and telephone costs (£73,975), supplier payments (£28,245), property-related costs (£102,502), PR and media consultancy services (£81,400), rates (£240,626), rent and service charges (£735,524), security (£89,023) and utility payments (£51,987).

5 Costs in the Administration

The receipts and payment summary (including the trading account) contains headline details of the sums which have been paid to a number of agents and advisers who have provided professional services to the Company and the Joint Administrators during the Period.

I detail below a summary of the professional fees and other expenses that have been paid in the Period, together with the further costs that I anticipate will be incurred in this regard in the remainder of the Administration.

Provider and Nature of Service	Basis of Fees	Paid in Period £	Anticipated Further Costs £
DLA Piper - Costs of solicitors acting for Lloyds in releasing fixed charges over leases	Time costs	423	0
WA Communications Limited - Advice on communications strategy and media engagement	Time costs	81,400 (£38,000 pre-Administration)	5,500
Hilco Appraisal - Agents' costs on disposal of furniture and equipment	Time costs	42,907	5,000
ERA Solutions Limited - assistance with employee claims	Fixed fee per employee	7,500	12,000
Headland PR Consultancy LLP - PR advice to the Joint Administrators	Time costs	1,375	1,000
Sterling Energy - EPC Certificate for London Bridge premises	Fixed fee	490	0
Frederick Holt & Company Limited	Fixed fee of £400/property plus 10% of cost savings effected	800	4,000
Gavin Thomas Design Consultants Limited - production of marketing brochure for Greenwich property	Fixed fee	5,632	0
Waltons Direct Limited - mailing of marketing brochure for Greenwich premises	Fixed fee	0	1,779
Avison Young - report and valuation of leasehold properties	Time costs	5,000	0

Avison Young - sales commission on the assignment of the London Bridge lease	7.5% of premium value	58,100	0
Cummings Commercial - sales commission on the assignment of the London Bridge lease	7.5% of premium value	58,101	0
Pinsent Masons - legal advice provided to the Joint Administrators	Time costs	87,699	5,000
Vario via Pinsent Masons - provision of on-site legal support for employee matters	Time costs	24,352	0
Marriott Harrison - conveyancing work on assignment of lease to London Bridge premises	Time costs	12,256	0
OIA - student complaints handling and claims agreement	Fixed fee	0	36,129

6 Pre Appointment Costs

The Proposals included provision for pre-appointment costs as set out below.

- (i) the fees charged by the Joint Administrators;
- (ii) the expenses incurred by the Joint Administrators;
- (iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner.

Under Rule 3.35(10) of the Rules, the table below summarises the outstanding costs for which approval was sought and also, where relevant, records payments received.

	Costs Incurred	Payments Received	Costs Outstanding
(i)	BDO LLP - pre-appointment time costs (not included in prior engagements) - £35,801.00 excluding VAT	£35,801	£0
(ii)	BDO LLP - pre-appointment disbursements (not included in the prior engagements) - £3,968.75 excluding VAT	£3,969	£0
	WA Communications Limited - PR and communications advisors' fees - £38,000.00 excluding VAT	£38,000	£0
	Pinsent Masons - pre-appointment legal fees and disbursements - £10,744.50 excluding VAT	£10,745	£0
(iii)	None	Nil	Nil
TOTAL		£88,515	£0

(i) The fees charged by the Joint Administrators

Time costs totalling £35,801 were incurred by BDO LLP in relation to preparing for the Administration of the Company.

The work undertaken included preparing for the appointment, strategy planning, preparing statutory documents, preparing initial communications with stakeholders, reviewing cash flow forecasts and attending meetings with management and other stakeholders.

I can report that the pre-appointment fees set out above were approved in full and have been drawn as reflected in the summary of receipts and payments.

(ii) The expenses incurred by the Joint Administrators

Costs of £3,969 were incurred by BDO LLP in relation to pre-Administration public relations advice and strategy formulation provided to the firm by Headland PR Consultancy LLP.

WA Communications Limited were engaged by the Company to provide public relations and communications advice and support in the period prior to appointment. The outstanding pre-appointment fees totalled £38,000 and these have been paid in the Period.

Pinsett Masons provided legal advice relating to general enquiries, employment matters and data protection matters prior to appointment. These outstanding pre-appointment fees and disbursements totalling £10,745 have been paid in the Period.

(iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and, if more than one, by each separately)

The Joint Administrators are not aware of any other person qualified to act as an insolvency practitioner having acted in relation to the Company immediately preceding the appointment of the Joint Administrators.

7 Future of the Administration

The Joint Administrators continue to investigate and pursue opportunities for further asset realisations. It is anticipated that the Company will move from Administration to Creditors' Voluntary Liquidation within the next six months, provided that all matters that need to be dealt with in the Administration are concluded.

Outstanding issues in the Administration may be summarised as follows:

- Recovery of the remaining cash held by Lloyds once all chargeback and S.75 claims against Cardnet have been resolved.
- Finalisation of the Administration trading position and determination of the SLC surplus.
- Recovery of any remaining sums due from CUL pursuant to the Licence Agreement and TSA.
- The assignment of the leases to the Greenwich premises, should this be possible and if not, the surrender of the leases to the landlord.

- The reassessment of the rateable values associated with the leases to the Greenwich premises, which should allow for retrospective rating credits in respect of vacant parts of the premises.
- The realisation of the remaining chattel assets of the Company located at Greenwich, which will be disposed of by Hilco once CUL vacate.
- The conclusion of the student debtor collection exercise.
- The reconciliation of the London Bridge premises service charge account and the release of the residual rent deposit.
- Adjudication of student claims in collaboration with the OIA, taking legal advice as required.
- The finalisation of employee claims in respect of statutory and contractual entitlements and the agreement of associated unsecured claims.
- The agreement and payment of preferential claims arising from arrears of salaries and holiday pay due to former employees and unpaid pension scheme contributions.
- The finalisation of HMRC unsecured claims in respect of unpaid pre-administration VAT, PAYE/NIC and Corporation Tax.
- Accounting for post-Administration VAT, PAYE/NIC and Corporation Tax, including the preparation of any appropriate returns.

8 Investigation

The Joint Administrators have a duty to investigate the affairs of the Company and also the conduct of the Directors and in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

I have completed my review of the Company's affairs and assets to establish whether there are any actions that can be investigated for the benefit of the creditors and concluded there are no causes of action to be pursued.

9 Prospects for Creditors

Secured Creditors

Lloyds Banking Group ('Lloyds')

GSM had granted a debenture conferring fixed and floating charges over its assets and undertaking to Lloyds on 8 November 2018.

As stated in the Proposals, the Company operated bank accounts with Lloyds, which were in credit at the date of Administration. Lloyds also provided business credit card facilities that were cancelled at the point of Administration and the small outstanding balance of some £9,000 was discharged from the cash balance held.

The Company operated merchant services facilities with Cardnet/First Data, which is a subsidiary of Lloyds. Under the merchant services agreement and debenture, any liabilities that arise in respect of the Cardnet/First Data facility in relation to credit and debit card claims under Section 75 of the Consumer Credit Act 1975 and the debit card chargebacks scheme respectively, are secured by the debenture.

As reported above, at the date of appointment, the Company's bank accounts were not overdrawn and Lloyds is currently holding a balance of cash as security for the potential

First Data/Cardnet liabilities that is considered sufficient and therefore, it is anticipated that Lloyds will not suffer a shortfall in its lending.

Tabard Developments Limited

The charge in favour of Tabard Developments Limited relates to a rent deposit in the sum of £57,500 in respect of the Company's leasehold premises at London Bridge. The rent deposit had been reduced to £54,250 prior to Administration. As described above, the lease to these premises was assigned on 29 November 2019 and the residual rent deposit will be returned once the service charge account for the premises has been reconciled by the managing agents.

Preferential Creditors

Preferential claims are defined as monies owed to former employees in respect of arrears of wages and accrued holiday pay at the date of Administration. Claims for arrears of wages of up to £800 per employee and unpaid holiday pay are deemed to be preferential claims as are outstanding amounts in respect of pension payments.

Preferential claims are currently being dealt by ERA Solutions and although these have yet to be formally admitted, based on present information, it is anticipated that preferential claims will be settled in full.

Unsecured Creditors and the Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

Whilst the Company has granted floating charges to Lloyds created after 15 September 2003, as Lloyds will be paid in full, the terms of the prescribed part will therefore not apply. Any surplus funds after the costs of the Administration will be available to the general body of creditors.

To date, the Joint Administrators have received unsecured creditors' claims totalling some £3,418,000. It is anticipated that there will be a distribution to the Company's unsecured creditors, but the quantum and timing is uncertain at this stage.

In the meantime, I enclose an Estimated Outcome Statement ('EOS') together with accompanying notes, which I trust are self-explanatory. Whilst a number of assumptions and estimates have necessarily been made at this early point in the proceedings, based on the information presently available, I am anticipating that a dividend of between 50 and 54 pence in the £ will become available to unsecured creditors, although I am not presently able to determine the timing of any such distribution.

10 Joint Administrators' Remuneration

The Joint Administrators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

(1) as a percentage of the assets realised and distributed; and/or

- (2) by reference to the time the Joint Administrators and their staff have spent attending to matters in the Administration; and/or
- (3) as a set amount; and/or
- (4) as a combination of the above.

The Joint Administrators' remuneration has been approved on the basis of time properly spent in dealing with issues in the Administration in line with the Joint Administrators' Fees Estimate as contained in the Proposals.

To date, the Joint Administrators have drawn £1,253,894 in respect of their post appointment remuneration, as shown on the enclosed summary of receipts and payments.

I attach a schedule detailing the time costs for the Period that amount to £1,298,888, represented by 3,420 hours at an average charge-out rate of £380 per hour.

Total time costs to date, including pre-appointment time amount to £1,334,689 represented by 3,485 hours at an average charge-out rate of £383 per hour.

Also attached is a summary of the original Fees Estimate, annotated with a column showing the time costs that have accrued in respect of each activity. It is anticipated that the Fees Estimate included within the Proposals will be exceeded before the end of the Administration and therefore, I would now ask the creditors to consider approving my revised Fees Estimate for the Administration, together with my Fees Estimate for the Liquidation of the Company. I would anticipate moving the Company from Administration to Liquidation before the first anniversary of the Administration.

11 Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. To date, £9,072 has been accrued in respect of staff travel, statutory bordereau, PR costs and IT costs. During the period, £8,802 has been paid in respect of these disbursements.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Period.

The total disbursements incurred in this Administration are as detailed below:

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Staff Travel	4,307	-	4,307
Statutory bordereau	200	-	200
PR Costs	3,969	-	3,969
IT Costs	596	-	596
Total	9,072	-	9,072

12 Creditors' Decision Procedure

Please note that formal notice of Decision Procedures by correspondence are attached covering the matters set out above.

Creditors may indicate their decision by completing and returning the written resolution form to this office by no later than the Decision date, which is 13 March 2020. Votes received after the Decision date will not be counted.

If a creditor has not already submitted a proof of debt, they must include one when returning the written resolution.

If creditors wish to consider the resolutions at a physical meeting, they must notify me in writing within five business days of delivery of the attached notice. A meeting will be convened if sufficient creditors notify me within this timeframe. Section 246ZE of the Insolvency Act 1986 sets the minimum number of creditors for requisitioning a meeting at any of the following: –

- (a) 10% in value of the creditors or contributories; or
- (b) 10% in number of the creditors or contributories; or
- (c) 10 creditors or contributories

13 Creditor Rights and Enquiries

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules, within 14 days of a request we will provide further information or explain why further information is not being provided. Creditors may access information setting out creditors' rights in respect of the approval of Administrators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

Creditors with the concurrence of at least 10% of the creditors may apply to the court if they consider that the remuneration of the Administrators, or the basis fixed for the remuneration of the Administrators or expenses charged by the Administrators are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

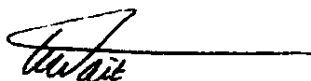
The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

Creditors may access information setting out creditors' rights in respect of the approval of the Joint Administrators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

If you require any further information, please contact me or my colleague Alice Denmark at BRCMT@bdo.co.uk.

Yours faithfully
For and on behalf of
GSM London Limited



W M H Tait
Joint Administrator
Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures:

Receipts and Payments Account
SIP 9 Time Cost Report for the Period of Administration
Fees Estimate to Accrued Time Comparison
Revised Fees Estimate for Administration
Fees Estimate for Creditors' Voluntary Liquidation ('CVL')
BDO LLP Policy in Respect of Fees and Disbursements
Notice of Decision Procedure by Correspondence
Decision by Correspondence Voting Form
Proof of Debt
Statement of Creditors' Rights in Respect of Fees and Disbursements

**GSM London Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs		From 30/07/2019 To 29/01/2020	From 30/07/2019 To 29/01/2020
£		£	£
	POST APPOINTMENT SALES		
	Bank interest gross	2,690.16	2,690.16
2,369,164.50	Cash at Bank SLC ring fenced account	2,369,164.50	2,369,164.50
	Operational costs recovered from CUL	331,434.79	331,434.79
	Rental income sub-tenant	5,731.11	5,731.11
3,446,910.00	SLC receipts	4,274,397.50	4,274,397.50
		<u>6,983,418.06</u>	<u>6,983,418.06</u>
	TRADING EXPENSES		
	Admin payroll	1,737,196.40	1,737,196.40
	Associates payroll	72,367.99	72,367.99
	Bank charges	87.00	87.00
	Consultancy	282,153.31	282,153.31
	Credit refund to students	4,182.61	4,182.61
	Exam costs	11,242.49	11,242.49
	Insurance	5,570.93	5,570.93
	Interim temp payments	49,343.44	49,343.44
	IT and telephone costs	73,974.80	73,974.80
	Learning resources	24,879.68	24,879.68
	Legal fees and disbursements post app	422.50	422.50
	Other admin supplier payments	28,244.78	28,244.78
	Other property related costs	102,502.41	102,502.41
	PAYE/NIC	1,013,849.91	1,013,849.91
	Pension/others	137,251.75	137,251.75
	Postage and stationary	19,907.44	19,907.44
	PR Advisors	81,400.00	81,400.00
	Rates	240,626.38	240,626.38
	Records storage	121.24	121.24
	Rent and Service charges	735,524.05	735,524.05
	Security	89,022.51	89,022.51
	Student Protection Plan costs	400,000.00	400,000.00
	Utilities	51,987.28	51,987.28
	Welfare costs	9,240.00	9,240.00
		(5,171,098.90)	(5,171,098.90)
5,816,074.50	TRADING SURPLUS/(DEFICIT)	1,812,319.16	1,812,319.16

GSM London Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 30/07/2019 To 29/01/2020 £	From 30/07/2019 To 29/01/2020 £
	ASSET REALISATIONS	
	Book debts	32,883.06
5,227,887.50	Cash at Bank and In Hand	5,130,508.11
90,000.00	Furniture and equipment	93,028.00
	Interest Gross	7,550.51
	Lease premium	774,675.00
	Prepayments and Sundry Refunds	2,055.85
54,250.00	Rent deposit	NIL
5,816,074.50	Trading Surplus/(Deficit)	1,812,319.16
		7,853,019.69
	COST OF REALISATIONS	
	Agents' fees and disbs - chattel assets	42,906.62
	Agents' fees and disbs - employees	7,500.00
	Agents' fees and disbs - PR and comms	1,375.00
	Agents' fees and disbs - property	128,122.63
	Bank Charges	117.00
	Data Protection Registration Fee	60.00
	Irrecoverable VAT	474,068.21
	Joint Administrators' disbs - post appoi	4,833.22
	Joint Administrators' disbs - pre-appoi	3,968.75
	Joint Administrators' fees - post appoi	1,253,893.73
	Joint Administrators' Fees - pre-appoin	35,801.00
	Landlord's costs - solicitor	1,550.00
	Landlord's costs - surveyor	750.00
	Legal fees and disbs - post appointmen	124,306.88
	Legal fees and disbs - pre-appointment	10,745.00
	Redirection of mail	1,878.00
	Stationery and postage	567.50
	Statutory advertising	81.00
	Storage costs	539.57
	(2,093,064.11)	(2,093,064.11)
11,188,212.00	5,759,955.58	5,759,955.58
	REPRESENTED BY	
	Floating Current Account	4,150,275.38
	Output VAT	(20,659.60)
	SLC ringfenced account	1,630,339.80
		5,759,955.58

Assets Specifically Pledged

Cash at bank – SIC ring-fenced account	1	2,369	2,369	2,369	-	2,369	2,369	-	2,369
Trade debtors – SIC	2	3,447	3,447	4,274	-	4,274	4,274	-	4,274
Total mandated to fund the Student Protection Plan – SPP		5,816	5,816	6,643	-	6,643	6,643	-	6,643
Costs of Implementing the SPP									
Additional operating income	3	-	-	340	197	537	340	307	647
Operating costs	3	-	-	5,171	1,479	6,650	6,517	1,444	5,615
Available to Floating Charge				1,812	282	1,530	1,812	1137	1,675

Assets Subject to a Floating Charge

Software	4	100	-	-	-	-	-	-	-
Short term leasehold property	5	-	-	775	-	775	775	186	775
Fixtures and fittings	4	833	90	-	-	-	-	-	-
Furniture and equipment	4	-	-	93	5	98	93	20	113
Trade debtors – students	6	3,309	-	33	5	38	33	20	53
Intercompany balance – Clipper Group Limited		213	TBC	-	-	-	-	-	-
Prepayments and accrued income	8	281	-	2	-	2	2	-	2
Cash at bank and in hand – GSM accounts	9	5,228	5,278	5,131	-	5,131	5,121	-	5,131
Cash balance on hold pending section 75 claims	10	279	-	-	300	300	-	340	310
Rent deposit	11	54	54	-	34	54	-	54	54
Bank interest (gross)		-	-	8	-	15	8	-	15
		16,113	11,188	7,854	89	7,943	7,854	304	8,158

Less: Costs of Realisation

Joint Administrators' fees (pre-administration)		-	-	36	-	36	36	-	36
Joint Administrators' disbursements (pre-administration)		-	-	4	-	4	4	-	4
Joint Administrators' fees (post-administration)	12	-	-	1,254	440	1,694	1,254	440	1,694
Joint Administrators' disbursements (post-administration)		-	-	5	2	7	5	2	7
Legal fees and disbursements (pre-administration)		-	-	11	-	11	11	-	11
Legal fees and disbursements (post-administration)	13	-	-	124	15	139	124	30	154
Agents' fees and disbursements – employees		-	-	8	12	20	8	12	20
Agents' fees and disbursements – PP		-	-	1	-	1	1	-	1
Agents' fees and disbursements – chattels		-	-	43	5	48	43	5	48
Agents' fees and disbursements – property	14	-	-	126	4	132	128	4	132
Landlord's costs – London Bridge assignment		-	-	2	-	2	2	-	2
Storage of books and records (excluding student records)		-	-	1	2	3	1	2	3
Statutory advertising		-	-	-	-	-	-	1	1
Stationery and postage		-	-	1	-	1	1	-	1
Redirection of mail		-	-	2	-	2	2	-	2
Data Protection registration fee		-	-	-	-	-	-	-	-
Bank charges		-	-	-	-	-	-	-	-
Provision for CGT	15	-	-	-	107	107	-	96	96
Unrecoverable VAT on administration costs	16	-	-	178	96	574	478	89	567
		16,113	11,188	7,098	684	7,782	7,098	681	7,779

Available for Preferential creditors		16,113	11,188	5,756	595	5,161	5,756	1377	5,379
Less: Estimated preferential creditors	17	218	218	68	-	68	68	-	68
Available for Unsecured creditors		15,895	10,970	5,688	595	5,093	5,688	1377	5,311

Estimated unsecured creditor claims

Trade creditors		2,192	2,192	2,192	-	2,192	2,192	-	2,192
Pensioners		58	58	25	-	25	25	-	25
HMRC (PAYE)		604	604	639	-	639	639	-	639
HMRC (VAT)		48	48	41	-	41	41	-	41
HMRC (expenses settlement)		100	100	48	-	48	48	-	48
University of Plymouth	18	-	-	1,499	-	1,499	1,499	-	1,499
Employee claims	19	2,868	2,868	1,063	2,000	3,063	1,063	2,000	3,063
Landlord's claims	20	TBC	TBC	-	-	-	-	TBC	-
Intercompany balances		1,431	1,431	1,431	-	1,431	1,431	-	1,431
County Court claims		15	15	15	-	15	15	-	15
Student fees in advance – credit balances and RAB payments	21	312	312	308	-	308	308	-	308
Students/subrogated SIC contingent claims	22	TBC	TBC	-	1,000	1,000	-	500	500
		7,628	7,628	7,261	3,000	10,261	7,261	2,500	9,761
Surplus/(Deficiency) to Unsecured Creditors		8,267	3,342	11,573	13,593	15,158	11,573	12,877	14,450

Available to unsecured creditors p/in £	23	100	100	-	-	50	-	-	54
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NB: SUBJECT TO THE COSTS OF LIQUIDATION

GSM London Limited (in Administration)
Notes to Estimated Outcome Statement as at 29 January 2020

Note	Explanation
1	Both the Proposals and the first progress report refer and SLC debtors were being paid into a ring-fenced account established prior to Administration with the specific purpose of funding the delivery of a Student Protection Plan ('SPP') during Administration. Funds totalling £2,369,165 were standing to the credit of this account upon Administration and all further receipts from the SLC were paid into this account subsequent to Administration.
2	Trade debtors presented in the directors' Statement of Affairs ('SOA') are a mixture of tuition fees payable by the Student Loans Company ('SLC') and tuition fees payable by individual self-funded undergraduate and postgraduate students. All sums due from the SLC have now been collected and there will be no further realisations from this source.
3	GSM's operations ceased with effect from 13 December 2019 and we are presently in the process of finalising our trading account. Coventry University London ('CUL') remains in occupation of part of the Greenwich site under a Licence Agreement which terminates at the end of June 2020, pursuant to which rent and rates are recovered. Accordingly, we anticipate that there will be further movement on the trading account until the end of June 2020, which is reflected in the expected final position presented. We have assumed that no Corporation Tax is payable given the losses sustained in order to realise pre-Administration assets.
4	Hilco were engaged to value and dispose of all of GSM's chattel assets, including fixtures, fittings, furniture and equipment (including software licences) at the Greenford, Greenwich and London Bridge sites. Disposals at all sites other than Greenwich are complete. Certain items of furniture and equipment are in use by CUL at the Greenwich site (for which a utilisation fee has been paid) and these items will be sold by Hilco at the expiration of the licence period in July 2020. Realisations in this regard are presently uncertain, but are likely to be between £5,000 and £20,000.
5	The lease to GSM's London Bridge premises was assigned on 29 November 2019 for a premium of £774,675. The Greenwich premises are being actively marketed for sale and it is possible that an assignee for value will be located and a transaction completed before the end of June 2020. In the absence of any offers having been received to date, further realisations in this regard are purely speculative at present.
6	Trade debtors presented in the directors' Statement of Affairs ('SOA') are a mixture of tuition fees payable by the SLC and those payable by individual self-funded undergraduate and postgraduate students. Whilst the student debt collection exercise is ongoing, significant further realisations from this source are unlikely due to the age of the debts, the high incidence of disputes and the generally poor debtor covenant, but we have included notional further recoveries of between £5,000 and £25,000 for the purposes of the Estimated Outcome Statement ('EOS').
7	There is an inter-company debt of £212,752 due from ultimate parent company Clipper Group Limited. The parent company is in insolvent liquidation and present indications are that there will be no recovery from this source.
8	Although no realisable value was attributed to prepayments in the SOA (as these are usually absorbed through continued trading activities), a number of small refunds in this regard have been recovered totalling £2,056. Further realisations in this regard are unlikely.
9	At the date of Administration, a total of £5,118,511 was recovered from GSM's various accounts with Lloyds. In addition, a further £10,805 was recovered in cash from a safe within the Student Hub, whilst petty cash of £1,192 was also realised. Total cash recoveries were therefore £5,130,508.
10	The Proposals and first progress report refer and Lloyds was holding some £396,000 as security against both its exposure to Business Credit Card ('BCC') facilities and also to S75 and chargeback claims that may have been advanced by former students who had paid tuition fees by credit or debit card respectively. Lloyds has set off some £9,000 in relation to the BCC debt. A number of claims from students totalling some £41,000 to date have been pursued, where students are arguing that they have paid in advance for a service that has not been provided, although the incidence of such claims has now declined. Accordingly, based upon present claim levels, we presently anticipate recovering between £300,000 and £340,000 of these funds in due course.
11	A rent deposit of £54,250 is recoverable from the landlord of the London Bridge premises now that the lease has been assigned. These funds will be released once the service charge account for the premises has been reconciled and paid, the cost of which is included in the projected final trading account.
12	The Joint Administrators' anticipated total fees are presented in accordance with the revised fees estimate included within the first progress report on the Administration.

13	Whilst neither Pinsent Masons nor Marriott Harrison have current instructions, it may be the case that legal advice is required in connection with the adjudication of student claims and conveyancing work in respect of the Greenwich premises respectively and accordingly, we have included an appropriate level of additional costs to reflect this possible further activity.
14	Frederick Holt & Company have been retained to undertake a rating reassessment of the Greenwich premises in the hope of recovering rates paid in respect of the vacant areas, in respect of which an initial fee of £4,000 has been agreed. Additional property agents' fees cannot be ascertained at present, as they will be dependent upon a lease premium being realised in respect of Greenwich.
15	The lease to GSM's London Bridge premises was assigned on 29 November 2019 for a premium of £774,675. We anticipate that the depreciated book value of this asset at the point of disposal was c. £100,000 and we have used this figure together with the associated disposal costs to estimate the potential liability to CGT unless reliefs are available.
16	Input VAT was not historically recoverable by GSM and it is anticipated that this will also be the case in the Administration. We are however exploring whether we can recover some £8,581 of input VAT relating to the disposal costs of chattel assets sold outside the ordinary course of business.
17	Preferential claims for arrears of salaries, holidays and outstanding pension scheme contributions have been calculated by ERA Solutions Limited.
18	University of Plymouth has submitted an unsecured claim for accrued validation costs as at the date of Administration.
19	Unsecured claims for redundancy, statutory pay in lieu of notice and outstanding pension scheme contributions have been calculated by ERA Solutions Limited. Claims for contractual pay in lieu of notice claims are estimated at this stage.
20	The landlord to the Greenwich premises will be entitled to submit an unsecured claim for arrears of and future rent and possibly dilapidations costs in the event that an assignee for the leases is not located, but it is not presently possible to estimate the quantum of such a claim should it arise.
21	The quantum of these claims are estimated at present. We have reduced the estimated total claim by refunds totalling £4,183 paid to students in respect of printing credits.
22	It is extremely challenging to estimate what student contingent claims could be at this stage in the proceedings. Based upon the nature and volume of the claims received to date, which are the subject of review by the OIA, we have attempted to estimate the total value of likely claims which may arise for the purposes of the EOS. The figures included in the scenarios are based on the premise of the majority of claims received, where students are seeking compensation for higher tuition fees payable at their new providers, or for being obliged to repeat semesters or whole years of studying. The scenarios do not include any potential claims for breach of contract, damages, loss of earnings etc. which could be significant. Since student claims for higher tuition fees charged by new providers would result in increased levels of SLC debt, we will be considering with the SLC whether internal adjustments to individual student loan balances would be more appropriate, with SLC submitting a balancing subrogated claim in the Administration and subsequent Liquidation.
23	We have attempted to estimate the dividend prospects for unsecured creditors at this stage, based on the information presently available, but this will be subject to change. In addition, the costs of the subsequent liquidation of GSM are not included.

Name of Assignment

GSM London Limited - in Administration

00317586

Detail of Time Charged and Rates Applicable for the Period From 30/07/2019 to 29/01/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	£	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	£
A. Pre Appointment Matters														
02 Director/Deliber meetings	19.00	12,635.00							1.25	531.25			1.25	531.25
04 Documentation Review			29.00	12,719.00					6.75	2,868.75			25.75	15,503.75
99 Other Matters	9.00	7,047.00											38.00	19,766.00
sub total -	28.00	19,682.00	29.00	12,719.00					8.00	3,400.00			65.00	35,801.00
A. Pre Appointment Matters														
B. Steps on Appointment														
01 Review Appointment Validity														
02 Statutory Documentation	1.50	1,174.50		690.00					4.45	373.80			1.50	690.00
07 Attendance at Premises	10.00	7,830.00		6,492.25	0.75	98.25	15.75	3,890.25					37.70	11,629.05
08 Detail Documentation Review	5.00	3,325.00		12,653.50					14.00	3,850.00			60.75	24,333.50
09 Preparation of Proposals			33.10	12,898.90	11.10	1,354.10	0.05	6.55	4.95	415.80			5.00	3,325.00
12 Setting up Internal Files			0.40	98.80									0.40	98.80
99 Other Matters			13.88	3,594.08									13.88	3,594.08
sub total -	16.50	12,329.50	100.38	36,027.53	11.85	1,552.35	15.80	3,896.80	23.40	4,639.60			167.93	58,445.78
B. Steps on Appointment														
C. Planning and Strategy														
02 Review Financial Position			0.55	215.05									0.55	215.05

Name of Assignment

GSM London Limited - in Administration

00317586

Detail of Time Charged and Rates Applicable for the Period From 30/07/2019 to 29/01/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
07 Strategy Planning	99.25	66,001.25	165.15	75,797.75					1.00	125.00			265.40	142,224.00
08 Reporting									2.25	956.25			2.25	956.25
sub total -	99.25	66,001.25	165.70	76,012.80					3.25	1,381.25			268.20	143,395.30
C. Planning and Strategy														
D. General Administration														
01 Insurance Matters			5.25	2,203.85					6.75	4,356.75			12.00	6,685.50
02 VAT			5.25	2,338.75					9.00	1,825.00			29.70	13,772.80
03 Location	8.00	8,016.00	7.15	3,199.20							5.55	732.60	58.75	26,614.40
04 Instruct/Use Solicitors			58.75	26,614.40									7.10	2,164.10
05 Investigations			2.85	1,114.35			4.25	1,049.75					0.75	293.25
06 Conduct Reports			0.75	293.25										
07 Receipts/Payments Accounts	6.65	4,214.15	51.55	19,470.55	10.50	3,265.50	22.30	869.00	68.45	10,500.80	1.10	127.60	160.55	38,447.60
08 Remuneration Issues	0.10	51.10											0.10	51.10
09 Statutory Matters			6.20	2,449.70	1.30	182.50	0.15	19.65					7.65	2,651.85
12 Press/PR Matters			12.50	5,750.00									12.50	5,750.00
13 General Meetings			30.25	11,042.00			45.75	11,300.25	3.50	1,237.50			79.50	23,579.75

Detail of Time Charged and Rates Applicable for the Period From 30/07/2019 to 29/01/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
14 General Discussions			22.75	7,894.50			1.50	370.50	0.80	67.20			25.05	8,332.20
15 Gen Admin Correspondence	21.20	16,552.80	177.50	73,392.95	4.65	694.55	8.75	1,481.20	124.60	10,602.10			336.70	102,723.60
16 Maritime Internal Files					2.20	660.40							2.20	660.40
99 Other Matters	2.00	1,566.00			1.40	183.40							3.40	1,749.40
sub total -	37.95	30,400.05	380.75	155,753.50	20.05	4,986.35	82.70	15,090.35	213.10	28,589.35	6.65	860.20	741.20	235,679.80
D. General Administration														
E. Assets Realisation/Dealing														
04 Agent Instruction / using			30.60	12,954.15					1.00	250.00			30.60	12,954.15
06 Property Related Matters			62.95	28,428.85					50.25	21,356.25			63.95	28,628.85
07 Debt Collection			9.60	4,103.35									9.60	4,103.35
08 Dealing with Chattel Assets			5.50	2,530.00									5.50	2,530.00
09 Dealing with other Assets			48.55	21,835.95									48.55	21,835.95
10 IIP Leasing Matters			0.35	148.75									0.35	148.75
12 Retention of Title			0.50	2,300.00									0.50	2,300.00
14 Sale of Business Assets	16.25	10,806.25	9.60	4,394.70									25.85	15,200.95
99 Other Matters			2.30	899.30									2.30	899.30

Name of Assignment

GSM London Limited - in Administration

00317586

Detail of Time Charged and Rates Applicable for the Period From 30/07/2019 to 29/01/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	£	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	£
sub total -														
E. Assets Realisation/Dealing														
F. Trading Related Matters														
01 Establish Business Control	16.25	10,806.25	169.95	75,525.05					51.25	21,606.25			237.45	107,937.55
02 Trading other Projections			0.75	291.25			135.50	33,468.50	10.00	4,250.00			10.00	4,250.00
03 Cashflow Forecasts							36.00	8,892.00	16.00	6,800.00			136.25	33,761.75
05 Attendance at Premises			25.25	10,399.75	3.50	1,088.50							52.00	15,692.00
06 Monitor/Supervise Trading	56.75	37,738.75	187.90	78,526.10					144.25	61,306.25			288.90	11,488.25
07 Business Management			3.00	1,173.00	94.00	29,234.00			16.00	6,800.00			113.00	37,207.00
08 Trading Accounts	0.60	306.60	55.65	23,567.95	94.00	29,234.00	82.75	20,439.25	14.25	6,056.25			247.35	79,604.05
09 Business Closure			55.05	22,346.25					76.75	32,618.75			131.80	54,965.00
99 Other Matters			2.25	948.75	0.35	55.00	40.25	9,941.75	16.95	4,567.20			59.80	15,512.70
sub total -	57.35	38,045.35	329.85	137,255.05	191.85	59,611.50	294.50	72,741.50	294.20	122,398.45			1,167.75	430,051.85
F. Trading Related Matters														
G. Employee Matters														
01 Dealing with Trade Unions			1.00	460.00									1.00	460.00
02 Dealing with Employees	11.25	7,481.25	134.10	61,024.75			0.50	123.50	27.75	11,793.75			173.60	80,423.25

Name of Assignment

GSM London Limited - in Administration

00317586

Detail of Time Charged and Rates Applicable for the Period From 30/07/2019 to 29/01/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
03 LPA Matters					0.35	67.20							0.35	67.20
04 Pension Issues			1.45	595.85			1.00	247.00					2.45	842.85
99 Other Matters			98.20	45,106.15	0.35	45.85	84.35	20,834.45					182.90	65,986.45
sub total -	11.25	7,481.25	234.75	107,186.75	0.70	113.05	85.85	21,204.95	27.75	11,793.75			360.30	147,779.75
G. Employee Matters														
H. Creditor Claims														
02 Secured Creditors			0.90	351.90									0.90	351.90
04 Non-Preferential Creditors			168.75	69,103.95	2.95	444.40			65.45	21,211.20			237.15	90,759.55
06 Other Creditors			36.00	16,560.00	0.50	96.00	16.00	3,952.00	1.75	124.25			54.25	20,732.25
99 Other Matters			10.85	4,991.00	19.75	2,873.95							70.60	7,864.95
sub total -			216.50	91,006.85	23.20	3,414.35	16.00	3,952.00	67.20	21,335.45			322.90	119,708.65
H. Creditor Claims														
I. Reporting														
01 Statutory Reporting			14.80	6,617.50	2.35	451.20			17.20	1,436.35			34.35	8,505.05
04 Reporting to Creditors	14.25	9,771.25	4.00	1,560.00									18.25	11,331.25
06 Reporting to other bodies			53.55	24,404.05					5.50	2,337.50			59.05	26,741.55
99 Other Matters			12.50	5,750.00			6.00	1,482.00					18.50	7,232.00

Name of Assignment

GSM London Limited - in Administration 00317586

Detail of Time Charged and Rates Applicable for the Period From 30/07/2019 to 29/01/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -														
I. Reporting	14.25	9,771.25	84.85	38,331.55	2.35	451.20	6.00	1,482.00	22.70	3,773.85			130.15	53,809.85
J. Distribution and Closure														
02. Distributions			0.50	212.50					23.30	1,866.85			23.80	2,079.35
sub total -			0.50	212.50					23.30	1,866.85			23.80	2,079.35
J. Distribution and Closure														
Net Total														1,334,688.88
Secretarial Expense														0.00
Other Disbursements														0.00
Billed														0.00
Grand Total														1,334,688.88



GSM London Limited - In Administration

William Matthew Humphries Tait and Antony David Nygate of BDO LLP, 55 Baker Street, London, W11 7EU were appointed Joint Administrators on 30 July 2019

Revised Fees Estimate as at 28 February 2020

Summary Activity	Original fees estimate			Accrued Time to date			Revised fees estimate			Variances from Original fees estimate £
	Total Hours	Blended Rate £/hour	Estimated Fee £	Total Hours	Blended Rate £/hour	Estimated Fee £	Total Hours	Blended Rate £/hour	Estimated Fee £	
A. Pre Appointment Matters	65.00	550.78	35,801.00	65.00	550.78	35,801.00	65.00	550.78	35,801.00	-
Total			<u>35,801.00</u>			<u>35,801.00</u>			<u>35,801.00</u>	<u>-</u>
B. Steps on Appointment	178.03	395.92	70,485.18	167.93	348.04	58,445.78	167.93	348.04	58,445.78	- 12,039.40
C. Planning and Strategy	253.18	496.82	125,784.85	268.20	534.66	143,395.30	345.78	485.26	167,791.85	42,007.00
D. General Administration	477.21	331.23	158,068.00	741.20	317.97	235,679.80	831.72	358.50	298,172.00	140,104.00
E. Assets Realisation/Dealing	381.92	432.16	165,049.00	237.45	454.57	107,937.55	460.01	445.79	205,069.00	40,020.00
F. Trading Related Matters	1,483.18	349.72	518,700.75	1,167.75	368.27	430,051.85	1,472.62	352.23	518,700.75	-
G. Employee Matters	327.29	432.64	141,599.65	360.30	410.16	147,779.75	378.22	410.16	155,130.72	13,531.07
H. Creditor Claims	189.20	376.89	71,307.25	322.90	370.73	119,708.65	443.35	323.46	143,407.25	72,100.00
I. Reporting	136.51	508.51	69,416.10	130.15	413.44	53,809.85	205.15	476.92	97,840.14	28,424.04
J. Distribution and closure	32.46	317.31	10,300.00	23.80	87.37	2,079.35	55.33	186.16	10,300.00	-
TOTAL			<u>1,330,710.78</u>			<u>1,298,887.88</u>			<u>1,654,857.48</u>	<u>324,146.70</u>

Revised expenses estimate as at 28 February 2020

	Original expenses estimate £	Accrued expenses to date £	Revised expenses estimate £	Variance £
Officeholder CAT 1 Disbursements	5,000.00	9,072.00	9,250.00	4,250.00
Officeholder CAT 2 Disbursements	250.00	-	250.00	-
Other Expenses				
Agents' Costs	126,850.00	179,904.25	200,904.25	74,054.25
Solicitors' Costs	93,300.00	135,051.88	135,074.38	41,774.38

Whilst the fees that have accrued in the Period are presently within the level of the approved Fees Estimate, it anticipated that fees will now exceed the Fees Estimate provided with the proposals. This is in part because the Company will remain in administration for a longer period than had previously been anticipated.

I would now ask the creditors to consider approving my revised Fees Estimate that takes into account the longer period of the Administration and the unanticipated time that I have explained below. Under Section 246ZE of the Insolvency Act 1986 I attach a notice of a Decision Process by correspondence together with a written resolution and for guidance, I enclose a Creditors' Guide to Administrators' Fees.

The tables above are our revised estimate of the Joint Administrators' fees on a time costs basis for this appointment and the anticipated expenses. The tables also shows the Joint Administrators' original fees and expenses estimate, the time and expenses accrued to date and the variance between the original fees and expense estimates and the revised fees and expense estimates. This fees estimate and the expenses are prepared on the basis of the information available to us at the date of this estimate. In the following pages, we provide a summary of the work undertaken to date and the further work that we believe is necessary during the Administration. Where applicable, all fees and disbursements will be subject to VAT at the prevailing rate, which is not recoverable in this Administration.

In any work of this nature we may have recourse to engage specialists to assist us, for example, in ensuring that we obtain best value for the estate assets and also to protect the legal interests of the estate, including where necessary taking action to recover sums due to the estate. The specialists we engage will invoice us and that will be an expense of the estate. Such expenses are not subject to creditor approval but nevertheless have an effect on the funds available for creditors in the estate.

Details of Work undertaken in the Period and further work anticipated

A Pre-Appointment Matters

This time included preparing for the appointment, strategy planning, preparing statutory documents, preparing initial communications with stakeholders, reviewing and finalising cash flow forecasts for the post appointment period and attending meetings with Management and the Taskforce. The work was undertaken by partners, directors and a senior manager.

No further work will be undertaken under this category. The Joint Administrators' pre-appointment fees were agreed by the creditors and have now been drawn.

B Steps upon Appointment

This work included obtaining a validity of appointment review, preparation of statutory documentation and the Joint Administrators' proposals, attendance at Meridian House Campus and the Tabard Street Study Centre, setting up internal files and initial communications with stakeholders. This work was undertaken by all levels of staff.

No further work will be undertaken under this category. Actual time accrued in this category was less than anticipated in the original fees estimate.

C Planning and Strategy

This work included reviewing GSM's current and prospective financial position post-appointment. Strategy planning also including preparing for and attending Taskforce meetings, meetings with management and advisers and general strategy planning during the Administration. This work was carried out by partners, directors and associate directors and is slightly in excess of the original Fees Estimate.

The original Fees Estimate has been exceeded as additional unforeseen planning and strategy meetings were required in respect of: (1) making enhanced Wellbeing and security arrangements in the interests of students and staff; (2) designing, communicating and executing several staff incentive schemes to ensure the retention and motivation of key personnel; (3) enhanced planning around estates and IT infrastructure to ensure that continuing operations were consolidated in the most cost-effective way; and (4) additional work that was required to facilitate the occupation of part of the Greenwich site by CUL.

Further planning and strategy discussions will be required across a range of issues as the Administration continues. Liaison with key stakeholders and engaging with specialists may also be required. This area of work is led by me as partner in conjunction with a director or associate director, with some support below manager level in documenting and recording the proposed strategy. Although this work does not directly benefit creditors, it does contribute to the efficient management of the insolvency appointment and contributes to reducing costs.

D General Administration

This work included liaising with insurers, VAT and taxation matters, instructing and liaising with solicitors regarding legal matters and advice, investigations into GSM's affairs and the preparation of director conduct reports, dealing with receipts and payments accounts, statutory matters, dealing with press and media enquiries, general meetings and discussions with GSM personnel and the Joint Administrators' team, general administration and correspondence.

This work was undertaken by all levels of staff and costs have been in excess of the original Fees Estimate during the Period. Additional unforeseen costs have arisen in the following areas: (1) GSM's VAT and Corporation Tax Affairs were complicated by the liquidation of other companies within the Group; (2) a significant level of interaction with solicitors was required due to the Licence Agreement and TSA entered into with CUL and associated Data Sharing Agreements to facilitate the monitoring of student destinations; and (3) additional work associated with the media and communications strategy was required in response to unanticipated levels of enquiries from students, staff and journalists.

There will be ongoing work under this category for the remainder of the Administration. The work will include the preparation and submission of pre- and post-appointment VAT, PAYE/NIC and Corporation Tax returns and dealing with insurance matters. In addition, there will be the day-to-day management of the Company's assets, which will include managing the accounting for and investment of realisations, suitable banking investments and preparing reports on receipts and payments. This work will also include ensuring appropriate approval of all costs, including approval of remuneration and matching the costs of specialists against their expense estimates, dealing with statutory*, regulatory* and licensing* matters, managing formal contractual matters regarding the entity, including equipment hire and property leases and licences, dealing with press enquiries and PR matters and managing general administrative matters*, basic enquiries* and meetings*. The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers. Issues marked with an asterisk (*) will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the office holder.

E Asset Realisation/Management

Work in this category included instructing and liaising with both property and chattel agents regarding the marketing and realisation of assets. Work was also undertaken dealing with additional property-related matters, including taking steps to mitigate rating liabilities and landlords' claims and preserving rent deposits where possible. Work was also undertaken to collect pre-appointment book debts relating to unpaid tuition fees and sums due from the SLC. It was also necessary to deal with enquiries regarding the availability of the Company's business and assets. This work also included dealing with other sundry assets and responding to retention of title claims. The work was led at director and senior manager level, supported by executives and the time costs incurred are within the original Fees Estimate provided.

Work in this category will involve continually re-evaluating the strategy on realising property assets, chattel assets and receivables and reconciling recoveries, engaging and liaising with valuers and agents, agreeing strategies and monitoring their implementation, the preparation, review and approval of sales material and engaging solicitors where appropriate. The work will also include disclaiming or surrendering onerous property and contracts where appropriate and the recovery of the remaining cash held by Lloyds once all chargeback and S75 claims against Cardnet have been resolved. The reconciliation of the London Bridge premises service charge account will also be required in order to secure the release of the residual rent deposit.

This area of work requires a greater level of commercial experience and insolvency knowledge than the general administration category of work, together with decision-making skills. The work is led at director or associate director level supported by executives with suitable competencies and almost equal numbers of hours are spent by the two groups. My managers liaise with me as the partner and escalate major decisions to me.

F Trading-Related Matters

Work within this category included establishing business controls to facilitate continued trading, the preparation, review and updating of trading projections, budgets and integrated cash-flow forecasts, monitoring and supervising trading, business management, preparing trading accounts, dealing with suppliers and preparing for the wind down and exit from each trading site. This work has also included monitoring student engagement, transfer and wellbeing matters.

This work was undertaken by all levels of staff and the time costs actually incurred are well within the original Fees Estimate provided.

No further trading will be undertaken, but it will be necessary to ensure that all trading income has been received and trading expenses discharged. It will also be necessary to finalise the trading account in order to present an estimated outcome statement to creditors with details of the operating surplus achieved and to prepare post-Administration Corporation and VAT returns. There will also be an ongoing requirement to recover sums due from CUL pursuant to the Licence Agreement and TSA for the period ending 30 June 2020. This work will also include the ongoing reassessment of the rateable values associated with the leases to the Greenwich premises, which should allow for retrospective rating credits in respect of vacant parts of the premises.

G Employee Matters

This work encompassed dealing with all aspects relating to the Company's 275 employees. The tasks undertaken included: (1) communicating with employees in physical meetings and through email and intranet correspondence; (2) implementing a collective and individual consultation process for all staff as they were at risk of redundancy; (3) dealing with Trade Unions; (4) designing, communicating and implementing staff incentive schemes; (4) responding to high levels of staff enquiries and evolving an associated questions and answers bank; (5) effecting workforce redundancies through face-to-face meetings; (6) liaising with ERA Solutions regarding employee claims and RPO submissions; and (7) dealing with pension issues.

This work was undertaken by all levels of staff and although actual costs are broadly in line with the Fees Estimate, they are slightly in excess due to the high level of engagement that was necessary to retain and motivate staff during extremely challenging circumstances.

There will be ongoing work associated with computing, processing and checking employee preferential and unsecured claims and liaising with the Redundancy Payments Service and the Company's pension providers, receiving and dealing with Industrial Tribunal claims and recording and checking successful claims. One factor not provided for, which may increase costs, is where employees submit claims to the Industrial Tribunal, especially where it is necessary to arrange representation at the Tribunal and engage solicitors. To estimate costs in respect of administering employee matters we generally consider the known number of employees and in this case, employees at the date of Administration totalled 275.

H Creditor Claims

This work included receiving and recording all creditor claims and since a dividend is likely, identifying whether additional supporting evidence was necessary from the creditor, reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed, considering, checking and recording all preferential claims, considering, checking and recording all unsecured creditor claims and identifying any claims which might be categorised as deferred claims.

The Fees Estimate for this category of work has been exceeded, exclusively due to the high incidence of complaints and monetary claims that have been notified by a number of GSM's former students for breach of contract and consequential loss. These claims have necessitated a large volume of telephone and email correspondence with claimants and the implementation of various processes to manage and review the claims, in conjunction with the OIA. Since the basis for unsecured student creditor claims was complex in this matter, legal advice was also required. Due to the complexity of this work, it was undertaken by all levels of staff.

Ongoing work will include receiving and recording all creditor claims since a dividend is likely, identifying whether additional supporting evidence is necessary from the creditor, reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed, considering and checking and recording all preferential claims, considering and checking and recording all unsecured creditor claims and identifying any claims which might be categorised as deferred, unliquidated or unascertained claims. It may be necessary to take legal advice where a creditor maintains a secured claim that is not

supported by unequivocal evidence or where an unsecured claim is made which is significantly in excess of any value recorded by the insolvent entity and the claim is inadequately evidenced. No provision has been made for dealing with any creditor claims where the matter is referred to Court. In addition, there will be an ongoing requirement to deal with and adjudicate student claims in collaboration with the OIA.

To estimate costs in respect of administering creditor claims we consider the volume of known creditors and the nature of the insolvent entity's business. We understand from available records that there are 210 trade and expense creditors, but in addition to this, there is a large volume of claims being notified by former GSM students, which numbered 3,552, the full extent of which cannot presently be ascertained.

I Reporting

Work within this category has included preparing this report to creditors regarding the progress achieved in the Period and the preparation of the Joint Administrators' Proposals. These reports have included summaries of receipts and payments, a suitable analysis of time costs accrued and a review of actual and accrued costs in comparison with the fees and expense estimate.

In addition to the statutory reporting that is required, regular reports have also been provided to the Taskforce of government bodies and other stakeholders, including the production of weekly metrics detailing progress with student support and transfer initiatives, lessons learned and a wrap-up document. The costs accrued in the Period for this category of work are well within the Fees Estimate provided with the Proposals however we are predicting that.

Directors or senior managers are responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. In estimating the costs in respect of reporting, we have assumed that the Administration will not be extended beyond a year but reporting requirements will be greater than previously estimated. These activities do not contribute to the financial outcome for creditors - they are largely statutory duties imposed by the relevant legislation, however they do contribute to the creditors' understanding of the work being undertaken on their behalf.

J Distribution and Closure

The work within this category includes effecting a distribution to preferential creditors, including giving notice to prove their claims, adjudicating upon the claims, issuing formal rejection of any relevant claims, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. The work will also include preparing a final report to creditors together with a receipts and payments account, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate, completing all administrative arrangements including storage of any records for statutory periods and filing final statutory documentation. The work is supervised by directors and senior managers, whilst final decisions and the release of funds is authorised by the partner. The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements. Minimal work has been carried out in the Period in respect of this category and the costs incurred are well within the Fees Estimate provided.

This fees estimate does not include any provision for the Company moving into Liquidation, which is the subject of the final fees estimate included within this report, as it is expected that the Company will move to Liquidation before the first anniversary of the Administration. Work associated with distributions to creditors and the closure of the case are therefore anticipated to be conducted within the subsequent Liquidation, rather than the Administration.

1. Expense Estimate

2.1 Category 1 Disbursements

Our estimate in respect of this heading covers expenses where the officeholders' firm has met a

specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as travel (by public transport) IT costs, PR costs and statutory bordereau. In each case, the recharge will be reimbursement of a specific expense incurred.

The Joint Administrators' Category 1 disbursements have exceeded their original estimate due to IT costs that were not anticipated and PR costs that were settled as a disbursement.

2.2 Category 2 Disbursements

I propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum), which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

2.3 Agents' Costs

Both Cummings Commercial and Avison Young have been retained on the basis that a commission of 15% plus VAT of any lease premium obtained is payable to the joint agents, whilst marketing disbursements are paid as an expense of the Administration. The property agents' commission has already been paid in respect of the assignment of the London Bridge premises, whilst a further commission will only be payable should an assignment premium be obtained in respect of the Greenwich site. All marketing disbursements attributable to the Greenwich premises have been paid in the period.

Frederick Holt & Company has been engaged to undertake a rating review of both the London Bridge and Greenwich premises. The agents have been paid a minimum fee of £400 in respect of each property and the remainder of their fees will equate to 10% of any rates savings or refunds effected. In addition, the agents have been engaged on a fixed fee of £4,000 to undertake a retrospective rating reassessment of the Greenwich site in order to align the rateable value with the 11 separate leases that form the property's demise. The purpose of this reassessment is to obtain empty rates relief for those parts of the property not occupied by CUL, where otherwise, the Administration is incurring an unrecoverable cost.

Hilco have been retained to value and dispose of GSM's tangible assets, which mostly comprised furniture and equipment at the Greenwich, London Bridge and Greenford sites. Disposals at the London Bridge and Greenford locations are now complete, whilst the majority of chattel assets at Greenwich have also been sold and Hilco's costs in this regard have been paid and are disclosed earlier in this report. There remains a quantity of furniture and equipment at the Greenwich campus that is being used by CUL under the terms of the TSA and in respect of which a utilisation fee has been paid. Hilco are instructed to dispose of these remaining items on the best possible terms following CUL's vacation of the premises on or before 30 June 2020 and we would estimate an associated cost of £5,000 in this regard.

2.5 Solicitors' Costs

Pinsent Masons have been retained to provide general advice in respect of the Administration, whilst the Company's solicitors, Marriott Harrison have been engaged to deal with any property-related matters given their familiarity with the various issues. Pinsent Masons do not presently have any instructions with regard to any legal issues in the Administration, whilst Marriott Harrison will only be further engaged should an assignee for the Greenwich premises be located. At present therefore, we are not in a position to estimate whether any further solicitors' costs will be incurred, although we have provided for a further cost of £22,500 as it is likely that legal advice will be required in relation to the consideration of student contingent claims.

2. Joint Administrators' Fees

Fees (remuneration) may be sought on four different bases and a guide for creditors is attached. The four bases are: a time costs basis; a percentage of the assets realised; fixed amount; or a combination of the first three bases. In this insolvency case, the creditors previously agreed the Joint Administrators' post appointment fees on a time cost basis as per the fees estimated dated 23 September 2019 in the sum of £1,330,710.78. The Joint Administrators are now seeking fees on a time cost basis at a revised fees estimate of £1,654,857.48 for the Administration.

Where possible I will delegate work to my staff and by this expedient, the work is conducted by suitably qualified and experienced members of staff at different hourly costs. The current charge out rates per hour of staff within my firm's Gatwick office is below:

GRADE	£
Partner	511-783
Director	425-542
Associate Director	425
Senior Manager	390-425
Manager	294-346
Assistant Manager	131-311
Senior Administrator	84-291
Administrator	71-291
Other Staff	67-114

These rates are confirmed in an attached document that sets out my firm's policy on time costs and expenses. My firm's hourly time costs rates are normally reviewed in December and July each year and adjusted to take account of inflation and the firm's overheads. We have estimated the time we will spend in respect of the following areas of work in respect of this insolvency. Below we provide details of the additional work that we anticipate that it will be necessary to undertake during the remainder of the Administration and this narrative should be read in conjunction with the description of the work undertaken in the Period.

BDO LLP
28 February 2020



GSM London Limited - In Liquidation
William Matthew Humphries Tait and Antony David Nygate of BDO LLP, 55 Baker Street, London,
W1U 7EU

Fees Estimate as at 28 February 2020

Joint Liquidators' Fees	Total Hours	Blended Rate £/hour	Estimated Fee £
Summary Activity			
B. Steps on Appointment	27.00	200.56	5,415.00
C. Planning and Strategy	118.00	386.59	45,618.00
D. General Administration	130.00	243.65	31,675.00
E. Assets Realisation/Dealing	80.00	309.40	24,752.00
G. Employee Matters	18.00	302.67	5,448.00
H. Creditor Claims	225.00	250.18	56,290.00
I. Reporting	165.00	287.42	47,425.00
J. Distribution and Closure	280.00	204.91	57,375.00
TOTAL			273,998.00

Expenses Estimate

Officeholder CAT 1 Disbursements	500.00	2.1
Officeholder CAT 2 Disbursements	250.00	2.2
Other Expenses		
Agents' Costs	9,000.00	2.3
Solicitors' costs	15,000.00	2.4

We expect to move the Company from Administration to Liquidation within the first anniversary of the Administration appointment. The table above is our estimate of the Joint Liquidators' fees on a time costs basis for this appointment and the anticipated expenses. This estimate and the expenses are prepared on the basis of the information available to us at the date of this estimate. In the following pages, we provide a summary of the work we believe will be necessary. Where applicable, all fees and disbursements will be subject to VAT at the prevailing rate, which will not be recoverable in the Liquidation.

In any work of this nature we may have recourse to engage specialists to assist us, for example, in ensuring that we obtain best value for the estate assets and also to protect the legal interests of the estate, including where necessary taking action to recover sums due to the estate. The specialists we engage will invoice us and that will be an expense of the estate. Such expenses are not subject to creditor approval but nevertheless have an effect on the funds available for creditors in the estate.

1. Joint Liquidators' Fees

Fees (remuneration) may be sought on four different bases and a guide for creditors is attached. The four bases are: a time costs basis; a percentage of the assets realised; a fixed amount; or a



combination of the first three bases. In this insolvency case, we are seeking fees on a time cost basis and have estimated a fee of £273,998.

Where possible I will delegate work to my staff and by this expedient, the work is conducted by suitably qualified and experienced members of staff at different hourly costs. The current charge out rates per hour of staff within my firm's GATWICK office is below:

GRADE	£
Partner	511-783
Director	425-542
Associate Director	425
Senior Manager	390
Manager	294-346
Assistant Manager	131-311
Senior Administrator	84-291
Administrator	71-291
Other Staff	67-114

These rates are confirmed in an attached document that sets out my firm's policy on time costs and expenses. My firm's hourly time costs rates are normally reviewed in December and July each year and adjusted to take account of inflation and the firm's overheads. We have estimated the time we will spend in respect of the following areas of work in respect of this insolvency, subject to any increase the hourly rates that may take place in July 2020. Below we provide an indication of the primary work that I anticipate will be undertaken by us during the Liquidation.

A Pre-Appointment Matters

The Company will move from Administration to Liquidation once a final progress report in the Administration and associated documents have been filed with the Registrar of Companies, therefore no pre-appointment costs will be incurred.

B Steps upon Appointment

Work in this category will include reviewing appointment and statutory documents, setting up the internal case management system for the Liquidation and establishing internal responsibilities regarding staffing of elements of the work and steps to deal with assets or creditor claims. This work is primarily led by a director or associate director, with the majority of work delegated to staff below manager.

C Planning and Strategy

Since the Company is moving from Administration to Liquidation, the case strategy and outstanding issues will already have been established. There will, however, be an ongoing requirement to liaise with key stakeholders and advisers in the ongoing planning and implementation of the overarching strategy. This area of work is led by me as partner in conjunction with a director or associate director, with some support below manager level in documenting and recording the proposed strategy. Although this work does not directly benefit creditors, it does contribute to the efficient management of the insolvency appointment and contributes to reducing costs.

D General Administration

Work in this category will continue on from that undertaken in the Administration and include reviewing and regularising affairs regarding insurance, VAT and Corporation Tax. Additionally there will be day-to-day management of the Company's assets which will include managing accounting and investment of realisations, suitable banking investment and preparing reports on receipts and payments, ensuring appropriate approval of all costs, including approval of remuneration and matching costs of specialists against their expense estimates, dealing with statutory*, regulatory* and licensing* matters, managing formal contractual matters regarding the entity, including



equipment hire and property leases, and licences, dealing with court hearings regarding the insolvency (excluding third party litigation), dealing with press enquiries and PR matters and managing general administrative matters*, basic enquiries* and meetings*.

The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers. Issues marked with an asterisk (*) will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the office holder.

E Asset Realisation/Management

Work in this category will also follow on from the preceding Administration and involve evaluating the strategy on realising assets and reconciling recoveries, engaging and liaising with valuers and agents, agreeing strategies and monitoring implementation, preparation, review and approval of sales material, information memorandums, dealing with any property, buildings and land, including securing the same, undertaking/managing debt collection and where appropriate engaging and monitoring specialist agents, dealing with chattel assets and consulting/liasing with and engaging specialist agents and solicitors and monitoring the same. This work could also include disclaiming onerous property and contracts.

This area of work requires a greater level of commercial experience and insolvency knowledge than the general administration category of work, together with decision-making skills. The work is led at director or associate director level supported by executives with suitable competencies and almost equal numbers of hours are spent by the two groups. My managers liaise with me as the partner and escalate major decisions to me.

F Trading Related Matters

All trading related matters will be concluded prior to the Liquidation, accordingly there will be no trading related costs in the Liquidation.

G Employee Matters

Work in this category could include corresponding with and assisting employees in submitting claims in order to ensure they are not prevented from recovering statutory sums protected by legislation, computing and processing and checking employee claims and liaising with the Redundancy Payments Service and pension scheme providers, receiving Industrial Tribunal claims and recording and checking successful claims. One factor not provided for, which may increase costs, is where employees submit claims to an Industrial Tribunal, especially where it is necessary to arrange representation at the Tribunal and engage a solicitor.

To estimate costs in respect of administering employee matters we generally consider the known number of employees and in this case, employees at the date of the Administration totalled 275.

H Creditor Claims

Receiving and recording all creditor claims and since a dividend is likely, identifying whether additional supporting evidence is necessary from the creditor, reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed, considering and checking and recording all preferential claims, considering and checking and recording all unsecured creditor claims and identifying any claims which might be categorised as deferred claims. It may be necessary to take legal advice where a creditor maintains a secured claim that is not supported by unequivocal evidence or where an unsecured claim is made which is significantly in excess of any value recorded by the insolvent entity and the claim is inadequately evidenced. No provision has been made for dealing with any creditors' claims where the matter is referred to Court.



To estimate costs in respect of administering creditor claims we consider the volume of known creditors and the nature of the insolvent entity's business. We understand from available records that there are 210 creditors, but this is before taking into account the claims that are being received from former students of GSM who total 3,552, which are the subject of an extensive adjudication exercise in collaboration with the OIA.

I Reporting

Preparing periodic progress reports to creditors regarding the progress achieved, including the preparation of receipts and payments accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs as against the fees and expense estimate(s) prepared. Directors or associate directors are responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. The ratio of time spent on reporting is generally that executive hours are twice as many as those of the director or associate director. Much of the basic accounting and analysis is conducted by various grades of executives.

In estimating costs in respect of reporting, we have formed a view of the duration of the insolvency and estimated how many reports will be required.

These activities do not contribute to the financial outcome for creditors - they are statutory duties imposed by the relevant legislation. However, they do contribute to the creditors' understanding of the work being undertaken on their behalf.

J Distribution and Closure

Giving notice to relevant creditors to prove their claims, adjudicating upon the claims issuing formal rejection of any relevant claims, dealing with any appeal to court concerning a rejected claim (*), establishing the distributable funds in the estate, calculating the dividend, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. (*) no provision is made for additional time costs for dealing with an appeal concerning a rejected cost because the likelihood of such an eventuality is small, although the costs could be significant. Work in this category also includes preparing a final report to creditors together with a receipts and payments account, analysis of time costs accrued and a review of actual costs compared to fee and expense estimate(s), completing all administrative arrangements including storage of any records for statutory periods and filing final statutory documentation.

The work is supervised by directors and associate directors and final decisions and the release of funds is authorised by the partner.

The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements.

2. Expense Estimate

2.1 Category 1 Disbursements

Our estimate in respect of this heading covers expenses where the officeholders' firm has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), Land Registry searches, fees in respect of swearing legal documents, storage of original records of the insolvent estate. In each case, the recharge will be reimbursement of a specific expense incurred.

2.2 Category 2 Disbursements

I propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is



raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

2.3 Agents' Costs

Both Cummings Commercial and Avison Young were retained on the basis that a commission of 15% plus VAT of any lease premium obtained is payable to the joint agents, whilst marketing disbursements were paid as an expense of the Administration. To the extent that the Greenwich premises are still capable of being assigned once the Company moves to Liquidation, a further commission will be payable in respect of any premium obtained.

Frederick Holt & Company has been engaged in the Administration to undertake a rating review of both the London Bridge and Greenwich premises. The agents were paid a minimum fee of £400 in respect of each property through the Administration and the remainder of their fees will equate to 10% of any rates savings or refunds effected in the Liquidation. In addition, the agents were engaged in the Administration on a fixed fee of £4,000 to undertake a retrospective rating reassessment of the Greenwich site in order to align the rateable value with the 11 separate leases that form the property's demise. The purpose of this reassessment was to obtain empty rates relief for those parts of the property not occupied by CUL, where otherwise, the Administration is incurring an unrecoverable cost. If this exercise is successfully completed once the Company is in Liquidation then the associated cost will be payable as a Liquidation expense.

Hilco were retained in the Administration to value and dispose of GSM's tangible assets, which mostly comprised furniture and equipment at the Greenwich, London Bridge and Greenford sites. Disposals at the London Bridge and Greenford locations were completed during the Administration, whilst the majority of chattel assets at Greenwich were also been sold and Hilco's costs in this regard paid. If there remains a quantity of furniture and equipment at the Greenwich campus which was being used by CUL under the terms of the TSA once the Company moves to Liquidation, Hilco will be instructed to dispose of these remaining items on the best possible terms and we would estimate an associated cost of £5,000 in this regard.

2.4 Solicitors' Costs

Pinsent Masons were retained to provide general advice in respect of the Administration, whilst the Company's solicitors, Marriott Harrison were engaged to deal with any property-related matters given their familiarity with the various issues. It is not presently envisaged that Pinsent Masons will be given any further instructions with regard to any legal issues in the Liquidation, whilst Marriott Harrison will only be further engaged should an assignment of the Greenwich premises be completed during the Liquidation. At present therefore, we are not in a position to estimate whether any further solicitors' costs will be incurred, although we have provided for a further cost of £15,000 as it is likely that legal advice will be required in relation to the consideration of student contingent claims.

BDO LLP
28 February 2020



GSM London Limited - in Administration (and subsequently, Liquidation)

In accordance with best practice, we provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within our firm who may be involved in working on the insolvency are as follows:

GRADE	£
Partner	511-783
Director	425-542
Associate Director	425
Senior Manager	390
Manager	294-346
Assistant Manager	131-311
Senior Administrator	84-291
Administrator	71-291
Other Staff	67-114

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories: -

- Pre-Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories, the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors, or in the absence of a committee, to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate, they will be recharged. Such expenses can be divided into two categories.



1) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), Land Registry searches, fees in respect of swearing legal documents etc. In each case, the recharge will be reimbursement of a specific expense incurred.

2) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
28 February 2020



Rule 15.8
Insolvency
(England and
Wales) Rules
2016

The Insolvency Act 1986 - NOTICE OF ARRANGING A DECISION PROCEDURE FOR CREDITORS BY CORRESPONDENCE

To consider approving the Joint Administrators' resolutions set out below

Name of Company GSM London Limited	Company number 01443436
In the Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) <small>[full name of court]</small>	Court case number CR-2019-005063

The Joint Administrators are William Matthew Humphries Tait (Officeholder No: 9564) and Antony David Nygate (Officeholder No: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU, who were appointed on 30 July 2019. The Joint Administrators may also be contacted via Alice Denmark at BRCMT@bdo.co.uk.

NOTICE that the Creditors of the above-named Company are invited to make decisions as to whether to approve or reject the resolutions below.

Decision Procedure: The creditors are invited to indicate by correspondence whether they approve or reject the resolutions. A Decision by Correspondence form is attached for recording your vote. The completed form, together with a completed proof of debt form, if not already provided, must be sent to the Joint Administrators, whose details are below and on the attached form.

Decision date: 13 March 2020

Creditors may within five business days of this notice require a physical meeting to be held to consider the matter. If there are sufficient requests for a physical meeting the decision by correspondence procedure will be terminated and a physical meeting convened. This is explained in more detail overleaf.

Any response may be sent by correspondence, using the attached form. To be valid your response must be received by the Joint Administrators by no later than the Decision date, which is 13 March 2020, otherwise it will not be counted.

RESOLUTIONS

1. That a creditors' committee be established if sufficient creditors are willing to be members.

In the event that a Creditors' Committee is not established to **RESOLVE THAT**

2. The Joint Administrators' remuneration be approved on a time costs basis in accordance with the revised Fees Estimate circulated to creditors.
3. The Joint Liquidators' remuneration be approved on a time costs basis in accordance with the Liquidation Fees Estimate circulated to creditors.
4. That the Joint Liquidators' category 2 Disbursements be approved on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to creditors.



Any creditor, including creditors whose debt is treated as a small debt (less than £1,000) or who have opted out of receiving notices, must deliver a completed proof of debt form, as detailed above, if they wish to submit a response or request a physical meeting.

Date: 28 February 2020

William Matthew Humphries Tait
Joint Administrator and Convenor of the Decision Process

Appeals against decisions (R.15.35): Decisions of the Joint Administrator in convening the Decision Procedure and dealing with voting is subject to appeal to the court by a creditor. Any appeal must be made within 21 days of the Decision date.

Physical Meeting: If creditors want to consider the resolutions at a physical meeting they must notify in writing the Joint Administrator, whose details are above, within five business days of delivery of this notice. A meeting will be convened if sufficient creditors notify the Administrators within the timeframe. Section 246ZE of the insolvency Act sets the “minimum number” of creditors for requisitioning a meeting at any of the following:

- (a) 10% in value of the creditors or contributories;
- (b) 10% in number of the creditors or contributories;
- (c) 10 creditors or contributories.

Appeals against decisions under this Chapter

15.35.—(1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor, by a contributory, or by the bankrupt or debtor (as applicable).

(2) In a proposed CVA, an appeal against a decision under this Chapter may also be made by a member of the company.

(3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA or IVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.

(4) An appeal under this rule may not be made later than 21 days after the decision date.

(5) However, the previous paragraph does not apply in a proposed CVA or IVA, where an appeal may not be made after the end of the period of 28 days beginning with the day—

(a) in a proposed CVA, on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was filed with the court(a); or

(b) in a proposed IVA—

(i) where an interim order has not been obtained, on which the notice of the result of the consideration of the proposal required by section 259(1)(a) has been given, or

(ii) otherwise, on which the report required by section 259(1)(b)(b) is made to the court.

(6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.

(7) The court may not make an order under paragraph (6) if the person who made the decision in a winding up by the court or a bankruptcy is the official receiver or a person nominated by the official receiver.

Extract from the Insolvency Act 1986 (as amended)

Section 246ZE Decisions by creditors and contributories: general

(1) This section applies where, for the purposes of this Group of Parts, a person (“P”) seeks a decision about any matter from a company’s creditors or contributories.

(2) The decision may be made by any qualifying decision procedure P thinks fit, except that it may not be made by a creditors’ meeting or (as the case may be) a contributories’ meeting unless subsection (3) applies.

(3) This subsection applies if at least the minimum number of creditors or (as the case may be) contributories make a request to P in writing that the decision be made by a creditors’ meeting or (as the case may be) a contributories’ meeting.

(4) If subsection (3) applies P must summon a creditors’ meeting or (as the case may be) a contributories’ meeting.

(5) Subsection (2) is subject to any provision of this Act, the rules or any other legislation, or any order of the court—

(a) requiring a decision to be made, or prohibiting a decision from being made, by a particular qualifying decision procedure (other than a creditors’ meeting or a contributories’ meeting);

(b) permitting or requiring a decision to be made by a creditors’ meeting or a contributories’ meeting.

**The Insolvency Act 1986 - NOTICE OF CONVENING A DECISION PROCEDURE FOR CREDITORS
BY CORRESPONDENCE**

To consider approving the Joint Administrators' resolutions set out below

GSM London Limited - In Administration
Registered Number: 01443436

RESOLUTIONS

(* Please indicate voting preference)

- 1 That a creditors' committee be established if sufficient creditors are willing to be members.
*Approved/Rejected

Do you consent to be a member of the creditors' committee?

*Yes/No

In the event that a Creditors' Committee is not established to RESOLVE THAT

- 2 The Joint Administrators' remuneration be approved on a time costs basis in accordance with the revised Fees Estimate circulated to creditors.
*Approved/Rejected

- 3 The Joint Liquidators' remuneration be approved on a time costs basis in accordance with the Liquidation Fees Estimate circulated to creditors.
*Approved/Rejected

- 4 That the Joint Liquidators' category 2 Disbursements be approved on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to creditors.
*Approved/Rejected

TO BE COMPLETED BY THE CREDITOR WHEN RETURNING FORM

Name of Creditor

Signature of Creditor

(If signing on behalf of creditor, state capacity e.g. director/solicitor etc.)

NOTE: This form must be accompanied by a proof of the amount due to the creditor unless a proof of debt/claim form has already been delivered. Creditors whose debt is treated as a 'small debt' (£1,000 or less) must still deliver a proof for voting purposes otherwise their vote will be disregarded.

This form must be returned to William Matthew Humphries Tait (Officeholder IP No: 9564) of BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH, by no later than the Decision date 13 March 2020.

The Joint Administrator may also be contacted via Alice Denmark at BRCMT@bdo.co.uk.

William Matthew Humphries Tait
Joint Administrator
28 February 2020

Proof of Debt/Claim Form
GSM London Limited - In Administration
Company No: 01443436

Debt as at the date of the appointment of Administrators: 30 July 2019

1	Name of creditor (If a company please also give company registration number and where registered).	
2	Address of creditor including email address for correspondence.	
3	Total amount of claim, including any Value Added Tax at the above date.	
4	If amount in 3 above includes outstanding un-capitalised interest please state amount.	£
5	Particulars of how and when debt incurred. (If you need more space append a continuation sheet to this form).	
6	Particulars of any security held, the value of the security, and the date it was given.	
7	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
8	Provide details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at their discretion as may the chairman or convener of any meeting).	
9	Signature of creditor or person authorised to act on his behalf _____	Dated _____
Name in BLOCK LETTERS _____		
Position with or in relation to creditor _____		
Address of person signing (if different from 2 above) _____		

Deliver to the Joint Administrator, William Matthew Tait, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.



Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
- (b) an order reducing any fixed rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the office-holder is entitled to charge;

(b) an order reducing any fixed rate or amount;

(c) an order changing the basis of remuneration;

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;

(e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —

(i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or

(ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;

(f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.