

The Insolvency Act 1986

Statement of administrators' proposalsName of Company
Learning South WestCompany number
02806593In the High Court of Justice
Chancery Division
Bristol District Registry

(full name of court)

Court case number

133 of 2016

(a) Insert full name(s)
and address(es) of
administrator(s)

We
Timothy Colin Hamilton Ball
of Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

Roderick John Weston

*Delete as
applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

27 May 2016

Signed


Joint Administrator

Dated

27 May 2016

Contact Details:

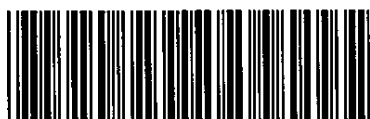
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Timothy Colin Hamilton Ball
Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

DX Number

DX Exchange

SATURDAY



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28/05/2016

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COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**Learning South West - In Administration
("the company")**

**Administrators' Statement of Proposals Pursuant to Paragraph 49
of Schedule B1 of the Insolvency Act 1986**

27 May 2016

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report should not be referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The administrators' act as agents of the company without personal liability.

T C H Ball and R J Weston
Mazars LLP
90 Victoria Street
Bristol
BS1 6DP

Learning South West - In Administration

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Statement to Creditors

1 Introduction

- 1.1 This statement is addressed to the creditors of Learning South West and includes the Joint Administrators' proposals which will be considered at the meeting of creditors to be held on 14 June 2016
- 1.2 The creditors may approve the proposals, with or without modifications, but any modifications are subject to the consent of the Joint Administrators. If the creditors choose to reject the proposals, a report will be sent to the Court advising that creditors have resolved to reject the proposals. In the event of such a rejection, the Court may provide that the appointment of the Joint Administrators ceases and make such order as it deems appropriate. This may include the company being returned to the control of the directors or a winding-up order being made, placing the company into compulsory liquidation.
- 1.3 If the proposals are approved by the creditors either with or without modification, the meeting may also establish a creditors' committee pursuant to paragraph 57 of Schedule B1 of the Insolvency Act 1986. The purpose of such a committee would be to assist the Joint Administrators in the discharge of their duties and responsibilities. If the proposals are agreed, the Joint Administrators will continue to control the business of the Company. At a later date, the Administrators will arrange for the Company to exit from the Administration. This may be via a creditors' voluntary liquidation or by an application to dissolve the company.
- 1.4 The statutory purpose of an Administration comprises three hierarchical objectives
- a rescuing the company as a going concern
 - b achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)
 - c realising property in order to make a distribution to one or more secured or preferential creditors
- 1.5 Prior to my appointment, an initial financial review of the Company suggested that there was no reasonable prospect of rescuing the Company in its existing form as a going concern, based on the Company's financial position and the extent of its pension liabilities.
- 1.6 It was concluded that it would not be viable to trade the business in Administration, but it was hoped that, by protecting the Company's assets from creditors and marketing the business for sale very quickly, a buyer for part, or all, of the Company's business and / or assets could be found, which would allow a better result for the Company's creditors than would have been likely if the Company were to have been wound up. In addition, the quick appointment of an Administrator has allowed the Company's assets to be secured at the earliest opportunity and for the employees' claims to be considered by the Redundancy Payments Service.

1 7 Accordingly, it was concluded that the purpose of the Administration is to pursue objective b, achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)

2 Statutory information

2 1 I would advise you that I was appointed Administrator of the Company jointly with my partner Mr R J Weston, on 11 April 2016. We are both authorised to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

2 2 The application for the appointment of an Administrator was made by the directors

2 3 The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000 of 29 May 2000) applies to this Administration and the proceedings are main proceedings

2 4 The Court reference number is 133 of 2016 filed in the High Court of Justice, Chancery Division, Bristol District Registry

2 5 The Company's registered number is 02806593

2 6 The Company is limited by guarantee and it is also a Registered Charity

2 7 The trading address of the Company was Bishops Hull House, Bishops Hull Road, Bishops Hull, Taunton, Somerset, TA1 5EP. The business trades under the name Learning South West

2 8 The registered office of the Company is now c/o Mazars LLP 90 Victoria Street, Bristol, BS1 6DP, having previously been Bishops Hull House, Bishops Hull Road, Bishops Hull, Taunton, Somerset, TA1 5EP

2 9 All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone

2 10 Details of the directors and secretary of the Company are as follows. No shareholdings are held, as the Company is limited by guarantee

Director	Date appointed	Date resigned
Nicholas Graham Bailey	19 May 2015	-
Shane Chowen	5 February 2014	-
Susan Emily Colquhoun	2 July 2015	-
Katharine Mary Howard	5 February 2014	-
Jean Kelly	30 June 2015	-
Stephen Richard Lay	21 October 2015	-
Nigel David Power	20 July 2015	-
Oenone Thomas	7 August 2015	-
Georgina Mary Veall	5 February 2014	-
Peter Ronald Weeks	14 July 1999	-
David Joseph Wood	2 April 1993	-
Tom Wylie	12 October 2015	11 April 2016

Secretary	Date appointed	Date resigned
Paula Jones	4 December 2009	-

3 Events Leading up to Appointment

- 3 1 The Company was incorporated on 2 April 1993, originally under the name South West Association for Further Education and Training. The Company's name was formally changed to Learning South West on 20 February 2004.
- 3 2 The Company is a Registered Charity, with objectives to advance the education and professional development of young people and adults by amongst others, providing advice, training and resources to providers of education and training.
- 3 3 Primarily South West based and operating from premises at Bishops Hull, Taunton, the Company worked closely with its members who were primarily organisations providing and commissioning post-16 learning and youth work with young people in community contexts and included local authorities, further education colleges, independent training providers, armed and uniformed services, voluntary and community organisations.
- 3 4 Annual 'Incoming Resources' (effectively turnover) for the year ended 31 March 2015 was £2,556,859, an increase on the previous year by some £1.1 million, although there was a net outgoing of resources (effectively losses) of £741. An increase in the Company's pension deficit from £791,000 to £1,116,000 in the year meant that the Company's net liability position increased from £36,765 to £355,289 as at 31 March 2015.
- 3 5 At a board meeting on 24 February 2016, details of an expected net outgoing of resources (loss), reflecting funding difficulties that the Company's sector was facing, of some £90,000 for the 2015/2016 financial year was discussed. In light of this anticipated 'loss' and the draft budget for 2016/2017 showing a further net outgoing of resources (loss) of some £30,000, a meeting of the Company's Financial Workgroup was organised to review the financial position of the Company in greater detail.
- 3 6 At a meeting of the Financial Workgroup on 15 March 2016, further financial information was presented. Staff, including an Insolvency Practitioner, from the Company's Auditors, Albert Goodman LLP, attended the latter part of that meeting. It is understood that following this meeting and in light of the future viability of the Company being questioned, the directors took the prudent step to withhold payments to the Company's creditors whilst the position and options were considered further.
- 3 7 Mazars LLP was first contacted on 21 March 2016 and an initial meeting was held on 23 March 2016, with one of the directors, where the Company's financial position was discussed. A further meeting was held on 29 March 2016, with three of the Company's directors including the Chair of Trustees.
- 3 8 Following this meeting and in order to be able to fully consider the position and understand the future viability of the Company, further steps were taken by the Company to formulate detailed forecasts and budgets, to explore restructuring options (i.e. redundancies/ cost cutting/ down scaling/ etc), in order to determine if the Company was able to trade without incurring future

losses (i.e. at breakeven or generating a profit), whilst restricting restructuring costs to below £50,000

- 3 9 On 5 April 2016, a full meeting of the board was held in order to consider the revised financial information, forecasts and budgets prepared by the Company. It was prudently forecast that even in a revised form, following restructuring, that the Company would make a loss of £25,000. Accordingly, it was concluded that the Company was not viable and the directors were of the opinion, therefore, that the Company's position was only going to worsen, unless steps were taken to act at the earliest opportunity. The Board subsequently resolved that it was in the best interest of the Company and its creditors for the Company to be placed into Administration as soon as possible.
- 3 10 It was concluded that an Administration procedure would protect the Company's assets from creditors and it would enable an Administrator to seek to very quickly market the business in order to seek a buyer for part or all of the Company's business and / or assets, which would allow a better result for the Company's creditors than would have been likely if the Company were to have been wound up.
- 3 11 Solicitors, Veale Wasbrough Vizards LLP ("my solicitors" and "VWV"), who are specialists in insolvency, and the charity sector, were instructed to draft the necessary paperwork to place the Company into Administration. A notice of intention to appoint Administrators was filed in Court on 7 April 2016.
- 3 12 My partner, Roderick Weston, and I, were subsequently appointed as Joint Administrators of the Company on 11 April 2016.

4 Subsequent Events

- 4 1 Prior to the notice of intention to appoint an Administrator being filed at the Court on 6 April 2016 we undertook a more detailed assessment of the Company's financial position, in order to determine whether the business should continue to trade in the short term, pending the appointment of the Administrators.
- 4 2 It was concluded that upcoming work was unprofitable, pre-paid, or profits were insufficient to warrant the risks associated with the completion of such work, and losses would only continue to accrue. Accordingly, late on 6 April 2016, the directors were advised that the Company should immediately cease to trade, in order to prevent the position for the Company's creditors from worsening. Upon this advice, the Company ceased to trade on 7 April 2016.
- 4 3 It was also agreed with the directors late on 6 April 2016 that Mazars LLP should immediately take all necessary steps to protect the Company's assets and protect the position of creditors and to progress the proposed Administration strategy at the earliest opportunity, pending the appointment of the Administrators.
- 4 4 It was concluded with the directors that two employees should be retained to assist in the process of updating and collating the Company's records, to assist with the process of ensuring invoicing was complete and in order to collate the necessary supporting documentation to enable the Company's debtors to be pursued and enhance the collectability of the ledger in due

course by the Administrators. Accordingly, Mazars LLP was instructed to assist the directors with the process of making the remaining employees redundant and to assist in dealing with employees' claims and queries.

- 4.5 With the authority of the directors, £49,500 was transferred to a new Company bank account set up by Mazars LLP, in order that certain costs, such as wages to ensure key employees were retained, could be paid in the early stages of the Administration. This balance was not utilised in the pre-Administration period and the balance was remitted to the Administrators in full following our appointment.

Trading

- 4.6 It was concluded prior to our appointment that it was not viable to trade the business following our appointment. A number of the Company's upcoming training courses had been prepaid and would, therefore, have generated none, or a minimal level of income. The costs associated with ongoing trading outweighed any possible benefit that could have been achieved from a going concern sale, as trading the business in Administration was likely to only result in significant trading losses. Accordingly, the Company ceased to trade on 7 April 2016.
- 4.7 With the exception of two of the Company's staff, who were retained to assist me with asset recoveries and accounting and administrative duties, all of the Company's remaining eight employees were made redundant on 7 April 2016.

Sale of Business

- 4.8 I sought to market the business and assets of the Company for sale in order to maximise potential realisations for creditors, as I anticipated that interest might be generated in the business given the Company's brand identity and long standing position in the market. As a result of Company being a registered Charity, its business was, however, likely to appeal only to similar organisations. In addition, the Company had a significant pension deficit and it was possible that some, or all, of this liability would have transferred to a purchaser of the business.
- 4.9 A press release and an insolvent business for sale bulletin were utilised and I sought to advertise and market the business through my firm's internal network in order to generate interest in the business.
- 4.10 While some interest has been received, no offers have been received in respect of purchasing the business as a going concern.

Furniture and Equipment

- 4.11 Specialist agents and valuers, Gordon Brothers International LLC t/a Gordon Brothers Europe ("my agents" and "GBE") were instructed to assist with the valuation of the Company's chattel assets. GBE valued the Company's furniture and equipment at £2,000 on an ex-situ basis.
- 4.12 It is possible that a higher sale price can be achieved should a purchaser of the Property (see below) wish to acquire these assets as part of such a sale.

- 4 13 If these assets cannot be sold along with the Property, it is possible that the cost of realising these assets will exceed the realisations achieved, particularly should my property agents advise that the Property needs to be cleared prior to the sale in order to achieve an enhanced sale price for the Property

Freehold property ("the Property")

- 4 14 The Company traded from freehold premises it owns at Bishops Hull House, Bishops Hull Road, Bishops Hull, Taunton, Somerset, TA1 5EP
- 4 15 National Westminster Bank Plc ("NatWest" or "the Bank") have the benefit of a legal charge dated 5 January 2005, securing all of the Company's obligations to the Bank. It is understood that the Bank is owed £43,055 in respect of an outstanding mortgage, but held a credit balance of cash in the sum of £10,000, which it is envisaged will be set off against the sum it is owed, reducing its indebtedness to £33,055
- 4 16 My solicitors have been instructed to advise me in respect of the validity of this security and have confirmed that the charge is enforceable against the Company
- 4 17 I have invited specialist property agents Alder King LLP, Greendlade Taylor Hunt and Savills Plc to provide me with their marketing recommendations and initial thoughts with regard to the marketing and sale of the Property. Upon receipt of this advice, I will seek to liaise with the Bank in order to agree upon a recommended strategy and then will seek to implement it with the assistance of the chosen agent/s
- 4 18 A third party currently occupies part of the Property and my solicitors advice in respect of the basis of their occupation has been obtained. A monthly licence fee of £1,666 is payable. The continuance of the third party's occupation will be influenced by advice from the appointed property agents, as to whether the Property should be marketed for sale with or without the third party in occupation
- 4 19 The directors' Statement of Affairs estimates that the Property would realise £650,000, generating a surplus of £616,945 after settling NatWest's indebtedness. I will know whether this estimate is realistic, once a property agent has been instructed and further, more formal, valuation advice has been received

Cash at Bank

- 4 20 Immediately following my appointment, I contacted CAF Bank Limited, Comfund and National Westminster Bank Plc and sought that the Company's bank accounts be frozen and that the credit balances be remitted to me
- 4 21 As detailed above, NatWest is owed £43,055 in respect of an outstanding mortgage, so it is anticipated it will set off the credit balance of some £10,000 against the sum it is owed, reducing its indebtedness to £33,055. The remaining cash balances were estimated to amount to £332,344 in the directors' Statement of Affairs

- 4 22 I have successfully secured cash balances totalling £332,777 No further recoveries are anticipated

Cash in hands of third party

- 4 23 As detailed above, with the authority of the directors, £49,500 was remitted to a new Company bank account set up and controlled by Mazars LLP prior to the Administrators' appointment, in order that certain costs, such as wages to ensure key employees were retained, could be paid on behalf of the Company pending the appointment of the Administrators and given that the Company's existing bank accounts would be frozen
- 4 24 This balance was not utilised and upon our appointment as Administrators the balance of £49,500 was remitted to the Administrators in full

Book Debts

- 4 25 At the date of my appointment the total book value of the Company's outstanding book debts was some £34,157
- 4 26 Some £10,398 has been recovered in relation to debtors to date, which exceeds the £10,000 estimated to be recoverable in the directors' Statement of Affairs
- 4 27 The extent of debtor realisations is currently uncertain, but a significant write off of £12,235 was made as a customer, invoiced prior to work commencing, cancelled its order and a credit note needed to be raised Further counter claims and reasons for non-payment from debtors have been received and are currently being reviewed
- 4 28 Should payment not be received in response to my correspondence, or I deem that reasons for non-payment are not valid, it is anticipated that I will refer matters to either collection agents or my solicitors, in due course, in order to assist me pursuing the sums owed

Petty cash

- 4 29 Following my appointment, petty cash was secured, amounting to £749

Professional advisors

- 4 30 The professional advisors used on this assignment are summarised as follows -

Name	Nature of Work	Basis of fee Arrangement
Gordon Brothers Europe	Review, valuation and sale of the Company's chattel assets	To be agreed
Veale Wasbrough Vizards LLP	Legal advice regarding Administrators'	Time cost basis, subject to Administrators' approval

	appointment, the validity of security and creditor claims, general legal advice during the appointment and legal advice in connection with the freehold property	
Insol Financial Services Limited	Assistance with identifying Company pension schemes and assisting with the winding down of such schemes	Agreed fee based on level of work required

4 31 The Administrators' choice of agents was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them

4 32 The Administrators have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case

5 Connected Party Transactions

5 1 To date, we have not become aware of any assets sold to the directors or any connected parties in the two years prior to Administration

5 2 Since the date of Administration, former employees have expressed an interest in certain items of equipment and have been provided with the contact details of GBE in order to tender any offers to it

5 3 It will be necessary for me to review the trading history of the Company as part of my normal investigations

6 Investigations

6 1 The Joint Administrators are required to investigate the affairs of the Company and the conduct of the directors in the period leading up to the Administration. The findings are reported to the Insolvency Service in accordance with the Company Directors' Disqualification Act 1986, and an appropriate report will be filed in due course. The content of the report is confidential

6 2 Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. The request for information forms part of our usual investigation procedure and does not imply

that there may be any cause of action lying against any person concerned in the company's affairs

7 Liabilities

7.1 Secured Creditors

National Westminster Bank Plc (the "Bank")

- 7 1 1 The Bank was granted the benefit of a legal charge, created on 5 January 2005 and registered on 7 January 2005, securing all of the Company's obligations to the Bank
- 7 1 2 It is understood that the Bank is owed £43,055 in respect of an outstanding loan/ mortgage, but held a credit balance of cash in the sum of £10,000, which it is envisaged it will set off against the sum it is owed, reducing its indebtedness to £33,055
- 7 1 3 My solicitors have been instructed to advise me in respect of the validity of this security and have confirmed that the charge is enforceable against the Company
- 7 1 4 It is anticipated that the Bank will make a full recovery in this matter, under its fixed charge, following a sale of the Property, in due course

GE Capital UK, Investec Asset Finance plc, Miles and Co Limited

- 7 1 5 The Company held equipment which was subject to various lease and / or rental agreements GBE have advised me that the Company does not have a financial interest in these assets and are overseeing the collection of these assets by the finance companies
- 7 1 6 It is anticipated that unsecured creditor claims will be received from the various finance companies in relation to any shortfalls arising under the terms of their agreements

7.2 Preferential Creditors

- 7 2 1 Preferential creditors' claims relates to the Company's former employees' unpaid wages (subject to an £800 limit) and holiday pay Preferential creditors' claims are anticipated in the directors' Statement of Affairs to amount to £15,032
- 7 2 2 The former employees have submitted claims under the provisions of the Employment Rights Act 1996 to the Redundancy Payments Service ("RPS") and it is understood that payments have been, or will be made to them (in the near future) by the RPS, up to the relevant statutory limits
- 7 2 3 The balance (if any) of each employee's preferential claim over and above the RPS's statutory limit, will form a residual preferential claim in the Administration
- 7 2 4 Sufficient funds will be realised, after the prior costs of the Administration, to allow a dividend to be paid to the Company's preferential creditors, settling the preferential claims in full

7.3 Unsecured Creditors

- 7 3 1 It is currently anticipated that there will be sufficient funds available in the Administration to allow a dividend to be paid to unsecured creditors, following payment of the costs of the Administration and after allowing for the prior claims of the Company's preferential and secured creditors
- 7 3 2 Under the provisions of the Insolvency Act, the Joint Administrators have limited powers to agree the claims of unsecured non-preferential creditors and make distributions without permission of the Court. Therefore in the event that there are sufficient funds to enable a distribution to such creditors the Joint Administrators may apply to Court pursuant to paragraph 65 of Schedule B1 of The Insolvency Act 1986, for permission to declare and pay a dividend to such creditors, should they consider it to be more beneficial to the creditors than for the Company to proceed into Creditors' Voluntary Liquidation
- 7 3 3 The level of any such dividend is currently uncertain and will be dependent upon the final total of realisations of the Company's assets, the costs of the Administration and of any subsequent Creditors' Voluntary Liquidation, as appropriate, and the final level of agreed secured, preferential and unsecured creditor claims
- 7 3 4 The directors' Statement of Affairs estimates that unsecured non-preferential claims will amount to some £1,440,724

8 Prescribed Part

- 8 1 Under Section 176A of the Insolvency Act 1986, a proportion of a company's net assets are to be set aside for the benefit of a company's unsecured creditors where the company has granted a floating charge after 15 September 2003
- 8 2 In this case there is no floating charge and, therefore, no prescribed part

9 Statement of Affairs

- 9 1 In accordance with paragraph 47 of Schedule B1 of the Insolvency Act 1986, the directors' were requested to prepare a Statement of Affairs by 25 April 2016
- 9 2 A summary of the Statement of Affairs is attached at *Appendix A*

10 Receipts & Payments Account

- 10 1 Attached as *Appendix C* is a summary of my receipts and payments for the period from 11 April 2016 to 27 May 2016, which I trust is self-explanatory

11 Estimated Outcome Statement

- 11 1 Attached as *Appendix D3* is an estimated outcome statement (“EOS”) This illustrates the likely outcomes to each class of creditor as disclosed in Section 7

12 Duration

- 12 1 The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment However, pursuant to para 76 of Schedule B1 of the Insolvency Act, 1986 this may be extended by either

- an application to Court for a specified period, or
- by consent of the creditors for a specified period not exceeding one year

- 12 2 It is unclear at present if an extension of the Administration is likely to be sought in this case, but creditors will be kept advised of developments

13 Proposals

- 13 1 In accordance with paragraph 49 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators of Learning South West make the following proposals to creditors for achieving the purposes of the Administration dated 11 April 2016 Approval of these proposals will be considered as a single resolution at a meeting of creditors to be held on 14 June 2016

- a The Joint Administrators shall do all such things and generally exercise all powers as Joint Administrators as they, at their discretion, consider desirable in order to achieve the purpose of the Administration, or to protect and preserve the assets of the Company, or to maximise realisations for any other purpose incidental to these proposals
- b That the Joint Administrators realise the Company’s remaining assets in accordance with their agents’ advice
- c That the Joint Administrators continue to investigate, and if appropriate, pursue any claims that an office holder and /or the Company may have under The Companies Act or Insolvency Act against any parties concerned with the affairs of the Company
- d That the Joint Administrators be able to make distributions to the preferential and secured creditors as appropriate
- e That the Joint Administrators be permitted to conclude the Administration and place the company into Creditors’ Voluntary Liquidation, with the appointment of Timothy Colin Hamilton Ball as Liquidator In accordance with paragraph 83(7)(a) of Schedule B1 of The Insolvency Act 1986, and Rule 2.117A(2)(b) of the Insolvency Rules 1986, creditors may nominate a different person to act as Liquidator provided that the nomination is made after the receipt of these proposals and before they are approved
- f Under the provisions of the Insolvency Act, the Joint Administrators have limited powers to agree the claims of non-prescribed part unsecured creditors and make distributions without permission of the Court Therefore in the event that there are

sufficient funds to enable a distribution to such creditors the Joint Administrators may apply to Court pursuant to paragraph 65 of Schedule B1 of The Insolvency Act 1986, for permission to declare and pay a dividend to such creditors, should they consider it to be more beneficial to the creditors than for the Company to proceed into Creditors' Voluntary Liquidation

- g In the event that the Company does not proceed into Creditors' Voluntary Liquidation, once all of the assets have been disposed of and all available funds distributed to creditors where possible, the Joint Administrators may, if appropriate, file a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the Administration, with the company being dissolved three months thereafter

14 Administrators' Remuneration

- 14 1 Confirmation and approval of the basis of my remuneration will be sought from a creditors' committee and if one is not appointed, from the creditors at their initial meeting
- 14 2 The basis of my remuneration may be fixed
 - a) as a percentage of the value of the property with which I have to deal, or
 - b) by reference to the time properly given by my staff and I in attending to matters arising in the administration, or
 - c) as a set amount, or
 - d) as a combination of any one or more of the above
- 14 3 If no committee is formed at the meeting of creditors, I propose that my remuneration be fixed by reference to the time properly spent by my staff and me in dealing with matters arising during the Administration, subject to my Fees Estimate, detailed below
- 14 4 I will also be seeking the approval of the payment of Category 2 disbursements in accordance with this firm's Rate and Disbursement policy

15 The Fees Information Pack

- 15 1 In accordance with Rule 2 106(2A) additional information is required to be provided to creditors, where the basis of remuneration being sought is in respect of the time properly spent. This additional information is contained in the Fees Information Pack ("the Fees Pack") attached at *Appendix D* which includes details of the work my staff and I propose to undertake in respect of this matter
- 15 2 Creditors will note that the Fees Estimate totals £98,700. This estimate acts as a cap for my fees and I will be unable to take any additional fees without the approval of Company's creditors. If I exceed my fees estimate or believe it is likely I will do so I will revert to creditors again

- 15 3 I do not currently envisage that the Fees Estimate will require increasing, however, it should be understood that this Fees Estimate assumes that the Administration will remain open for less than 12 months and will not require extending, and is based on the assumptions set out in my Fees Estimate
- 15 4 For completeness I have also attached this firm's Rates and Disbursements policy within the Fees Pack, at **Appendix D5**, which includes the charge-out rates by grade of the staff likely to work on this case. In common with other professional firms, charge out rates may increase over the period of the administration of the case. Details of any changes will be provided as part of my reporting throughout the life of the case. All staff that work on the case, including the cashiers, support and any secretarial staff charge their time directly to the assignment in 6 minute units
- 15 5 Creditors can find additional information on their rights relating to Administrator's fees in a copy of the publication "A creditors guide to Administrators' Fees" which is available to download from https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf or alternatively will be provided free of charge upon written request to this office

16 Costs already incurred

- 16 1 As noted in the Fees Estimate, I have already undertaken work on this case prior to seeking fee approval, so as to ensure the security of the assets and to adhere to various statutory deadlines
- 16 2 Attached within **Appendix D1** is a summary of my time costs to date in accordance with Statement of Insolvency Practice 9 with a comparison to my Fees Estimate. To date, 271.6 hours have been spent dealing with the administration of this case, at a total cost of £57,881 representing an average hourly rate of £213

17 Expenses

- 17 1 The Estimated Outcome Statement ("EOS") (**Appendix D3**) and the Expense Estimate (**Appendix D4**) enclosed within the Fees Information Pack provide details of the expenses I consider will be, or are likely to be incurred on this matter, together with an explanation as to why it is necessary to incur each expense. Including my remuneration, these are anticipated to total £238,958
- 17 2 Expenses already incurred but not yet paid comprise as follows

Category	Amount (£)
Legal fees re appointment	2,050
Pension advice	300
Bonding	750
Mazars pre-appointment costs	14,526

18 Disbursements

18 1 Some of the expenses detailed in the Estimated Outcome Statement are likely to be paid by this Firm in the first instance and re-charged to the estate. Such disbursements fall into 2 categories as follows:

- *Category 1 disbursements:* These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.
- *Category 2 disbursements:* These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the administrator or his firm, and that can be allocated to the case on a proper and reasonable basis.

18 2 Details of this firm's disbursement charging policy is included in the Rates and Disbursements policy enclosed within the Fees Information Pack.

18 3 Disbursements incurred but not yet paid are as follows:

Category	Amount (£)	Type of Disbursement
Photocopying/ postage	189 28	Category 2
Mileage	444 41	Category 2

19 Pre-Administration Costs

19 1 My firm's pre-Administration costs total £14,526 plus VAT, comprising time costs (£14,385) and disbursements (£141) which were incurred before the Company entered Administration. The directors resolved on 5 April 2016 that these costs be calculated on a time cost basis and be paid out of the assets of the Company. None of this amount was paid prior to the Administration on 11 April 2016 and therefore £14,526 remains unpaid.

19 2 This time was incurred by my firm in preparation for, or in contemplation of, the Company being placed into Administration and taking all necessary steps to protect the Company's assets and protect the position of creditors and to progress the proposed Administration strategy at the earliest opportunity, pending the appointment of the Administrators, in order to further the objective to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

19 3 Details of the time costs and disbursements incurred in this pre-appointment period are further analysed at **Appendix B** by reference to the grades of staff involved with the case and the tasks on which they have been engaged.

19 4 Veale Wasbrough Vizards LLP's pre-Administration costs total £4,772 plus VAT, comprising time costs of £4,722 and disbursements of £50 (court fee) which were incurred before the Company entered Administration. VWV were engaged to prepare the necessary papers for Court, in respect of the directors seeking the appointment of Administrators. VWV propose to cap their fee to £4,000 plus disbursements and VAT. Of this amount £nil was paid prior to the Administration and therefore £4,050 plus VAT remains unpaid.

- 19 5 The payment of unpaid pre-Administration costs is to be treated as an expense of the Administration and confirmation and approval of this cost will be sought from a Creditors' Committee and if one is not appointed, from the Creditors at their initial meeting

20 Meeting of Creditors

- 20 1 A meeting of the creditors of the Company to consider these proposals will be held on 14 June 2016 Formal notice convening the meeting is enclosed on Form 2 20B together with a form of proxy
- 20 2 Please complete and return the form of proxy to this office by the date of the meeting if you cannot attend and would like to be represented In order to be entitled to vote at the meeting, under Rule 2 38 Insolvency Rules 1986, you must give to me, not later than 12 noon on the business day before the day fixed for the meeting, details in writing of your claim


21 Creditors' Committee

- 21 1 At the meeting of creditors, a committee may be formed if no less than three and no more than five creditors are willing to serve on it
- 21 2 If a committee is formed, the Joint Administrators shall consult with it from time to time on the conduct of the administration and the implementation of the proposals Where appropriate, the Administrators' will seek the committee's sanction to proposed actions
- 21 3 The Administrators will be required to report to and convene meetings of the creditors' committee in accordance with the Insolvency Act and Rules

22 Future Reports

- 22 1 A progress report covering the first six months of the Administration will be circulated to creditors during October / November 2016

Should you have any queries in relation to this matter, please do not hesitate to contact Stuart Webb or Chris Colyer at this office



T C H Ball
Joint Administrator

Dated 27 May 2016

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics

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

Learning South West – In Administration**Summary of Directors' Statement of Affairs**

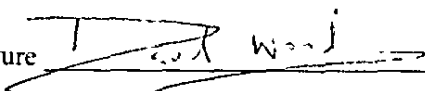
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A – Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Freehold Property at Bishops Hull House, Bishops Hull Road, Bishops Hull, Taunton, TA15EP	599,353	650,000
LESS National Westminster Bank Plc loan, secured by Legal Charge, dated 5 January 2005	(33,055)	(33,055)
	566,298	616,945
Assets subject to floating charge	-	-
Uncharged assets		
Cash in hand of third party	49,500	49,500
Cash at bank	332,344	332,344
Petty cash	749	749
Furniture and equipment	3,199	2,000
Book debts	34,157	10,000
Estimated total assets available for preferential creditors	986,247	1,011,538

Signature



Date

23 April 2016

A1 – Summary of Liabilities

	£	£
Estimated assets available for preferential creditors (brought forward from Page A)		1,011,538
Preferential creditors:-		
Employee Claims – Arrears of wages and holiday pay		<u>(15,032)</u>
Estimated surplus available for non-preferential creditors		996,506
Debts secured by floating charges		<u>(Nil)</u>
Estimated surplus of assets after floating charge		996,506
Non-preferential creditors -		
Trade and expense creditors	130,942	
Membership creditors	42,699	
Prepayments	39,705	
Employee claims – Arrears of wages, pay in lieu of notice and redundancy pay	104,576	
HM Revenue & Customs – PAYE & NIC	6,802	
Pension scheme liability	<u>1,116,000</u>	
		(1,440,724)
Estimated deficiency as regards non-preferential creditors		<u>(444,218)</u>

Signature

T. J. W. -

Date

23 April 2016

Learning South West – In Administration
Summary of Mazars' pre-Administration costs

Mazars LLP's pre-Administration time costs are further analysed below, for the benefit of creditors, by reference to the grades of staff involved with the case and the tasks on which they have been engaged -

Grade of Staff	Hours			Total hours per activity	Total time costs per activity (£)	Average hourly rate per activity (£)
	Partner	Senior Manager	Administration and support staff			
Classification of Work Function						
Initial meetings and review of financial position	7.6	-	-	7.6	3,002	395
Statutory documentation regarding appointing Administrators	0.3	2.0	7.6	9.9	2,309	233
Administration strategy and potential trading prospects	0.2	8.2	1.1	9.5	3,031	319
Securing assets (including preparing to market the business, liaison with agents)	-	1.2	3.5	4.7	1,011	215
Employee/ meetings/ claims/ issues	-	7.5	12.6	20.1	5,032	250
Total hours per grade of staff	8.1	18.9	24.8	51.8		
Total time cost per grade of staff (£)	3,185	6,331	4,869		14,385	
Average hourly rate per grade of staff (£)	393	335	196			278

Mazars LLP's pre appointment disbursements incurred comprise the following

	£
Travel (mileage) expenses	131
Telephone	10
	<u>141</u>

Learning South West – In Administration
**Administrators' Summarised Receipts & Payments
For the period from 11 April 2016 to 27 May 2016**

	Estimated to realise per Statement of Affairs £	Received / Paid Period from 11 April 2016 to 27 May 2016 £
RECEIPTS		
Surplus from freehold property, subject to fixed charge	616,945	-
Cash in hands of third party	49,500	49,500
Cash at Bank	332,344	332,777
Petty cash	749	749
Furniture and equipment	2,000	-
Book debts	10,000	10,398
	<u>1,011,538</u>	<u>393,424</u>
PAYMENTS		
Property costs (maintenance/ security/ etc)		350
Legal fees re property		4,000
Legal fees re general		1,333
Telephone, broadband and IT services		253
Insurance of assets		69
Retained employee wages, PAYE and NIC		6,384
Retained employee pension contributions		1,837
Statutory advertising		78
Mail redirection		175
Irrecoverable VAT		1,158
		<u>15,637</u>
BALANCE		<u><u>377,787</u></u>
REPRESENTED BY:		
Funds held in interest bearing accounts		<u>377,787</u>
		<u><u>377,787</u></u>

Strictly Private and Confidential

Learning South West – In Administration

FEES INFORMATION PACK

Contents

Appendix

- D1 Fee Estimate**
- D2 Detailed Fee Estimate**
- D3 Estimated Outcome Statement**
- D4 Expense Estimate**
- D5 Rates and Disbursements policy**

FEES ESTIMATE

My total Fees Estimate as at 27 May 2016 to conclude this matter is £98,700 I have provided below a breakdown of how these costs will be split between the different functions my staff and I are likely to perform on this case

Description of Work	Blended Hourly Rate (£)	Total Time (hours)	Total Costs (£)
Administration & Planning	240	15 0	3,600
Taxation	200	8 0	1,600
Investigations	250	30 0	7,500
Realisation of Assets	250	125 0	31,250
Employees	210	30 0	6,300
Creditors	225	50 0	11,250
Reporting	200	50 0	10,000
Cashiering	160	20 0	3,200
Statutory, Compliance, Securing Records & Sundry Work re Closure	200	120 0	24,000
Total	220	448	98,700

Attached to this Fees Estimate is a detailed summary of the work anticipated, together with an explanation as to why the various tasks are required

Creditors will note that a blended hourly charge-out rate has been provided This is calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate Details of the hourly rates of staff anticipated to work on this case can be found on the Rates and Disbursements policy attached to this report Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding

Not all of the work which I am required to perform will provide a direct financial benefit to creditors Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such However, a large proportion of the work will be dealing with securing and realising assets, with a view to maximising the funds available to creditors

On this case, assuming realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to secured and preferential creditors who would receive payment in full and also unsecured creditors, who would receive a significant dividend, during a subsequent Liquidation, depending on realisations

Exceeding the Fees Estimate

The Fees Estimate has been based on previous examples of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which we anticipate will be necessary

The above estimate also assumes that the Administration will remain open for less than 12 months and that the Administration will not require extending

This Fee Estimate is also based on the assumption that the Company's assets will be limited to those assets detailed on the estimated outcome statement provided, and on the assumption that my initial investigations will not lead to further more detailed investigations and/ or the pursuit of actions against third parties for the recovery of funds

Furthermore, this fee estimate does not include the costs associated with a subsequent liquidation, and the agreement of unsecured creditor claims, should this become necessary

In the event that further work is required in respect of the above and/or the Administration extends beyond the estimated timeframe, it is likely that the Fees Estimate will be exceeded, at which point it will be necessary to seek further approval for an increase

Costs already incurred

An element of work has been undertaken on this case prior to fee approval due to statutory deadlines and so as to ensure the security of the assets

The following provides a breakdown of the Administrators' actual time costs incurred to date ("A") compared to estimated costs as per the Fees Estimate ("E")

Description of Work		Blended Hourly Rate (£)	Total Time (hours)	Total Costs (£)	Variance (£)
Admin & Planning	E	240	15 0	3,600	
	A	242	10.7	2,594	1,006
Taxation	E	200	8 0	1,600	
	A	203	1.8	365	1,235
Investigations	E	250	30 0	7,500	
	A	310	5.5	1,703	5,797
Asset realisation	E	250	125 0	31,250	
	A	222	86.0	19,066	12,184
Employees	E	210	30 0	6,300	
	A	209	19.6	4,094	2,206
Creditors	E	225	50 0	11,250	
	A	251	27.2	6,839	4,411
Reporting	E	200	50 0	10,000	
	A	193	15.3	2,953	7,047
Cashiering	E	160	20 0	3,200	
	A	166	6.5	1,079	2,121
Statutory, Compliance, Securing Records & Sundry Work re Closure	E	200	120 0	24,000	
	A	194	99.0	19,188	4,812

DETAILED FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<p><u>Administration and Planning</u> This type of work will involve</p> <ul style="list-style-type: none"> • Case acceptance and ethical reviews • Completing case strategy notes • Holding strategy meetings • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system <p>This work is necessary to ensure that the case is administered correctly and in line with statutory requirements. The estimate above assumes that the case will remain open for less than 12 months</p>	15	3,600	240
<p><u>Taxation</u> Taxation work to be completed will include</p> <ul style="list-style-type: none"> • Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquiries will assist with my own investigations, • Reviewing the Company's VAT position and establishing its registration status, • Preparing post-liquidation Corporation Tax returns, as required by statute, • Assessment of tax position re potential chargeable gains on the sale of assets, • Ensuring any pre-appointment returns are submitted to HMRC to enable them to correctly agree HMRC's claim • Liaising with HMRC <p>The estimate above assumes that the case will remain open for less than 12 months</p>	8	1,600	200
<p><u>Investigations</u> Investigations are required in accordance with Statement of Insolvency Practice 2, so as to identify whether any assets have been dissipated and what recoveries can be made so as to enhance the funds available to distribute. They also assist with the Administrators' duty under the Company Directors Disqualification Act 1986</p> <p>A summary of the work yet to be concluded in this regard is provided below</p> <ul style="list-style-type: none"> • Review of Company books and records including bank statements to identify any potential transactions that were outside the ordinary course of business • Correspondence with directors regarding the reasons for the Company's failure and Review of creditor questionnaires and investigation into any matters notified • Investigating the Company's affairs to include a review of the Company's books and records and in particular, the bank statements • Reporting to the Insolvency Service on the directors' conduct <p>My estimate assumes that there are no adverse findings during my investigations. In the event that investigations reveal possible actions, then these may lead to additional realisations but the costs of pursuing these actions are likely to increase. If this arises, further information will be provided to creditors separately</p>	30	7,500	250

DETAILED FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<p><u>Realisation of Assets</u> The Company's assets comprise cash at bank, cash in hand of third parties, a freehold property currently occupied under a licence by a third party, book debts furniture and equipment, and petty cash</p> <p>Actions required to realise the Company's assets include</p> <ul style="list-style-type: none"> • Securing assets • Obtaining a professional valuation of the Company's assets to ensure the most appropriate offer is accepted and liaising with the agents in respect of their views as to the offers received • Liaising with solicitors regarding the marketing and sale of the freehold property • Liaising with a third party in occupation of the property under the terms of a licence Collection of the licence fee • Working with retained staff to determine the value of outstanding debtors and to secure relevant records, • Corresponding with debtors, • Instructing, and liaising with solicitors to pursue debtors, as necessary • Negotiations with interested parties and agreeing sale of assets • Dealing with parties interested in the business as a whole • Assisting creditors with reservation of title claims • Dealing with third party claims to title over assets • Dealing with hire purchase assets • Arranging insurance cover over assets • Property related matters i.e security/ maintenance • Correspondence with the Company's bankers and realisation of the remaining cash at bank balances • Liaising with agents and settling costs associated with asset sales • Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company <p>The estimate assumes that the Company's assets will be limited to those assets detailed on the estimated outcome statement provided and that the case will remain open for less than 12 months</p> <p>This estimate further assumes that litigation will not be required in relation to the recovery of the Company's book debts and that the Property will be sold during the Administration and within a period of 12 months without the need to obtain planning consents, etc in order to enhance its value</p>	125	31,250	250
<p><u>Employees</u> The Company employed 10 employees, most of which were made redundant prior to the Administration, but some were made redundant during the Administration</p> <p>Work that will be required in respect of the employees will include</p> <ul style="list-style-type: none"> • Assisting employees with their redundancy and entitlements • Writing to employees and dealing with any queries they may have in respect of their claims • Establishing amounts owed to employees • Gathering payroll information 	30	6 300	210

DETAILED FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<ul style="list-style-type: none"> • Liaising with the Redundancy Payments Service and submitting forms RP14, RP14a in relation to the employees' claims • Investigating the potential claims in respect of unpaid pension contributions • Submission of an RP15 claim to the Redundancy Payments Service in relation to outstanding pension contributions • Corresponding with Government agencies with regard to Statutory Maternity Pay, Attachments of Earnings etc, as necessary • Complying with statutory obligations in relation to pension schemes <p>The above work is required to enable the employees' claims to be dealt with appropriately. My estimate above assumes there are no Employment Tribunal cases and the case will remain open for less than 12 months</p>			
<p>Creditors</p> <p>It is estimated that there are likely to be in the region of 172 unsecured creditor claims totalling £1,440,724, in accordance with the Company's books and records. In order to ensure that creditors are dealt with appropriately, the following work will be required</p> <ul style="list-style-type: none"> • Responding to any queries which arise • Logging creditor claims • Collating information from the Company records to assist with claim adjudication work • Convening and attending creditors' meetings and preparing minutes of these meetings • Convening and attending creditor committee meetings (if formed) and preparing minutes in respect of such meetings <p>In addition to this, as distributions are anticipated, the following work will be required to prepare the distributions</p> <ul style="list-style-type: none"> • Secured creditor – liaising with National Westminster Bank Plc (the "Bank") in relation to its security and the sale of the Property. Agreeing the Bank's claim and issuing a dividend • Preferential creditors – liaising with the Redundancy Payments Service ("RPS") to agree their claim and adjudication of additional employee claims in excess of statutory limits paid out by the RPS, • Preparing dividend calculations • Processing and payment of distributions <p>My estimate excludes the costs associated with agreeing unsecured creditor claims and dealing with an unsecured dividend. Such costs will be agreed with creditors during a subsequent Liquidation. This estimate further assumes that one dividend will be proposed to be paid to Preferential creditors and the case will remain open for less than 12 months</p>	50	11 250	225
<p>Reporting</p> <p>Reporting requirements as prescribed by statute are as follows</p> <ul style="list-style-type: none"> • Preparing and issuing the Administrators' Proposals 	50	10 000	200

DETAILED FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<ul style="list-style-type: none"> Six-monthly progress reports Reporting to Creditors in respect of fee and expenses approvals Reporting the outcome of any meetings Reporting to the Creditors' Committee (if formed) Closure Reporting and converting to Liquidation <p>My estimate above assumes the case will remain open for less than 12 months</p>			
<p>Cashiering Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body. Work in this regard is likely to involve</p> <ul style="list-style-type: none"> Establishing set up of case details on our insolvency software system Setting up bank accounts including deposit accounts as necessary Bank account maintenance, including periodic reconciliations Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions <p>My estimate above assumes that the case will remain open for less than 12 months</p>	20	3,200	160
<p>Statutory, Compliance, Securing Records & Sundry Work re Closure Statutory and compliance work as required by statute or our internal procedures involves</p> <ul style="list-style-type: none"> Preparation and lodgement of statutory appointment documents (i.e. advertising appointment/ filing papers at Companies House) Initial notices following appointment (creditors/ members, charity commission, Information Commissioner, auditors, etc) Change of registered office Case monitoring and statutory compliance, including internal case reviews Case bordereau Attending the Company's trading premises following appointment, to meet with staff, etc Securing and boxing up the Company's books and records Secure and review of statutory and accounting records at external storage location and dealing with the vacation of that site Seeking to maintain services with suppliers (e.g. broadband, IT security) to enable Company records to be preserved, accessed and removed Review of electronic records, their format and seeking to secure these files, in anticipation of the Administrators' investigations Arranging the uplift of statutory and accounting records and the secure disposal of those records identified that the Administrators are not required to take into their possession Filing documentation at Companies House following being notified of a director's resignation Payroll and pension calculation, processing payment and reporting, with regard to retained employees assisting with accounting and the Company's statutory and accounting books and records 	120	24,000	200

DETAILED FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<ul style="list-style-type: none"> Formally requesting a Statement of Affairs from the directors, responding to queries received, liaison with directors in respect of their concurrence or otherwise with the document and filing the Statement of Affairs upon receipt at Companies House Review and making payment in respect of Statutory bonding and advertising costs incurred <p>My estimate above assumes that the case will remain open for less than 12 month</p>			
Overall	448	98,700	220

**Learning South West
(in Administration)**

**Estimated Outcome Statement
As at 27 May 2016**

	Statement of Affairs - Estimated to realise value £	Receipts and Payments		
		Period 11 04 2016 to 27 05 2016 £	Estimated future realisations £	Total £
Assets Subject to Fixed Charge				
Freehold property	650,000	-	650,000	650,000
Licence fee to occupy property	0	-	5,000	5,000
Distribution to Fixed Chargeholder - National Westminster Bank	(33,055)	-	(33,055)	(33,055)
Balance of Fixed Charge assets	616,945	-	621,945	621,945
Uncharged assets				
Surplus from the sale of fixed charge assets	616,945	-	621,945	621,945
Cash in hands of third party	49,500	49,500	-	49,500
Cash at Bank	332,344	332,777	-	332,777
Petty cash	749	749	-	749
Furniture and equipment	2,000	-	2,000	2,000
Book debts	10,000	10,398	uncertain	10,398
	1,011,538	393,424	623,945	1,017,369
Less: Costs of realisation				
Property maintenance/ security/ cleaning		(350)	(5,000)	(5,350)
Property costs i.e. rates/ gas/ electricity/ water		-	(20,000)	(20,000)
Retained employee wages, PAYE and NIC		(6,384)	-	(6,384)
Retained employee pension contributions		(1,837)	-	(1,837)
Telephone, broadband and IT services		(253)	(500)	(753)
Statutory Advertising		(78)	(200)	(278)
Mail redirection		(175)	-	(175)
Insurance of assets		(69)	(5,000)	(5,069)
Legal fees re. property		(4,000)	(15,000)	(19,000)
Legal fees re. sundry issues		(1,333)	(10,000)	(11,333)
Legal fees re. appointment		-	(4,050)	(4,050)
Pension investigation		-	(750)	(750)
Agent's costs re. chattel assets/ clearance of the property		-	(3,000)	(3,000)
Agent's costs re. property		-	(12,000)	(12,000)
Statutory bonding		-	(750)	(750)
Mazars' LLP pre-Administration costs		-	(14,526)	(14,526)
Administrators' remuneration		-	(98,700)	(98,700)
Administrators' disbursements		-	(1,000)	(1,000)
Irrecoverable VAT		(1,158)	(32,845)	(34,003)
		(15,637)	(223,321)	(238,958)
Estimated funds available to Preferential Creditors		377,787	400,624	778,411
Preferential Creditors 100p/£	(15,032)	-	(15,032)	(15,032)
Estimated funds to transfer to a Liquidator				763,379

EXPENSE ESTIMATE

The estimated expenses in this case are expected to total £238,958 as per the Estimated Outcome Statement attached. Explanations as to why those expenses are required are detailed below.

Note	Type of Expenditure	Requirement for Expenditure	Likely Cost (£)
1	Administrators' remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required of an Administration as dictated by statute	98,700
2	Pre-appointment costs	<p>The pre-administration costs total £18,576, plus VAT</p> <p>Veale Wasbrough Vizards LLP were instructed to draft appointment documents. Their charges in connection with these services are £4,000 plus VAT and disbursements of £50 and have been incurred on a time cost basis.</p> <p>Mazars' pre-appointment costs total £14,526 in relation to work carried out pre-Administration to assist the directors with the process of placing the Company into Administration and to allow the proposed Joint Administrators to gather information necessary in order to satisfy themselves that the purpose of this Administration was likely to be achieved. These costs are analysed at <i>Appendix B</i>.</p>	18,576
3	Chattel Agent's fees	To provide an independent professional valuation of the assets. I have already instructed Gordon Brothers Europe because of their experience in providing such valuations in an insolvency scenario. To assist with the disposal of assets, the return of third party goods and the clearance of the Property.	3,000
4	Property Agent's fees	To assist with the marketing and sale of the Company's freehold property. An agent has not yet been instructed, however it is anticipated that agent's fees are likely to be in the region of 1.5% of the sale price, plus disbursements.	12,000
5	Legal fees re sundry issues	Veale Wasbrough Vizards LLP are instructed to provide legal advice during the course of the Administration. This firm of lawyers was chosen based on their experience in insolvency matters and their Charity sector expertise.	11,333
6	Legal fees re property	Veale Wasbrough Vizards LLP are instructed to provide legal advice during the course of the	19,000

EXPENSE ESTIMATE

		<p>Administration This firm of lawyers was chosen based on their experience in insolvency matters and their Charity sector expertise</p> <p>My solicitors have already provided advice on the validity, and scope, of security on the Property and the occupation of the Property</p> <p>It is envisaged that my solicitors will provide further advice and assistance with the sale of the Property</p>	
7	Pension investigation fees	To assist with the review of any pension schemes linked to the above insolvent company, and assist with the winding up of such schemes, as well as resolving any issues arising from the schemes found	750
8	Property maintenance/ security/ cleaning	It is necessary to secure and maintain the freehold Property prior to its sale Accordingly, the services of a gardener and a cleaner have been retained and further costs are being incurred in relation to the alarm system	5,350
9	Property costs i.e non-domestic rates/ gas/ electricity/ water	Certain costs will be incurred prior to the sale of the Property I have prudently estimated that these costs will be incurred for a period of 12 months, however it is hoped that the Property will be sold well within this period	20,000
10	Statutory Advertising	Notice of my appointment and of the creditors' meeting must be advertised in the London Gazette	278
11	Bonding	It is a legal requirement that I take out a specific bond in respect of the value of the assets On the basis the assets recovered are likely to total over £1,000,000 the bond will be as stated	750
12	Insurance of assets	I am required to insure the Company's assets until they are disposed of, including the freehold Property	5,069
13	Retained employee wages, PAYE and NIC	Following my appointment, I retained certain employees to assist me with the orderly wind down of the Company and to assist me gather the information required during the Administration	6,384
14	Retained employee pension contributions	Following my appointment, I retained certain employees to assist me with the orderly wind down	1,837

EXPENSE ESTIMATE

		of the Company and to assist me gather the information required during the Administration	
15	Administrators' disbursements	These costs relate to mileage, travel, subsistence, postage, photocopying which has been incurred by Mazars LLP and will be reclaimed through the case	1,000
16	Mail redirection	A mail redirection has been set up to ensure all mail is received by the Administrators	175
17	Telephone, broadband and IT services	Certain services were retained following my appointment to assist me in gathering information, or securing assets	753
18	Irrecoverable VAT	The Company is not VAT registered and, accordingly, the VAT element of costs is not recoverable during the Administration	34,003
Total			238,958

Learning South West - In Administration

Rates and Disbursements Policy

Charge-out rates

Details of the current charge-out rates of the personnel working on this case are set out below

Grade of personnel	Current hourly charge out rate effective from 1 September 2015 (£)
Partner	395
Senior Manager	335
Insolvency Administrators	75 - 200
Cashiers	100 - 130
Secretary	85
VAT Senior Manager	185
Taxation Partner	320
Taxation Senior Manager	185
Taxation Assistant Manager	110
Taxation Administrator	50 - 90

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Disbursements

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

Category 2 disbursements: These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the liquidator or his firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged

- Meeting room charge for statutory meetings, charged at £60 per meeting summoned
- Document storage – £3 53 per box per annum, based on the cost charged by the storage company for storage of boxes and files of records and allocated on the basis of the number of boxes per case and a one-off cost of £2 60 per box for the acquisition of the storage boxes. The cost of confidentially destroying records is currently £1 70 per box
- Facsimiles are charged at £1 per page and photocopying is charged at a cost of 5p per page
- Mileage will be charged at relevant HM Revenue & Customs rates, currently 45p per mile
- Electronic verification of individual's identity for money laundering purposes, charged at £2 50 per individual or £10 00 per company (where applicable)

All other disbursements are to be reimbursed at cost

The Administrators reserve the right to increase the charges applicable to mileage and photocopying during the course of the Administration in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report

Notice of a meeting of Creditors

Name of Company

Learning South West

Company number

02806593

In the High Court of Justice
Chancery Division
Bristol District Registry

(full name of court)

Court case number

133 of 2016

(a) Insert full name(s)
and address(es) of
administrator(s)Notice is hereby given by
Timothy Colin Hamilton Ball

Roderick John Weston

of Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of

Learning South West, c/o Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

(c) Insert details of place
of meeting

is to be held at

Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

(d) Insert date and time
of meeting

on 14 June 2016 at 10 30am

The meeting is

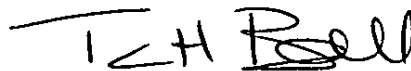
*Delete as applicable

an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986
(the schedule)

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the
meeting if you cannot attend and wish to be representedIn order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later
than 12 00 hours on the business day before the day fixed for the meeting, details in writing
of your claim

Signed



Dated

27 May 2016

*Delete as applicable

A copy of the proposals is available to view or download from www.ips-docs.com using the
following login details

Please note that the password is case sensitive

Username: LEAR117372

Password: 117372

Proxy (Administration)

Learning South West - In Administration

Name of Creditor _____

Address _____

Please insert name of person
(who must be 18 or over) or
the Chairman of the Meeting
If you wish to provide for
alternative proxy holders in
the circumstances that your
first choice is unable to attend
please state the name(s) of the
alternatives as well

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete words in
brackets if the proxy holder is
only to vote as directed i.e. he
has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of
creditors to be held on 14 June 2016 or at any adjournment of that meeting. The proxy
holder is to propose or vote as instructed below (and in respect of any resolution for
which no specific instruction is given, may vote or abstain at his/her discretion)

Voting Instructions for resolutions

1. For the acceptance / rejection* of the Administrators' proposals / revised proposals*
as circulated with / without* modifications (as attached)

2. For the appointment of _____
of _____ representing _____
as a member of the creditors' committee

3. That the Joint Administrators' remuneration is approved on the basis of the time
properly spent in attending to matters arising in the administration subject to the Fees
Estimate of £98,700 * Approved / Rejected

4. That the Joint Administrators' be authorised to draw Category 2 disbursements in
accordance with the issued guidance notes * Approved / Rejected

5. That the pre-administration costs as detailed in the report be approved for payment
as an expense of the administration * Approved / Rejected

6. That the Joint Administrators be discharged from liability in respect of any action of
theirs as Administrators, in accordance with Para 98(2)(b) of Schedule B1 of the
Insolvency Act 1986, 14 days after they cease to act * Approved / Rejected

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the
creditor has not signed in
person

Position with creditor or relationship to creditor or other authority for signature

PROOF OF DEBT - GENERAL FORM

Learning South West – In Administration

High Court of Justice, Chancery Division, Bristol District Registry

Number 133 of 2016

Relevant Date for claims: 11 April 2016

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the Administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

LSW/TCHB/NJC/SMW