

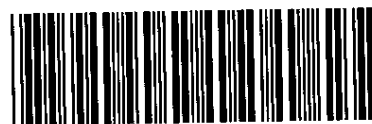
LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A610JF6G
A23 28/10/2017 #276
COMPANIES HOUSE

1 Company details

Company number 0 2 8 0 6 5 9 3

Company name in full Learning South West

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

2 Liquidator's name

Full forename(s) Timothy Colin Hamilton

Surname Ball

3 Liquidator's address

Building name/number 90 Victoria Street

Street Bristol

Post town BS1 6DP

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 0	^d 6	^m 0	^m 9	^y 2	^y 0	^y 1	^y 6
To date	^d 0	^d 5	^m 0	^m 9	^y 2	^y 0	^y 1	^y 7

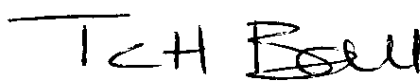
7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X  X

Signature date

^d 2	^d 7	^m 1	^m 0	^y 2	^y 0	^y 1	^y 7
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LIQ03

Notice of progress report in voluntary winding up



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 **Stuart Webb**

Company name **Mazars LLP**

Address **90 Victoria Street**
Bristol

Post town **BS1 6DP**

Country/Region

Postcode

Country

DX

Telephone **0113 204 9797**



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

**Learning South West
In Liquidation**

Liquidator's progress report covering the period from 6 September 2016 to
5 September 2017

Contents

Liquidator's progress report

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Learning South West - In Liquidation

Progress Report to Creditors & Members

1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 5 September 2017.
- 1.2. I was appointed Liquidator of the Company following its conversion from an Administration pursuant to paragraph 83 of Schedule B1 of the Insolvency Act 1986 on 6 September 2016. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3. Identification details relating to the Company and the Liquidator are attached at *Appendix A*.

2. Liquidator's Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 6 September 2016 to 5 September 2017 is attached at *Appendix B*. A comparison of the figures provided in the directors' statement of affairs and the Administrators' final report to actual realisations made to date is included to assist creditors in assessing progress to date. This confirms that the balance in hand amounts to £159,481.
- 2.2. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations, Details of Progress and Assets still to be Realised

Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that of the total furniture and equipment sold for £3,105, a laptop was sold to a connected party, former employee Mrs P Jones, for £100 plus VAT.
- 3.2. This sale was on the advice of specialist agents and valuers, Gordon Brothers International LLC t/a Gordon Brothers Europe ("my agents" and "GBE") and was invoiced by them in April 2016. Details of the sale and the accounting to me of the funds in respect of this sale was subsequently provided by my agents during the Liquidation, after payment had been received in full and when it was economic for them to do so, together with other realisations, once all sales had been concluded.

- 3.3. The sale was undertaken on the advice of my agents as it realised more than was otherwise achievable, my agents having received other lower offers. Accordingly, the connected party sale was in the best interest of the Company's creditors.

Unconnected Party Transactions:

- 3.4. Asset realisations made during the period covered by this report are detailed below.

Cash balance from prior Administration

- 3.5. Funds of £266,478 were received in full from the prior Administration. These were in line with the sum to be transferred to the Liquidator following the conclusion of the Administration, as detailed in the Administrators' final report.

Freehold Property and licence fee

- 3.6. The Company owned freehold premises at Bishops Hull House, Bishops Hull Road, Bishops Hull, Taunton, Somerset, TA1 5EP ("the Property").
- 3.7. National Westminster Bank Plc ("NatWest" or "the Bank") had the benefit of a legal charge dated 5 January 2005, securing all of the Company's obligations to the Bank. The Bank initially advised me that it was owed £41,721 in respect of an outstanding mortgage, but held a credit balance of cash in the sum of £8,117, which it set off against the sum it is owed, reducing its indebtedness to £33,604 as at the date of the prior Administration.
- 3.8. In the prior Administration, my solicitors were instructed to advise me in respect of the validity of this security and have confirmed that the charge is enforceable against the Company.
- 3.9. I invited specialist property agents Alder King LLP, Greenslade 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.
- 3.10. Having received advice from a number of specialist property agents, it was concluded that Greenslade Taylor Hunt ("GTH" and "my property agents") should be instructed to market the Property for sale in the prior Administration. I advised the Bank of the recommended strategy and received no objection from it.
- 3.11. The directors' Statement of Affairs estimated that the Property would realise £650,000, generating a surplus of £616,945 after settling NatWest's estimated indebtedness at that time. On the advice of my property agents, the Property was marketed with a guide price of £750,000, so given NatWest's indebtedness (as above), a larger surplus was estimated would be generated.
- 3.12. GTH were instructed to undertake a reinstatement valuation of the Property for insurance purposes.
- 3.13. On the advice of my solicitors, GTH were also instructed to prepare a valuation report that was compliant with the Charities (Qualified Surveyor's Reports) Regulations 1992, which was needed as part of the sale process.

- 3.14.** A third party occupied part of the Property and my solicitors advice in respect of the basis of their occupation was been obtained in the prior Administration. A monthly licence fee of £1,666 was payable and £11,460 has been received, prior to its vacation from the Property. I am liaising with the the third party in respect of finalising its account.
- 3.15.** It has been necessary to obtain utility and other services in respect of the Property in accordance with the tenancy agreement or alternatively, in order to enhance / maintain the marketing appeal and security of the Property. Where appropriate, security deposits or undertakings have had to be provided to third parties in the prior Administration and continued since my appointment as Liquidator. I am liaising with these parties in respect of finalising accounts.
- 3.16.** Statutory and necessary maintenance and repairs have also been considered, undertaken and scheduled, as appropriate. Significant work was needed to be undertaken, further to an electrical installation report and the recommendations contained therein. Given their expertise, my agents assisted commissioning certain remedial works, as appropriate.
- 3.17.** After negotiations, an offer of £685,000 for the Property was received and recommended to me for acceptance, by GTH, in November 2016. This offer was subject to contract, and on the condition that the prospective purchaser was able to obtain a change of use consent in respect of the Property, to residential use.
- 3.18.** I was advised that the prospective purchaser's change of use application was successful in April 2017.
- 3.19.** I was subsequently able to negotiate and exchange contracts, after dealing with various complications that arose, including provisions concerning the vacation of the third party occupier, with the assistance of my solicitors. The sale of the Property was completed on 30 May 2017, and on completion, NatWest's indebtedness, which had increased slightly to £34,182 given accruing interest, was settled in full.

Furniture and equipment

- 3.20.** GBE were instructed to assist with the valuation of the Company's chattel assets in the prior Administration. GBE valued the Company's furniture and equipment at £2,000 on an ex-situ basis and the directors estimated that this would be realised in their Statement of Affairs.
- 3.21.** It was thought that a higher sale price may be achieved, should a purchaser of the Property wish to acquire these assets as part of such a sale. My property agents had also requested that certain chattels remain in situ to assist with the marketing process of the Property.
- 3.22.** It transpired that the purchaser of the Property was not interested in acquiring these assets, however my agents was able to sell them for £3,105, which was greater than originally anticipated.
- 3.23.** No further recoveries will now be forthcoming.



Book debts

- 3.24. At the date of my appointment as Liquidator, debts with a book value of £2,383 remained outstanding.
- 3.25. Given the prior Administration and collection exercise that had been undertaken to that point, it was estimated that no further debtor recoveries would be forthcoming.
- 3.26. I have been successful in making recoveries of £2,386, which included the recovery of a balance previously written off by the Company. One small debt of £47 had to be written off as it was not cost effective to pursue.
- 3.27. No further recoveries are now anticipated to be forthcoming.

Non-domestic rates refund

- 3.28. Following vacation of the Freehold property, a rates refunds of £4,257 have been successfully sought and received. I am still reviewing the position in this regard and further refunds may be recovered.

Insurance premium and property security & alarm refunds

- 3.29. Following vacation of the Property, I was able to obtain refunds of £496 and £276 in respect of prepayments for services no longer required.
- 3.30. No further recoveries are now anticipated to be forthcoming.

Bank interest

- 3.31. Gross bank interest of £351 has been received, to date.

4. Estimated Outcome Statement

- 4.1. An estimate of the outcome of the Liquidation is attached at ***Appendix C***.
- 4.2. Based on estimated realisations and payments, it is expected that there will be sufficient funds to enable a second and final dividend distribution to be made to unsecured creditors in the sum of some 3p in the £, which would bring the total dividend distribution to unsecured creditors to some 21p in the £.
- 4.3. This estimated outcome is subject to change, and will depend upon the ultimate level of asset realisations, the level of agreed creditors' claims and once the final costs of the liquidation are known.

5. Liabilities

5.1. Secured Creditors

National Westminster Bank Plc (the “Bank”)

- 5.1.1.** 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. The Bank was owed £41,721 in respect of an outstanding loan/ mortgage, but held a credit balance of cash in the sum of £8,117, which it is envisaged it will set off against the sum it is owed, reducing its indebtedness to £33,604 at the date of the Administration.
- 5.1.2.** In the prior Administration, my solicitors were instructed to advise me in respect of the validity of this security and have confirmed that the charge is enforceable against the Company.
- 5.1.3.** The sale of the Company’s freehold Property was completed on 30 May 2017, and on completion, NatWest’s indebtedness, which had increased slightly to £34,182, given accruing interest, was settled in full.
- 5.1.4.** Accordingly, the Bank made a full recovery in this matter, under its fixed charge.

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

- 5.1.5.** The Company held equipment which was subject to various lease and / or rental agreements. Gordon Brothers International LLC t/a Gordon Brothers Europe (“my agents” and “GBE”) have advised me that the Company does not have a financial interest in these assets and are oversee the collection of these assets by the finance companies in the prior Administration, as appropriate.
- 5.1.6.** Unsecured creditor claims have been sought and received from the various finance companies in relation to any shortfalls arising under the terms of their agreements.

5.2. Preferential Creditors

- 5.2.1.** There are no longer any preferential creditors in this matter. Preferential creditors’ claims, totalling £15,517, were settled in full, in the prior Administration.

5.3. Unsecured Creditors

- 5.3.1.** According to the directors’ statement of affairs, the Company had some 240 unsecured creditors with debts estimated to total £1,440,724.
- 5.3.2.** Sufficient funds have been realised in order to allow a dividend to be paid to unsecured creditors.

- 5.3.3. I advertised and issued a Notice of Intended Dividend and creditors were advised that they had to provide full particulars of their debts or claims to me by 30 June 2017. If creditors defaulted in providing such proof, they were to be excluded from the benefit of any distribution made before such debts were proved, and the first interim dividend distribution to unsecured creditors had to be declared within 2 months of 30 June 2017.
- 5.3.4. Claims amounting to £3,042,430 were able to be agreed, following an adjudication process. Unsecured claims have significantly increased, compared to the directors' Statement of Affairs, primarily due to an increase in the Company's pension scheme deficit of some £1.56m.
- 5.3.5. In August 2017, I was able to pay a first interim dividend to unsecured creditors of 18p in the £. I was able to distribute £547,638 to creditors with agreed claims.
- 5.3.6. A second and final dividend distribution to unsecured creditors is expected to follow once the pursuit of realising the Company's outstanding assets has been concluded, outstanding claims have been agreed and when I am in a position to commence the process of closing the Liquidation, which is estimated may amount to a further 3p in the £.
- 5.3.7. Creditors will note from the Estimated Outcome Statement at *Appendix C*, that assuming that realisations and expenses are as anticipated, that this second and final dividend distribution will bring the total dividend distribution to unsecured creditors to 21p in the £.
- 5.3.8. This estimated outcome is subject to change and the level of any such second and final dividend will be dependent upon the final total of realisations of the Company's assets, the costs of the Liquidation, as appropriate, and the final level of agreed unsecured creditors' claims.

6. Prescribed Part

- 6.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of a Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003.
- 6.2. In this case, however, there is no floating charge and, therefore, the Prescribed Part does not apply in this instance.

7. Investigations

- 7.1. In accordance with the Company Directors Disqualification Act 1986, where the preceding Administration commenced after 6 April 2016 and an online conduct report has been submitted by the Administrator, there is no requirement for the Liquidator to submit a further report in the Liquidation to the Insolvency Service, but the Liquidator continues to have an obligation to submit any new information that comes to light to the Insolvency Service as soon as reasonably practicable.

- 7.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidator in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.
- 7.3. Following this initial review no further assets or actions were identified which would lead to a recovery for creditors.
- 7.4. Should creditors have any information which they consider may assist the Liquidator in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidator, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

8. Liquidator's Remuneration

- 8.1. As you will recall, I was previously the Joint Administrator of the Company and the basis of the Joint Administrators' remuneration was approved on the basis of the time properly spent in attending to matters arising, by a resolution of creditors at the meeting of creditors held on 14 June 2016. This was subject to Fees Estimate, which was revised by the Joint Administrators' and approved by creditors voting on a resolution by correspondence on 21 October 2016. The Administrators' outstanding remuneration, as approved, has been paid as an expense of the liquidation.
- 8.2. In accordance with Rule 18.20(4) of the Insolvency (England and Wales) Rules 2016, the basis of charging remuneration that was set in the Administration continues in the Liquidation. However, before I was able to draw any remuneration in the Liquidation, I had to provide creditors with sufficient information to enable creditors to make an informed decision about the costs to be incurred in dealing with this matter.
- 8.3. A decision was passed by the creditors via a Decision Procedure by correspondence, on 22 June 2017. A decision was passed enabling the Liquidator to draw remuneration by reference to the time properly spent by the Liquidator and his staff in dealing with the matters arising during the Liquidation, subject to the Fees Estimate of £118,000.
- 8.4. Attached at **Appendix E1** is a comparison of the Liquidator's Fees Estimate to actual time costs for the period 6 September 2016 to 5 September 2017, which total £89,528, representing 383.5 hours at an average hourly rate of £233.
- 8.5. Attached at **Appendix E2** is a narrative summary of the Liquidator's time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 8.6. As at 5 September 2017, an amount of £89,000 had been drawn against the Liquidator's time costs in respect of the Liquidation.

- 8.7. Based on the current level of time costs and expected future work for the completion of the Liquidation, the Liquidator's total time costs are expected to be within the approved Fees Estimate of £118,000.
- 8.8. Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidator. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidator.
- 8.9. 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 the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 8.10. The charge out rates of the team members employed on the assignment during the period covered by this report remain the same as those disclosed in the Liquidator's report dated 19 May 2017, and is available upon request.

9. Liquidator's Disbursements

- 9.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Liquidator or the firm that can be allocated to the case on a proper and reasonable basis).
- 9.2. Category 2 disbursements require approval in the same manner as remuneration. The basis of calculating and drawing the Administrators' Category 2 disbursements was approved by a resolution of creditors at the meeting of creditors held on 14 June 2016. The basis of calculating Category 2 disbursements also continues in the Liquidation in accordance with paragraph 23 of Statement of Insolvency Practice 9.
- 9.3. Further details of the rates agreed are provided within the Rates and Disbursements policy which was provided to creditors on 19 May 2017 and which is available upon request.

Details of disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, is provided below. Details of disbursements paid during the period is provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)
<u>Category 1</u>		
Specific bond	It is a legal requirement that I take out a specific bond in respect of the value of the assets. A fee is payable on conversion from Administration to Liquidation and the bond premium paid to JLT Specialty Limited was £20	20
Postage	The cost of posting statutory documents to creditors	118
Total Category 1		138
<u>Category 2</u>		
Mileage	This expense represents the costs of travelling to the Company's premises	52
Photocopying	The cost preparing statutory documents issued to creditors	27
Total Category 2		79
Total		217

10. Expenses

- 10.1.** Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at *Appendix D*. This also includes a comparison to the original Expense Estimate.
- 10.2.** Further details of expenses paid during the period of the report are shown in the receipts and payments account at *Appendix B*.
- 10.3.** I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

11. Creditors' Rights

11.1. Further information

- 11.1.1.** I would advise you that pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Liquidator for further information about the remuneration and expenses set out in this progress report.

11.2. Apply to Court

11.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds:

- a. That the remuneration charged by the Liquidator is in all of the circumstances, excessive or inappropriate.
- b. That the basis fixed for the Liquidator's remuneration is in all of the circumstances, excessive or inappropriate.
- c. That the expenses incurred by the Liquidator are in all of the circumstances, excessive or inappropriate.

11.3. Further guidance

11.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidator's fees" which is available to download from the website <https://www.r3.org.uk/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf> or alternatively will be provided free of charge upon written request to this office.

11.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.



T C H Ball
Liquidator

Dated 27 October 2017

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

Learning South West - In Liquidation
Identification Details

Details relating to the Company

Company name	Learning South West
Previous names	-
Trading name	Learning South West
Company number	02806593
Registered office	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
Trading address	Formerly: Bishops Hull House, Bishops Hull Road, Bishops Hull, Taunton, Somerset, TA1 5EP

Details relating to the Liquidator

Date of appointment	6 September 2016
Liquidator	T C H Ball of Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP IP No 008018
Liquidator's address	Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
Liquidator's contact telephone number	0117 928 1700

Learning South West - In Liquidation

Liquidator's Summarised Receipts & Payments For the period from 6 September 2016 to 5 September 2017

	Estimated to realise value per Statement of Affairs or estimated per the Administrators' final progress report £	Received / Paid Period from 6 September 2016 to 5 September 2017 £
RECEIPTS		
Freehold Property	650,000	685,000
Licence fee to occupy Property	-	11,460
Transfer of cash from prior Administration	266,449	266,478
Furniture and equipment	2,000	3,105
Book debts	Nil	2,386
Non-domestic rates refund	-	4,257
Insurance premium refund	-	496
Property security and alarm refunds	-	276
Bank interest (gross)	-	351
	<hr/> 918,499	<hr/> 973,809

PAYMENTS

First and final dividend distribution to secured creditor settling its indebtedness under its fixed charge 100p/£ (07/2017)	34,182
Interim dividend distribution to unsecured creditors 18p/£ (08/2017)	547,638
Administrator's final fees	57,890
Legal fees re sale and issues re freehold property	7,125
Legal disbursements re sale and issues re freehold property	46
Agent's fees re marketing and sale re freehold property	10,275
Property maintenance/ security/ cleaning	5,847
Agent's disbursements re. Property remedial works	4,841
Property costs i.e. rates/ gas/ electricity/ water	4,507
Telephone, broadband and IT services	715
Statutory Advertising	156
Insurance of assets	3,070
Agent's fees re. valuation of chattel assets, assistance re third party asset removal and Property remedial works	6,100
Agent's disbursements	2,551
Agent's fees re. reinstatement valuation	350
Agent's fees re. Charities Act valuation	575
Agent's fees re. pensions review	300
Legal fees re general advice	1,221
Liquidator's fees	89,000
Liquidator's disbursements	217
Court filing fee	50
Bank charges	14
Irrecoverable VAT	37,658
	<hr/> 814,328 <hr/>

BALANCE OF FUNDS

159,481

BALANCE REPRESENTED BY:

Funds held in current accounts (Interest Bearing)	159,481
	<hr/> 159,481 <hr/>

**Learning South West
(in Liquidation)**

**Estimated Outcome Statement
As at 5 September 2017**

	Estimated to realise value per Statement of Affairs or estimated per the Administrators' final progress report £	Receipts and Payments		
		Period 6.09.2016 to 5.09.2017 £	Estimated future realisations / (payments) £	Total £
Assets Subject to Fixed Charge				
Freehold property	650,000	685,000	Nil	685,000
Licence fee to occupy property	0	11,460	uncertain	11,460
Distribution to Fixed Chargeholder - National Westminster Bank (07/2017)	(33,604)	(34,182)	-	(34,182)
Balance of Fixed Charge assets	616,396	662,278	-	662,278
Uncharged assets				
Surplus from the sale of fixed charge assets	616,396	662,278	Nil	662,278
Transfer of cash from prior Administration	266,449	266,478	Nil	266,478
Furniture and equipment	2,000	3,105	Nil	3,105
Book debts	Nil	2,386	Nil	2,386
Rates refund	-	4,257	uncertain	4,257
Insurance premium refund	-	496	Nil	496
Property security and alarm refunds	-	276	Nil	276
Bank interest (gross)	-	351	uncertain	351
	-	939,627	-	939,627
Less: Costs of realisation				
Administrators' final fees		(57,890)	Nil	(57,890)
Property maintenance/ security/ cleaning		(5,847)	(3,620)	(9,467)
Agent's disbursements re. Property remedial works		(4,841)	Nil	(4,841)
Property costs i.e. rates/ gas/ electricity/ water		(4,507)	(2,421)	(6,928)
Telephone, broadband and IT services		(715)	(520)	(1,235)
Statutory Advertising		(156)	Nil	(156)
Insurance of assets		(3,070)	Nil	(3,070)
Legal fees re. property and conveyancing		(7,125)	Nil	(7,125)
Legal disbursements re. property and conveyancing		(46)	Nil	(46)
Legal fees re. sundry issues		(1,221)	uncertain	(1,221)
Pension investigation		(300)	(450)	(750)
Agent's fees re. valuation of chattel assets, assistance re third party asset removal and Property remedial works		(3,750)	Nil	(3,750)
Agent's disbursements		(2,551)	Nil	(2,551)
Agent's fees re. chattel assets sale / clearance of the property		(2,350)	Nil	(2,350)
Agent's fees re. reinstatement valuation		(350)	Nil	(350)
Agent's fees re. Charities Act valuation		(575)	Nil	(575)
Agent's fees re. property sale		(10,275)	Nil	(10,275)
Bank charges		(14)	(197)	(211)
Liquidator's fees		(89,000)	(29,000)	(118,000)
Liquidator's disbursements		(217)	(783)	(1,000)
Irrecoverable VAT		(37,658)	(7,398)	(45,056)
Court filing fee		(50)	Nil	(50)
Corporation Tax		-	(40)	(40)
		(232,508)	(44,429)	(276,937)
		707,119	(44,429)	662,690
First interim dividend to Unsecured Creditors (08/2017) (Note 1)	(3,042,430)	(547,638)		
Estimated second and final dividend to Unsecured Creditors (Note 2)			(115,052)	
Estimated total dividend to unsecured creditors			-	(662,690)
		159,481	(159,481)	-
Estimated total rate of dividend to unsecured creditors (p in the £)				21.78 p in the £

Note 1 - Creditors' claims have been agreed at £3,042,430. The directors' statement of affairs estimated they would total £1,440,724

18 p in the £

Note 2 - Assume creditors' claims remain agreed at £3,042,430 for the purposes of the second and final dividend

3.78 p in the £

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Expenses Statement

Type of Expenditure	Who expense incurred by and nature of expense	Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)
Professional advisors' costs The officeholder's choice of the professional advisors listed below 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.				
Legal fees re. sundry issues	Veale Wasbrough Vizards LLP are instructed to provide legal advice during the course of the Liquidation. This firm of lawyers was chosen based on their experience in insolvency matters and their Charity sector expertise and as they assisted me in the prior Administration. Their fees are agreed on a time cost basis.	5,000	1,221	Uncertain
Legal fees re. property and conveyancing	Veale Wasbrough Vizards LLP are instructed to provide legal advice during the course of the Liquidation. This firm of lawyers was chosen based on their experience in insolvency matters and their Charity sector expertise and as they assisted me in the prior Administration. Their fees are agreed on a time cost basis.	15,000	7,125	-
Legal disbursements re. property and conveyancing	Veale Wasbrough Vizards LLP's disbursements, concerning the above.	-	46	-
Agent's fees re. reinstatement valuation	Greenslade Taylor Hunt were instructed to assist with the reinstatement valuation of the Company's freehold property. A reinstatement valuation was required by my insurers, to ensure that the creditors' interest in the Property was adequately insured. This firm was chosen based on their experience in providing such valuations as Chartered Surveyors. Their fees are agreed on a fixed fee basis.	350	350	-

Type of Expenditure	Who expense incurred by and nature of expense	Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)
Agent's fees re. Charities Act valuation	<p>Greenslade Taylor Hunt were instructed to assist with the reinstatement valuation of the Company's freehold property.</p> <p>This valuation was required in order to comply with the Charities Act.</p> <p>This firm was chosen based on their experience in providing such valuations as Chartered Surveyors.</p> <p>Their fees are agreed on a fixed fee basis.</p>	575	575	-
Agent's fees and disbursements re. Property sale	<p>Greenslade Taylor Hunt were instructed to assist with the marketing and sale of the Company's freehold property.</p> <p>Having invited three specialist property agents to provide me with their marketing recommendations and initial thoughts with regard to the marketing and sale of the Property in the prior Administration, it was concluded that Greenslade Taylor Hunt should be instructed to market the Property for sale as although there was consensus from the agents that the Property should be marketed in both the commercial and residential markets as mixed use or alternative use purchasers may be forthcoming, Greenslade Taylor Hunt considered that a higher sale price could be achieved.</p> <p>Their fees are agreed on a percentage of realisations basis.</p>	12,000	10,275	-
Agent's fees re. valuation of chattel assets, assistance re third party asset removal and Property remedial works	<p>To provide an independent professional valuation of the assets and to assist with the disposal of assets, the return of third party goods and manage certain Property remedial works.</p> <p>I instructed Gordon Brothers International LLC because of their experience as Chartered Surveyors in providing such valuations and undertaking such other work in an insolvency scenario and as they assisted me in the prior Administration.</p> <p>Their fees are agreed on a time cost basis.</p>	3,750	3,750	-
Agent's disbursements re. Property remedial works	<p>Certain Property remedial works were needed to be undertaken by specialist contractors.</p> <p>After agreement, these costs were settled by Gordon Brothers International LLC on my behalf.</p>	4,841	4,841	-

Type of Expenditure	Who expense incurred by and nature of expense	Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)
Agent's fees re. chattel assets sale / clearance of the property	<p>I instructed Gordon Brothers International LLC to assist with the disposal of chattel assets and the clearance of the Property</p> <p>because of their experience as Chartered Surveyors in providing such work in an insolvency scenario and having previously valued the assets and assisted me in the prior Administration.</p> <p>Their fees are to be agreed in due course, depending on the nature of the work needed at the time.</p>	3,000	2,350	-
Agent's disbursements re. chattel assets sale / clearance of the property	Expenses incurred by Gordon Brothers International LLC to assist with the valuation of chattel assets, assistance re third party asset removal, Property remedial works, disposal of chattel assets and the clearance of the Property.	2,675	2,551	-
Pension investigation fees	<p>Insol Group Limited were instructed 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.</p> <p>Their fees are to be agreed on a fixed fee basis.</p>	750	300	450
Other expenses				
Property maintenance/ security/ cleaning	<p>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 systems and key holding.</p> <p>Servicing and repair have been undertaken, as appropriate.</p>	9,467	5,847	3,620
Property costs i.e. non-domestic rates/ gas/ electricity/ water	Certain running costs are being incurred prior to the sale of the Property.	6,928	4,507	2,421
Telephone, broadband and IT services	Certain services were retained following my appointment to assist me in gathering information, securing assets and thereafter to maintain security systems at the Property.	1,235	715	520
Bank charges	This represents charges for operating a Company bank account.	211	14	197

Type of Expenditure	Who expense incurred by and nature of expense	Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)
Irrecoverable VAT	The Company is not VAT registered and, accordingly, the VAT element of costs is not recoverable during the Liquidation.	48,494	37,658	7,398
Corporation tax	It is likely that corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account. It not expected that any capital gains tax will be payable.	40	-	40
Statutory Advertising	Costs are to be paid to TMP (UK) Limited for statutory advertising requirements including London Gazette advertisements for notice of the appointment. Additional advertising is expected to include notice for the notice of intended dividend and seeking creditors' claims.	156	156	-
Insurance of assets	I am required to insure the Company's assets until they are disposed of. The assets of the Company are insured under the Insolvency Scheme with JLT Specialty Limited.	6,070	3,070	-
Joint Administrators' final remuneration	The Joint Administrators' outstanding time costs of £57,890 plus VAT were paid as an expense of the liquidation, in accordance with Paragraph 99 of Schedule B1, Insolvency Act 1986.	57,890	57,890	-
Liquidator's remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.	118,000	89,528	28,472
Liquidator's disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.	1,000	217	783
Court filing fee	This represents a Statutory filing fee charge	-	50	-
Total		297,432	233,036	43,901



LIQUIDATOR'S ANALYSIS OF TIME COSTS AND COMPARISON TO FEES ESTIMATE

The Liquidator's total Fees Estimate as approved by creditors on 22 June 2017 was £118,000.

As detailed in Section 8 of the report, total costs incurred to date are £89,528.

The following table provides details of the Liquidator's actual time costs incurred in the current reporting period, 6 September 2016 to 5 September 2017, compared to the estimated costs as per the Fees Estimate.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors is provided within the narrative summary of work undertaken by the Liquidator at *Appendix E2*.

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.



**LIQUIDATOR'S ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE**

Description of Work	Fees Estimate Approved on 22 June 2017			Actual time costs for the period 6 September 2016 to 5 September 2017		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	6.0	1,500	250	2.8	912	326
Taxation	8.0	2,000	250	1.4	328	234
Investigations	8.0	2,000	250	4.7	1,143	243
Realisation of Assets	165.0	40,000	242	153.4	36,803	239
Employees	8.0	2,000	250	6.7	1,983	296
Creditors	140.0	32,000	229	94.5	21,660	229
Reporting	75.0	17,500	233	45.0	10,399	231
Distributions	20.0	5,000	250	14.4	3,412	237
Cashiering	35.0	6,000	171	32.9	6,224	189
Statutory compliance	40.0	10,000	250	27.7	6,664	241
Totals	505.0	118,000	234	383.5	89,528	233

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NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD 6 SEPTEMBER 2016 TO 5 SEPTEMBER 2017

Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Liquidator's Time Costs Analysis at *Appendix E1*. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

Work carried out in the current period

Administration and planning

The Liquidator has undertaken the following work:

- 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.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations.
- Preparing post-liquidation Corporation Tax returns, if requested and 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.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

Investigations

Further details of the investigation required to be carried out is provided within the report.

A summary of the work undertaken to date is as follows:

- Investigating the Company's affairs to include a review of the Company's books and records and in particular, the 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.
- Review of creditor questionnaires and investigation into any matters notified.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.

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NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD 6 SEPTEMBER 2016 TO 5 SEPTEMBER 2017

Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets is detailed in the report.

In addition to the information provided in the report, the following has been carried out:

- Securing cash balance from the prior Administration.
- Arranging insurance cover over assets.
- Corresponding with debtors and pursuing and recovery of balances due.
- Liaising with agents with regard to the Company's chattel assets. Consider advice, strategies and cost/benefits of dealing with chattels upon vacation of Property and instructions to agents, as appropriate.
- Review of rates position and pursuing and securing non-domestic rates refunds due.
- Review and recovery of other sundry refunds due.

With regard to the Property:

- Liaising with agents with regard to interest in the Property and seeking advice and liaising with the agents in respect of their views as to the interest / offers received.
- Liaising with agents with regard to a change of use application made with the Local Planning Authority in order to enhance the realisable value of the Property.
- Negotiations with interested party via agents and agreeing sale of the Property, subject to contract.
- Instructing agents and with regard to reinstatement valuation necessary for insurance purposes and review of documentation and liaison with insurers thereafter.
- Liaising with solicitors with regard to the implications of the Charities Act 2011 and the restriction on the title to the Property and compliance with requirements.
- Instructing agents and with regard to a Charities Act valuation needed and review of documentation and liaison with solicitors thereafter.
- Liaising with a third party in occupation of the property under the terms of a licence. Collection of the monthly licence fee. Dealing with matters concerning the termination of the licence and the orderly vacation and handover following the vacation of the third party.
- Liaising with multiple utility suppliers.
- Periodic Property related matters i.e. security, maintenance and repairs.
- Statutory Property inspections. Review of multiple issues identified. Instruction of suitable agents / contractors and managing of necessary remedial works.
- Liaising with licensee and our agents to manage the licensee's orderly vacation of the Property and handover.
- Liaising with solicitors regarding the sale of the Property and conveyancing. Review of relevant advice, contracts and documents prepared.
- Liaising our agents to manage the Company's orderly vacation of the Property and handover to the buyer upon completion of the sale.
- Liaising with the Secured Creditor, as appropriate.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

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NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD 6 SEPTEMBER 2016 TO 5 SEPTEMBER 2017

Employees

The Company employed 10 employees.

Work undertaken in order to ensure that employee claims have been dealt with appropriately includes:

- Investigating the potential claims in respect of unpaid pension contributions and instructing and monitoring agents engaged to assist.
- Corresponding with Government agencies, as necessary.
- Complying with statutory obligations in relation to pension schemes.
- Dealing with queries received from former employees

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, however, a dividend has been paid to unsecured creditors and in this regard, the work involved in assessing and adjudicating employee claims does have a financial benefit to employees.

Creditors

It was estimated that there are likely to be in the region of 230 unsecured creditor claims, in accordance with the Company's books and records and the Directors' statement of affairs. In order to ensure that creditors are dealt with appropriately, the following work has been required:

- Establishing amounts owed to employees.
- Writing to employees and dealing with any queries they may have in respect of their claims.
- Liaising with the Redundancy Payments Service with regard to its claim.
- Responding to any queries which arise.
- Logging creditor claims.
- Collating information from the Company records to assist with claim adjudication work.
- Seeking advice from Company officers concerning claims, as appropriate.

In addition to this, as distribution has been made (18p in the £ to unsecured creditors), the following work has been/ will be required to prepare for the distribution:

- Unsecured creditors – adjudication of claims, requesting further information where necessary and dealing with rejected claims.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, as a dividend has been paid to unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims (as detailed further below).

Distributions

Distributions have been paid to the secured creditor (100p in the £) and unsecured creditors (18p in the £).

Work undertaken in respect of distributions include:

- Secured creditor - adjudication of final claim and discharging debt in full and the release of security within the process of the sale of the Property.
- Unsecured creditors – calculating level of interim and final dividend distributions, processing and issuing of dividend distribution cheques under cover correspondence.

The work involved in agreeing and paying creditor claims provides a financial benefit though ensuring that the level of claims admitted for dividend purposes is correct and in distributing funds to creditors.

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**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR
FOR THE PERIOD 6 SEPTEMBER 2016 TO 5 SEPTEMBER 2017****Reporting**

Reporting requirements during the period as prescribed by statute have included the following:

- Annual progress reports.
- Reporting to Creditors in respect of fee and expenses approvals.
- Reporting the outcome of any decision.
- Seeking to form a Liquidation Committee.
- Reporting to Secured Creditor in respect of strategy, asset realisations and fee estimates.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Cashiering

Cashiering work undertaken includes:

- 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.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves:

- Preparation and lodgement of statutory appointment documents.
- Initial notices and formal documentation following appointment.
- Statutory advertising.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.