

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company THE ABBEY SCHOOL TEACHERS BURY	Company number 0334 1934
In the CHARTERHAM COUNTY COURT <small>[full name of court]</small>	Court case number 11 of 2006

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

I/we (a) **PETER ALAN LANGARD**
WILFORD HALL, KINGS NORTON
BIRMINGHAM B30 3JN

* Delete as applicable

attach a copy of *my / ~~our~~ proposals in respect of the administration of the above company.

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

(b) Insert date

(b) **20 JUN 12 2006**

Signed **P. A. Langard**
~~Joint~~ / Administrator(s)

Dated **20 JUN 12 2006**

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

	Tei
DX Number	DX Exchange



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

THE ABBEY SCHOOL TEWKESBURY

(Limited by Guarantee)

IN ADMINISTRATION

REPORT OF THE ADMINISTRATOR FOR THE PERIOD
26 APRIL 2006 TO 20 JUNE 2006

And

ADMINISTRATOR'S PROPOSALS

FOR THE PURPOSES OF PARAGRAPH 49 SCHEDULE B1
INSOLVENCY ACT 1986

AND

RULE 2.33 INSOLVENCY RULES 1986

THE ABBEY SCHOOL TEWKESBURY

ADMINISTRATOR'S PROPOSALS

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	[Attached]
6. Report on Conduct of Administration to 20 June 2006 Including Purposes and Proposals	8/15

Appendices:

- a) Receipts and Payments Account
- b) Schedule of Charge Out Rates and Disbursements
- c) Analysis of Time Costs
- d) Analysis of Expenses
- e) Extracts from Schedule B1 Insolvency Act 1986:
 - Paragraph 75 – Misfeasance
 - Paragraph 98 – Vacation of Office
- f) Creditors' Guide to Administrator's Fees

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

COURT DETAILS

[Rule 2.33-2a]

CHELTENHAM COUNTY COURT

CASE NUMBER 11 OF 2006

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

DETAILS OF ADMINISTRATOR

[Rule 2.33 – 2c]

ADMINISTRATOR

Peter Alan Langard
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

OFFICE HOLDER NO:

04776
Licensed by the Association of
Chartered Certified Accountants

DATE OF APPOINTMENT

26 April 2006

BY WHOM APPOINTED

Directors of the Company

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

STATUTORY INFORMATION

[Rule 2.33-2b and 2d]

COMPANY DETAILS

Date of Incorporation	27 March 1997
Company Limited by Guarantee	03341934
Registered Charity	1079646
Registered Office	The Abbey School Church Street Tewkesbury Gloucestershire GL20 5PD

DIRECTORS/GOVERNORS

Ralph Anthony Barlow
Simon Richard Chorley
Sarah Elizabeth Costello-Byrne
Andrew Nicholas Crowther
Michael Charles Dee
Timothy David Robert Hickson
Charles Adrian Hutton
Roy Cyril Massey
Francis Richard Seton Rundall
Anthony John Swait
Paul Williams
Francine Caroline Yorke
(Resigned 20 May 2006)

**SECRETARY AND CLERK
TO BOARD OF GOVERNORS**

Nigel Brownlow Horner

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF ADMINISTRATOR

[Rule 2.33-2e]

- The Company was incorporated on 27 March 1997 and took over the *assets and trading of The Abbey School Tewkesbury* from Miles Amherst who had previously traded in his own right in 2000.
- The Company, which is also a registered Charity, traded for several years and, whilst it relied on some charitable donations, managed to match its income with its expenditure up to 31 August 2003.
- In the 2 years ended 31 August 2004 and 2005 the number of pupils declined whilst the expenditure rose and, despite receiving increased charitable donations, began to see substantial excesses of expenditure over income amounting to £51,791 and £235,055 in those 2 years.
- There had been a further decline in the current financial School year that will lead to a loss for the year ended 31 August 2006 in excess of £400,000.
- The Company did not have any further liquid funds and the Directors cannot source sufficient charitable donations to cover the shortfall.
- The Directors reviewed the Company's business and financial situation and concluded that the only way trading could continue was by their obtaining funds from Bankers to bridge the cash flow required to fund the School whilst arrangements were made to sell the property owned by the Company to developers at the full open market value and then lease back that part of the property needed for the School's activities.
- The financial projections indicated that should the property sales take place at the market value then the School would be able to trade until at least the end of the 2006 Summer Term, whilst leaving a modest surplus, subject to closure costs at that time.

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

- The Board was aware that there was a requirement to raise substantial donations to cover the deficit arising from running the School if the Company were to continue to trade for the academic year 2006/2007 and that they needed to be assured that those funds were available at the end of the Summer Term 2006.

- Should the funds not be available, or agreement not be reached to provide them, then the Board would have to give formal notice to the Staff and Parents of closure in sufficient time to allow the Parents of current and proposed pupils to obtain alternative means of education for their children and for the Staff to obtain other employment and cease to trade.

- Under the circumstances and because
 - i) they were mindful of the need to sell all assets to enable the Company to trade
 - ii) the Company is a Registered Charity
 - iii) the Board wished to ensure that the School operated for the Summer Term in the interests of Staff and Pupils

the Board, on taking Professional advice, appointed Peter Alan Langard as Administrator in accordance with the provisions of the Insolvency Act 1986.

THE ABBEY SCHOOL TEWKESBURY

STATEMENT OF AFFAIRS

[Rule 2.33-2f]

The Directors/Governors of the Company have provided a Statement of Affairs made up to the date of my appointment and a copy is attached for your information.

I also attach a Schedule of the Creditors of the Company based on the best information available to me.

Statement of Affairs

Name of Company

THE ABBEY SCHOOL TEWKESBURY

Company number

3341934

In the CHELTENHAM

{full name of Court]

Court case number

11 OF 2006

(1) Insert name
and address of
registered office
of the company.

Statement as to the affairs of (1)

THE ABBEY SCHOOL, TEWKESBURY (LIMITED BY GUARANTEE) of THE ABBEY SCHOOL,
CHURCH STREET, TEWKESBURY, GLOUCESTERSHIRE, GL20 5AD

(2) Insert date.

on the (2) 26 APRIL
administration.

2006, the date that the company entered

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above named company as at (2)

the date that the company entered administration.

Full name

Signed

Dated

A - Summary of Assets

Assets

Assets subject to fixed charge:

Freehold Property - 1 Swillgate

Book
Value
£

Estimated to
Realise
£

260131.00

250000.00

Freehold Property - Beauchamp House

922921.00

1100000.00

Less charges: TBC

-218453.00

-218453.00

: Amherst Settlement

-256140.00

-256140.00

Assets subject to floating charge:

Uncharged assets:

Long Leasehold

110000.00

0.00

Fixtures & Fittings

28443.00

5000.00

Motor Vehicles

395.00

0.00

Goodwill

0.00

2500.00

Trade Debtors

23546.00

23546.00

Stock

2600.00

500.00

Bank and Building Society Accounts

981.00

981.00

Estimated total assets available for preferential creditors

874424.00

907934.00

Signature

Date

A1 - Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	907934.00
Liabilities	£	
Preferential creditors:-		0.00
Estimated deficiency/surplus as regards preferential creditors	£	907934.00
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	907934.00
Debts secured by floating charges	£	0.00
Estimated deficiency/surplus of assets after floating charges	£	907934.00
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	907934.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	1009879.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	-101945.00
Shortfall to floating charge holders (brought down)	£	
Estimated deficiency/surplus as regards creditors	£	-101945.00
Issued and called up capital	£	0.00
Estimated total deficiency/surplus as regards members	£	-101945.00

Signature

Date

[P.T.O.
IN2_14B/3

The Abbey School Tewkesbury

Schedule of Creditors

Amount of debt £

A & E Fire Equipment Limited 546.67
Unit 4 Bamfurlong Industrial Park
Staverton
Cheltenham
Gloucestershire
GL51 6SX

Aggreko 1,399.20
Overburn Avenue
Dumbarton
Scotland
G82 2RL

Miles Amherst 350,000.00
37/38 Church Street
Tewkesbury
Gloucestershire
GL20 5SN

The Miles Amherst Settlement Fund 256,140.00
37/38 Church Street
Tewkesbury
Gloucestershire
GL20 5SN

Archant Life Limited 264.38
Prospect House
Rouen Road
Norwich
NR1 1RE

Simon Ball 580.00
Flat 6, 76 Church Street
Tewkesbury
Gloucestershire
GL20 5RX

Mr & Mrs Bath 15,778.98
Malvern House
Main Road
Bredon
Tewkesbury
Gloucestershire
GL20 7LW

Pamela Bax 159.60
Johnsfield Cottage
Fiddington
Tewkesbury
Gloucestershire
GL20 7BJ

Yve Bond 6 York Road Priors Park Tewkesbury Gloucestershire GL20 5HT	1,144.00
Box 3 The Stable Yard Alscot Park Atherstone On Stour Stratford Upon Avon Warwickshire CV37 8BL	17.63
Michael Carrigan Flat 4, The Abbey Lodge Tewkesbury Gloucestershire GL20	1,450.00
C E Publications Jordan House Christchurch Road New Milton BH25 6QJ	116.40
Philip Colls 8 Pitt Street Gloucester GL1 2BH	146.50
The Consortium Hammond Way Trowbridge Wiltshire BA14 8RR	132.78
John Coombs 9 Adelaide Gardens Stonehouse Gloucestershire GL10 2PZ	1,740.00
Cotswold Aqua Limited Unit E4, Northway Trading Estate Northway Lane Tewkesbury Gloucestershire GL20 8JH	96.31
Cotteswold Dairy Northway Lane Tewkesbury Gloucestershire GL20 8JE	51.80

Susan Coulton 4 Conigree Lane Abbots Road Tewkesbury Gloucestershire GL20 5TF	6,960.00
Creed Catering Supplies Limited Staverton Tech Park Cheltenham Road Staverton Cheltenham GL51 6TQ	1,569.05
Richard Davis 69 Roman Way Bourton-on-the-Water Cheltenham Gloucestershire GL54 2HD	2,610.00
Pauline Drury Wedderburn House Hartpury Gloucestershire GL19 3DE	1,153.85
Educational Recording Agency New Premier House 150 Southampton Row London WC1B 5AL	21.81
Empee Silk Fabrics Limited 31 Commercial Road Edmonton London N18 1TP	67.50
Rebecca Farmer Church House Redmarley D'Abitot Gloucestershire GL19 3HS	580.00
Ruth Faye 46 Bedwardine Road St John's Worcester Worcestershire	580.00
Formative Fun 5 Charles Street Worcester WR1 2AQ	51.03

Elaine Fowke The Paddocks Welsh House Lane Newent Gloucestershire GL18 1LR	155.70
Sue Freeman 107 Queens Road Priors Park Tewkesbury Gloucestershire GL20 5EN	4,576.50
Gabbitas Educational Consultants Limited Carrington House 126-130 Regent Street London W1B 5EE	183.54
Galore Park Publishing Limited 19/21 Sayers Lane Tenterden TN30 6BW	26.73
Neil Gardner The Abbey School Church Street Tewkesbury Gloucestershire GL20 5PD	15,865.22
Alyson Gillespie Rowanside Malleson Road Gotherington Cheltenham Gloucestershire GL52 4EX	721.67
Gloucester Computer Services 5 Patseamur Mews Longlevens Gloucester GL2 0XL	117.50
Gloucestershire City Council Head of Finance Shire Hall Gloucester GL1 2TJ	45.00
Lindsay Gooch 12B Bath Parade Cheltenham Gloucestershire GL53 7HN	580.00

Goodmusic Publishing Limited PO Box 100 Tewkesbury GL20 7YQ	182.97
I H Music (Ian Harrold) 5 St Barnabas Close Gloucester GL1 5LH	248.00
Haywards Tewkesbury Limited 126 High Street Tewkesbury Glos GL20 5JX	66.88
Hazelwoods LLP Staverton Court Staverton Cheltenham GL51 0UX	4,045.52
Angela Houldey Rectory Farm Lawn Road Ashleworth Gloucestershire GL19 4JL	598.77
George Howarth Highbridge Malvern Road Cheltenham GL50 2NU	260.00
IAPS District 6 PO Box 2117 Leamington Spa CV32 5ZS	117.08
Independent Schools Council CAP House 9-12 Long Lane London EC1A 9HA	2,300.00
Julie Kimber 20 Elmvil Road Tewkesbury GL20 8DD	355.52
Marathon Unit 3, Waterside Trading Estate Hamm Moor Lane Weybridge Surrey KT15 2SN	47.50

The Mercers' Company Mercers' Hall Ironmonger Lane London EC2V 8HE	10,000.00
Chris Monk 11 Hopton Court Davis Alley Tewkesbury GL20 5PS	496.00
Mr & Mrs Munt-Whittle Tie-Bar Cottage Hillend Road Twynning Gloucestershire GL20 6JL	7,534.80
Neptune Building Services Limited Meadow House 12 Sabre Close Green Farm Quedgeley Gloucester GL2 4NZ	488.13
Benjamin Nicholas 3 Smith's Court Tewkesbury Gloucestershire GL20 5RX	1,740.00
Mr & Mrs T Nixon 3 Lexington Close Walton Cardiff Tewkesbury Gloucestershire GL20 7QU	7,629.50
Lisa Owers C/O The Abbey School The Abbey School Church Street Tewkesbury Gloucestershire GL20 5PD	580.00
Oxford University Press Music Department Oxford University Press Great Clarendon Street Oxford OX2 6DP	2,000.00

PAYE Inland Revenue Coventry Recovery Block A, Government Buildings Whittington Road Worcester WR5 2LE	24,670.00
D J Perks & Sons Units 15A, Bamfurlong Industrial Park Staverton Cheltenham Glos GL51 6SX	50.00
Mr & Mrs M de Planta Manor Cottage Walton Cardiff Tewkesbury Gloucestershire GL20 7BL	9,372.00
QCA Enterprises Limited Customer Accounts PO Box 590 Norwich MLO NR3 1QZ	205.40
Dave Robinson 1 Barton Court Barton Road Tewkesbury Gloucestershire GL20 5RL	1,386.00
Samuel French Limited 52 Fitzroy Street Fitzrovia London W1T 5JR	24.00
Severn Trent Water Limited Sherborne House St Martins Road Coventry CV3 6SD	888.08
Siemens Financial Services Limited Townsend House 160 Northolt Road Harrow Middlesex HA2 0PG	279.56

Sircombe Design & Print The Old Mission Hall Trinity Street Tewkesbury GL20 5LH	19.86
D L Spencer & Co Limited Unit 22/23 St James Trading Estate 278 Barton Street Gloucester GL1 4JJ	311.06
R E Styles & Co Paddock View Bredon's Norton Tewkesbury Gloucestershire GL20 7HB	156.27
The Summerfield Charitable Trust PO Box 4 Winchcombe Cheltenham Gloucestershire GL54 5ZO	11,500.00
Mrs Swait The Elms Albright Lane Bromsberrow Herefordshire HR8 1RZ	78,056.00
Mr & Mrs A J Swait The Elms Albright Lane Bromsberrow Herefordshire HR8 1RZ	7,307.18
Sygmus Strings 7 Bronsil Drive Malvern Worcestershire WR14 1LR	50.00
Stephen Taylor 13 Oatlands Road Oxford OX2 0EU	876.00
Tewkesbury Borough Council Council Offices Gloucester Road Tewkesbury Gloucestershire GL20 5TT	223,427.26

Tewkesbury Trophies 6 Chapel Court Barton Street Tewkesbury Glos GL20 5PY	15.00
R Walker Electrical Contractor 15 Spa Gardens Newtown Tewkesbury Gloucestershire GL20 8DR	58.75
Whatley Weston & Fox 15 & 16 The Tything Worcester WR1 1HD	23.50
Helen Wyatt 1 Sovereign Chase Staunton Gloucestershire GL19 3NW	476.87

THE ABBEY SCHOOL TEWKESBURY
IN ADMINISTRATION

ADMINISTRATOR'S REPORT ON THE
CONDUCT OF THE ADMINISTRATION
FOR THE PERIOD
26 APRIL 2006 TO 20 JUNE 2006

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

CONDUCT OF ADMINISTRATION

The Board of Governors and I considered that it was essential that the School should continue to operate for the Summer Term of 2006 in the interests of the Pupils, their Parents and the Staff, with the intention of there being the minimum disruption to the Pupils' education and allowing a full term's notice to the Parents and Staff of the financial position of the Company and the likely closure of the School.

To date and indeed until the end of Summer Term this has been the focus of my administration.

I have, however, had to ensure that there are sufficient funds to meet the operating expenses, which includes Staff salaries and, whilst I have arranged a moderate Bank Overdraft facility for the short term, I have to dispose of the Company's assets for the best value I can to repay the Bank, provide the working capital to continue and leave funds at the end of the Administration to make as high a payment to the Creditors as is possible under the circumstances.

Whilst the Governors told Parents and Staff that the School will have to close at the end of the Summer Term, I am mindful that there may be parties interested in re-commencing a school and I will be sympathetic to any formal reasoned proposals I may receive, always bearing in mind the requirement that I must obtain the best value for the assets in the interests of the Creditors whether secured or unsecured.

During the two months of the Administration I and my Staff have also been involved in the administration and financial management of the School.

RECEIPTS AND PAYMENTS ACCOUNT

I attach a copy of my Receipts and Payments Account made up to 16 June 2006 which is self explanatory. This sets out the operating costs I have paid to date and shows the amount due to the Company's Bank of £75,134.45

The Governors and I entered into a contract to sell the property at 1 Swilgate to a developer and I anticipate receiving the sum of £250,000 before the end of June 2006 which will enable me to continue paying the operating costs until the end of Summer Term.

FUTURE REALISATIONS

The Company also owns that part of the School building known as Beauchamp House and I am offering this property for sale on the open market with the intention of selling to whomever is prepared to make the best offer that can lead to completion before the end of August 2006.

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

FUTURE REALISATIONS – continued

The School owns Fixtures, Fittings and Equipment which would be an essential requirement for any one who intended to re-commence a school on the premises.

I will not be taking any action to dispose of these until I have determined whether or not there is a real likelihood of this happening.

PURPOSES OF THE ADMINISTRATION

The Purposes of my administration of the Company are those set out in Paragraph 3(1) Schedule B1 Insolvency Act 1986 namely:

- 1) Rescuing the Company as a going concern
- 2) 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
- 3) Realising property in order to make a distribution to one or more Secured or Preferential Creditors

OUTCOME FOR CREDITORS

At the time of my appointment the Governors and Trustees of the Amherst Settlement had received an offer from a developer to purchase all of the land and buildings occupied by the School for a price that would have ensured that all the Creditors of the Company were paid in full whether Secured or Unsecured.

This offer was accepted subject to contract by the Governors, but the Trustees of the Amherst Settlement have declined and will not enter into negotiations jointly with me, wishing to make their own arrangements for the future of their property.

This action has meant that the property owned by the Company will have to be marketed separately. I have taken Professional advice and indications are that I am unlikely to obtain the value that was hoped for on the commencement of the Administration.

I am intending to market the property fully on the open market with a view to obtaining the best price. I will also try to enter into talks with the Trustees of the Amherst Settlement in the hope that I can persuade them to market all the properties jointly as I am advised that this is the best way to realise the full potential value of the whole site.

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

OUTCOME FOR CREDITORS – Continued

Because I do not want to prejudice any of the negotiations I will enter into I consider it is not appropriate for me to mention values in this Report.

As a result I am unable to give the Unsecured Creditors any indication of the amount of funds that will be available for distribution at the termination of the Administration as this entirely relies on the amount achieved for the sale of Beauchamp House.

UNSECURED CREDITORS

At the time of my appointment the total Unsecured Creditors were £1,001,824 which included the School Fees received from Parents for the Summer Term and the costs of the Salaries for the Staff who were entitled to receive one term's notice as well as Suppliers to the School who had not been paid at that time.

As a result of continuing to operate the School for the Summer Term, many of those Creditors have now been satisfied thus reducing the anticipated total Unsecured Creditors at the end of Term to £588,942.

ADMINISTRATOR'S REMUNERATION

The basis for fixing the Administrator's Remuneration as set out in Rule 2.106 Insolvency Rules 1986 (as amended) states that it shall be fixed either:

- as a percentage of the value of the property which the Administrator has to deal with; or
- by reference to the time properly given by the Administrator and his Staff in attending to matters arising in the Administration.

It is for the Creditors' Committee (if there is one) to determine on which of these bases the Remuneration is to be fixed and, if it fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the Committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the Administrator;
- the effectiveness with which the Administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property, which the Administrator has to deal with.

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

ADMINISTRATOR'S REMUNERATION – Continued

The Administrator proposes that a Committee should be established, which as part of its duties, would approve the Administrator's Remuneration after 16 June 2006. However, if it is not possible to form a Committee, the Administrator proposes that the Creditors approve a resolution setting out the basis on which the Fees after 16 June 2006 may be drawn as the Administration continues.

The Administrator proposes that Remuneration be based on the time properly incurred by him and his Staff in carrying out his function as Administrator. Set out on the attached schedule are details of the current charge out rates of the various grades of Staff that will be dealing with matters in the Administration. The level of Staff used will depend on the nature and complexity of the work to be carried out.

This schedule also includes details of charging for Disbursements.

The Administrator has incurred costs to 16 June 2006 of £43,497.50 and Expenses of £941.38 as set out in the analysis of Time Costs.

ADMINISTRATOR'S DISCHARGE FROM LIABILITY

It is standard practice for an Administrator to be discharged from liability for any action taken by him during the course of the Administration unless Creditors have any objections to the discharge from liability. This may arise, for example, if Creditors have material concern relating to the actions of the Administrator during the Administration. An Administrator may be discharged from liability at a time appointed by a resolution of the Creditors' Committee or if there is no Creditors' Committee by a resolution of Creditors or in any case at a time specified by the Court. It is standard practice for the time an Administrator obtains his discharge from liability to be fixed as 28 days after filing his final Receipts and Payments Account with the Registrar of Companies.

Granting the Administrator discharge does not prevent any Creditor of the Company from applying to the Court under paragraph 74 Schedule B1 Insolvency Act 1986 ("the schedule") for permission to bring proceedings against him if any such party believes that the conduct as Administrator has breached his duty in relation to the Company or otherwise been guilty of misfeasance. In order to save the costs of calling a further Creditors' Meeting or making application to the Court, it is proposed that the Administrator be discharged from liability after 28 days from filing his final Receipts and Payments Account at Companies House. The relevant provisions of the schedule are attached at the appendix.

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

ADMINISTRATOR'S PROPOSALS

I PROPOSE THAT:

- 1) I continue to ensure that the School operates until the end of the Summer Term
- 2) I continue to allow the Gloucester Academy of Music to operate from the premises on the same basis as they currently do and provided the realisation of the full market price of Beauchamp House is not prejudiced to operate the Summer School proposed in accordance with terms and conditions that I agree
- 3) I realise the remaining assets by the most appropriate methods which shall be at my own discretion after receiving competent Professional advice
- 4) A distribution be made to Preferential Creditors as soon as possible as funds allow
- 5) If I receive a proper proposal that will enable the School to recommence in September 2006 that is not detrimental I will, at my own discretion, assist in the implementation of that proposal
- 6) Should no funds be available for distribution to Unsecured Creditors that the Administrator applies for the dissolution of the Company
- 7) Should funds be available for distribution to Unsecured Creditors the Administrator becomes Liquidator of the Company
- 8) If, for whatever reason, the Administration cannot be concluded by the anniversary of the Administrator's appointment, that I seek an extension of the Administration, pursuant to Rule 2.112 Insolvency Rules 1986 (as amended)
- 9) The basis of the Administrator's Remuneration be agreed by reference to the time properly incurred by me and my Staff in carrying out our functions in accordance with the proposals and by Staff members at the rates shown on the attached schedule
- 10) That I be permitted to draw Remuneration in respect of the period to 16 June 2006 representing the time properly incurred by me and my Staff together with disbursements in accordance with the schedule of costs attached

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

ADMINISTRATOR'S PROPOSALS - Continued

- 11) I be discharged from liability with effect from 28 days after I have filed my final Receipts and Payments Account with the Registrar of Companies

E.C. REGULATIONS

The EC Regulations do apply to this Administration.

EXIT ROUTE

In the event that no funds are available for distribution to Unsecured Creditors the Company will be dissolved.

In the event that there will be a distribution to Unsecured Creditors it is proposed that I become Liquidator of the Company. Please note that under paragraphs 83(7) Insolvency Act 1986 and Rule 2.117(3) Insolvency Rules 1986 (as amended) Creditors may wish to nominate a different person to act as Liquidator, provided that the nomination is made after the receipt of the proposals but before the proposals are approved. Any proposed Liquidator must be a Licensed Insolvency Practitioner.

RESOLUTIONS

A Creditors' Meeting under paragraph 51 Schedule B1 Insolvency Act 1986 will be held on Wednesday 5 July 2006 at Abbey School, Church Street, Tewkesbury at 10.30am to consider the Administrator's Proposals and to consider the resolutions given below.

A proxy form (Form 8.2) setting out the resolutions and on which you may vote "For" or "Against" the resolutions is enclosed. In order for you to be entitled to vote at the Meeting (whether in person, or by someone else voting on your behalf) the proxy form should be completed and returned to me by 12 noon on Tuesday 4 July 2006 together with details in writing of your claim.

At the meeting the following resolutions will be proposed:

- 1) For the acceptance of the Administrator's Proposals as set out in his Statement of 20 June 2006

THE ABBEY SCHOOL TEWKESBURY

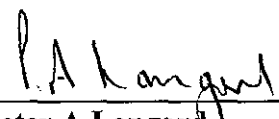
IN ADMINISTRATION

RESOLUTIONS – Continued

- 2) For the Appointment of a Creditors' Committee, the constitution of which is to be agreed at the Meeting
- 3) That the Administrator be permitted to draw Remuneration of £43,497.50 Plus Value Added Tax representing the time properly spent by the Administrator and his staff in carrying out his function as Administrator and Expenses of £941.58 Plus Value Added Tax up to 16 June 2006
- 4) If no Creditors' Committee is formed that the Administrator be permitted to draw Remuneration representing time properly spent and Expenses incurred after 16 June 2006
- 5) That the Administrator be discharged from liability with effect from 28 days after he files his Final Receipts and Payments Account with the Registrar of Companies

I shall be pleased to receive from any Creditor any useful information concerning the Company or its dealings prior to Administration that might assist me in connection with my report to the Department of Trade and Industry under The Provisions of the Company Directors Disqualification Act 1986.

Pursuant to Rule 2.47 Insolvency Rules 1986 (as amended) I shall be providing a progress report to all Creditors before 26 October 2006.



Peter A Langard
Administrator
Insolvency Practitioner Licensed by the
Association of Chartered Certified Accountants
20 June 2006

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

26 APRIL 2006 TO 16 JUNE 2006

RECEIPTS

CD Sales	354.19
Nursery Grants	3,208.50
Donations	491.50
Music Fees	37.50
Other	2,456.45
Refunded expenses	228.68
School fees	5,770.77
Rent	165.00
School trips	1,546.50
	<u>14,259.09</u>

PAYMENTS

Supplier payments	4,994.57
Petty Cash	400.00
Wages	5,169.51
Teachers' Pensions	10,220.66
Advertising costs	107.75
Electricity	2,563.00
Gas	1,311.58
Water	576.53
Music Teachers	2,774.30
Insurance	447.50
Council Tax	728.56
School Trips	3,606.60
Telephone	405.33
Salaries	24,862.51
Nursery fees	3,746.00
Rent	1,500.00
Bank Charges	77.04
Bank Interest	205.36
Cleaning	8,769.79
Pre-Administration Overdraft	16,926.95
	<u>89,393.54</u>

Balance Carried Forward	(75,134.45)
(Bank Overdraft)	=====

THE ABBEY SCHOOL TEWKESBURY

ADMINSTRATOR'S REMUNERATION

In accordance with best practice I set out below the varying charging rates for me and my Staff who will work on the administration.

	Rate per Hour £
Trustee	250
Managers	70 – 100
Clerks	30 – 60
Assistants	25 – 40

DISBURSEMENTS

Room Hire	£75 per session
Photocopying	.25p per sheet
Postage	At cost
Advertising	At cost
Legal Fees	At cost
Insurance and Bond	At cost
Other Disbursements	At cost
Motor & Travelling	At Cost or 45p per mile

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

ADMINISTRATOR'S TIME COSTS TO 16 JUNE 2006

THE ABBEY SCHOOL TEWKESBURY

ANNEX 1 : SCHEDULE OF ADMINISTRATOR'S REMUNERATION

CLASSIFICATION OF WORK FUNCTION	ADMINISTRATOR [Hourly rate £250]	DIRECTOR [Hourly rate £150]	OTHER SENIOR PROFESSIONALS [Hourly rate £80]	OTHER PROFESSIONALS [Hourly rate £40-£55]	ASSISTANTS AND SUPPORT STAFF [Hourly rate £30]	TOTAL HOURS	TIME COST £
Administration and Planning	19.25	10.54	-	7.70	2.00	39.49	6,554.00
Investigations	7.30	2.20	-	-	-	9.50	2,155.00
Realisation of Assets	19.70	24.30	-	1.00	-	45.00	8,610.00
Trading Matters	22.95	12.16	140.70	-	-	175.81	18,817.50
Creditors and Debts	4.90	11.00	26.20	-	-	42.10	4,971.00
Case Specific Matters	5.90	6.10	-	-	-	12.00	2,390.00
Total Chargeable Hours	80.00	66.30	166.90	8.70	2.00	323.90	43,497.50
Disbursements	-	-	-	-	-	-	941.58
Total Hours	80.00	66.30	166.90	8.70	2.00	323.90	44,439.08

THE ABBEY SCHOOL TEWKESBURY

IN ADMINISTRATION

ADMINISTRATOR'S EXPENSES TO 16 JUNE 2006

Category 1

Disbursements paid to independent third parties:

Insolvency Bond	200.00
Company Search	20.00

Category 2

Disbursements in respect of payments made by
Administrator's office for himself and Staff:

Mileage Claims	474.28
Subsistence (staff)	2.00
Postage	55.80
Photocopying	177.00
Parking	12.50

Total	----- 941.58 =====
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EXTRACTS FROM SCHEDULE B1 OF
THE INSOLVENCY ACT 1986

PARAGRAPH 75: MISFEASANCE

- 1) The court may examine the conduct of a person who:
 - a) Is or purports to be the Administrator of a Company, or
 - b) Has been or has purported to be the Administrator of a Company

- 2) An examination under this paragraph may be held only on the application of:
 - a) The Official Receiver
 - b) The Administrator of the Company
 - c) The Liquidator of the Company
 - d) A Creditor of the Company, or
 - e) A contributory of the Company

- 3) An application under sub-paragraph (2) must allege that the Administrator:
 - a) Has misapplied or retained money or other property of the Company
 - b) Has become accountable for money or other property of the Company
 - c) Has breached a fiduciary or other duty in relation to the Company, or
 - d) Has been guilty of misfeasance

- 4) On an examination under this paragraph into a person's conduct the court may order him:
 - a) To repay, restore or account for money or property
 - b) To pay interest
 - c) To contribute a sum to the Company's property by way of compensation for breach of duty of misfeasance

- 5) In sub-paragraph (3) "Administrator" includes a person who purports or has purported to be a company's Administrator

- 6) An application under sub-paragraph (2) may be made in respect of an Administrator who has been discharged under paragraph 98 only with the permission of the court

PARAGRAPH 98: VACATION OF OFFICE

DISCHARGE FROM LIABILITY

- 1) Where a person ceases to be the Administrator of a Company (whether because he vacates office by reason of resignation, death or otherwise, because he is removed from office or because his appointment ceases to have effect) he is discharged from liability in respect of any action of his as Administrator
- 2) The discharge provided by sub-paragraph (1) takes effect:
 - a) In the case of an Administrator who dies, on the filing with the court of notice of his death
 - b) In the case of an Administrator appointed under Paragraph 14 or 22, at a time appointed by resolution of the Creditors' Committee or, if there is no committee, by resolution of the creditors, or
 - c) In any case, at a time specified by the court
- 3) For the purpose of the application of sub-paragraph (2)(b) in a case where the Administrator has made a statement under paragraph 52(1)(b), a resolution shall be taken as passed if (and only if) passed with the approval of:
 - a) Each secured creditor of the Company, or
 - b) If the Administrator has made a distribution to preferential creditors or thinks that a distribution may be made to preferential creditors
 - i) Each secured creditor of the Company and,
 - ii) Preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval
- 4) Discharge:
 - a) Applies to liability accrued before the discharge takes effect, and
 - b) Does not prevent the exercise of the court's powers under Paragraph 75

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

1 Introduction

- 1.1** When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1** Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

- 3.1** The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

- 4.1** The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;

- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the

case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

- 6.1** If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8.1** Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2** If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9. Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.