

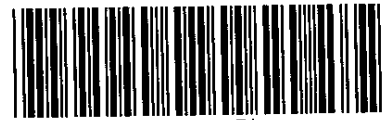
# AM03

## Notice of administrator's proposals



Companies House

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COMPANIES HOUSE

### 1 Company details

Company number 0 2 3 1 5 1 9 8

Company name in full The Square Chapel Trust

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Patrick

Surname Lannagan

### 3 Administrator's address

Building name/number One St Peters Square

Street Manchester

Post town M2 3DE

County/Region

Postcode

Country

### 4 Administrator's name

Full forename(s) Conrad Alexander

Surname Pearson

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number One St Peters Square

Street Manchester

Post town M2 3DE

County/Region


Postcode

Country

② Other administrator

Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕</div> <div></div> <div>✕</div>		
Signature date	<div>d</div> 1 <div>d</div> 5	<div>m</div> 0 <div>m</div> 5	<div>y</div> 2 <div>y</div> 0 <div>y</div> 2 <div>y</div> 0

## AM03 Notice of Administrator's Proposals



### 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 **Julie Mills**

Company name **Mazars LLP**

Address **One St Peters Square  
Manchester**

Post town **M2 3DE**

County/Region

Postcode

Country

DX

Telephone **T: +44(0) 161 238 9200**



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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



### Important information

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



### Where to send

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



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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Administrators' Statement of Proposals Pursuant to Paragraph 49  
of Schedule B1 of the Insolvency Act 1986 in respect of  
The Square Chapel Trust - in Administration  
Square Trading Limited – in Administration  
(together 'the Companies')**

**8 May 2020**

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

The Administrators act as agents of the Companies without personal liability.

Patrick Alexander Lannagan and Conrad Alexander Pearson  
Mazars LLP  
One St Peters Square  
Manchester  
M2 3DE

**In accordance with rule 3.35(e) of the Insolvency (England and Wales) Rules 2016, the proposals are deemed delivered to creditors on 16 May 2020.**

## **The Square Chapel Trust & Square Trading Limited – both in Administration**

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## **Statement to Creditors**

### **1 Introduction**

- 1.1 This statement is addressed to the creditors of The Square Chapel Trust ('the Trust') and Square Trading Limited ('Trading') and includes the Joint Administrators' proposals in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986.
- 1.2 The statutory purpose of Administration comprises three hierarchical objectives:
  - a. rescuing a Company as a going concern;
  - b. achieving a better result for a Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
  - c. realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 The financial review of the Companies already undertaken by the Trustees and directors had indicated that there was a funding shortfall in the current financial year and that an injection of funds was required in order to pay the staff wages due in March 2020 and to pay essential creditor supplier arrears. However, with the support of the Arts Council, sufficient funds could be made available for the March wages and this was conditional on the Trust and Trading taking insolvency advice, advice from Mazars LLP which subsequently led to the Trustees and directors concluding the Companies should enter Administration.
- 1.4 Just prior to the appointment of Administrators, the Trustees and directors had taken the decision to close the Square Chapel and the café bar to the public with effect from the 17 March 2020 following the UK Government imposed restrictions and social distancing measures announced in 16 March 2020 in response to the COVID19 pandemic. Thus, on appointment, neither the venue (the Trust) nor the café bar (Trading) were trading and staff had been asked to stay away from the premises.
- 1.5 As detailed later in the report, with the Administration protecting Companies from creditor action, the Administrators have marketed the opportunity to acquire the business and assets of the Companies to explore the potential interest in taking over the Square Chapel venue and its facilities, and taking forward the Trust's arts programme and outreach work. Consequently, objective b is being pursued as a potential transfer of the Square Chapel as a complete functioning arts venue with experienced staff in situ provides a better outcome for creditors as a whole, by avoiding the costs associated with making the full work force redundant.

### **2 Statutory Information**

- 2.1 Patrick Lannagan and Conrad Pearson were appointed as Joint Administrators of the Companies on 20 March 2020. Mr Lannagan is authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales and Mr Pearson is authorised in the UK by the Insolvency Practitioners Association.
- 2.2 Identification details regarding the Company and the Administrators is attached at Appendix A. The Square Chapel Trust is a company registered in England and Wales with company

number 02315198 and is also a registered charity with charity number 700985. It is limited by guarantee with no share capital. Square Trading Limited, a company registered in England and Wales with company number 02348322 is the subsidiary undertaking of The Square Chapel Trust.

- 2.3 The EU Regulation on Insolvency Proceedings (Regulation (EU) No 2015/848 of 20 May 2015) applies to this Administration and the proceedings are main proceedings, owing to the fact that the Companies' registered offices and Centres of Main Interests ("COMIs") are based in the UK.
- 2.4 All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone.
- 2.5 Details of the Trustees and the secretary in The Square Chapel Trust are:

<b>Trustee</b>	<b>Date appointed</b>	<b>Date resigned</b>
MarcVernon Collett	14/03/2018	-
Elizabeth Kathleen Dugdale	04/01/2016	-
Stephen Fearnley	14/03/2018	-
Britt Harwood	20/07/2015	-
Jennifer Lynn	07/07/1999	-
David Liam McQuillan	01/10/2015	-
Jacqueline Newman	01/10/2013	-
Derrick William Palmer	28/02/2020	-
Suzanne Helene Peers	29/02/2020	-
Miriam Selma Razaq	24/10/2016	27/02/2020
Martin Allan West	20/04/2015	27/02/2020
Nicholas Charles Worsnop	30/04/2009	10/03/2020
<b>Secretary</b>	<b>Date appointed</b>	<b>Date resigned</b>
David Liam McQuillan	01/10/2015	-

- 2.6 Details of the directors and secretary in Square Trading Limited are:

<b>Director</b>	<b>Date appointed</b>	<b>Date resigned</b>
Marc Vernon Collett	25/10/2018	
Stephen Fearnley	13/11/2018	
Jacqueline Newman	13/11/2018	
<b>Secretary</b>	<b>Date appointed</b>	<b>Date resigned</b>
David Liam McQuillan	01/10/2015	-

### **3 Circumstances giving rise to the Administrators' Appointment**

#### **3.1 *Company History***

- 3.1.1 The Square Chapel Trust ('the Trust') was incorporated as The Square Chapel Building Trust on 9 November 1988 and became a registered charity on 13 December 1988. As a charity, its main object was to preserve the Square Chapel building for the benefit of the people of Halifax, West Yorkshire, and the nation at large, and the advancement of education by the promotion and presentation of the performing arts in West Yorkshire and in particular at The Square Chapel, Halifax.
- 3.1.2 Built in 1772, the Square Chapel is a red brick Georgian chapel which flourished as a church during the late eighteenth and nineteenth centuries when Halifax was expanding with the rate of industrialisation. The last church service held in Square Chapel was on 12 June 1857 (when a new church was built nearby) and the building became a Sunday school with major alterations made to the interior. The fortunes of the Square Chapel saw it used as an assembly hall for local community groups and requisitioned by the British Army during the Second World War before falling into disuse and subject to acts of vandalism and arson. In 1969, the building was acquired by Calderdale Council and permission was sought to demolish it despite its Grade II listed status.
- 3.1.3 In 1988, The Square Chapel Building Trust acquired the Square Chapel from Calderdale Council and began a process of repair and restoration to bring the building back into community use and restore some of its former grandeur. Funding was raised through a variety of donations, loans from Calderdale Metropolitan Borough Council ('Calderdale MBC'), Lloyds Bank plc and others, and capital grant applications to complete the first phase of renovation works, making the building safe for use.
- 3.1.4 Square Trading Limited ('Trading') was incorporated on 15 February 1989 as Modcram Limited and changed its name to Square Trading Limited by special resolution on 28 March 1990. It began trading in 1995, operating the bar within the Square Chapel venue and the Trust began generating income from rent charged to Trading together with income from ticket sales and the hiring out of the auditorium.
- 3.1.5 A special resolution was passed on 5 June 1997 changing the Trust's name to The Square Chapel Trust. The Square Chapel was becoming established as an arts venue with a reputation for presenting a varied and new programme of events, a family friendly venue with opportunities for young people to showcase their talents and abilities, working with local schools to develop the use of the arts to enhance learning opportunities, and a venue for artists from diverse backgrounds to perform.
- 3.1.6 Income generated in the early years was only sufficient to cover operating costs and did not address the set-up loan position. The Trust was at this time reliant on short term charitable funding and grant support. However, some financial stability was achieved in 2003 when an agreement was reached with the Arts Council and Calderdale Council in respect of ongoing core funding.
- 3.1.7 The Trust established a reserves policy to retain free reserves equivalent to four months operating costs. By 2006, the Trustees felt that the success of the Trust in hosting performances, programming events and engaging in outreach work in the local community was



such that there was a need to extend the building beyond the one auditorium. In 2008, the Trust launched a capital fundraising campaign with a target of raising £5m to extend the building and began negotiations with Calderdale Council in respect of land adjoining the Square Chapel.

- 3.1.8 By 2012, the Trust was underway with the capital development plan to extend the property, named the Cornerstone Project, potential funders had been identified and the local Council and regional development agency were supportive of the extension project which would be embedded within the wider redevelopment of Halifax town centre, including the neighbouring historic Piece Hall. The Trust entered into a 125-year lease of adjacent land with Calderdale Council at a peppercorn rent as part of the Cornerstone Project. In 2013, the Art Council confirmed it would provide £3.9m towards the project, and a charge was granted in favour of The Art Council of England in November 2013 in accordance with the capital funding agreement. Building work on the extension commenced in September 2015 (after a period of suspension of works while Calderdale Council carried out essential work to the neighbouring Piece Hall)
- 3.1.9 In addition to the Cornerstone Project, the Trust was a lead partner in the development of the Orange Box Project to deliver a creative and artistic community-led centre for young people in Halifax. The project was funded by the National Lottery under the 'my place' grant scheme. As well as aligning with the Trust's objectives, this new venue would relieve pressure on the limited space within the Square Chapel for rehearsals and coaching sessions with young people. The Orange Box development work was completed in September 2013 and it was envisaged that this project would be transferred to a newly established trust once operational.
- 3.1.10 Alongside the Trust's programme of events at the Square Chapel, for several years it has been committed to three areas of work outside of the activities a performing arts venue would naturally undertake, specifically: running a large Outreach programme; working for and on behalf of the Halifax Arts Festival; and acting as lead partner in Calderdale's Cultural Destinations offering. By 2017, the creation of a new organisation, Halifax Culture Hub, took over most of the Trust's role in coordinating and promoting Halifax as a cultural destination.
- 3.1.11 By the summer of 2017, the Cornerstone capital building project was completed at a funded cost of £6.6m, providing the Square Chapel with a second auditorium, a café bar, improved dressing rooms and technical equipment and a studio room. This allowed a significant uplift in scale in the operations at the Square Chapel, and Trading expanded into the new purpose-built café bar. A further charge was granted by the Trust to The Arts Council in March 2018, in order to secure the additional capital grant funding over the whole of the extended Square Chapel property.
- 3.1.12 Also, in 2017 the Trust worked towards the transfer of the lease of the Orange Box premises and its operational management to Calderdale College (with the approval of the Department for Education); however, this transfer did not progress as intended. The Orange Box project was incurring net liabilities and the Trustees felt that the Trust's continuing involvement was not sustainable and represented a key loss-making factor which was eroding the Trust reserves. Ultimately, the Orange Box was transferred to Calderdale Council with effect from 31 March 2019.
- 3.1.13 From the outset, the role of volunteers and supporters has been a significant factor in the ethos of Square Chapel and the level of engagement with the local community in Halifax. For

example, in the early years, the bar was run almost entirely by volunteers, and in the period since the expansion, volunteers have continued to play a vital part in the Square Chapel experience, as ushers, welcomers, and as part of the box office team.

3.1.14 Extracts from the most recent filed accounts for the Trust are set out below:

Accounting period end	Total Income (all sources)	Total Expenditure	Net Movement in Funds (in year)	Total Funds carried forward
31 March 2019	1,822,323	*(5,675,814)	(3,853,491)	6,310,730
31 March 2018	1,682,747	(1,993,184)	(310,427)	10,163,861
31 March 2017	**5,094,865	(1,190,210)	3,904,455	10,474,288
31 March 2016	**2,314,791	(1,146,866)	1,167,925	6,569,633

*\*The expenditure figure to 31 March 2019 includes the transfer of the Orange Box assets in the sum of £3,464,581*

*\*\*The income figures in the accounts to 31 March 2016 and 31 March 2017 include income relating to the Cornerstone project that was capitalised in part*

3.1.15 Extracts from the most recent filed accounts of Trading are set out below:

Accounting period end	Turnover	Gross Profit / (Loss)	Net Profit / (Loss)	Retained Profit / (Loss)
31 March 2019	572,592	24,645	(75,348)	(171,315)
31 March 2018	432,035	(11,090)	(96,669)	(95,967)
31 March 2017	19,457	5,904	0	702
31 March 2016	33,776	15,858	4	702

3.1.16 To address the cash flow difficulties the Companies have faced in the period since the last filed accounts, the Trust put a recovery plan in place aimed at significantly reducing costs overall with a particular focus on staffing, overseen by a finance sub-committee. The directors of Trading undertook to reduce costs and improve the profitability of the café bar operation.

3.1.17 Funds of £90k were advanced by Key Fund Investments Limited ('Key Fund') to assist with cash flow pressure comprising £63k loan and £27k grant monies and in October 2019, the Trust granted a charge over its property in favour of Key Fund for the loan monies advanced. Further, Calderdale MBC and the Arts Council introduced a combination of additional and accelerated funding of circa £100k and an individual charitable donation in the sum of £140k was also received from a supporter of the Trust.

3.1.18 As part of the recovery plan, in January 2020, a new Trustee was appointed in Derrick Palmer, with extensive experience as a finance director and consultant, including in the charity and not-for-profit sector. Management accounts to 31 January 2020 established that there was an

immediate funding requirement of some £75k and a funding shortfall for the financial year estimated at £150k-£200k.

- 3.1.19 Notwithstanding the above donations and additional funding, a funding shortfall arose principally as the result of significant reductions in the level of funding secured from trusts, foundations and other charitable sources compared with prior years and compared with budgeted income. The Trustees believe the failure to secure such funding was caused by its significantly strengthened balance sheet following the Cornerstone Project as well as the ongoing impact of austerity on the availability of charitable funds for the Arts.
- 3.1.20 The funding shortfall meant the Trust was unable to pay the wages and salaries to its staff for March (due 13 March 2020) without the bringing forward of a grant from the Arts Council which was scheduled to be made in April 2020.
- 3.1.21 The funding shortfall also meant that the Trust had supplier creditors in arrears estimated at £100,000 which it could not meet, and this had resulted in a number of suppliers placing the Trust on stop and threats of legal action. Additionally, the Trust had been unable to pay its PAYE payment which fell due in February of circa £19k.
- 3.1.22 The bringing forward of future revenue to meet current liabilities was only a temporary fix which would result in a further funding requirement in the very near future and in of itself did not address the significant creditor arrears noted above.
- 3.1.23 The Trustees also expected, in the absence of any material changes, for the Trust to make similar annual shortfalls 2020/2021 and 2021/2022.
- 3.1.24 All of the above meant that, in the absence of any material changes, the Trust was expected to be unviable in the short and medium term and was insolvent as it was unable to pay its debts as and when they fall due.

### 3.2 *Initial advice and meetings*

- 3.2.1 The Trustees approached Patrick Lannagan on the recommendation of a professional acquaintance for advice and on 11 March 2020, Patrick Lannagan and Conrad Pearson, both of Mazars LLP met with four of the nine Trustees of the Trust, one of whom is also a director of Trading, to discuss the financial position of the Companies. Patrick Lannagan provided an advice note on the options available for use at a meeting of Trustees to be held on 12 March 2020 at which this advice and the engagement of Mazars LLP (to assist with placing the Companies into Administration) were discussed.
- 3.2.2 As a result, the Trustees concluded that the Trust, and its trading subsidiary, which is indebted to the Trust, had no option but to enter Administration to ensure that the position for creditors was protected. The formal engagement of Mazars LLP to assist with this process commenced on 13 March 2020.
- 3.2.3 Brabners LLP ('Brabners') were instructed to assist with the legal formalities of placing the Companies into Administration. Brabners confirmed their independence and were selected for this engagement as they have specialist solicitors in the fields of both insolvency and charity law.

- 3.2.4 Following consultations with the Arts Council as the primary secured creditor, the Trust and Trading both entered Administration on 20 March 2020.

## 4 Subsequent events

### 4.1 Marketing Process

- 4.1.1 Immediately following their appointment, the Administrators took steps to market the Companies for sale, with a view to identifying a party interested in taking forward the operations and services of the charity, initially by advertising the opportunity online via the website, Deal Opportunities. On 23 March 2020 the opportunity was listed on the Mazars Restructuring Blog and corporate finance portal (CFxB) and a flyer was circulated internally within Mazars. Additionally, a flyer was issued directly to a target list of 71 parties (with further teasers issued to interested parties as the marketing period progressed). On the same date, the Administrators issued a press release to a list of various local and industry press contacts compiled with the assistance of the Trust's PR officer.

- 4.1.2 In respect of the marketing process, details of the interest received in respect of taking on the operations of the Trust, business and / or assets are summarised below:

Contact via	Number	NDA's issued	Sales Memos issued	Further Discussions	Offers Received
Patrons (Mailshot)	12	-	-	-	-
Partners & Funders (Mailshot)	17	-	-	-	-
Arts Council Portfolio Members (Mailshot)	25	1	1	1	-
Industry & Finance Contacts (Mailshot)	17	1	1	-	-
Internal (Mazars) Contacts	-	-	-	-	-
Press Release / Word of Mouth	13	9	7	4	2
Deal Opportunities	1	1	-	-	-
<b>Total</b>	<b>85</b>	<b>12</b>	<b>9</b>	<b>5</b>	<b>2</b>

- 4.1.3 Of the 12 parties who requested non-disclosure agreements ('NDAs'), 9 returned completed NDAs. A copy of the sales memorandum was issued to these parties, and four parties requested further information and held conversations with the Administrator and / or Trustees. Of these interested parties, one had an interest in the café/bar franchise only and the remaining parties discussed an interest in taking over the operations of the Companies to varying degrees.
- 4.1.4 The Administrators wrote to all parties on 26 March 2020 to advise that a deadline for indicative offers was set for 30 March 2020. At the deadline, only two offers had been received from unconnected parties:

- Party One had submitted an offer in respect of the café/bar franchise only and indicated that their offer was potentially subject to another party taking up residence at the site, as they considered that the footfall would be required for there to be a viable business.
- Party Two confirmed that they were interested in a full acquisition of the operations of the Companies and entered into discussions with the Arts Council directly (as any sale or transfer to an incoming party would have to meet with the full approval of the Arts Council as secured creditor)

4.1.5 In view of the more comprehensive offer from Party Two, the Administrators confirmed to Party One that their offer would not be accepted at this time; although their details could be passed on to the Purchaser to discuss operating the café/bar franchise should the transaction complete.

4.1.6 Negotiations between Party Two, the Arts Council, Calderdale MBC and the Administrators are continuing. No details of this proposed transaction are provided at this time for reasons of commercial sensitivity.

4.1.7 During the course of the marketing campaign, various partners, third parties and individuals came forward to offer assistance in taking on particular events and offerings of the charity, in order to preserve these for the benefit of their participants / local community. The Administrators have fielded all interest and offers of assistance received, and many of these parties have agreed for their details to be passed on to any party that subsequently takes over the operations of the Companies, to discuss any assistance they may be able to provide going forward.

## 4.2 **Staffing Considerations**

4.2.1 Immediately on appointment, the Administrators reviewed the ongoing requirements for staffing during the Administration period given that the Square Chapel venue had temporarily closed in response to the UK Government's COVID19 restrictions.

4.2.2 Of the 50 staff members, some 19 employees were identified as being primarily engaged with work in either the café bar or the box office and on zero hours contracts and therefore would not be required to work in the short term. These 19 staff members were made redundant on 26 March 2020 and a further 5 employees were made redundant on 1 April 2020.

4.2.3 In view of the indicative offer referred to in section 4.1, the Administrators considered the ongoing requirement for staff. As the remaining workforce were predominantly involved in the management, operation and promotion of the arts centre which remained closed to the public and staff alike in view of the COVID19 restrictions, the Administrators sought guidance on the applicability of the Government's newly-introduced Coronavirus Job Retention Scheme ('CJRS'). Under this scheme, companies affected by the COVID19 restrictions can apply to HM Revenue & Customs for grant funding to assist in paying wages while the company is not able to trade.

4.2.4 Party Two entered into a period of exclusivity of discussion with the Arts Council and the Administrators and in consideration for this, paid an exclusivity sum for funding of £20,000. In view of the potential transaction and the fact that the Trust was not generating any trading income, the Administrators sought matching funding from the Arts Council in order to fund

the April wages and ensure a period for the negotiations to continue. The Arts Council have provided a contribution towards the Administration funding in the sum of £25,000.

- 4.2.5 Of the remaining workforce, 25 employees agreed to voluntary furlough with effect from 1 April 2020 and one employee concerned with the accounts function was maintained. The Administrators have made a successful claim in respect of the April wages costs for furloughed staff, with £35,973 being received.

#### **4.3 Not Trading the Business**

- 4.3.1 During the period since the Administrators' appointment, the Square Chapel arts venue is effectively 'moth-balled' in view of its COVID19 enforced closure. However, there are a number of considerations and responsibilities which fall to the Administrators with respect of the Property.

- 4.3.2 With assistance from Sanderson Weatherall, the Administrators have attended to and addressed the following matters in order that the Property and its contents remain intact and ready to re-open as an arts venue:

- Arranged an insurance risk inspection and addressed the risk areas highlighted;
- Arranged additional security measures, including engaging a specialist void property agent to undertake regular property inspections;
- Arranged for the removal of wet stock from the café bar for sale by agents;
- Liaised with the IT support suppliers to divert email enquiries from the info@squarechapel directly to the Administrators' team;
- Corresponded with essential suppliers to advise of the Administration and the continued requirement for their supplies / services.

- 4.3.3 As a result of the closure of the Square Chapel venue on 17 March 2020, a number of performances have been cancelled and no future programmed events are certain to take place. As tickets had been sold in advance for these events, the purchasers of those advance tickets have claims for refunds. The Administrators have made enquiries of the Halifax Culture Hub which operated the online booking system for several cultural venues in Halifax, including the Square Chapel. It is currently unclear where the legal liability for the online ticket refunds lies; however, the Administrators are corresponding with everyone who has claimed a refund to date and have adopted the prudent view that advance ticket purchasers are unsecured creditors of the Trust. This does not affect the rights of advance ticket purchasers to claim refunds by other avenues under the Consumer Rights Act or in common law where they have used a debit or credit card to make the transaction.

## **5 Assets**

### **5.1 Freehold & Leasehold Property**

- 5.1.1 The Trust's principle asset is the Square Chapel property ('the Property') which comprises the original red brick Grade II listed Square Chapel building at 10 Square Road, Halifax, HX1 1QG. This has been adapted and extended to the rear to form a purpose-built arts centre comprising the Copper Auditorium (within the extension), the Red Brick Auditorium (in the

original Square Chapel) plus a purpose built café bar area and associated dressing rooms, office space and rest room facilities.

- 5.1.2 The extension is a bespoke steel-framed construction positioned partly in the freehold title and partly in the long leasehold title and adjoins the Grade I listed Piece Hall via the foyer area in which the café bar is located.
- 5.1.3 Agents and valuers, Sanderson Weatherall have been engaged to provide valuation advice on this Property; however, for reasons of commercial sensitivity in view of the negotiations underway with the interested party, no value is disclosed in the context of this report.

## **5.2 Fixtures, Fittings and Equipment**

- 5.2.1 The assets of the Companies consist principally of cinema screens, seating, projection, light and sound equipment, fittings and decorations, office furniture and equipment and café bar catering equipment. These have been valued by the instructed agents, Sanderson Weatherall; however, valuations are not disclosed in the context of this report in view of the ongoing negotiations and commercial sensitivity of this information.
- 5.2.2 Sanderson Weatherall are of the view that the best value for these assets would be achieved via a sale of the whole inventory in situ. In the absence of a going concern sale and transfer, they recommend the next most appropriate method of disposal would be by way of both a private treaty negotiated sale and public online auction.

## **5.3 Trade Debtors**

- 5.3.1 According to the Trust's records, the debtor ledger has a book value of £55,936; however, this has been assigned a very prudent realisable value of £2,000 for the Statement of Affairs in view of a material provision for a doubtful debt and various contra claims for set-off against amounts due from the Trust to the debtors.
- 5.3.2 According to Trading's records, there is a small debtor ledger totaling £789. A provision for doubtful debts has been applied to this in estimated a realizable value of £394.
- 5.3.3 In view of the small size of these ledgers, the Administrators propose that the debt collection will be conducted by the Administrators staff, rather than engaging specialist recovery agents.

## **5.4 Cash at Bank and in Hand**

- 5.4.1 Both Companies operate bank accounts with Lloyds Bank plc, all of which had credit balances as at the date of Administration as follows: Trust £21,780.73; Trading £7,969.05.
- 5.4.2 To date, the sum of £7,757 has been received from the business account operated by Trading, while an 'on account' transfer of £21,000 has been received from the main account operated by the Trust.
- 5.4.3 These accounts currently remain open for the receipt of debtor remittances, although the accounts are blocked to any payments.

## **6 Investigations**

- 6.1 The Joint Administrators are required to investigate the affairs of the Companies in the period leading up to the Administrations and the conduct of the Trustees and the directors who have held office in the preceding three years. An initial investigation into the Companies' affairs is underway 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 which may lead to any recoveries for the benefit of creditors.
- 6.2 The Administrators' findings as a result of these initial investigations are reported to the Insolvency Service in accordance with the Company Directors' Disqualification Act 1986, and appropriate reports for these Companies will be filed in due course. The content of these reports are confidential.
- 6.3 Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. 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 Companies' affairs.

## **7 Liabilities – The Square Chapel Trust**

### **7.1 Secured Creditors**

- 7.1.1 The Square Chapel Trust granted two charges over its assets in favour of The Arts Council of England as follows:
- A fixed and floating charge debenture created on 12 November 2013 and registered at Companies House on 20 November 2013, which includes a fixed charge over the freehold property with title number WYK434144 (the Square Chapel); and
  - A fixed and floating charge debenture created on 24 May 2018 and registered at Companies House on 31 May 2018, which includes a fixed charge over the leasehold property with title numbers YY104299 and YY109770.
- 7.1.2 These charges appear to secure all monies due to the Arts Council from the Trust. The earlier 2013 charge relates to the Large Capital Grant dated 15 March 2013 under which funds were made available to the Trust in the sum of £3,953,500 for the expansion of the Square Chapel venue. A subsequent Grant was advanced in the sum of £1,005,400. The Arts Council have confirmed the level of capital funding subject to their security at £4,958,900.
- 7.1.3 In addition, the Trust has granted a legal charge over its land and property (title numbers WYK434144, YY104299 and YY109770) in favour of Key Fund Investments Limited ('Keyfund') on 16 October 2019 and registered at Companies House on 17 October 2019. Keyfund have submitted a claim in the Administration for £60,107.
- 7.1.4 The Administrators are not aware of any inter-company agreement or formal deed of priority between the Arts Council and Keyfund and assume that, as the Arts Council's debentures were registered before the charge in favour of Keyfund, that the Arts Council's debentures will have



full priority. Brabners have conducted a review of security in this matter and have confirmed the validity of the security.

7.1.5 On the grounds that the security held by the Arts Council has priority, the outcome for the Arts Council is currently uncertain and will be determined by the value that can be achieved in relation to the assets subject to the security, namely the Property.

7.1.6 Based on the current anticipated level of realisations and the extent of the Arts Council's prior charge, it is unlikely that there will be any funds available to Keyfund under its legal charge.

## 7.2 **Preferential Creditors**

7.2.1 Preferential claims arise from arrears of wages and accrued unpaid holiday pay due to employees of a company who do not receive their full entitlements on redundancy

7.2.2 On the date of Administration, the Trust had 50 employees. Following the initial assessment of staff required to further the objective of Administration, some 19 employees associated with the box office and the café bar were made redundant on 23 March 2020 in order to reduce costs. A further 5 redundancies were made on 1 April 2020 and a total of 26 staff have been retained at the date of this report.

7.2.3 The Administrators engaged Evolve IS, a firm of employment specialists to assist with the redundancies and guiding employees through the claims process. Employees have made their claims online for their entitlements to the Redundancy Payments Service ('RPS') for payment from the National Insurance Fund, up to the statutory limit of £525. The RPS will then have a subrogated claim in the Administration for the employee entitlements so paid. It is not currently expected that any employees will have claims in excess of the statutory limit.

7.2.4 The Trust operated a pension scheme with NOW: Pensions for the benefit of its employees. The Administrators understand that the pension contributions in relation to the March payroll have not been paid across to NOW: Pensions in the sum of £3,474, of which £2,301 is estimated to be preferential. The Administrators have engaged SP Insolvency Limited to advise on pension matters and assist in submitting a claim for the pension arrears to the Redundancy Payments Service.

7.2.5 Thus, preferential claims are currently estimated to be in the region £11,406, comprising arrears of wages totalling £3,891, arrears of pension contributions estimated at £2,301, and accrued holiday pay totalling £5,214. Assuming that realisations and expenses are as anticipated, it is likely that preferential creditors will receive at least a partial dividend.

## 7.3 **Unsecured Creditors**

7.3.1 According to the Trustees' Statement of Affairs, unsecured creditors are estimated to total £400,374, comprised as follows:

Category of creditor	Estimated total claims
Trade & expense creditors	106,450
HM Revenue & Customs	64,942
Employee claims	15,677
Trustee Loan	15,000
Accruals & other creditors	198,305
<b>Total</b>	<b>400,374</b>

- 7.3.2 The category of ‘accruals and other creditors’ is an accounting provision for liabilities not yet recognised in the Trust’s management accounts, such as claims for refunds on advance ticket sales and claims for advances of grant funding.
- 7.3.3 Claims received to date currently total £37,053.
- 7.3.4 In view of the level of secured debt in the Administration of the Trust, it is unlikely that there will be any funds available for distribution to unsecured creditors outside of any Prescribed Part funds.

## **8 Liabilities – Square Trading Limited**

### **8.1 Secured Creditors**

- 8.1.1 Square Trading Limited did not grant any security over its assets. There are no secured creditors in this matter.

### **8.2 Preferential Creditors**

- 8.2.1 Square Trading Limited did not have any employees, therefore there are no preferential creditors in this matter.

### **8.3 Unsecured Creditors**

- 8.3.1 According to the Directors’ Statement of Affairs unsecured creditors are estimated to total £133,699, comprising trade and expense creditors of £15,895 and an inter-company claim from the Trust in the sum of £117,805.
- 8.3.2 No claims have been received to date.
- 8.3.3 In the Administration of Trading, it is anticipated that asset realisations will be insufficient to cover the costs of Administration and accordingly, there will no funds available to distribute to unsecured creditors.

## **9 Prescribed Part**

- 9.1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Companies' net assets are to be set aside for the benefit of the Companies' unsecured creditors where the Companies have granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.
- 9.2 As the Trust granted a floating charge to the Arts Council on 12 November 2013, a Prescribed Part fund will apply in this matter. The Prescribed Part is presently estimated to be in the region of £15,000. Please be aware, this estimate is subject to change and the final outcome will be determined once all asset realisations have been achieved and creditor claims adjudicated. It is expected that any Prescribed Part distribution will be paid by the Joint Administrators in accordance with legislative changes introduced by the Small Business, Enterprise and Employment Act 2015.
- 9.3 As Square Trading Limited had not granted any security over its assets, there is no floating charge, the Prescribed Part does not apply in that Administration.

## **10 Statement of Affairs**

- 10.1 In accordance with paragraph 47 of Schedule B1 of the Insolvency Act 1986, the Trustees of The Square Chapel Trust and the directors of Square Trading Limited were requested to prepare a Statement of Affairs by 14 April 2020.
- 10.2 In view of the restrictions in place in response to COVID19, further time was required to finalise the ledgers and an extension of time was agreed. Statements of Affairs have now been received and have been circulated to all Trustees / directors for review with a request that they sign Statements of Concurrence.
- 10.3 A copy of the Statements of Affairs is provided at Appendix B.

## **11 Receipts & Payments Account**

- 11.1 Appendix C provides a summary of the Administrators' receipts and payments in each of the Companies for the period from 20 March 2020 to 8 May 2020. These show that the Administrators are currently holding funds of £73,214 with recoverable VAT of £112 in The Square Chapel Trust and funds of £8,545 with recoverable VAT of £18 in Square Trading Limited. These funds are held at Lloyds Bank plc in interest bearing accounts.
- 11.2 An explanation of any payments made to date is provided in Section 18 below.

## **12 Estimated Outcome Statements**

- 12.1 Appendix D provides an Estimated Outcome Statement ('EOS') for each of the Companies which illustrates the likely outcomes to creditors as noted at Section 7. However, the potential

realisable value of the business and assets of the Companies is shown as uncertain as to estimate a value may prejudice the outcome of the ongoing negotiations.

- 12.2 As the quantum of the prospective realisations are uncertain, the Administrators are not able to provide creditors with details of the work to be undertaken to achieve these realisations nor an estimate of the costs of doing so. Therefore, the Administrators are not seeking approval for the basis of their remuneration nor providing details of their estimated fees within these proposals as they are unable to provide sufficient information to allow creditors to consider whether the proposed basis and estimate are reasonable in the circumstances of the case.
- 12.3 However, it is assumed in view of the extent of secured debt and the estimated value of the Property that there will be insufficient funds available to enable a distribution to unsecured creditors in either of the Companies (outside of any Prescribed Part that may become available). Further details will be provided in the next report to creditors.

### **13 Duration**

- 13.1 The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment. However, pursuant to paragraph 76 of Schedule B1 of the Insolvency Act, 1986 this may be extended by either:
- an application to Court for a specified period, or
  - by consent of the creditors for a specified period not exceeding one year.
- 13.2 It is unclear at present if an extension of the Administrations is likely to be sought in this case, but creditors will be kept advised of developments.

### **14 Proposed Exit Route**

- 14.1 Based on current projections, it is unlikely that there will be sufficient realisations in either of the Companies to enable a distribution to unsecured creditors. As such, it is proposed that the Administrators exit both of the Administrations via the dissolution route, by issuing their final report and filing a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986 with the Registrar of Companies.
- 14.2 In the event that realisations exceed expectations and a non-Prescribed Part unsecured distribution becomes available, the Administrators reserve the right to exit either of the Administrations via a Creditors Voluntary Liquidation ('CVL') by filing a notice under Paragraph 83 of Schedule B1 of the Insolvency act 1986 with the Registrar of Companies.
- 14.3 If a CVL is the most appropriate exit route for either of the Companies, then it is proposed that the Administrators, Patrick Alexander Lannagan and Conrad Alexander Pearson, (or if appropriate their successors) be appointed as Joint Liquidators. However, in accordance with paragraph 83(7) of Schedule B1 of The Insolvency Act 1986, and Rule 3.60 of the Insolvency (England and Wales) Rules 2016, creditors may nominate a different person to act as Liquidator provided that the nomination is made after the receipt of these proposals and before the deemed decision for their approval, which 28 May 2020.

## **15 Approving the Proposals**

- 15.1 A summary of the Joint Administrators Proposals for both the Trust and Trading is provided below:
- That the Joint Administrators continue to realise those assets yet to be realised, as outlined in section 5;
  - That the Joint Administrators continue to investigate, and if appropriate, pursue any claims that an office holder and / or the Companies may have under The Companies Act or Insolvency Act against any parties concerned with the affairs of the Company as disclosed in section 6;
  - That, if so required, the Joint Administrators make a Prescribed Part distribution to the unsecured non-preferential creditors as appropriate as outlined in section 8;
  - That the Joint Administrators conclude the Administration by filing a notice to dissolve the Companies under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986. The Companies will be dissolved 3 months thereafter.
  - That, in the event that there are sufficient funds to pay a non-Prescribed Part unsecured distribution to creditors in either of the Companies, the Joint Administrators will place that company into Creditors' Voluntary Liquidation. Assuming no other nominations are received, the proposed Joint Liquidators are to be Patrick Alexander Lannagan and Conrad Alexander Pearson (or if appropriate, their successors). In accordance with section 231 of the Insolvency Act 1986, the Joint Liquidators are to act jointly and severally.
- 15.2 With regard to both the Trust and Trading, and in accordance with paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, a decision of the creditors is not required in respect of the Proposals in this instance. This is because the Companies have insufficient property to enable a distribution to be made to unsecured creditors, other than any funds that may be available to be distributed in accordance with the Prescribed Part.
- 15.3 Creditors whose debts amount to at least 10% of the total debts of either of the Companies may requisition a decision in respect of the Proposals if they require such. The request must be made on the Decision Request Form provided on the Creditor Portal, within 8 business days of the date of delivery of these proposals. If a decision is requisitioned, those creditors supporting the request will be required to provide security for costs arising from the requisitioned decision.
- 15.4 If a decision is requisitioned, the creditors will have the opportunity to form a Creditors' Committee. The purpose of such a committee would be to assist the Joint Administrators in the discharge of their duties and responsibilities. If a decision in respect of the approval of the Proposals is not requisitioned within the prescribed timescale, the Proposals will be deemed to have been approved on 28 May 2020.

## **16 Approving the Costs of the Administration**

- 16.1 Where a Company has insufficient property to enable a distribution to be made to unsecured creditors (other than, where appropriate, any funds that may be available to be distributed in accordance with the Prescribed Part) approval of the following is to be sought from the secured and preferential creditors of the Company:

- (i) Pre-Administration costs; and
- (ii) Basis of the Administrators' remuneration.

- 16.2 While unsecured creditors are not required to approve such costs, they are required to be provided with details of the likely costs. This applies to the Trust.
- 16.3 With regard to Trading, the Administrators will be required to request these decisions from the unsecured creditors, as there are no secured or preferential creditors in that company.

## 17 Pre-Administration Costs

- 17.1 The combined pre-Administration costs for both Companies total £29,296.96 plus VAT. A summary of the costs incurred is provided in the table below:

Firm	Fees (£)	Disbursements (£)	Description of work undertaken
Mazars LLP			
Trust:	18,141.00	253.96	<p>These costs represent the time costs incurred in undertaking the following:</p> <ul style="list-style-type: none"> <li>• Holding meetings &amp; conference calls with the Trustees / directors and management team, reviewing financial information provided</li> <li>• Attending further meetings at the Square Chapel to review cash flow and meet with staff</li> <li>• Discussions with the Arts Council and Calderdale MBC as major stakeholders</li> <li>• Considering the objective of Administration</li> <li>• Collating information for marketing process</li> <li>• Drafting and agreeing the content of a press release</li> <li>• Consenting to act, reviewing statutory paperwork in relation to the Administration appointment.</li> <li>• Liaising with solicitors in respect of the anticipated appointment and strategy planning.</li> </ul> <p>These fees are on a time-cost basis and detailed tables of costs incurred in both Companies are provided at Appendix E. Details of relevant charge out rates can be found at Appendix H.</p>
Trading:	4,488.00	-	
Brabners LLP			
Trust:	5,131.20	-	<p>Solicitors instructed to prepare board minutes, statutory paperwork relating to the appointment of the Administrators, file documents at Court and serve documents on any relevant parties and to provide advise on matters arising in anticipation of the appointments. These fees have been incurred on a time costs basis.</p>
Trading:	1,282.80	-	
Total	29,043.00	253.96	

- 17.2 The costs of Mazars LLP were approved by the directors in an engagement letter dated 12 March 2020. This engagement letter also provided Mazars LLP with the authority to engage solicitors and agents. The estimated solicitor costs set out in the engagement letter were £3-£5,000 and this was approved by Marc Collett on 13 March 2020.
- 17.3 These costs were incurred before the Companies entered Administration but with a view to them doing so in order to further the achievement of the Administration objective for the following reasons:
- To plan and prepare for the anticipated Administration appointments including the collation of information required for the marketing of the Square Chapel to commence immediately on appointment; and
  - To allow for discussions with key stakeholders to obtain support for the Administration strategy.
- 17.4 No payments on account have been made to date against these costs. Approval of the pre-Administration costs is not part of the Proposals and agreement of the costs will be sought from the secured and preferential creditors. If approval is received, the payment of these costs will be treated as an expense of the Administration.

## **18 Basis of Administrators' Remuneration**

- 18.1 In accordance with rule 18.16 of the Insolvency (England and Wales) Rules 2016, the basis of the Administrators' remuneration may be fixed:
- a. as a percentage of the value of the property with which the Administrators have to deal; or
  - b. by reference to the time properly given by the Administrators and their staff in attending to matters arising the Administration; or
  - c. as a set amount; or
  - d. as a combination of any one or more of the above.
- 18.2 As noted earlier, the secured and preferential creditors are to approve the basis of the Administrators' remuneration in the Trust; whereas the unsecured creditors will be asked to approve the basis of the Administrators' remuneration in Trading (as there are no secured or preferential creditors in Trading). No decision on the Administrators' remuneration is being sought at this stage and no fees can be drawn until approval is obtained. Further details will be provided in the next report.
- 18.3 **Costs already incurred**
- 18.3.1 As work has already been undertaken and is ongoing prior to seeking fee approval, so as to fully explore the potential avenues for a sale / transfer of the business and assets of the Companies, to maximise the level of realisations, address staffing matters and dealing with redundancies and furloughing of staff, ensure the security of the assets and to adhere to various statutory deadlines.
- 18.3.2 Appendix F provides a summary of the Administrators' time costs to date, for information only at this stage. To date, 339.9 hours have been spent dealing with the administration of the Trust, at a total cost of £88,327.00 representing an average hourly rate of £259.86 per hour; while

51.1 hours have been spent dealing with the administration of Trading, at a total cost of £11,343.00 representing an average hourly rate of £221.97 per hour

- 18.3.3 Also within Appendix F is a narrative summary of the work undertaken to date; however, this narrative is restricted to details of work done, and details of the future work required will be provided within the Administrators' Fee Estimate in due course.
- 18.4 This firm's Rates and Disbursements policy included at Appendix H for information only at this stage is subject to change, as charge out rates may increase over the period of the administration of the case, in common other professional firms. Details of any changes will be provided as part of my reporting throughout the life of the case. All staff that work on the case, including the cashiers, support and any secretarial staff charge their time directly to the assignment in 6-minute units.
- 18.5 Creditors can find additional information relating to an Administrator's fees in a copy of the publication "A creditors guide to Administrators' Fees" which is available separately on the Creditor Portal

## **19 Expenses**

- 19.1 The Expense Statements at Appendix G provide details of the expenses which have been incurred to date in these Administrations, together with an explanation as to why it has been necessary to incur each expense. No payments have been made to date in respect of professional fees. In view of the uncertain outcome and work yet to be undertaken in these Administrations by professional advisors, no estimate of future costs is provided at this stage. Further details will be provided in due course, when the Administrators are in a position to seek the approval for their remuneration.
- 19.2 These expenses have been incurred prior to the approval of fees and disbursements in the compliance of statutory requirements or in order to further the Administration objectives.

## **20 Disbursements**

- 20.1 Some of the expenses detailed in the Estimated Outcome Statements are likely to be paid by this Firm in the first instance and re-charged to the estate. Such disbursements fall into two categories as follows:
- *Category 1 disbursements:* These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.
  - *Category 2 disbursements:* These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the administrator or his firm, and that can be allocated to the case on a proper and reasonable basis.
- 20.2 Details of this firm's disbursement charging policy is included in the Rates and Disbursements policy at Appendix H. No disbursements have been incurred or paid in either the Trust or Trading.



## 21 Future Reports

- 21.1 A progress report covering the first six months of the Administrations will be circulated to creditors during October 2020.

Should you have any queries in relation to this matter, please do not hesitate to contact Julie Mills or Angela Ramzan at this office.

Yours faithfully  
For and on behalf of the Companies



**Patrick Lannagan**  
Joint Administrator

Dated 8 May 2020

*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.*

*Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: [www.mazars.co.uk/Legal-and-privacy](http://www.mazars.co.uk/Legal-and-privacy)*

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

**The Square Chapel Trust - In Administration****Identification Details****Details relating to the Company**

<b>Company name</b>	The Square Chapel Trust
<b>Previous names</b>	N/A
<b>Trading name</b>	N/A
<b>Company number</b>	02315198
<b>Registered office</b>	c/o Mazars LLP, One St Peter's Square, Manchester, M2 3DE
<b>Previous registered office</b>	10 Square Road, Halifax, HX1 1QG
<b>Trading address</b>	10 Square Road, Halifax, HX1 1QG
<b>Court</b>	Business & Property Courts of England & Wales Insolvency & Companies List (CLD)
<b>Court reference</b>	1924 of 2020

**Details relating to the Joint Administrators**

<b>Date of appointment</b>	20 March 2020
<b>Joint Administrators</b>	Patrick Lannagan and Conrad Pearson, both of Mazars LL IP No(s) 009590 and 014732
<b>Joint Administrators' functions</b>	All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone
<b>Joint Administrators' address</b>	Mazars LLP, One St Peters Square, Manchester, M2 3DE
<b>Appointed by</b>	the Trustees
<b>Joint Administrator's contact telephone number</b>	+44(0) 161 238 9200

**Square Trading Limited - In Administration****Identification Details****Details relating to the Company**

<b>Company name</b>	Square Trading Limited
<b>Previous names</b>	Modcram Limited (name changed 27/03/1990)
<b>Trading name</b>	N/A
<b>Company number</b>	02348322
<b>Registered office</b>	c/o Mazars LLP, One St Peter's Square, Manchester, M2 3DE
<b>Previous registered office</b>	Square Chapel, 10 Square Road, Halifax, HX1 1QG
<b>Trading address</b>	Square Chapel, 10 Square Road, Halifax, HX1 1QG
<b>Court</b>	Business & Property Courts of England & Wales Insolvency & Companies
<b>Court reference</b>	1978 of 2020

**Details relating to the Joint Administrators**

<b>Date of appointment</b>	20 March 2020
<b>Joint Administrators</b>	Patrick Lannagan and Conrad Pearson, both of Mazars LLP IP No(s) 009590 and 014732
<b>Joint Administrators' functions</b>	All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone
<b>Joint Administrators' address</b>	Mazars LLP, One St Peters Square, Manchester, M2 3DE
<b>Appointed by</b>	the directors
<b>Joint Administrator's contact telephone number</b>	+44(0) 161 238 9200

## Statement of Affairs

Appendix B (i)

Name of Company  The Square Chapel Trust	Company number  02315198
In the  High Court of Justice, Business & Property Courts of England & Wales  (full name of court)	Court case number  1924 of 2020

(a) Insert name and  
address of registered  
office of the company

Statement as to the affairs of (a) The Square Chapel Trust ('the Company') of 10 Square Road,  
Halifax, HX1 1QG

(b) Insert date

on the (b) 20 March 2020, the date that the Company entered Administration

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**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 20 March 2020, the date that the company entered Administration.

Full name JENNIFER McALPIN LYNN  
Signed Jennifer M. Lynn  
Dated 14<sup>th</sup> May 2020

**The Square Chapel Trust**

**Statement of Affairs as at 20 March 2020**

**A - Summary of Assets**

<b>Assets</b>	<b>Book Value</b>	<b>Estimated to Realise</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Assets subject to fixed charge:</b>			
Freehold & Long Leasehold Land & Buildings	6,327,056.78	500,000.00	
Due to Fixed Charge Creditors	(5,019,007.25)	(5,019,007.25)	
<b>Surplus / (deficiency) carried down</b>		<b>(4,519,007.25)</b>	
<b>Assets subject to floating charge:</b>			
Furniture & Fixtures	14,455.90	14,000.00	
Equipment	26,105.05	26,000.00	
Shares in Square Trading Limited	2.00	0.00	
Trade Debtors	55,936.05	2,000.00	
Square Trading Limited Debtor	117,805.43	0.00	
Bank Accounts (Current & Deposit)	21,731.88	21,731.88	
Petty Cash	912.29	912.29	
			<b>64,644.17</b>
<b>Uncharged assets:</b>			<b>0.00</b>
<b>Estimated total assets available for preferential creditors</b>			<b>64,644.17</b>

Signature Jennifer M. Lynn

# The Square Chapel Trust

## Statement of Affairs as at 20 March 2020

### A1 - Summary of Liabilities

	Estimated to Realise £	£
Estimated total assets available for preferential creditors (Carried from A)		64,644.17
<b>Liabilities</b>		
Preferential Creditors:		
Arrears of Wages & Holiday Pay Claims (21 = number of creditors)	9,105.47	(9,105.47)
Estimated surplus / (deficiency) as regards preferential creditors		55,538.70
Debts secured by floating charges pre 15 September 2003		0.00
		55,538.70
Estimated prescribed part of net property where applicable (to carry forward)		(14,107.74)
Estimated total assets available for floating charge holders		41,430.96
Debts secured by floating charges post 14 September 2003		
Deficiency brought forward		(4,519,007.25)
Estimated surplus / (deficiency) of assets after floating charges		(4,477,576.29)
Estimated prescribed part of net property where applicable (brought down)		14,107.74
Total assets available to unsecured creditors		(4,463,468.55)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	106,449.87	
Accruals & Other creditors	198,305.01	
Employee Claims	15,677.40	
Trustee Loan	15,000.00	
HM Revenue & Customs	64,942.51	
		(400,374.79)
Estimated surplus / (deficiency) as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(4,863,843.34)
Shortfall to floating charge holders (brought down)		0.00
Estimated surplus / (deficiency) as regards creditors		(4,863,843.34)
Issued and called up capital		0.00
Estimated total surplus / (deficiency) as regards members		(4,863,843.34)

Signature Jennifer M. Lynn

## The Square Chapel Trust

### Statement of Affairs as at 20 March 2020

#### B - Summary of Creditors

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title ("ROT") over property in the company's possession. Please note that consumer creditors and employee / director details must be provided on separate schedules.

Name of creditor	Address (with postcode)	Amount of debt (£)	Details of any security or ROT held by creditor	Date security / ROT taken / granted	Value of security / ROT (£)
ACE Cooper Lift Assessment	Units 4/5 St Ives Way, Sandycroft, Deeside, Flintshire, CH5 2QS	591.60	0.00	0.00	0.00
AFP Digital	2 College Court, College Road, Gildersome, Morley, LS27 7WF	147.03	0.00	0.00	0.00
Alan Bearman Music	The Music Base, Kings Place, London, N1 9AG	1,200.00	0.00	0.00	0.00
Altitude Film Entertainment	34 Fouberts Place, London W1F 7PX	358.67	0.00	0.00	0.00
Curzon Artificial Eye (UK)	22 Stukeley Street, London, WC2B 5LR	120.00	0.00	0.00	0.00
Access Northern Solutions	Unit 7 Park View Mills, Wibsey Park Avenue, Bradford BD6 3QA	114.00	0.00	0.00	0.00
British Film Institute	21 Stephen Street, London W1T 1LN	272.93	0.00	0.00	0.00
Business Stream Limited	PO Box 1255, Bradford, BD1 9AE	10,708.13	0.00	0.00	0.00
Calder Valley Skip Hire Limited	Belmont Recycling Centre, Rochdale Road, Sowerby Bridge, HX6 3LL	1,014.44	0.00	0.00	0.00
Calderdale MBC	Northgate House, Northgate, Halifax HX1 1U	8,689.36	0.00	0.00	0.00
Cinevents	69 Banstead Road, Carshalton, Surrey, SM5 3NP	193.01	0.00	0.00	0.00
Crest IT Solutions Limited	Newcombe Mill, Rosemount Estates, Huddersfield Road, Elland, West Yorkshire, HX5 0EE	600.00	0.00	0.00	0.00
Crossleys Cars	52 Crown Street, Halifax, HX1 1JB	110.40	0.00	0.00	0.00
Devon Partnership NHS Trust	Wonford House, Dryden Rd, Exeter EX2 5AF	55.20	0.00	0.00	0.00
Ditil This Ltd	17 Chesham Road, Brighton BN2 1NB	4.80	0.00	0.00	0.00
Dogwoof Ltd	Ground Floor, Overseas House, 19-23 Ironmonger Row, London, EC1V 3QN	120.00	0.00	0.00	0.00
Entertainment Film Distributors Limited	Eagle House, 108-110 Jernyn Street, London, SW1Y 6HB	386.42	0.00	0.00	0.00
Entertainment One UK Ltd	Daisybeck Studios, 96 Kirkstall Road, Leeds LS3 1HD	2,420.98	0.00	0.00	0.00
Event Pro TIA Profit Systems UK Ltd	Redland House, 157 Redland Road, Redland Bristol, BS6 6YE	1,134.00	0.00	0.00	0.00
Garbutt & Elliott	33 Park Place, Leeds LS1 2RY	3,018.00	0.00	0.00	0.00
H M Revenue & Customs	Enforcement and Insolvency Service, Durrington Bridge House, Barrington Road, Worthing BN	64,942.51	0.00	0.00	0.00
Halifax Business Improvement District	Northgate House, Northgate, Halifax HX1 1U	244.40	0.00	0.00	0.00
Halifax Culture Hub Limited	10 Square Road, Halifax, HX1 1QG	10,143.37	0.00	0.00	0.00
Halifax Philharmonic Club	10 Square Road Halifax HX1 1QG	2,445.00	0.00	0.00	0.00
Holmbay Consultancy Services Ltd	Unit 4 FF, Cliffe Park, Bruntcliffe Road, Morley, Leeds LS27 0RY	2,961.00	0.00	0.00	0.00
HPSS Limited	Unit 3 Quayside Business Park, West Dock Street, Hull, East Yorkshire, HU3 4AJ	2,400.00	0.00	0.00	0.00
Imperial Crown Hotel	42-46 Horton Street, Halifax, HX1 1QE	440.00	0.00	0.00	0.00
Industry Live Agency	5 Oxford Road, Altrincham, Cheshire, WA14 2DY	1,312.50	0.00	0.00	0.00
Info Display Limited	2 St. Cecilia Street, Quarry Hill, Leeds, LS2 7PA	33.60	0.00	0.00	0.00
Key Fund Investments Limited	9-12 Jessops Riverside, 800 Brightside Lane, Sheffield S9 2RX	60,107.25	legal charge	18/10/2019	60,107.25
Latitude 7 Ltd	7 Pond Farm Drive, Brighouse, West Yorkshire	195.00	0.00	0.00	0.00
Lionsgate Film Ltd	Fifth Floor, 45 Mortimer Street, London W1W 8HJ	1,293.50	0.00	0.00	0.00
Lyreco	Deer Park Court, Donnington Wood, Telford, Shropshire TF2 7NB	79.80	0.00	0.00	0.00
Miracle Communications	38 Broadhurst Avenue, Edgware, Middlesex HA8 8TS	120.00	0.00	0.00	0.00
More 2 Screen Limited	417 Exmouth House, 3/11 Pine Street, London, EC1R 0JH	965.00	0.00	0.00	0.00
National Theatre Live	Upper Ground, London SE1 9PX	2,908.15	0.00	0.00	0.00

# The Square Chapel Trust

Statement of Affairs as at 20 March 2020

## B - Summary of Creditors

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title ("ROT") over property in the company's possession. Please note that consumer creditors and employee / director details must be provided on separate schedules.

Name of creditor	Address (with postcode)	Amount of debt (£)	Details of any security or ROT held by creditor	Date security / ROT taken / granted	Value of security / ROT (£)
OMNEX Ltd	Mission Hall, 9-11 North End Rd, London W14 8ST, UK	2,520.00	0.00	0.00	0.00
Park Circus	Blackledge, Halifax HX1 1RE	185.00	0.00	0.00	0.00
Phil McIntyre Entertainment LLP	3rd Floor, 85 Newman Street, London, W1T 3EU	5,428.80	0.00	0.00	0.00
Pickles Printing Company Ltd	Carlton Works, Saville Park Road, Halifax, West Yorkshire HX1 2EN	1,885.20	0.00	0.00	0.00
Pictures House (UK)	18-18 Beak Street, London, W1F 8RD	135.40	0.00	0.00	0.00
Posing Productions	Higher Lee Cottage, High Lane, Salford, Lancashire BB16 5SL	240.00	0.00	0.00	0.00
PPL PRS Ltd	Mercury Place, St. George Street, Leicester LE1 1QG	3,981.28	0.00	0.00	0.00
Premier Vanguard Ltd	Concorde House, Stewart Close, Bradford, West Yorkshire, BD2 2EE	1,128.00	0.00	0.00	0.00
Print Bureau	Unit 8 Pennine Industrial Estate, Valley Rd, Hebden Bridge HD7 7BZ	513.00	0.00	0.00	0.00
Resource Priming	78 Armley Road, Leeds, LS12 2EJ	6,114.60	0.00	0.00	0.00
Rionis Primus		75.00	0.00	0.00	0.00
Robertson Refrigeration	20 Phoebe La, Siddal, Halifax HX3 9AS	225.78	0.00	0.00	0.00
Saga	North Park, Newcastle upon Tyne, NE13 8AA	135.88	0.00	0.00	0.00
Scott Janitorial Supplies	Beecroft House, Dalton Lane, Kelghley, West Yorkshire, BD21 4JH	388.09	0.00	0.00	0.00
Secom plc	G, Millshaw Business Living, Global Ave, Beeston, Leeds LS11 8PR	778.79	0.00	0.00	0.00
Seventh Art Productions	63 Ship Street, Brighton, East Sussex, BN1 1AE, UK	1,132.51	0.00	0.00	0.00
Signature Entertainment Ltd	Charlotte Street Studios, 76 - 78 Charlotte Street, London, W1T 4QS	146.52	0.00	0.00	0.00
Sony Pictures Releasing	Europe House, 25 Golden Square, London W1F 9LU	1,955.85	0.00	0.00	0.00
SSE	4240 Park Approach, Leeds LS15 8GB	501.00	0.00	0.00	0.00
Studio Canal	4 Pancras Square, London N1C 4AG	134.75	0.00	0.00	0.00
Talent 4 Media Limited	G8 The Shepherds Building, Rockley Road, London, W14 0DA	2,850.00	0.00	0.00	0.00
The Arts Council of England	21 Bloomsbury Street, London WC1B 3HF	4,958,900.00	2 x Fixed & floating charge debentures 12/11/2013 & 24/06/2018	0.00	4,958,900.00
The Place Hall	Blackledge, Halifax HX1 1RE	15,538.52	0.00	0.00	0.00
The Walt Disney Company Limited	3 Queen Caroline Street, Hammersmith, London W8 9PE	321.78	0.00	0.00	0.00
Trafalgar Releasing Ltd	1st Floor, 32a-37 Cowper Street, London, EC2A 4AW	2,905.06	0.00	0.00	0.00
UK Theatre Association Ltd	32 Rose Street, London, WC2E 8ET	78.00	0.00	0.00	0.00
Universal Pictures International	1 Central Saint Giles High Street, London, WC2H 8NU	220.49	0.00	0.00	0.00
Yorkshire Purchasing Organisation plc	41 Industrial Park, Wakefield, Yorkshire, WF2 0XE	10.74	0.00	0.00	0.00
Provision for Accruals and Other Creditors		188,305.01	0.00	0.00	0.00
<b>TOTALS</b> (64 of creditors totalling)		<b>5,388,704.84</b>			<b>5,018,007.25</b>

Signature *Jennifer M. Lynn*



**The Square Chapel Trust**

**Statement of Affairs as at 20 March 2020**

**B1 - Summary of Employees & Trustees**

Name of creditor	Address (with postcode)	Preferential		Unsecured		Total amount of debt(£)
		debt (£)		debt (£)		
TOTALS ( 25 of creditors totalling)		9,105.47		30,677.40		39,782.87

Signature Jennifer M. Lyons

**The Square Chapel Trust**

**Statement of Affairs as at 20 March 2020**

**B2 - Summary of Consumer Creditors**

Name of creditor	Address (with postcode)	Amount of debt (£)	Details of any security held by creditor		Date security given	Value of security (£)

Advance ticket purchases - to be confirmed

TOTALS ( of creditors totalling)						
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Signature Jennifer M. Lyons

**The Square Chapel Trust**

**Statement of Affairs as at 20 March 2020**

**C - Summary of Shareholders**

Name of shareholder		Address (with postcode)	Type	Nominal value (£)	Number of shares held	Called up (£)	Paid up (£)
Not Applicable - Company Limited by Guarantee							
TOTALS							

Signature Jennifer M. Lyons

Rule 3.30

Insolvency (England and Wales) Rules 2016

## Statement of Affairs

Name of Company  Square Trading Limited	Company number  02348322
In the  High Court of Justice, Business & Property Courts of England & Wales  (full name of court)	Court case number  1978 of 2020

(a) Insert name and  
address of registered  
office of the company

Statement as to the affairs of (a) Square Trading Limited ('the Company') of Square Chapel, 10  
Square Road, Halifax, West Yorkshire, HX1 1QG

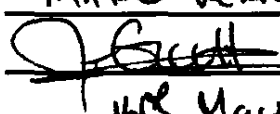
(b) Insert date

on the (b) 20 March 2020, the date that the Company entered Administration

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### 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 20 March 2020, the date that the company entered  
Administration.

Full name MARC VERNON COLLETT  
Signed   
Dated 14th May 2020

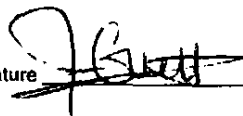
**Square Trading Limited**

**Statement of Affairs as at 20 March 2020**

**A - Summary of Assets**

<b>Assets</b>	<b>Book Value £</b>	<b>Estimated to Realise £</b>	<b>£</b>
<b>Assets subject to fixed charge:</b>			
None	0.00	0.00	
<b>Surplus / (deficiency) carried down</b>		<u>0.00</u>	
<b>Assets subject to floating charge:</b>			
None			0.00
<b>Uncharged assets:</b>			
Stock	10,645.28	1,000.00	
Trade Debtors	788.60	394.00	
Bank	8,722.80	8,722.80	
Cash	901.36	901.36	
			11,018.16
<b>Estimated total assets available for preferential creditors</b>			<u>11,018.16</u>

Signature



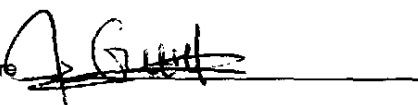
# Square Trading Limited

## Statement of Affairs as at 20 March 2020

### A1 - Summary of Liabilities

	<b>Estimated to Realise</b>	
	<b>£</b>	<b>£</b>
<b>Estimated total assets available for preferential creditors (Carried from A)</b>		11,018.16
<b>Liabilities</b>		
Preferential Creditors:		
Arrears of Wages & Holiday Pay Claims ( 0 = number of creditors)	0.00	0.00
<b>Estimated surplus / (deficiency) as regards preferential creditors</b>		11,018.16
Debts secured by floating charges pre 15 September 2003	0.00	0.00
		11,018.16
Estimated prescribed part of net property where applicable (to carry forward)		0.00
<b>Estimated total assets available for floating charge holders</b>		11,018.16
Debts secured by floating charges post 14 September 2003	0.00	0.00
Deficiency brought forward		0.00
<b>Estimated surplus / (deficiency) of assets after floating charges</b>		11,018.16
Estimated prescribed part of net property where applicable (brought down)		0.00
<b>Total assets available to unsecured creditors</b>		11,018.16
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade Creditors	15,893.50	
The Square Chapel Trust	117,805.43	
		(133,698.93)
<b>Estimated surplus / (deficiency) as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		(122,680.77)
Shortfall to floating charge holders (brought down)		0.00
<b>Estimated surplus / (deficiency) as regards creditors</b>		(122,680.77)
Issued and called up capital		(3.00)
<b>Estimated total surplus / (deficiency) as regards members</b>		(122,683.77)

Signature



# Square Trading Limited

## Statement of Affairs as at 20 March 2020

### B - Summary of Creditors

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title ("ROT") over property in the company's possession. Please note that consumer creditors and employee / director details must be provided on separate schedules.

Name of creditor	Address (with postcode)	Amount of debt (£) or ROT held by creditor	Date security / ROT taken / granted	Value of security / ROT (£)
Beergas Express Limited	Unit B6, Warhurst Rd, Eiland, Halifax, HX5 9DF	99.66	0.00	0.00
Cackmaster	8/1 Buckingham Terrace, Edinburgh, Scotland, EH4 3AA	295.20	0.00	0.00
Expressmode Ltd T/A ABV Wholesale	Unit 4, Holme Mill, Holme Mill Lane, Keighley, BD22 8BN	1,518.04	0.00	0.00
First Choice Naturally Limited	53-55 St James's Wholesale Market, Essex Street, Bradford BD4 7PW	882.20	0.00	0.00
Garbutt & Elliott	Triune Court, Monks Cross Drive, York YO32 9GZ	1,260.00	0.00	0.00
Hadfields the Bakery Limited	Bake House Factory Lane, Milnsbridge, Huddersfield, West Yorkshire, HD3 4LY	118.22	0.00	0.00
Halifax Farm Meats	Equitable House, 55 Pellon Lane, Halifax, West Yorkshire, United Kingdom, HX1 5SP	29.55	0.00	0.00
Halifax Wine Company	Equitable House, 55 Pellon Lane, Halifax, West Yorkshire, United Kingdom, HX1 5SP	427.46	0.00	0.00
Hawkshead Brewery	Hawkshead Brewery, Mill Yard, Staveley, Cumbria LA8 9LR	389.18	0.00	0.00
Pennine Tea & Coffee Ltd	6-8 Hall Street, Halifax, West Yorkshire, HX1 5AY	3,074.68	0.00	0.00
Pivovar Ltd	Station Yard, Elvington, YO41 4EL	1,612.52	0.00	0.00
PR Birrell & Sons	Moorfield Farm, Ripponden, Sowerby Bridge, West Yorkshire, HX6 4NX	960.00	0.00	0.00
Premium Drinks UK	Bingley, West Yorkshire, UK	159.84	0.00	0.00
Sailbrand Ltd	Unit 11-15, Block C, New Wholesale Market, Red Doles Lane, Huddersfield, HD2 1YF	365.32	0.00	0.00
The Square Chapel Trust	10 Square Road, Halifax HX1 1QG	117,805.43	0.00	0.00
Total Food Services Ltd	Green Lea Mills, Cross Green Road, Dalton, Huddersfield, HD5 9XX	1,252.43	0.00	0.00
Vocation Brewery Ltd	Country Business Park, 8 Craggs, New Rd, Craggs Vale, Hebden Bridge HX7 5TT	3,451.20	0.00	0.00

TOTALS  
(17 of creditors totalling)

133,696.93

Signature 

**Square Trading Limited**

**Statement of Affairs as at 20 March 2020**

**B1 - Summary of Employees & Directors**

Name of creditor	Address (with postcode)	Preferential debt (£)	Unsecured debt (£)	Total amount of debt(£)
None				

TOTALS	( of creditors totalling)				
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Signature 



## B2 - Summary of Consumer Creditors

Name of creditor	Address (with postcode)	Amount of debt (£)	Details of any security held by creditor	Date security given	Value of security (£)
None					
TOTALS					
( of creditors totalling )					

Signature \_\_\_\_\_

Square Trading Limited

Statement of Affairs as at 20 March 2020

C - Summary of Shareholders

Name of shareholder	Address (with postcode)	Type	Nominal value (£)	Number of shares held	Called up (£)	Paid up (£)
The Square Chapel Trust	CAO Mazars LLP, One St Peters Square, Manchester, M2 3DE	ordinary	2.00	2	2.00	2.00

TOTALS						
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Signature 

**The Square Chapel Trust - in Administration**  
**Joint Administrators' Summary of Receipts & Payments**  
**From 20 March 2020 To 08 May 2020**

S of A £	£	£
<b>ASSET REALISATIONS</b>		
Cash at Bank	21,000.00	
Petty Cash	912.28	
Exclusivity Sum	20,000.00	
Contribution to Payroll Costs	25,000.00	
Bank Interest Gross	0.11	
Coronavirus Job Retention Scheme Grant	35,973.06	
		102,885.45
<b>COST OF REALISATIONS</b>		
Telephone & Broadband	226.34	
Re-Direction of Mail	140.00	
Statutory Advertising	94.50	
Other Property Expenses	100.00	
Wages & Salaries	38,416.23	
		(38,977.07)
		<b>63,908.38</b>
<b>REPRESENTED BY</b>		
VAT Receivable		112.17
Floating Charge Current Account		73,214.41
Pension Contributions Payable		(2,060.84)
PAYE & NIC Accrual		(7,357.36)
		<b>63,908.38</b>

**Square Trading Limited - in Administration**  
**Joint Administrators' Summary of Receipts & Payments**  
**From 20 March 2020 To 08 May 2020**

S of A £	£	£
<b>ASSET REALISATIONS</b>		
Cash at Bank	7,757.42	
Petty Cash	<u>901.36</u>	
		8,658.78
<b>COST OF REALISATIONS</b>		
Statutory Advertising	<u>94.50</u>	
		(94.50)
		<u><u><b>8,564.28</b></u></u>
<b>REPRESENTED BY</b>		
VAT Receivable		18.90
Current Account		8,545.38
		<u><u><b>8,564.28</b></u></u>

**The Square Chapel Trust - in Administration**  
**Estimated Outcome Statement as at 8 May 2020**

	Received / Paid to Date	Future Receipts & Payments	Estimated Final Position
<b>Fixed Charge Assets</b>			
Freehold & Long Leasehold Property	0	uncertain	uncertain
Shares in Trading Subsidiary	0	0	0
Fixed Charge Costs	0	uncertain	uncertain
<b>Available to Fixed Charge Creditors</b>	<u>0</u>	<u>uncertain</u>	<u>uncertain</u>
 The Arts Council of England	 0	 uncertain	 uncertain
Key Fund Loan Investments Limited	0	0	0
 <b>Surplus/(Shortfall) to Fixed Charge Creditors</b>	 <u>0</u>	 <u>uncertain</u>	 <u>uncertain</u>
 <b>Floating Charge Assets</b>			
Surplus from Fixed Charge	0	uncertain	uncertain
Furniture & Equipment	0	uncertain	uncertain
Trade Debtors	0	2,000	2,000
Inter-company Debtor	0	0	0
Cash at Bank & in Hand	21,912	732	22,644
Funding for Payroll Costs	45,000	uncertain	uncertain
CJRS Grant	35,973	uncertain	uncertain
Floating Charge Costs	(38,977)	uncertain	uncertain
Preferential Creditors	<u>0</u>	<u>(11,406)</u>	<u>(11,406)</u>
 <b>Net Property</b>			 uncertain
 Distributed to Secured Creditors			 uncertain
 <b>Available to Ordinary Creditors/Prescribed Part</b>			 uncertain

**Square Trading Limited - in Administration**  
**Estimated Outcome Statement as at 8 May 2020**

	Received / Paid to Date	Future Receipts & Payments	Estimated Final Position
<b>Uncharged Assets</b>			
Stock	0	1,000	1,000
Trade Debtors	0	788	788
Cash at Bank & in Hand	8,659	0	8,659
	<u>8,659</u>	<u>1,788</u>	<u>10,447</u>
<b>Costs of Realisation</b>			
Pre-Administration Costs	0	(5,780)	(5,780)
Administrators' Fees	0	(3,156)	(3,156)
Administrators' Disbursements	0	(25)	(25)
Legal Costs	0	(500)	(500)
Agent's Costs	0	(500)	(500)
Insurance of Assets	0	(392)	(392)
Statutory Advertising	(94)	0	(94)
<b>Available to Unsecured Creditors</b>	<u>8,565</u>	<u>(8,565)</u>	<u>0</u>

**DETAILS OF PRE-ADMINISTRATION TIME COSTS**

<b>Description of work</b>	<b>Total Time (hours)</b>	<b>Total Cost (£)</b>	<b>Blended Hourly Rate (£)</b>
<b><u>Initial Meetings, Financial Review &amp; General Advice</u></b> Work in this category has involved: <ul style="list-style-type: none"> <li>• Meetings with the Trustees and management team</li> <li>• Reviewing the financial information, cash flow forecasts</li> <li>• Advising on options</li> <li>• Advising the directors in respect of payments and asset protection</li> </ul>	27.90	11,322.50	405.82
<b><u>Pre-Appointment Reporting &amp; Creditor Correspondence</u></b> Work in this category has involved: <ul style="list-style-type: none"> <li>• Liaising with key stakeholders including The Arts Council</li> <li>• Collating management information for marketing process</li> <li>• Drafting and agreeing the content of a press release with stakeholders</li> </ul>	10.40	3,878.50	372.93
<b><u>Considering Objectives &amp; Preparation for Appointment</u></b> Work in this category has involved: <ul style="list-style-type: none"> <li>• Considering and documenting the anticipated objective for Administration</li> <li>• Strategy discussion with team</li> <li>• Review of statutory documentation, consenting to act</li> </ul>	12.00	2,940.00	245.00
<b><u>Overall</u></b>	50.30	18,141.00	360.65

**DETAILS OF PRE-ADMINISTRATION TIME COSTS**

<b>Description of work</b>	<b>Total Time (hours)</b>	<b>Total Cost (£)</b>	<b>Blended Hourly Rate (£)</b>
<b><u>Initial Meetings, Financial Review &amp; General Advice</u></b> Work in this category has involved: <ul style="list-style-type: none"> <li>• Meetings with the directors and management team</li> <li>• Reviewing the financial information, cash flow forecasts</li> <li>• Advising the directors in respect of payments and asset protection</li> </ul>	3.10	953.00	307.41
<b><u>Pre-Appointment Reporting &amp; Creditor Correspondence</u></b> Work in this category has involved: <ul style="list-style-type: none"> <li>• Liaising with key stakeholders including The Arts Council</li> <li>• Collating management information for marketing process</li> <li>• Drafting and agreeing the content of a press release with stakeholders</li> </ul>	2.50	1,085.00	417.30
<b><u>Considering Objectives &amp; Preparation for Appointment</u></b> Work in this category has involved: <ul style="list-style-type: none"> <li>• Considering and documenting the anticipated objectives for Administration</li> <li>• Strategy discussion with team</li> <li>• Review of statutory documentation, consenting to act</li> </ul>	10.00	2,450.00	245.00
<b><u>Overall</u></b>	15.60	4,488.00	287.69



**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

<b>Introduction</b>	<b>Total Hours</b>	<b>Time Cost</b>	<b>Average hourly Rate</b>
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.			
<b>Work carried out in the current period</b>			
<b><u>Administration and planning</u></b> The Administrators have undertaken the following work: <ul style="list-style-type: none"> <li>• Case acceptance and ethical reviews;</li> <li>• Completing case strategy notes;</li> <li>• Team strategy meetings;</li> <li>• Liaising with Trustees</li> <li>• Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.</li> </ul> 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.	27.90	7,420.50	241.12
<b><u>Taxation</u></b> The following activities were undertaken in order to ensure the Trust is compliant with tax requirements: <ul style="list-style-type: none"> <li>• Notifying HM Revenue &amp; Customs ("HMRC") of the appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquiries will assist with the Administrators' own investigations.</li> <li>• Internal tax review</li> <li>• Internal VAT review</li> </ul> The majority of this work derived no financial benefit for creditors; however, it is required in accordance with tax legislation.	17.20	5,158.50	299.91
<b><u>Investigations</u></b> An explanation of the investigation work required to be carried out is provided within Section 6 of the report. A summary of the work undertaken to date is as follows: <ul style="list-style-type: none"> <li>• Establishing the final balance sheet position</li> <li>• Review of asset movements</li> <li>• Discussions with Trustees</li> <li>• Issuing questionnaires to Trustees</li> </ul> The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.	7.30	3,167.00	433.84
<b><u>Realisation of Assets</u></b> The work undertaken in respect of the realisation of the Trust's assets is detailed in Sections 4 and 5 of the report. The most significant realisations are anticipated to be made in connection with a sale of the business and assets. In addition to the information provided in Sections 4 and 5, the following has been carried out:	96.00	27,711.00	288.66

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

<ul style="list-style-type: none"> <li>• Issuing a flyer and sales memorandum for distribution to interested parties, maintaining a log of expressions of interest and following up on enquiries.</li> <li>• Holding discussions with interested parties, providing further information as requested, setting a deadline for offers.</li> <li>• Introducing the interested party to key stakeholders to facilitate further discussions.</li> <li>• Arranging insurance cover over assets and ensuring their security.</li> <li>• Correspondence with the Company's bank to secure the ongoing use of the accounts, obtaining funds from the cash at bank to service costs.</li> <li>• Obtaining details of outstanding debts, reconciliation</li> <li>• Establishing which assets are subject to HP/Lease agreements and third party ownership.</li> <li>• Securing property and undertaking repairs.</li> <li>• Locating and securing assets on fixed asset register; liaising with agents to reconcile the position.</li> <li>• Arranging disposal of waste paper &amp; perishable goods.</li> </ul> <p>The work undertaken is anticipated to add value for the benefit of creditors by enabling a sale of the business and assets. The costs associated with this work are considered appropriate in the circumstances.</p>			
<p><b>Employees</b></p> <p>The Company had 50 employees of which 24 have been made redundant, 25 have been placed on voluntary furlough and one member of staff has been retained assist the Joint Administrators. Further information regarding employees' claims is included within Section 7.2 of the report.</p> <p>Work undertaken in order to ensure that employee matters have been dealt with appropriately includes:</p> <ul style="list-style-type: none"> <li>• Engaging ERA Specialists, Evolve IS to assist with redundancies;</li> <li>• Issuing redundancy letters to employees and dealing with any queries they may have in respect of their claims.</li> <li>• Liaising with Evolve in the collation of forms RP14, RP14a in relation to the employee's claims;</li> <li>• Liaising with Job Centre Plus,</li> <li>• Liaising with the Company pension providers.</li> <li>• Liaising with the retained staff in respect of voluntary furlough;</li> <li>• Providing regular updates to employees,</li> <li>• Processing the payroll for the remaining staff, submitting a claim to HM Revenue &amp; Customs under the CJRS scheme</li> </ul> <p>The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, the furloughing of staff during the 'trading' period of Administration may assist in progressing a sale of the business and assets and will reduce the overall creditor pool in the event that the furloughed staff transfer to a new employer.</p>	48.50	12,570	259.18
<p><b>Trading</b></p> <p>The Joint Administrators have retained 26 employees while the business and assets of the Trust are marketed for sale. However, the Trust is not actively trading in Administration following the closure of the venue under the UK restrictions and social distancing measures in response to the COVID19 pandemic prior to Administration. The operation has been effectively 'moth-balled' while a marketing exercise was carried out and negotiations with the interested party continue.</p> <p>Work undertaken in respect of the trading period has included:</p> <ul style="list-style-type: none"> <li>• Securing funding for 'trading' period</li> </ul>	34.80	8,298.00	238.45

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

<ul style="list-style-type: none"> <li>• Contacting essential suppliers to ensure continued supply</li> <li>• Taking control of incoming emails</li> <li>• Dealing with customer enquires re ticket refunds</li> <li>• Liaising with accounts manager</li> <li>• Operating a payroll for the retained staff</li> <li>• Securing the Property</li> </ul> <p>The work undertaken has added value for the benefit of creditors as by retaining the core business, the Joint Administrators have been able to market the business and assets with the potential to achieve the Administration objective and a higher level of realisations in the event of a successful sale.</p>			
<p><b><u>Creditors</u></b></p> <p>According to the Statement of Affairs, there are approximately 87 unsecured creditors in addition to the two secured creditors. The Administrators have also received enquiries from 250 people in respect of advance ticket sales. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:</p> <ul style="list-style-type: none"> <li>• Obtaining an initial list of creditors for initial notification</li> <li>• Responding to any queries arising in response to the initial letter.</li> <li>• Logging creditor claims received</li> <li>• Corresponding with any late notified creditors not included in the initial mailing.</li> <li>• Corresponding with The Arts Council and Key Fund Investments Limited</li> <li>• Logging details of advanced ticket sales and responding to customer enquiries.</li> </ul> <p>The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.</p>	48.00	10,472.00	218.17
<p><b><u>Reporting</u></b></p> <p>Reporting requirements during the period as prescribed by statute have included the following:</p> <ul style="list-style-type: none"> <li>• Issuing the initial notification to all known creditors.</li> <li>• Providing updates to The Arts Council</li> <li>• Reporting to Court</li> <li>• Preparing the Statement of Proposals - the Administrators are required to issue their proposals and provide creditors with an explanation on the reasons for the failure of the Company, the progress made during the Administration, the expected outcome and the work to be undertaken in order to achieve the objective of the Administration.</li> </ul> <p>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.</p>	6.50	1,597.00	245.69
<p><b><u>Cashiering</u></b></p> <p>Cashiering work undertaken includes:</p> <ul style="list-style-type: none"> <li>• Establishing set up of case details on our insolvency software system.</li> <li>• Setting up bank accounts, including deposit accounts as necessary.</li> <li>• Bank account maintenance, including periodic reconciliations.</li> <li>• Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.</li> </ul> <p>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 our regulatory bodies.</p>	17.90	4,214.50	235.45

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

<b><u>Statutory and Compliance</u></b> The work undertaken as required by statute and our internal procedures involves: <ul style="list-style-type: none"> <li>• Preparing and lodging the statutory appointment documents.</li> <li>• Advertising the appointment of Administrators in the London Gazette.</li> <li>• Initial notices to the pension scheme, the Pensions Regulator and Pension Protection Fund in accordance with statute.</li> <li>• Issuing the notice requiring a Statement of Affairs; discussing the draft Statement of Affairs with the Trustees.</li> <li>• Case monitoring and statutory compliance, including internal case reviews.</li> <li>• Case bonding.</li> </ul> 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.	34.10	7,445.00	218.33
<b><u>Overall</u></b>	<b>339.90</b>	<b>88,327.00</b>	<b>259.86</b>

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

<b>Introduction</b>	<b>Total Hours</b>	<b>Time Cost</b>	<b>Average hourly Rate</b>
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.			
<b>Work carried out in the current period</b>			
<b><u>Administration and planning</u></b> The Administrators have undertaken the following work: <ul style="list-style-type: none"> <li>• Day one planning &amp; discussion with team;</li> <li>• Completing case strategy notes;</li> <li>• Case filing</li> <li>• Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.</li> </ul> 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.	3.00	868.50	289.50
<b><u>Taxation</u></b> The following activities were undertaken in order to ensure the Trust is compliant with tax requirements: <ul style="list-style-type: none"> <li>• Notifying HM Revenue &amp; Customs ("HMRC") of the appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquiries will assist with the Administrators' own investigations.</li> <li>• Internal tax review</li> <li>• Internal VAT review</li> </ul> The majority of this work derived no financial benefit for creditors; however, it is required in accordance with tax legislation.	3.40	900.00	264.71
<b><u>Investigations</u></b> An explanation of the investigation work required to be carried out is provided within Section 6 of the report. A summary of the work undertaken to date is as follows: <ul style="list-style-type: none"> <li>• Establishing the final balance sheet position</li> <li>• Review of asset movements</li> <li>• Discussions with director</li> <li>• Issuing questionnaires to directors.</li> </ul> The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.	0.60	264.00	440.00
<b><u>Realisation of Assets</u></b> The work undertaken in respect of the realisation of the Trust's assets is detailed in Sections 4 and 5 of the report. The most significant realisations are anticipated to be made in connection with a sale of the business. In addition to the information provided in Sections 4 and 5, the following has been carried out:	11.20	2,511.50	224.24

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

<ul style="list-style-type: none"> <li>• Preparing a flyer and sales memorandum for distribution to interested parties, maintaining a log of expressions of interest and following up on enquiries.</li> <li>• Holding discussions with interested parties, providing further information as requested, setting a deadline for offers.</li> <li>• Collating details of outstanding book debts, reconciliation</li> <li>• Arranging insurance cover over assets and ensuring their security.</li> <li>• Correspondence with the Company's bank to secure the ongoing use of the accounts, obtaining funds from the cash at bank to service costs.</li> <li>• Locating and securing assets on fixed asset register; liaising with agents to reconcile the position.</li> <li>• Arranging disposal of perishable goods.</li> </ul> <p>The work undertaken is expected to add value for the benefit of creditors by enabling a sale of the business. The costs associated with this work are considered appropriate in the circumstances.</p>			
<p><b>Trading</b></p> <p>Although the Company is not actively trading in Administration following the closure of the café bar under the UK restrictions and social distancing measures in response to the COVID19 pandemic prior to Administration. The operation has been effectively 'moth-balled' while a marketing exercise was carried out and negotiations with the interested party continue.</p> <p>Work undertaken in respect of this category includes:</p> <ul style="list-style-type: none"> <li>• Contacting essential suppliers to ensure continued supply</li> <li>• Taking control of incoming emails</li> <li>• Liaising with accounts manager</li> <li>• Securing the Property</li> </ul> <p>The work undertaken has added value for the benefit of creditors as by retaining the core business, the Joint Administrators have been able to market the business and assets with the potential to achieve the Administration objective and a higher level of realisations in the event of a successful sale.</p>	1.00	1.68	1.68
<p><b>Employees</b></p> <p>The Joint Administrators were initially advised that the Company did have employees. However, a review of the records of the Company confirmed that all employees were employed by The Square Chapel Trust. A small amount of work in respect of the employees and any pension fund had been undertaken before it was established that the Company had no employees.</p>	1.80	469.50	260.83
<p><b>Creditors</b></p> <p>According to the Statement of Affairs, there are 17 unsecured creditors. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:</p> <ul style="list-style-type: none"> <li>• Obtaining an initial list of creditors for initial notification</li> <li>• Responding to any queries arising in response to the initial letter.</li> <li>• Corresponding with any late notified creditors not included in the initial mailing.</li> </ul> <p>The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.</p>	5.80	1,121.00	193.28
<p><b>Reporting</b></p> <p>Reporting requirements during the period as prescribed by statute have included the following:</p> <ul style="list-style-type: none"> <li>• Issuing the initial notification to all known creditors.</li> <li>• Preparing the Statement of Proposals - the Administrators are required to issue their proposals and provide creditors with an explanation on the reasons for the failure of the Company, the progress made during the</li> </ul>	1.80	423.50	235.28

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS  
AND TIME COSTS INCURRED FOR THE PERIOD 20 MARCH 2020 TO 8 MAY 2020**

Administration, the expected outcome and the work to be undertaken in order to achieve the objective of the Administration. 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.			
<b>Cashiering</b> Cashiering work undertaken includes: <ul style="list-style-type: none"> <li>Establishing set up of case details on our insolvency software system.</li> <li>Setting up bank accounts, including deposit accounts as necessary.</li> <li>Bank account maintenance, including periodic reconciliations.</li> <li>Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.</li> </ul> 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 our regulatory bodies.	5.20	932.00	179.23
<b>Statutory and Compliance</b> The work undertaken as required by statute and our internal procedures involves: <ul style="list-style-type: none"> <li>Preparing and lodging the statutory appointment documents.</li> <li>Advertising the appointment of Administrators in the London Gazette</li> <li>Issuing the notice requiring a Statement of Affairs; discussing the draft Statement of Affairs with the directors</li> <li>Case monitoring and statutory compliance, including internal case reviews.</li> <li>Case bordereau.</li> </ul> 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.	11.80	2,337.50	198.09
<b>Overall</b>	<b>51.10</b>	<b>11,343.00</b>	<b>221.97</b>

### EXPENSE STATEMENT

Details of the expenses incurred to date are detailed below, together with an explanation as to why those expenses are required. Further details of the total estimated expenses which are expected to be incurred during the Administration will be provided in the next report to creditors.

<b>Type of Expenditure</b>	<b>Requirement for Expenditure</b>	<b>Cost incurred to date (£)</b>
<b>Professional advisors' costs</b>		
Legal fees and disbursements	Brabners LLP are instructed to provide advice on matters arising in the Administration including the validity of the security held by The Arts Council, confirmation of title in respect of the freehold and leasehold property, advice regarding the retained employees and furloughing staff. Their fees are agreed on a time cost basis. This firm of lawyers was chosen based on their experience in insolvency & Charity matters. Theirs fees incurred to date total £8,928.50 plus VAT & disbursements of £149.44 plus VAT.	9,077.94
Agent's fees and disbursements	Sanderson Weatherall LLP have been engaged to provide an independent professional valuation of the Company's assets. They were chosen because of their experience in providing such valuations in an insolvency scenario and they have confirmed their independence to this firm and also to the Company. Their fees are agreed on a time costs basis plus VAT for the work involved in carrying out a full measured survey, subsequent research in respect of the freehold / long leasehold property. Coordination of security provision and weekly fire alarm testing, coordinating insurance compliance works & inspection, responding to notification of roof issues and advice in respect of reinstatement value and related discussions with Marsh insurance company, valuation report in respect of plant & machinery.	5,900.00
ERA Specialist's fees	Evolve IS are a firm of employment specialists who were instructed to assist with staff redundancies, issue the necessary paperwork to staff in order that they could submit a claim to the Redundancy Payments Service in respect of any arrears of wages, holiday pay, payment in lieu of notice and redundancy pay. These fees have been incurred on a fixed fee basis plus VAT.	1,345.00
Pension Advisor's fees	SP Insolvency Limited have been instructed to undertake a review of the Company's pension schemes and to advise the Administrators on any ongoing obligations in respect of these schemes. It is likely that they will also assist with the preparation and submission of RP15 claims to the RPS in respect of pension arrears. Their fees are agreed on a fixed fee basis for each stage of work. The fees incurred to date relate to the initial review and advice.	220.00



Other expenses		
Property security costs	<p>Via Sanderson Weatherall LLP, Acclaimed Security Ltd are instructed to provide security cover, property inspections and weekly fire alarm testing. Their costs have been agreed on the following basis:</p> <ul style="list-style-type: none"> <li>• Keyholding £6 per week</li> <li>• Alarm call out / emergency response £35 per visit</li> <li>• Weekly inspections £25 per inspection, including the fire alarm test</li> </ul> <p>plus VAT. The Joint Administrators have not received details of the costs incurred by Acclaimed Security Ltd to 8 May 2022. Further details will be provided in the next report to creditors.</p> <p>Secom PLC (engaged by the Trust prior to Administration) were called out by Acclaimed Security Ltd to reset the alarm following an unexpected trigger of the alarm. The costs incurred are plus VAT.</p>	<p>Uncertain</p> <p>100.00</p>
Insurance of assets	<p>The Administrators are required to insure the assets of the Company until they are disposed of. The Administrators have instructed Marsh Limited to act as brokers for insurance purposes and open cover is in place under the Insolvency Scheme. The initial premium has not yet been notified to the Administrators. Further details will be provided in the next report to creditors.</p>	Uncertain
Property holding costs	<p>Following an inspection of the Property, Marsh Limited identified some risk areas and the following work was required for insurance compliance purposes:</p> <ul style="list-style-type: none"> <li>• isolate all non-essential electrics</li> <li>• isolate incoming gas supply</li> <li>• drain as far as possible any heating / hot water systems</li> <li>• isolate incoming water supply and drain from the pipework, seal letterbox</li> <li>• remove all waste paper.</li> </ul> <p>Sanderson Weatherall LLP instructed Moorcroft Property Managers to undertake this work. The costs incurred are plus VAT.</p> <p>Broken and slipped roof tiles were identified on the Square Chapel and to repair / replace these, Sanderson Weatherall instructed Watershed Roofing Ltd to undertake this work.</p> <p>The above costs were incurred during the period of this report but have not yet been paid.</p> <p>NGC Network Services Ltd provided the Company's telephone/alarm and internet lines. These have been retained by the Joint Administrators in order to maintain the alarm and internet services. NGC charge a monthly service charge of £226.23 plus calls and VAT per month.</p>	<p>1,570.00</p> <p>1,110.00</p> <p>226.34</p>

**EXPENSE STATEMENT**

Statutory advertising	Costs are paid to Courts Advertising for statutory advertising requirements including an advertisement in the London Gazette of the notice of the appointment.	94.50
Re-Direction of Mail	Crest IT Solutions provided IT support to the Companies. Costs incurred in the period in this category relate to the costs of re-directing the Trust's incoming emails to the Administrators' shared inbox TSCIT@mazars.co.uk	140.00
Pre-Administration costs	The pre-Administration costs total £23,272.20 plus VAT and disbursements of £253.96 as set out in section 17 of the report. These costs were incurred before the Trust entered Administration but with a view to it doing so in order to further the achievement of the Administration objective. No costs have been paid to date. Approval to pay these costs as an expense of the Administration will be sought from secured and preferential creditors in due course.	23,526.16
Administrators' remuneration	Management of the Company's affairs in order to achieve the objective of the Administration. Realising and distributing the Company's assets and performing those tasks required as dictated by statute, best practice and ethical requirements. This figure is the total time costs incurred to date as detailed in Appendix F (i). This cost is disclosed for information purposes only as approval for the basis and quantum of the Administrators' remuneration is not being sought at this stage.	88,327.00
Administrators' disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. No disbursements have been incurred or paid during the period.	-
<b>Total</b>		<b>131,636.94</b>

### EXPENSE STATEMENT

Details of the expenses incurred to date are detailed below, together with an explanation as to why those expenses are required. Further details of the total estimated expenses which are expected to be incurred during the Administration will be provided in the next report to creditors.

<b>Type of Expenditure</b>	<b>Requirement for Expenditure</b>	<b>Cost incurred to date (£)</b>
<b>Professional advisors' costs</b>		
Legal fees and disbursements	Brabners LLP are instructed to provide advice on matters arising in the Administration. This firm of lawyers was chosen based on their experience in insolvency. Their fees are agreed on a time cost basis. No costs have been incurred to date.	-
Agent's fees and disbursements	Sanderson Weatherall LLP have been engaged to provide an independent professional valuation of the Company's assets. They were chosen because of their experience in providing such valuations in an insolvency scenario and they have confirmed their independence to this firm and also to the Company. Their fees are agreed on a time costs basis plus VAT. No costs have been incurred to date.	-
<b>Other expenses</b>		
Insurance of assets	The Administrators are required to insure the assets of the Company until they are disposed of. The Administrators have instructed Marsh Limited to act as brokers for insurance purposes and open cover is in place under the Insolvency Scheme. The initial premium incurred to date relates to the period from appointment to 19 June 2020.	392.00
Statutory advertising	Costs are paid to Courts Advertising for statutory advertising requirements including an advertisement in the London Gazette of the notice of the appointment.	94.50
Pre-Administration costs	The pre-Administration costs total £5,770.80 plus VAT as set out in section 17 of the report. These costs were incurred before the Company entered Administration but with a view to it doing so in order to further the achievement of the Administration objective. No costs have been paid to date. Approval to pay these costs as an expense of the Administration will be sought from creditors in due course.	5,779.80
Administrators' remuneration	Management of the Company's affairs in order to achieve the objective of the Administration. Realising and distributing the Company's assets and performing those tasks required as dictated by statute, best practice and ethical requirements. This figure is the total time costs incurred to date as detailed at Appendix F (ii). This cost is disclosed for information purposes only as approval for the basis and quantum of the Administrators' remuneration is not being sought at this stage.	11,343.00

**EXPENSE STATEMENT**

Administrators' disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. No disbursements have been incurred or paid during the period.	-
<b>Total</b>		<b>17,609.30</b>

**The Square Chapel Trust - in Administration****Square Trading Limited – in Administration****RATES AND DISBURSEMENT POLICY****Charge-out rates**

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

Staff Grade	Partner	Director	Manager	Administrator	Cashier	Support staff
Range (£)	440 - 550	390 - 450	245 - 400	160 - 230	100 - 205	90 - 120

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

Specialist departments within our Firm, (Tax and VAT) may charge a number of hours if and when their expert advice is required. The rate ranges above incorporate these different rates.

**Disbursements**

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

*Category 1 disbursements*

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

*Category 2 disbursements*

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

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

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.

All other disbursements are to be reimbursed at cost.

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