

AM23

Notice of move from administration to dissolution



Companies House

For further information, please
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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 Court details

Court name Business & Property Courts of England & Wales

Insolvency & Companies List (CLD)

Court number 1 9 2 4 2 0 2 0

3 Administrator's name

Full forename(s) Patrick

Surname Lannagan

4 Administrator's address

Building name/number One St Peters Square

Street Manchester

Post town M2 3DE


County/Region

Postcode

Country

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Conrad Alexander		① Other administrator Use this section to tell us about another administrator.
Surname	Pearson		
6	Administrator's address ②		
Building name/number	One St Peters Square		② Other administrator Use this section to tell us about another administrator.
Street	Manchester		
Post town	M2 3DE		
County/Region			
Postcode	[][][][][][][][]		
Country			
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature X  X		
Signature date	d 1 6 m 0 3 y 2 0 2 1		

**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 the form.

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

The Square Chapel Trust & Square Trading Limited both In Administration (together “the Companies”)

Joint Administrators’ final progress report covering the period 20 September 2020 to
16 March 2021

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Joint **Administrators’ final** progress report

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The Square Chapel Trust & Square Trading Limited both in Administration (together “the Companies”)

Joint Administrators’ final progress report covering the period 20 September 2020 to 16 March 2021

To all known creditors

1. Introduction

- 1.1. This report is the Joint Administrators’ final progress report in the Administration, prepared pursuant to Rule 3.53 of the Insolvency (England and Wales) 2016, the purpose of which is to provide creditors with details of the progress of the Administration since the last progress report during the final period from 20 September 2020 to 16 March 2021 (‘the current period’).
- 1.2. Patrick Lannagan and Conrad Pearson were appointed Joint Administrators of the Companies by Court order 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.
- 1.3. The report should be read in conjunction with the Joint Administrators’ Proposals issued to creditors on 15 May 2020 and the previous progress report issued.
- 1.4. The statutory purpose of the Administration as detailed in the Administrators Proposals was to achieve a better result of the Companies’ creditors’ as a whole than would be likely if the Companies were wound up (without first being in Administration).
- 1.5. In accordance with the Proposals a notice of move from Administration to dissolution will be filed in accordance with Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the Administration. The Companies will be dissolved three months thereafter.
- 1.6. Identification details regarding the Companies and the Administrators is attached at Appendix A.

2. Joint Administrators’ Receipts and Payments

- 2.1. The Administration is now complete. A summary of receipts and payments covering the period from 20 September 2020 to 16 March 2021 for each Company is provided at Appendix B. The receipts and payments account also covers the cumulative period from the date of appointment to 16 March 2021.
- 2.2. A comparison of the estimates provided in the Trustees’ / Directors’ Statements of Affairs to actual realisations made to date is also provided for each Company.
- 2.3. Further details of the realisations and expenses paid is provided in the following sections.

3. Steps Taken During the Administration and the Outcome

- 3.1. The Administrators' Statement of Proposals stated that objective (b) of the statutory purpose of Administration was being pursued - achieving a better result of the Companies' creditors' as a whole than would be likely if the Companies were wound up (without first being in Administration). Accordingly, the business and assets of both Companies were marketed for sale as set out below. It is the opinion of the Administrators that the objective has been achieved for both Administrations.
- 3.2. In accordance with Statement of Insolvency Practice 13, the Joint Administrators confirm that there have been no transactions with connected parties in either of the Administrations.
- 3.3. **Marketing and Sale of the Business**
- 3.3.1. On appointment, the Administrators commenced a marketing strategy with a view to identifying any parties that may be interested in acquiring the Companies' business and assets. A flyer providing brief details of the acquisition opportunity was circulated online on Deal Opportunities and through existing networks via the Mazars UK partnership, Mazars UK and international corporate finance platform and on the Mazars Restructuring blog.
- 3.3.2. This marketing activity, as well as the general press interest in the Administrations, generated a number of enquiries and requests for further information, twelve non-disclosure agreements were returned allowing further information in the sale memorandum to be shared. A deadline for offers was set on 30 March 2020 which resulted in two offers received from unconnected parties as follows:
- 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).
- 3.3.3. In view of the more comprehensive offer from Party Two, the Administrators confirmed to Party One that their offer could not be accepted; although their details could be passed on to the eventual purchaser to discuss operating the café/bar franchise should the transaction complete.
- 3.3.4. Party Two then entered into a period of exclusivity of discussions with the Arts Council (secured creditor and principle funder) and Calderdale MBC (as landlord of a portion of the trading premises and funder) and the Administrators. This involved the preparation and scrutiny of a business plan long term proposals for the Arts Centre to satisfy the Arts Council and Calderdale Council of its future viability under the new ownership proposed.
- 3.3.5. During the period of time required for Party Two to satisfy the requirements of the Arts Council and Calderdale MBC in terms of its business plan going forward, the Administrators maintained the Square Chapel Arts Centre and the staff involved in its management, operation and promotion. However, the Arts Centre remained closed throughout in response to the COVID19

restrictions implemented by the UK Government. The Administrators made use of the Coronavirus Job Retention Scheme ('CJRS') to obtain grant funding to assist in paying the wages for the retained workforce who were on voluntary furlough from 1 April 2020 to 31 July 2020. The UK Government implemented changes to the CJRS scheme with effect from 1 August 2020 which required employers to pay the employer National Insurance Contributions and pension contributions; however there were insufficient funds in the Administration to cover these payroll costs and it became imperative that any transfer of business and the associated workforce should take place as soon as possible and by 1 August 2020 to avoid any further redundancies.

3.3.6. Party Two approached the various funders for projects at the Arts Centre to assess the on-going support and funding post-transfer and in many cases, the funders advised that financial support would not be continued and where this had implications for staff salaries, further redundancies were necessary on the Administration.

3.3.7. As previously reported, the sale of the Arts Centre completed on 3 September 2020 to Square Chapel CIC ('the CIC') a community interest company (registered number 12751784 and a registered charity), which is unconnected to the Trust and its Trustees, securing the future of the Square Chapel Arts Centre for the benefit of the community, & safeguarding 12 jobs. The sale comprised of:

- Transfer of the Property for £1 with the novation of the capital funding agreement with the Arts Council (a liability in the sum of £4,958,900) and transfer of associated legal charges in favour of The Arts Council from Trust to the CIC;
- Sale of tangible assets under a sale and purchase agreement ('SPA') in which Square Trading Limited was a participant, for the following apportioned values:

Asset category	Apportionment of sale value (£)
Goodwill	1.00
Business Intellectual Property Rights	1.00
Furniture & Equipment	19,996.00
Seller's Records	1.00

3.3.2. Additionally, under the SPA, CIC assumed responsibility for the staff wages with effect from 1 August 2020 and property expenses with effect from the same date.

3.3.3. As a result of the going concern transfer to CIC, the Administrators successfully preserved the Square Chapel Arts Centre and 12 core jobs resulting in the effective repayment (via novation) of The Arts Council as secured creditor, and averted the liability for employee entitlements on redundancy estimated in the sum of £103,124 in respect of the transferred staff.

3.4. Trade Debtors

3.4.1. According to the Trust's records, at the date of appointment the trade debtor ledger had a book value of £55,936, with an estimated to realise value of £2,000 for the purpose of the

Statement of Affairs, to allow for doubtful debts & various contra claims for set-off against amounts due from the Trust to the debtors.

3.4.2. According to Trading's records, there was a small debtor ledger totalling £789. A provision for doubtful debts was applied to this estimate with a realisable value of £364.

3.4.3. The Administrators retained the assistance on one member of staff in the accounts function who reconciled the debtor ledgers and chased up the debtors for payment. There were two significant debtors in the Trust: Piece Hall Trust with a balance due of £25k and Halifax Culture Hub Limited with a balance due of circa £22k. As a result of the reconciliation work, a contra claim from Piece Hall Trust was identified and both parties agreed to 'drop hands' on the sums owed. Halifax Culture Hub Limited which went into Liquidation on 30 September 2020. The Statement of Affairs filed for this debtor indicated that there was no prospect of a dividend return to creditors. Accordingly, that debt was written off. During the current period the Administrators have continued their efforts to pursue the remaining outstanding amounts with no further success.

3.4.4. Overall, debts totalling £3,738 have been collected in respect of the Trust. No recoveries have been received in respect of Trading. All remaining debtor balances have been written off as uncollectable.

3.5. **Cash at Bank**

3.5.1. Both Companies operated business accounts with Lloyds Bank plc ("Lloyds") with credit balances according to the Statement of Affairs as follows; Trust £21,731.88, Trading £8,722.80.

3.5.2. The Administrators requested the transfer of the cash balance held in the Lloyds bank accounts and sum of £21,520.74 in respect of the Trust account & £7,762.14 in respect of Trading was received in the Administrator's estate.

3.5.3. In addition, the Trust held an account with Manchester Building Society, at the date of appointment the funds held in the account totalled £126.67. These funds have been transferred to the Administration.

3.5.4. On appointment, there was petty cash held on the premises for both Companies which has been banked into the Administration accounts as follows:

- Trust £912.28 (after paying £240 in respect of a lock change and security reinforcement)
- Trading £901.36

3.6 **Donations and Refunds**

3.6.1 The Trust received a legacy in the sum of £6,368 and a refund of £48 in respect of parking costs.

3.7 **Stock**

3.7.1 The appointed agents Sanderson Weatherall LLP ("Sanderson") collected the wet stock from the café bar which Trading operated. The wet stock was sold by Sanderson at an online auction and realised £2,204 plus VAT.

3.8 Contribution to Costs

- 3.8.1 In view of the time required for the Arts Council and Calderdale MBC to be comfortable with the transfer, and the nominal realisation in respect of the property, it was agreed that the Arts Council would contribute £96,000 plus applicable VAT and Calderdale MBC would contribute £25,000 plus VAT towards the Administration costs.

4. Liabilities –The Square Chapel Trust

4.1. Secured Creditors

- 4.1.1. The Square Chapel Trust had 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 was 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.

- 4.1.2 These charges secure all monies due to the Arts Council from the Trust. The earlier 2013 charge related 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 confirmed the level of capital funding subject to their security at £4,958,900.

- 4.1.3 As a result of the sale of business and certain assets to Square Chapel CIC, the liability to The Arts Council in respect of the capital funding of £4,958,900 has been novated to Square Chapel CIC in full and there is no longer any liability due to The Arts Council from Trust.

- 4.1.4 In addition, the Trust had granted a legal charge over its land and property (title numbers YK434144, 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 submitted a claim in the Administration in the sum of £60,107.

- 4.1.5 Key Fund released its fixed charge security over the Property in order that the Property could be transferred to CIC. There is no prospect of a recovery for Key Fund under its charge.

4.2. Preferential Creditors

- 4.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Administration.

- 4.2.2. 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.

Further redundancies were made as follows: five redundancies on 1 April 2020, one redundancy on 22 May 2020 and twelve redundancies on 31 July 2020. Twelve staff transferred with the sale of the business and assets to CIC on 3 September 2020.

- 4.2.3. The Administrators engaged Evolve IS, a firm of employment specialists to assist with the redundancies as these were handled remotely during lockdown 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.
- 4.2.4. The Trust operated a pension scheme with NOW: Pensions for the benefit of its employees. The Administrators determined that the pension contributions in relation to the March payroll had not been paid to NOW: Pensions by the date of Administration. The arrears of contributions total £5,889, of which £3,870 ranks as preferential. The Administrators engaged SP Insolvency Limited to advise on pension matters and assist in submitting a claim for the pension arrears to the RPS. The RPS has confirmed that the pension claim has been paid and NOW: Pensions have confirmed the closure of the scheme.
- 4.2.5. No formal claim has been received from the RPS. Preferential claims are estimated to total £15,514 and include unpaid wages totalling £3,891, pension contributions of £3,870 and accrued unpaid holiday pay of £7,753.
- 4.2.6. Asset realisations in the Administration have been insufficient to enable a distribution to preferential creditors, after taking into account the costs and expenses of the Administration.
- 4.3 **Unsecured Creditors**
- 4.3.1 According to the Trustee's statement of affairs, the Trust had 125 unsecured creditors with debts totalling £400,374. Claims received to date total £70,361 from 18 creditors.
- 4.3.2 Asset realisations in the Administration have been insufficient to enable a distribution to unsecured creditors, after taking into account the costs and expenses of the Administration.

5 Liabilities – Square Trading Limited

5.1 Secured Creditors

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

5.2 Preferential Creditors

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

5.3 Unsecured Creditors

- 5.3.1 According to the Directors' Statement of Affairs unsecured creditors 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.
- 5.3.2 Claims totalling £7,267.69 have been received during the Administration from five creditors.
- 5.3.3 There are insufficient funds in Trading to cover the costs of Administration. Accordingly, there are no funds available to distribute to unsecured creditors.

6 Prescribed Part

- 6.1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of a company's net assets are to be set aside for the benefit of the company's unsecured creditors where the company has granted a floating charge after 15 September 2003. 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.
- 6.2 The Statement of Proposals reported that as the Trust granted a floating charge to The Arts Council on 12 November 2013, the provisions regarding the Prescribed Part do apply in this matter. However, the Arts Council ceased to be a secured creditor during the Administration, as it released all of the security over all of the property and assets of the Company and all of the Company's indebtedness to the Arts Council was novated to the CIC. So, the provisions of the Prescribed Part were effectively disapplied in the Administration of the Trust.
- 6.3 As Square Trading Limited did not grant any security over its assets, there is no floating charge and the provisions of the Prescribed Part do not apply to that Administration.

7 Investigations

- 7.1 As detailed in previous reports, under the Company Directors Disqualification Act 1986, the Joint Administrators are required to investigate the affairs of the Companies and the conduct of the Trustees and the directors during the three years prior to the Administrations. The Joint Administrators confirm that this obligation has been complied with and confidential reports were submitted to the Insolvency Service on 18 June 2020.
- 7.2 In accordance with Statement of Insolvency Practice 2, the Joint Administrators also carried out an initial assessment to identify any actions which may lead to recoveries in the Administrations and to consider any further investigations which may be required. Following this initial review, no further assets or actions were identified which would lead to a recovery for creditors.

8 Pre-Administration Costs

- 8.1 Work was undertaken prior to the appointment of Administrators as set out in the Statement of Proposals by both Mazars LLP and Brabners LLP. The work undertaken and the costs incurred by Mazars LLP were authorised by the Trustees and directors in an engagement letter dated 12

March 2020 which covered both Companies. The engagement letter also authorised Mazars LLP to engage solicitors and agents. The pre-Administration costs for both Companies totalled £29,296 plus VAT as set out below. 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 and they are summarised below.

Company	Firm	Time Costs Incurred (£)	Disbursements (£)	Amount approved & paid (£)
The Square Chapel Trust	Mazars LLP	18,141.00	253.96	6,541.96
	Brabners LLP	5,131.20	18.00	5,149.20
	Total	23,272.20	271.96	11,691.16
Square Trading Limited	Mazars LLP	4,488.00	0.00	1,935.50
	Brabners LLP	1,282.80	0.00	1,282.80
	Total	5,770.80	0.00	3,218.30

- 8.2 Approval to pay these costs as an expense of the Administration was sought and obtained by a decision of the secured creditor dated 9 November 2020.

9 Joint Administrators' Remuneration

- 9.1 In respect of the Trust, a decision was made by the secured creditors by correspondence on 9 November 2020 enabling the Joint Administrators to draw remuneration by reference to the time properly spent by the Administrators and their staff in dealing with the matters arising during the Administration, subject to the Fees Estimate of £193,599.99 plus VAT issued to creditors on 22 October 2020.
- 9.2 In respect of Trading, in view of the low level of realisations in this Administration, the Administrators did not seek approval for any remuneration.
- 9.3 For the Trust, Appendix D1 provides a comparison of the Administrators' Fees Estimate to actual time costs for the period 20 September 2020 to 16 March 2021, which total £42,648.50, representing 197.10 hours at an average hourly rate of £216.38. The Administrators' cumulative time costs since appointment to 16 March 2021 total £206,865.00, representing 883.10 hours at an average hourly rate of £234.25. In total, the Administrators' time costs exceeded their estimate; however, realisations were insufficient to enable their approved remuneration to be drawn in full.
- 9.4 The Administrators' remuneration drawn in the Administration of the Trust totals £76,609.90 plus VAT, all of which has been drawn in the current period.

- 9.5 Appendix D2 provides narrative summaries of the work carried out during the current reporting period for both Administrations, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 9.6 Routine work in the Administrations has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Joint Administrators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Joint Administrators.
- 9.7 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6-minute units with supporting narrative to explain the work undertaken.
- 9.8 The charge out rates of the team members employed in the Administration of the Trust during the period covered by this report are attached at Appendix E(I). Further information on the work carried out during the current reporting period in respect of the realisation of assets is provided in Section 3 of the report and also within the narrative summary attached at Appendix D2(I).

10 Joint Administrators' Disbursements

- 10.1 Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Administrators or the firm that can be allocated to the case on a proper and reasonable basis).
- 10.2 Category 2 disbursements require approval in the same manner as remuneration and creditors will recall that a resolution was passed on 9 November 2020, in respect of the Trust, by the secured creditor in agreement of the anticipated Category 2 disbursements of the Administrators. No category 2 approval was sought in respect of Trading.
- 10.3 No disbursements have been incurred during the current reporting period. Details of disbursements paid during the period is provided within the receipts and payments account at Appendix B and in the Expenses Statements at Appendix C.
- 10.4 Further details of the rates agreed are provided within the Rates and Disbursements policy at Appendix E(I) for the Trust and the Disbursements Policy at Appendix E(II) for Trading.

11 Expenses

- 11.1 Details of all expenses incurred during the period of the report are provided in the Expenses Statement attached at Appendix C(I) for the Trust and Appendix C(II) for Trading. These also includes a comparison to the original Expense Estimates.

- 11.2 Further details of expenses paid during the period of the report are shown in the receipts and payments accounts at Appendix B(I) and B(II).
- 11.3 The Administrators have reviewed the expenses incurred to date and they are satisfied that they are reasonable in the circumstances of these cases.

12 Creditors' Rights

12.1 Further Information

- 12.1.1 Pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the administrator for further information about the remuneration and expenses set out in this progress report.

12.2 Apply to Court

- 12.2.1 Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds:
- That the remuneration charged by the Administrators, or
 - That the basis fixed for the Administrators' remuneration, or
 - That the expenses incurred by the Administrators,
- is in all of the circumstances, excessive or inappropriate.

12.3 Further Guidance

- 12.3.1 Creditors can find additional information on their rights relating to Administrators' fees in a copy of the publication "A creditors guide to Administrators' Fees" which is available to download from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/> or alternatively will be provided free of charge upon written request to this office.
- 12.3.2 For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit www.creditorinsolvencyguide.co.uk.

13 Data Protection

- 13.1 Where the Administrators hold or require personal data from you we will only do so in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

14 Discharge of Liability

- 14.1 In accordance with Paragraph 98(2) of Schedule B1 of the Insolvency Act 1986, the Administrators sought a decision from the secured creditor that they be discharged from liability fourteen days after issuing their final report. Approval in this regard was granted on 9 November 2020 by a decision of the secured creditor.

15 Summary

- 15.1 The Administrations are now complete.
- 15.2 In accordance with the Proposals, a notice of move from Administration to dissolution will be filed for each Company in accordance with Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the Administrations. The Companies will be dissolved three months thereafter.

Should you have any queries regarding this matter, please do not hesitate to contact Julie Mills at this office.



Patrick Lannagan
Joint Administrator

Dated 16 March 2021

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.

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

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

Details relating to the Joint Administrators

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

Square Trading Limited - In Administration

Identification Details

Details relating to the Company

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

Details relating to the Joint Administrators

Date of appointment	20 March 2020
Joint Administrators	Patrick Alexander Lannagan and Conrad Alexander Pearson, both of Mazars LLP
	IP No(s) 009590 and 014732
Joint Administrators' functions	All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone
Joint Administrators' address	Mazars LLP, One St Peters Square, Manchester, M2 3DE
Appointed by	the directors
Joint Administrator's contact telephone number	T+44(0) 161 238 9200

The Square Chapel Trust - in Administration
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 20/09/2020 To 16/03/2021 £	From 20/03/2020 To 16/03/2021 £
500,000.00	SECURED ASSETS		
	Freehold & Leasehold Land & Property	1.00	1.00
	Goodwill	1.00	1.00
	Intellectual Property	1.00	1.00
	Contribution to Fixed Costs	38,000.51	38,000.51
		<u>38,003.51</u>	<u>38,003.51</u>
	COSTS OF REALISATION		
	Property Holding Costs	3,712.18	6,907.18
	Agents/Valuers Fees	5,400.00	5,400.00
	Insurance Costs	25,696.33	25,696.33
		<u>(34,808.51)</u>	<u>(38,003.51)</u>
(4,958,900.00)	SECURED CREDITORS		
(60,107.25)	The Arts Council of England	NIL	NIL
	Key Fund Investments Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
40,000.00	Furniture & Equipment	19,996.00	19,996.00
0.00	Shares in Square Trading Limited	NIL	NIL
	Business Records	1.00	1.00
2,000.00	Book Debts	NIL	3,738.32
0.00	Square Trading Limited Debtor	NIL	NIL
21,731.88	Cash at Bank	647.41	21,647.41
912.29	Petty Cash	240.00	1,152.28
	Bank Interest Gross	0.06	30.73
	Contribution to Costs	(7,802.17)	88,197.83
	Coronavirus Job Retention Scheme Grant	NIL	133,581.77
	Donations	NIL	6,368.26
	Sundry Refunds	NIL	48.00
		<u>13,082.30</u>	<u>274,761.60</u>
	COST OF REALISATIONS		
	Pre-Administration Costs	11,691.16	11,691.16
	Joint Administrators' Fees	76,609.90	76,609.90
	Joint Administrators' Disbursements	209.47	209.47
	IT Supplier Costs	NIL	80.00
	Agents/Valuers Fees	3,171.40	3,171.40
	Legal Fees & Disbursements	20,000.00	20,000.00
	ERA Advisor's Fees	500.00	1,845.00
	Telephone & Broadband	NIL	883.48
	Pension Advisor's Fees	2,300.00	2,520.00
	Re-Direction of Mail	NIL	140.00
	Statutory Advertising	NIL	94.50
	Insurance of Assets	406.60	406.60
	Wages & Salaries	NIL	128,622.45
	PAYE & NI	NIL	27,864.66
	Sage Subscription	NIL	622.98
		<u>(114,888.53)</u>	<u>(274,761.60)</u>
(9,105.47)	PREFERENTIAL CREDITORS		
	Arrears of Wages & Holiday Pay Claims	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(106,449.87)	UNSECURED CREDITORS		
(198,305.01)	Trade & Expense Creditors	NIL	NIL
(15,677.40)	Accruals & Other Creditors	NIL	NIL
(15,000.00)	Employee Claims	NIL	NIL
(64,942.51)	Trustee Loan	NIL	NIL
	HM Revenue & Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(4,863,843.34)		<u>(101,806.23)</u>	<u>NIL</u>
	REPRESENTED BY		
	Bank Account		<u>NIL</u>

Square Trading Limited - in Administration
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 20/09/2020 To 16/03/2021 £	From 20/03/2020 To 16/03/2021 £
	ASSET REALISATIONS		
1,000.00	Stock	2,204.00	2,204.00
394.00	Trade Debtors	NIL	NIL
8,722.80	Cash at Bank	4.72	7,762.14
901.36	Petty Cash	NIL	901.36
	Bank Interest Gross	NIL	3.30
		<u>2,208.72</u>	<u>10,870.80</u>
	COST OF REALISATIONS		
	Pre-Administration Costs	3,218.30	3,218.30
	Joint Administrators' Disbursements	40.96	40.96
	Legal Fees & Disbursements	1,607.14	1,607.14
	Management Recharge	5,198.34	5,198.34
	Statutory Advertising	NIL	94.50
	Insurance of Assets	711.56	711.56
		<u>(10,776.30)</u>	<u>(10,870.80)</u>
	UNCESURED CREDITORS		
(15,893.50)	Trade Creditors	NIL	NIL
<u>(117,805.43)</u>	The Square Chapel Trust	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(122,680.77)		<u><u>(8,567.58)</u></u>	<u><u>0.00</u></u>
	REPRESENTED BY		
	Bank Account		<u><u>NIL</u></u>



The Square Chapel Trust - in Administration

APPENDIX C(I)

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in prior period (£)	Incurred in current period (£)	Total Expenses (£)
Professional Advisors' Costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.					
Legal Fees and Disbursements	Brabners LLP were 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, the sale of the property and assets to CIC, advice regarding the retained employees, redundancies and furloughing staff & claim for unfair dismissal. Their fees were agreed on a time cost basis. This firm of lawyers was chosen based on their experience in insolvency & charity matters. The fee paid to Brabners was £19,909.56 plus £90.44, disbursements. The fees paid is less than their actual time costs as fees were restricted due to the low asset realisations.	28,502.94	26,362.50	1,786.86	28,149.36
	Legal disbursements		90.44	0	90.44
Agent's Fees and Disbursements	Sanderson Weatherall LLP were 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, responding to purchaser's request re availability of planning and building control drawings, preparation of Charities Act report. Disbursements of £671 in respect of the wiping of data from computers & site clearance costs.	8,571.40	8,571.40	0	8,571.40



The Square Chapel Trust - in Administration

APPENDIX C(I)

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in prior period (£)	Incurred in current period (£)	Total Expenses (£)
ERA Specialist's Fees	Evolve IS are a firm of employment specialists who were instructed to assist with staff redundancies in view of the practical difficulties in dealing with redundancies remotely and while working from home during lockdown. Evolve have assisted in issuing paperwork required by staff to assist with claims and the statutory submissions to the Redundancy Payments Service in order that the employee claims for any arrears of wages, holiday pay, payment in lieu of notice and redundancy pay could be processed. These fees were incurred on a fixed fee basis plus VAT.	1,825.00	1,345.00	500.00	1,845.00
Pension Advisor's Fees	SP Insolvency Limited were 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. In addition, they have assisted with the preparation and submission of RP15 claims to the RPS in respect of outstanding pension arrears due at the date of appointment. Their fees were agreed on a fixed fee basis for each stage of work undertaken, agreed in advance.	2,520.00	220.00	2,300.00	2,520.00
Other Expenses					
Property Holding Costs	Acclaimed Security Ltd - £650 plus VAT Acclaimed Security Ltd were instructed to provide security cover, property inspections and weekly fire alarm testing. Their costs have been agreed on the following basis: <ul style="list-style-type: none">• Keyholding £6 per week• Alarm call out / emergency response £35 per visit• Weekly inspections £25 per inspection, including the fire alarm test Secom PLC - £100 plus VAT Secom PLC (pre-existing security company) were called out by Acclaimed Security Ltd to reset the alarm following an unexpected trigger. Secom plc had unilaterally cancelled the contract with the Trust. Tower Joinery Limited - £240	8,535.00	6,907.18	0	6,907.18

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in prior period (£)	Incurred in current period (£)	Total Expenses (£)
	<p>Tower Joinery Limited was engaged to change the locks at the Property on the appointment of Administrators and also to enhance the security of the access doors.</p> <p>Moorcroft Property Managers - £1,570 plus VAT</p> <p>Insurance compliance work carried out at the Property following an inspection by Marsh Limited which identified some risk areas.</p> <p>Watershed Roofing Ltd - £1,100 plus VAT</p> <p>Instructed by Sanderson to repair & replace broken and slipped roof tiles on the Property</p> <p>Utility costs – £3,247.18</p> <p>The provision of utilities to the Property was continued during the Administration as follows:</p> <p>Electricity supply – Total Gas & Power</p> <p>Gas supply – SSE Energy</p> <p>Water supply – Business Stream</p> <p>The costs incurred represent the invoiced cost of electricity as both SSE & Business Stream have confirmed that they do not intend to invoice for the Administration period.</p>				
Insurance Costs	<p>The Administrators are required to insure the assets of the Company until they are disposed of. The Joint Administrators instructed Marsh Limited to act as brokers for insurance purposes. The costs of insuring the assets relate to the period from the date of appointment being 20 March 2020 to the date of sale being 3 September 2020.</p> <p>The largest element of this cost related to the insurance on a reinstatement basis of the Property which was unoccupied throughout the Administration.</p>	26,102.93	26,102.93	0	26,102.93
Telephone & Broadband Costs	<p>NGC Network Services Ltd provided the Company's telephone and internet lines. These were retained by the Joint Administrators in order to maintain the alarm connectivity and internet services so that the server and IT systems could be accessed remotely by the retained staff member while working from</p>	883.48	883.48	0	883.48



The Square Chapel Trust - in Administration

APPENDIX C(I)

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in prior period (£)	Incurred in current period (£)	Total Expenses (£)
	home. The costs incurred comprise a monthly service charge of £226.23 plus calls and VAT per month.				
IT Supplier Costs	Hand Drawn Pixels hosted the Square Chapel website – as the annual fee for this service became due during the Administration, a monthly rate was agreed with the supplier in order to minimise costs but ensure that the website and domain were available for the sale of business.	80.00	80.00	0	80.00
Sage Subscription	Fees have been paid to Sage UK Ltd for continued access to the Sage payroll system in order that the monthly payroll could be processed.	622.98	622.98	0	622.98
Statutory Advertising	Costs paid to Courts Advertising for statutory advertising requirements specifically the London Gazette advertisement for the notice of the appointment.	94.50	94.50	0	94.50
Re-Direction of Mail	Crest IT Solutions provided IT support to the Company. Costs incurred in the period relate to the costs of re-directing the incoming emails from info@squarechapel to the Administrators' shared inbox TSCT@mazars.co.uk	140.00	140.00	0	140.00
Pre-Administration Costs	The total pre-Administration costs incurred amount to £23,544.16 comprising: Mazars LLP - £18,141.00 plus disbursements of £253.96 Brabners LLP - £5,131.20 plus disbursements £18.00 However, the Administrators sought approval to pay pre-Administration costs in the sum of £11,691.16 as an expense of the Administration, comprising: Mazars LLP - £6,541.96 Brabners LLP - £5,149.20	11,691.16	11,691.16	0	11,691.16
Joint 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. Fees were approved on a time costs basis in accordance with the Fees Estimate. The total time costs incurred are as shown. Time costs paid total £76,609.90 plus VAT.	193,599.99	163,933.50	42,931.50	206,865.00



EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in prior period (£)	Incurred in current period (£)	Total Expenses (£)
Joint 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. Further information on disbursements is provided within Section 9 of the report and the Rates and Disbursements Policy at Appendix E(I). Disbursements incurred in this matter comprise: Specific bond premiums: £202.50 The premium cost of Bordereau cover for both office holders, as required by statute, and paid to Marsh Limited Land Registry charges: £6.00 The costs charged by Land Registry for providing copy title documents. Postage: £0.97 The postage cost of sending VAT returns to HMRC while working remotely.	209.47	209.47	0	209.47
Total		238,378.85	247,254.54	47,518.36	294,772.90



Square Trading Limited - In Administration

APPENDIX C(II)

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Total Expenses (£)
Professional Advisors' Costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.					
Legal Fees and Disbursements	Brabners LLP are instructed to provide advice on matters arising in the Administration. Their fees are agreed on a time cost basis. This firm of lawyers was chosen based on their experience in the areas of insolvency & charity law.	1,600.00	1,607.14	0	1,607.14
Insurance of Assets	The Administrators are required to insure the assets of the Company until they are disposed of. The Joint Administrators instructed Marsh Limited to act as brokers for insurance purposes. The costs of insuring the assets relate to the period from the date of appointment being 20 March 2020 to the date of sale.	711.56	711.56	0	711.56
Management Recharge	A recharge of the salary costs of the retained member of staff in the Trust, calculated at 50% of the gross cost to the Trust during the Administration, as this member of staff has carried out work for the Company during the Administration including finalising the management accounts for the preparation of the Statement of Affairs, reconciling the trade debtor ledger and chasing the debtor balances due to the Company and there is a history of management and staff cost being recharged in this way.	5,198.34	5,198.34	0	5,198.34
Other Expenses					
Statutory Advertising	Costs paid to Courts Advertising for statutory advertising requirements specifically the London Gazette advertisement for the notice of the appointment of Administrators.	94.50	94.50	0	94.50



Square Trading Limited - In Administration

APPENDIX C(II)

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Total Expenses (£)
Pre-Administration Costs	The total pre-Administration costs incurred amount to £5,770.80 as set out in section 8 of the report and comprising: Mazars LLP time costs - £4,888.00 Brabners LLP time costs - £1,282.80 However, the Administrators sought approval to pay pre-Administration costs in the sum of £3,218.30 as an expense of the Administration, comprising: Mazars LLP - £1,935.50 Brabners LLP - £1,282.80	3,218.30	3,218.30	0	3,218.30
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. Further information on disbursements is provided within Section 10 of the report and the disbursement policy at Appendix E(II). Disbursements incurred in this matter are: Specific bond premiums - £24.76 The premium cost of Bordereau cover required by statute and paid to Marsh Limited Postage - £16.20 The cost of issuing creditor correspondence via a third-party mailroom, paid to Postworks.	40.96	40.96	0	40.96
Total		10,863.66	10,870.80	0	10,870.80

**ADMINISTRATORS' ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE**

The Joint Administrators' total Fees Estimate as approved by creditors on 9 November 2020 was £193,599.99.

As detailed in Section 9 of the report, total costs incurred to date are £206,865.00.

The following table provides details of the Administrators' actual time costs incurred in the current reporting period, 20 September 2020 to 16 March 2021, compared to the estimated costs in accordance with the Fees Estimate. The table also includes the cumulative period from 20 March 2020 to 16 March 2021, which provides details of the Administrators' total time costs since appointment.

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

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



The Square Chapel Trust - in Administration

APPENDIX D1

**ADMINISTRATORS' ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE**

	Fees Estimate Approved on 9 November 2020			Actual time costs for the period 20 September 2020 to 16 March 2021			Cumulative time costs for the period 20 March 2020 to 16 March 2021		
Description of Work	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	25.30	6,317.25	249.69	8.50	1,660.50	195.35	33.80	8,179.00	241.98
Taxation	56.70	16,910.14	298.24	26.10	5,260.00	201.53	72.80	18,870.50	259.21
Investigations	42.40	13,123.50	309.52	0.00	0.00	0.00	42.40	12,654.50	298.46
Realisation of Assets	158.90	43,785.00	275.55	19.70	4,232.50	214.85	178.60	48,830.00	273.94
Trading	50.90	11,902.50	233.84	4.90	1,245.50	254.18	55.80	13,027.50	233.47
Employees	81.70	21,061.76	257.79	9.50	2,225.50	234.26	85.20	21,483.00	252.15
Creditors	135.90	23,990.87	176.53	29.80	4,833.00	162.18	154.70	25,783.50	166.67
Reporting	90.00	23,431.07	260.35	62.90	15,704.00	249.67	104.90	26,954.50	256.95
Cashiering	73.70	16,026.71	217.46	14.30	3,272.00	228.81	75.00	14,679.50	195.73
Statutory & compliance	78.20	17,051.19	218.05	21.40	4,215.50	196.99	79.10	16,120.00	203.79
Totals	793.70	193,599.99	243.92	197.10	42,648.50	216.38	883.10	206,865.00	234.25

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 20 SEPTEMBER 2020 TO 16 MARCH 2021

<p>Introduction</p> <p>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.</p>
<p>Work carried out in the current period</p>
<p><u>Administration and planning</u></p> <p>The Administrators have undertaken the following work:</p> <ul style="list-style-type: none"> • Internal strategy meetings and case notes • Planning & discussion with team regarding settling costs & move to closure; • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system. <p>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.</p>
<p><u>Taxation</u></p> <p>The following activities have been undertaken in order to ensure the Company is compliant with tax requirements:</p> <ul style="list-style-type: none"> • Preparing and filing post-appointment VAT returns, as required by statute. • Applying to HMRC to deregister the Company from VAT. • Finalising the VAT accounting for the Administration & corresponding with HMRC in respect of MTD issues. • Preparing and submitting VAT assignment documents. • Corresponding with HMRC in respect of the Corporation Tax status of the Company. <p>The majority of this work derived no financial benefit for creditors; however, it is required in accordance with tax legislation.</p>
<p><u>Realisation of Assets</u></p> <p>The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report and included:</p> <ul style="list-style-type: none"> • Corresponding with suppliers to the property and confirming change of ownership; finalising utility accounts. • Arranging for assets under lease agreements to be returned. • Finalising and agreeing the position in respect of the Company's book debts. • Liaising with Lloyds Bank and Manchester Building Society to arrange a funds held in their accounts to be paid over to the Administration account. • Assisting with the transfer of business data to Square Chapel CIC and following up on other post-sale matters. • Considering business interruption claim & liaising with insurance broker. <p>The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.</p>
<p><u>Employees</u></p> <p>The Company had 50 employees, 37 of whom were made redundant and one member of staff left at the end of their notice period. The following work has been undertaken in the current period:</p> <ul style="list-style-type: none"> • Liaising with Brabners in respect of TUPE matters • Liaising with Evolve in respect of ERA claims • Responding to employee queries as they arise • Liaising with SP Insolvency to finalise the pension scheme claim and submit to the Redundancy Payments Service • Liaising with SP Insolvency to close down the pension scheme

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 20 SEPTEMBER 2020 TO 16 MARCH 2021

There is a financial benefit to employee creditors in carrying this work as it assists them in obtaining their entitlements from the Redundancy payments Office and ensures that the pension scheme is dealt with appropriately and in accordance with statute.

Creditors

According to the Statement of Affairs, there are approximately 87 unsecured creditors in addition to the two secured creditors. There are also several hundred consumer creditors who had purchased tickets in advance of performances at The Square Chapel which were subsequently cancelled in response to COVID19 restrictions. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Corresponding with the Arts Council and Key Fund Investments Limited.
- Responding to queries received from creditors, monitoring redirected emails & responding as appropriate
- Corresponding with ticket creditors, circulating details provided by the Square Chapel CIC.
- Logging creditor claims received.
- Corresponding with any late notified creditors not included in the initial mailing.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

Reporting

Work undertaken in this category has included:

- Drafting and issuing the six-month progress report.
- Drafting and issuing the Fees Estimate to creditors.
- Liaising with the Trustees
- Drafting the final report.

There is no financial benefit for creditors in performing this type of work which is required in order to ensure that the case has been administered in line with statute and regulatory requirements.

Cashiering

Cashiering work undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

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

Statutory and Compliance

Statutory and compliance work as required by statute and/or our internal procedures.

Work undertaken in this regard has involved:

- Documenting the outcome of creditor decisions.
- Case monitoring and statutory compliance, including internal case reviews.
- Preparing statutory notices of closure of the Administration.

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.

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 20 SEPTEMBER 2020 TO 16 MARCH 2021

Introduction
The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.
Work carried out in the current period
<p><u>Taxation</u></p> <p>The following activities have been undertaken during the current period in order to ensure the Company is compliant with tax requirements:</p> <ul style="list-style-type: none"> • Preparing and filing post-appointment VAT returns, as required by statute; • Applying to HMRC to deregister the Company from VAT and finalising the VAT accounting. • Preparing and submitting VAT assignment documents. • Preparing and submitting tax returns for the period of Administration. <p>The majority of this work derived no financial benefit for creditors; however, it is required in accordance with tax legislation.</p>
<p><u>Realisation of Assets</u></p> <p>The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report and included:</p> <ul style="list-style-type: none"> • Arranging for assets under hire or lease agreements to be returned. • Finalising and agreeing the position in respect of the Company's book debts. • Liaising with Lloyds Bank plc for funds held to be paid over & the bank account to be closed. • Chasing up for the transfer of the proceeds of wet stock sale held by agents • Considering business interruption claim & liaising with insurance broker. <p>The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.</p>
<p><u>Creditors</u></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 in the current period:</p> <ul style="list-style-type: none"> • Responding to queries from creditors. • Assisting Square Chapel CIC with guidance on responding to supplier queries <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>
<p><u>Reporting</u></p> <p>Work undertaken in this category during the current period has included:</p> <ul style="list-style-type: none"> • Drafting and issuing the six-month progress report. • Drafting and issuing the decision procedure letters to creditors. • Drafting and issuing the final report to creditors. <p>There is no financial benefit for creditors in performing this type of work which is required in order to ensure that the case has been administered in line with statute and regulatory requirements.</p>
<p><u>Cashiering</u></p> <p>Cashiering work undertaken includes:</p> <ul style="list-style-type: none"> • Bank account maintenance, including periodic reconciliations. • Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions. <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 my regulatory body.</p>
<p><u>Statutory and Compliance</u></p> <p>Statutory and compliance work as required by statute and/or our internal procedures which has involved during the current period:</p> <ul style="list-style-type: none"> • Documenting the outcome of the decision procedure. • Case monitoring and statutory compliance, including internal case reviews. <p>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.</p>

The Square Chapel Trust - in Administration

RATES AND DISBURSEMENT POLICY

Charge-out Rates

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

Staff Grade	Partner	Director	Manager	Administrator	Cashier	Support staff
Range applicable 20/03/20-31/08/20 (£)	440 - 550	390 - 450	245 - 400	160 - 230	100 - 205	90 - 120
Range applicable 01/09/20-16/03/21 (£)	455-650	405-495	250-440	165-255	130-155	110-135

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.

The following Category 2 disbursements incurred in administering the case were approved to 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.

Square Trading Limited - in Administration

DISBURSEMENT POLICY

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 usual for this Firm to seek approval for the following Category 2 disbursements incurred in administering the case:

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

However, no such approval has been sought or obtained. 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.