

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 2 2 6 1 1 3 5

Company name in full L3 Group Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Louise

Surname Brittain

### 3 Liquidator's address

Building name/number 2nd Floor

Street Regis House

Post town 45 King William Street

County/Region London

Postcode E C 4 R 9 A N

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

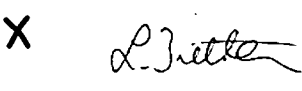
Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>															
From date	<sup>d</sup>	0	<sup>d</sup>	1	<sup>m</sup>	1	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	1
To date	<sup>d</sup>	3	<sup>d</sup>	1	<sup>m</sup>	1	<sup>m</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	2
<b>7</b>	<b>Progress report</b>															
<input type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	<sup>d</sup>	2	<sup>d</sup>	2	<sup>m</sup>	1	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	2

**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 **Jason Hamilton**

Company name **Azets**

Address **Gladstone House**

**77/79 High Street**

Post town **Egham**

County/Region **Surrey**

Postcode **T W 2 0 9 H Y**

Country

DX

Telephone **01784 435561**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**L3 Group Ltd  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 01/11/2021 To 31/10/2022 £	From 01/11/2017 To 31/10/2022 £
6,000.00	ASSET REALISATIONS		
	Book Debts	NIL	NIL
		NIL	NIL
<b>6,000.00</b>		<b>NIL</b>	<b>NIL</b>
	REPRESENTED BY		
			<b>NIL</b>

\_\_\_\_\_  
Louise Brittain  
Liquidator

# **Liquidator's Annual Progress Report to Creditors and Members**

**L3 Group Ltd  
- In Creditors' Voluntary Liquidation**

**For the Period from 1 November 2021 to 31 October 2022**

**Dated: 22 December 2022**

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**1 Introduction and Statutory Information**

- 1.1 Jonathan Amor of A.M Insolvency Limited was appointed as Liquidator of L3 Group Ltd ('the Company') on the 1 November 2017. On 31 January 2022, Jonathan Amor resigned as Liquidator and I, Louise Brittain of Azets Holdings Limited ('Azets'), Gladstone House, 77/79 High Street, Egham, Surrey, TW20 9HY was appointed as replacement Liquidator with effect from the same date.
- 1.2 I am authorised to act as an Insolvency Practitioner in the UK by the IPA and I am bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment.
- 1.3 This progress report provides an update on the conduct of the Liquidation for the period from 1 November 2021 to 31 October 2022 ('the Period') and should be read in conjunction with the former Liquidator's previous progress reports.
- 1.4 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at <https://www.azets.co.uk/about-us/privacy-cookie-policy/>. If you are unable to download this, please contact my office and a hard copy will be provided to you.
- 1.5 The former registered office of the Company was Trinity House, Eldon Place, Liverpool, L3 6HE and has been changed to Gladstone House, 77/79 High Street, Egham, Surrey, TW20 9HY upon my appointment.
- 1.6 The Company's registered number is 02261135.

**2 Receipts and Payments**

- 2.1 At Appendix A is my Receipts and Payments Account for the Period from the 31 January 2022 to the 31 October 2022. There have been no Receipts or Payments throughout this Period.
- 2.2 Attached at Appendix B is a Receipts and Payments Account for the Period from 1 November 2017 to 30 January 2022.
- 2.3 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

**3 Progress of the Liquidation**

- 3.1 This section of the report provides creditors with an update on the progress made in the Liquidation during the Period and an explanation of the work done by my staff and me.

***Administration (including statutory compliance & reporting)***

- 3.2 I must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in the initial fees estimate/information which was previously agreed by creditors.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on me.
- 3.4 As noted in my fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

**Realisation of Assets**

- 3.5 There have been no asset realisations during the Period of this report. All of the Company assets that were listed on the Statement of Affairs have been realised by the former Liquidator.

***Creditors (claims and distributions)***

- 3.6 I am not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.7 Work undertaken in dealing with a Company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors; however, I am required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a Company has, the more time and cost will be involved in dealing with those claims.
- 3.8 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

***Investigations***

- 3.9 You may recall from the first progress report to creditors that some of the work a Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ('CDDA 1986') and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 3.10 The report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the Liquidation by the former Liquidator.
- 3.11 As reported previously, the Company sold two pieces of leasehold land and a freehold nursery prior to the Liquidation. They were sold for £50,000.00, £150,000.00 and £250,000.00 respectively. The former Liquidator undertook some enquiries and instructed an agent to value the assets to ensure they were sold for fair value. The investigations completed indicated that the transactions may give rise to further investigation which, as a result, may generate additional realisations for the benefit of the estate.
- 3.12 Given the complex nature of the transactions and the individuals involved, including their connection to the Company, a thorough review of the Company's books and records was required over a number of days in order to identify various documentation which was deemed to be relevant to the investigations and to assist with any potential litigation.

Following a review of the multiple boxes of books and records obtained upon my appointment, various key documents were identified, reviewed and extracted in relation to activity that required further investigation namely around the transfers of various properties and land. Timelines were also prepared.

- 3.13 As this estate is without funds discussions have been held with a third party funder who has an interest in taking an assignment of these claims. An agreement has been reached to assign these claims to a reputable third party to pursue them so a return may be made to the estate.



***Matters still to be dealt with***

- 3.14 In relation to the above a further update will follow in my next report to creditors once I have established the position and if any realisations will become available for the benefit of creditors.

**4 Creditors' claims and dividend prospects**

***Secured Creditors***

- 4.1 The Company granted the following charges that remain unsatisfied at Companies House:
- A fixed charge in favour of Esquiline Finance Ltd over the shares of Chisenhale Limited
  - A fixed charge in favour of Esquiline Finance Ltd over land at the North side of Carruthers Street and land at Chisenhale Street
  - A fixed and floating charge in favour of Esquiline Finance Ltd over all of the Company's assets
- 4.2 Land at the North side of Carruthers Street and land at Chisenhale Street was disclaimed on the 8 June 2018, prior to my appointment.
- 4.3 I am currently establishing the position in relation to sums due to Esquiline Finance Ltd ("Esquiline") under their security; however, I am aware that Esquiline were placed into Compulsory Liquidation on the 15 January 2020 with Nicholas Simmonds and Paul Andrew Zalkin of Quantuma LLP appointed as Joint Liquidators.

***Preferential Creditors***

- 4.4 Claims from preferential creditors typically involve employee claims for arrears of wages and holiday pay and payments made on behalf of the Company by the Redundancy Payments Service from the National Insurance Fund.
- 4.5 The Statement of Affairs anticipated preferential creditors of £6,293.00. I have received a claim from the Redundancy Payments Service whose preferential element totals £6,888.72.

***Unsecured Creditors***

- 4.6 The Company's Statement of Affairs indicated that there were 53 creditors whose debts totalled £611,842.29. To date, I have received 23 claims totalling £1,144,638.28.
- 4.7 The Company granted a floating charge to Esquiline Finance Ltd on 5 May 2017. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (information known as the Prescribed Part).
- 4.8 Based on present information and until my investigations are finalised, I am not able to comment on dividend prospects for any class of creditor.

**5 Former Liquidator's fees and expenses**

- 5.1 The previous Liquidator obtained fee approval from the creditors by a decision of the creditors dated 1 November 2017. The following resolutions were approved: -
- That a Liquidation committee would not be established.

## **L3 Group Limited - In Creditors Voluntary Liquidation**

- That the fees and disbursements of A.M. Insolvency Limited in respect of assisting the Board of Directors in preparing a Statement of Affairs and convening the meeting of creditors amounting to £7,000.00 including disbursements plus VAT be paid from realisations as an expense of the liquidation.
- That the Liquidator's fees will be charged by reference to the time properly spent by him and his staff in dealing with the matters relating to the Liquidation, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the report prepared in connection with fee approval and issued with the notice of the meeting.

5.2 His fees estimate totalled £14,750.00 of which £788.71 has been drawn.

### **6 Liquidator's Remuneration and disbursements**

- 6.1 It is proposed that my remuneration as Liquidator will be fixed by reference to the time spent by me and my staff in dealing with the matters arising in the Liquidation.
- 6.2 My total time costs incurred to date are £16,496.25 which represents 76.40 hrs charged at an average charge out rate of £215.92.
- 6.3 Attached at Appendix C is the time costs analysis which provides details of the activity costs incurred by staff grade during the Period.
- 6.4 Details of the work I consider will be necessary in this Liquidation can be found at Appendix D, together with the fees estimate which outlines what the likely costs of administering this Liquidation will be, at this stage. This enclosure also provides details of the expenses I consider will be, or are likely to be, incurred in dealing with the Liquidation.
- 6.5 Please note that creditors' agreement to the fees estimate provided will act as a cap on my fees unless or until such time as further approval is obtained from creditors to increase the amount proposed. I reserve the right to refer back to creditors should I consider that the estimate will be exceeded and will provide creditors with relevant information on the reasons for this and an updated estimate of costs if this proves necessary.
- 6.6 Please find attached at Appendix E, Azets Holdings Ltd Fees and Expenses Policy.
- 6.7 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [https://www.azets.co.uk/media/lybj2if4/liquidation-a\\_guide\\_for\\_creditors\\_on\\_insolvency\\_practitioners\\_fees- version\\_1\\_april\\_2021.pdf](https://www.azets.co.uk/media/lybj2if4/liquidation-a_guide_for_creditors_on_insolvency_practitioners_fees- version_1_april_2021.pdf).

### **7 Creditors' Decisions**

- 7.1 Please note that resolutions agreeing the basis of my remuneration and expenses are being sought by correspondence and further details can be found at Appendix F.
- 7.2 The resolutions to be considered are as follows:
1. That a Liquidation Committee be established.
- 7.3 In the event that a Liquidation committee is not established, the following decisions will be considered by correspondence.

2. That the basis of the Liquidator's remuneration be fixed in accordance with time costs up to a cap of £58,791.25 plus VAT as set out in the fees estimate at Appendix D. These fees are to be paid at the Liquidator's discretion, as and when funds permit.
  3. That the Liquidator be authorised to recover her Category 2 expenses on the basis of the tariff disclosed to creditors with this report and that she be authorised to draw such Category 2 expenses from time to time as funds allow.
  4. That Trinity IP Solutions Limited are paid £435.00 plus VAT for assisting with the closure of the case.
- 7.4 The Insolvency Rules require that where a decision is sought from creditors, it is necessary to invite creditors to decide on whether a Liquidation Committee should be established. The Insolvency Rules also state that where the creditors decide that a Liquidation Committee should be established, it cannot be established unless it has three and no more than five members. Therefore, if you believe a Liquidation Committee should be established, please nominate a member who is prepared to represent you as a member of the committee on the Voting Form attached at Appendix G.


## **8 Creditors' Rights**

- 8.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that I provide further information about my remuneration or expenses which have been itemised in this progress report.
- 8.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for my remuneration is inappropriate and/or the remuneration charged or the expenses incurred, as set out in this progress report, are excessive.

## **9 Next Report**

- 9.1 I am required to provide a further report on the progress of the Liquidation within two months of the next anniversary of the Liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 9.2 Should you have any queries in relation to the contents of this report or the Liquidation in general, please do not hesitate to contact Jason Hamilton or Michele Lockyer of this office at 01784 435561, or by email to Jason.hamilton@azets.co.uk or Michele.Lockyer@azets.co.uk.
- 9.3 Finally, to comply with the Provision of Services Regulations, some general information about Azets including about our Professional Indemnity Insurance and the Insolvency Code of Ethics, can be found at <https://www.azets.co.uk/about-us/legal-regulatory-information/>.

Yours faithfully



**Louise Mary Brittain**  
Liquidator

Appendix A

Receipts and Payments Account for the Period from the 31 January 2022 to the 31 October 2022

**L3 Group Ltd  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 31/01/2022 To 31/10/2022 £	From 01/11/2017 To 31/10/2022 £
6,000.00	ASSET REALISATIONS		
	Book Debts	NIL	NIL
		NIL	NIL
<b>6,000.00</b>		<b>NIL</b>	<b>NIL</b>
	REPRESENTED BY		
			NIL

Appendix B

Receipts and Payments Account for the Period from the 1 November 2017 to the 30 January 2022 relating to the period that the former Liquidator was in office

**L3 Group Ltd - In Liquidation  
Liquidator's Receipts and Payments  
1 November 2017 to 31 October 2021**

	01/11/2017 to 31/10/2020 £	01/11/2020 to 31/10/2021 £	Cumulative 01/11/2017 to 31/10/2021 £	Statement of Affairs £
<b>Receipts</b>				
Director contribution to costs	1,000.00		1,000.00	
Book debt	6,000.00		6,000.00	6,000
Cash at bank	95.05		95.05	
Certificate fee	50.00		50.00	
Sundry refund	750.00		750.00	
Interest received	3.66		3.66	
Sale of management rights		1,000.00	1,000.00	
<b>Total receipts</b>	<u>7,898.71</u>	<u>1,000.00</u>	<u>8,898.71</u>	<u>6,000.00</u>
<b>Payments</b>				
Statement of Affairs fees	(6,798.44)	(201.56)	(7,000.00)	
Liquidator's fees		(788.71)	(788.71)	
Agent fees	(750.00)		(750.00)	
Statutory advertising	(210.00)		(210.00)	
Virtual meeting & online report hosting	(150.00)		(150.00)	
<b>Total payments</b>	<u>(7,908.44)</u>	<u>(990.27)</u>	<u>(8,898.71)</u>	
<b>Balance in hand</b>			<u>0.00</u>	

**L3 Group Limited - In Creditors Voluntary Liquidation**

**Appendix C**

**Time costs analysis for the Period from the 31 January 2022 to the 31 October 2022**

**L3 Group Ltd - In Creditors' Voluntary Liquidation**

**Time costs analysis for the period from the 31 January 2022 to the 31 October 2022**

HOURS						Time Cost  £	Average hourly rate  £
Classification Of work function	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	1.05	1.85	-	20.40	23.20	4,179.25	179.37
Cashiering and Accounting	0.60	-	-	1.80	2.40	559.00	232.92
Investigations	4.60	2.90	-	19.90	27.40	6,941.50	253.34
Realisation of assets	0.30	-	-	1.20	1.50	346.00	230.67
Creditors	-	0.25	0.60	4.10	4.95	794.75	160.56
Statutory	1.20	4.05	-	11.60	16.85	3,675.75	218.15
<b>Total</b>	<b>7.75</b>	<b>9.05</b>	<b>0.60</b>	<b>59.00</b>	<b>76.40</b>	<b>16,496.25</b>	<b>215.92</b>

## **Appendix D**

### **Information in relation to the Liquidator's fees and expenses**

#### **Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9**

##### **Fees Overview**

Prior to the Liquidator agreeing the basis of her remuneration, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with the Liquidation must be provided to creditors.

In addition, where the Liquidator proposes to take all or any part of this remuneration based on the time spent in dealing with the Liquidation's affairs, a fee estimate must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a fee estimate may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the fees estimate is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the assignment. If it is considered that this estimate will be exceeded, the Liquidator will provide an update and seek approval to increase the previously agreed estimate.

##### **Work anticipated and the likely outcome to creditors**

Some of the work undertaken by the Liquidator is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 ('SIP 2') and the Company Directors Disqualification Act 1986 ('CDDA') or dealing with the claims of former employees via the National Insurance Fund.

It may also be necessary for the Liquidator to instruct other parties to assist with the assignment because of a particular expertise that they may bring, such as asset valuation, tax or legal advice. Details of any anticipated expenses can be found at the end of this document, although it should be noted that this may change during the course of an assignment where it is necessary to seek additional expertise or specialist support.

The Liquidator is also required to comment on whether the work they anticipate doing will provide a financial benefit to creditors and to give an indication of the likely return to creditors when seeking approval for the basis of her remuneration. Due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of an insolvent's assets at the outset of a case, this position may change during an assignment, therefore updates will be provided in periodic progress reports to creditors.

In this case, it is currently uncertain whether a distribution for secured, preferential or unsecured creditors will become available. Further information on this can be found below in the section on '*Creditors (claims and distributions)*'.

### **Proposed Fee Basis**

The previous Liquidator obtained fee approval on a time cost basis by a decision of the creditors dated 1 November 2017. His fees estimate totalled £14,750.00 of which £788.71 has been drawn. I do not propose to change the current basis of remuneration sought; however, I am currently seeking an increase in the previously agreed estimate.

My fees estimate can be found below which totals £58,791.25 plus VAT and is based on all the work I currently propose will be necessary in this assignment. If I consider this estimate will be exceeded, I will notify creditors, provide a revised estimate, and seek further approval for my increased fees. Similarly, I will update creditors in my future progress reports on the amount I anticipate being paid against this estimate.

The remainder of this document contains an explanation of the work I propose undertaking. Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. To aid understanding, for the purposes of my fees estimate, I have indicated an average blended rate of the grades of staff such as the Liquidator, the case manager, the case administrator, and cashier when estimating the total hours to be spent on each part of the work.

### **Outline of work to be done by the Liquidator**

Below are details of the work I propose undertaking in support the above fee proposal for the assignment:

#### **Administration (including statutory compliance & reporting)**

Liquidators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the claims of creditors. Whilst these tasks are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work may include:

- Notifying creditors of the Liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices;
- Securing the Company's assets and placing insurance where appropriate;
- Preparing and issuing annual progress reports to creditors and members;
- Lodging periodic returns with HMRC for VAT and Tax;
- Complying with statutory duties in respect of the Liquidator's specific penalty bond;
- Creation and update of case files on the firm's insolvency software;
- Securing the Company's books and records;
- Pension regulatory reporting and auto-enrolment cancellation;
- Completion and filing of the notice of the insolvency with HMRC;
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter);
- Opening, maintaining, and managing the insolvent estate cashbook and bank account;
- Dealing with all post-appointment VAT and corporation tax compliance as applicable to the proceedings;  
and
- Closing the case; instructing agents to draft the report and final documents; review and issue the Liquidator's final account to prescribed parties.



## **L3 Group Limited - In Creditors Voluntary Liquidation**

### **Realisation of assets**

All of the Company assets that were listed on the Statement of Affairs have been realised by the former Liquidator. The only remaining assets are potential claims in relation to land and property formerly transferred and potential claims against the individuals involved.

### **Creditors (claims and distributions)**

As Liquidator, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the estimated Statement of Affairs, I currently think that no dividend will be available to creditors in this case. I will deal with the review and adjudication of creditors' claims as appropriate, if and when it is determined that a dividend is to be declared.

### **Investigations**

A Liquidator is required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

The report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the Liquidation by the former Liquidator.

My investigations into the sale of two pieces of leasehold land and a freehold nursery prior to the Liquidation were ongoing as detailed above up until the assignment of the claims to the third party. The former Liquidator undertook some enquiries and instructed an agent to value the assets to ensure they were sold for fair value. The following work has been allowed for in this additional proposed fee cap.

- Liaising with banks to obtain bank statements and reviewing statements
- Following up on queries identified from my review and providing further information for progression in respect of the assigned claims
- Relevant searches relating to third parties and potential assets
- Internal meetings to discuss strategy
- Corresponding with the Director and other third parties regarding various issues and for further information required
- Liaising with third party in relation to the assignment of claims
- Monitoring case progression and statutory formalities

### **Liquidator's Expenses and the use of Subcontractors**

Expenses are payments from an insolvent estate which are neither the Liquidator's remuneration nor a distribution to a creditor or shareholder. Some expenses can be paid without prior approval from creditors (Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the Liquidator, require approval before they can be paid (Category 2 expenses).

Examples of expenses include agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the Liquidator's specific penalty bond and costs associated with storing books and records. Expenses also include disbursements which are payments that are first met by the Liquidator and then reimbursed at a later date from the estate, usually when realisations permit.

Further details of my firm's Category 2 expenses policy, which explains the basis on which any proposed expenses appearing in the relevant table below are being charged to the estate, is attached for creditors'

### L3 Group Limited - In Creditors Voluntary Liquidation

information. Approval to pay any proposed Category 2 expenses will be sought from creditors at the same time as the basis of the Liquidator's remuneration is agreed.

#### Category 1 expenses

The following Category 1 expenses are currently anticipated on this assignment and do not require prior approval from creditors to be paid:

Expense	Basis of remuneration/cost	Service to be provided	Estimated cost £ Plus VAT
Courier	Variable dependent upon distance, volume, timescales	Courier of documents	414.00
Specific Penalty Bond	Variable	Statutory bond required in all insolvency appointments for each office holder appointed	15.00
Legal fees & expenses	Time costs	Legal recoveries and assistance into potential antecedent transactions	10,000.00
Postage	Standard UK postage charges	Posting mailouts to creditors	500.00
Statutory advertising	Fixed cost	Statutory advertising in the London Gazette	94.10
ATE Insurance – Howdens 'Senatus' policy**	£25 plus IPT/3500 plus IPT	ATE insurance cover provided automatically on appointment	£25.00/ £500 plus IPT
<b>Total</b>			<b>11,548.10</b>

\*\* This is After the Event insurance policy that is provided automatically from the date of the officeholder's appointment. All cases will be automatically covered on payment of £25 plus IPT and if the officeholder decides to issue a claim against a third party the next stage premium is £500 plus IPT but this is contingent on the claim being successful. Further details in relation to this policy can be provided on request to the officeholders. In the event that the claims are assigned it may mean that the automatic ATE cover will not be required in this instance.

#### Category 2 expenses

The following Category 2 expenses are currently anticipated on this assignment and do require prior approval from creditors to be paid:

Expense	Basis of remuneration/cost	Payment to Associate or shared/allocated cost	Service to be provided	Estimated Cost £ plus VAT
Business Mileage	£0.45 per mile	Allocated Cost	Cost reimbursed to office holder or staff member for case-related business mileage	428.40

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### Trinity IP Solutions Limited ('Trinity IP')

On this assignment, it is proposed that Trinity IP will be utilised to undertake work that could otherwise be done by the Liquidator or her staff. If further third parties are utilised during the assignment that are not foreseen at this stage, this will be reported in subsequent progress reports.

The reasons why it is felt appropriate to utilise Trinity IP in this case for the proposed work is also explained below.

Name	What work does this relate to and why is a third party being used?	Anticipated cost of the services to be provided £ plus VAT
Trinity IP Solutions Limited	Final report and closure documents. This third party is used as this will be a more cost-effective method of providing the final report to creditors in this case.	435.00

### Liquidator's Fees Estimate

Below is my fees estimate for the assignment. The work I anticipate undertaking in relation to this estimate has been outlined above. It is an estimate for the entire assignment. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised fees estimate as appropriate

Category of work	Estimated Number of Hours as per the fees estimate	Estimated cost as per the fees estimate £	Total Number of hours for the whole period	Total costs incurred for the whole period £	Variance of time costs v fees estimate £	Variance of hours v fees estimate	Estimated future Number of Hours per the revised fees estimate	Estimated cost as per the revised fees estimate £	Revised fees estimate Number of Hours	Revised fees estimate total time costs £
Administration & Planning	20.00	5,000.00	55.30	12,179.25	-7,179.25	-35.30	24.50	4,769.00	79.80	16,948.25
Cashiering & Planning	0.00	0.00	2.40	559.00	-559.00	-2.40	4.50	857.00	6.90	1,416.00
Investigations	20.00	5,000.00	60.30	15,166.50	-10,166.50	-40.30	17.00	4,170.00	77.30	19,336.50
Realisation of assets	10.00	2,500.00	21.20	5,271.00	-2,771.00	-11.20	6.00	1,865.00	27.20	7,136.00
Creditors (claims & distributions)	5.00	1,250.00	17.55	3,944.75	-2,694.75	-12.55	9.50	2,243.00	27.05	6,187.75
Statutory	0.00	0.00	19.35	4,300.75	-4,300.75	-19.35	13.00	3,466.00	32.35	7,766.75
Case Specific Matters	4.00	1,000.00	0.00	0.00	1,000.00	4.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>59.00</b>	<b>14,750.00</b>	<b>176.10</b>	<b>41,421.25</b>	<b>-26,671.25</b>	<b>-117.10</b>	<b>74.50</b>	<b>17,370.00</b>	<b>250.60</b>	<b>58,791.25</b>

### Appendix E

#### Azets Holdings Ltd Fees and Expenses Policy

##### Introduction

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>.

Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency 9 (SIP 9) and can be accessed at <https://www.azets.co.uk/restructuring-and-insolvency-downloads/>. A hard copy may be requested from Azets Holdings Limited, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY or by emailing [jason.hamilton@azets.co.uk](mailto:jason.hamilton@azets.co.uk).

##### Staff Allocation and Charge Out Rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. Work carried out by all staff is subject to the overall supervision of the office holders.

The constitution of the case team will usually consist of a Partner/Director, Manager and an Administrator as well as support staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several members of staff may be allocated to meet the demands of the case.

We operate a time recording system which allows staff working on the assignment along with the office holders to allocate their time to an assignment in 6 minute units.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and planning
- Investigations
- Realisation of assets
- Creditors
- Trading
- Case specific matters

Time costs are recorded at the individual's hourly rate in force at that time. Our charge out rates increased on 1 February 2022 and are shown below, exclusive of VAT.

<b>1 February 2022 to date</b>	<b>£</b>	<b>3 December 2018 to 31 January 2022</b>	<b>£</b>
Partner/Director	400.00 – 580.00	Partner	430.00 - 470.00
Manager	280.00 – 375.00	Directors/Manager	210.00 - 390.00
Administrator	130.00 – 275.00	Administrator	110.00 - 210.00
Support Staff	120.00	Junior/Trainee Administrator	95.00 - 200.00
		Cashiers/Secretaries	60.00 - 100.00

Included within the manager grade are Senior Manager, Manager and Assistant Manager. Included within the Administrator grade are Senior Administrator and Assistant. Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

**Please note that charge out rates are reviewed annually and may be subject to change.**

### **Expenses**

On insolvency appointments, an office holder will typically incur expenses which relate to that assignment. Expenses (or costs) are amounts properly payable by an office holder from an insolvency estate which are not otherwise categorised as the office holder's remuneration or a distribution to a creditor or shareholder. These expenses may include, but are not limited to, agent's costs for disposal and realisation of assets, legal costs, specialist pension advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing the books and records. Expenses also include disbursements which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit. Details of the anticipated expenses on an insolvency assignment will be outlined in the office holder's fees estimate or other information provided to creditors about the fee basis or bases being proposed.

Expenses recharged to, or incurred directly by, an insolvent estate are subject to VAT at the applicable rate where appropriate.

Some expenses can be paid without prior approval from creditors (referred to as Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (referred to as Category 2 expenses).

Category 1 expenses are directly referable to an invoice from a third party that is not an associate of the office holder or the firm, which is either in the name of the estate or Azets Holdings Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the insolvency estate. These costs are recoverable without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party.

Category 2 expenses are directly attributable to the estate but include an element of shared costs or is a payment to an associate of the office holder or the firm. These expenses are recoverable from the estate, subject to the prior approval of the creditors, in the same manner as the approval of the office holder's remuneration.

The Category 2 expenses which include an element of shared costs and are charged by this firm are as follows:

- Postage – charged in accordance with the current Royal Mail price guide for first class.
- Business mileage – charged at standard rates which comply with HM Revenue & Customs limits. The current rate is 45 pence per mile.
- Internal photocopying - charged at 5 pence per sheet for reports and circulars issued to creditors, shareholders, employees and other stakeholders. No additional charge is made for individual items of correspondence.

**Please note that these category 2 expenses are reviewed annually and may be subject to change.**

Payments to associates (as defined in Section 435 of the Insolvency Act 1986 and the Insolvency Code of Ethics), which are also classified as a category 2 expense requiring creditor approval, are not routinely made by this firm. Any such payments will be considered on a case by case basis and when seeking approval for the payments, the office holder will provide creditors with an explanation of the work to be done, why the work is necessary and the estimated payment that will be made. The form and nature of the relationship with the associate will also be provided.

### **Provision of Services Regulations**

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

### **L3 Group Limited - In Creditors Voluntary Liquidation**

To comply with the Provision of Service Regulations, some general information about Azets Holdings Limited, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: [www.azets.co.uk/about-us/legal-regulatory-information/](http://www.azets.co.uk/about-us/legal-regulatory-information/).

**Appendix F**

**Notice of Decisions by Correspondence**

**NOTICE OF DECISIONS BEING SOUGHT BY CORRESPONDENCE  
(A DECISION PROCEDURE)**

Pursuant to S246ZE of the Insolvency Act 1986 and Rule 15.8 of Part 15 of the Insolvency (England and Wales) Rules 2016 ('the Rules')

**L3 Group Ltd ('the Company')**  
**Registered Number - 02261135**

**THE PROPOSED DECISIONS**

The following decisions are proposed by the Liquidator ('the Convener') as decisions to be made by the Company's creditors by correspondence:

1. That a Liquidation Committee be established.

In the event that a Liquidation Committee is not established, the following decisions will be considered by correspondence:

2. That the basis of the Liquidator's remuneration be fixed in accordance with time costs up to £58,791.25 plus VAT as set out in the fees estimate at Appendix D. These fees are to be paid at the Liquidator's discretion, as and when funds permit.
3. That the Liquidator be authorised to recover her Category 2 expenses on the basis of the tariff disclosed to creditors with this report and that she be authorised to draw such Category 2 expenses from time to time as funds allow.
4. That Trinity IP Solutions Limited are paid £435.00 plus VAT for assisting with the closure of the case.

**ENSURING YOUR VOTES ON THE PROPOSED DECISIONS ARE COUNTED**

In order for votes on the Proposed Decisions to be counted, a creditor must have delivered the Voting Form accompanying this Notice, together with a proof of debt in respect of their claim to the Convener (unless already submitted), whose contact details are below, on or before the 12 January 2023 (the Decision Date), failing which their votes will be disregarded.

**Appeal of Convener's decision**

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

**Liquidation Committee – nominations**

Although creditors did not make the decision to establish a Liquidation Committee previously, I am required under insolvency legislation to invite creditors to decide whether one should be established each time I seek a decision from them.

A decision on this matter is therefore included on the Voting Form. Any nominations for membership of the committee must be received by the Convener on or before the Decision Date and will only be accepted if the

### **L3 Group Limited - In Creditors Voluntary Liquidation**

Convener is satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can also be made on the Voting Form accompanying this notice.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if the creditor has proved for a debt, the debt is not fully secured, and the proof has not been wholly disallowed for voting purposes or wholly rejected for the purpose of distribution or dividend. Please note that a person cannot be a member as both a creditor and a contributory and whilst a body corporate may be a member of a Liquidation Committee, it can only act through a representative appointed under Rule 17.17.

#### **Creditors with a small debt**

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof of debt in respect of their claim with their Voting Form if they wish to vote on the Proposed Decisions.

#### **Creditors who have opted out of receiving notices**

Any creditor who has opted out of receiving notices but still wishes to vote on the Proposed Decisions is entitled to do so. However, they must have delivered a completed Voting Form, together with a proof in respect of their claim (unless one has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their votes will be disregarded.

#### **Request for a physical meeting**

Insolvency legislation also provides that creditors who meet certain thresholds, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decisions. Such a request must be made in writing to the Convener within five business days from the 22 December 2022 and should be accompanied by a proof of debt (unless already submitted).


#### **Contact details**

Documents required to be delivered to the Liquidator pursuant to this notice can be sent by post to Azets Holdings Ltd, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY or alternatively by email to [Louise.Brittain@azets.co.uk](mailto:Louise.Brittain@azets.co.uk).

Any person who requires further information may contact Jason Hamilton and Michele Lockyer by telephone on 01784 435561 or alternatively by e-mail at [Jason.hamilton@azets.co.uk](mailto:Jason.hamilton@azets.co.uk) and [Michele.Lockyer@azets.co.uk](mailto:Michele.Lockyer@azets.co.uk).

Dated: 22 December 2022

Signed:



**Louise Mary Brittain**  
**Liquidator**



**Appendix G**

**Insolvency Act 1986**

**Voting Form (Creditors' Voluntary Winding Up)**

Name of Company  L3 Group Ltd	Company number  02261135
-------------------------------------	--------------------------------

Please indicate whether you are in favour or against each of the decisions set out below and return this form with a proof in respect of your claim to Azets Holdings Ltd, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY, on or before the 12 January 2023 ('the Decision Date') in order that approval may be determined.

		In Favour (v)	Against (v)
1	That a Liquidation Committee be established		
2	That the basis of the Liquidator's remuneration be fixed in accordance with time costs up to £58,791.25 plus VAT as set out in the fees estimate at Appendix D. These fees are to be paid at the Liquidator's discretion, as and when funds permit		
3	That the Liquidator be authorised to recover her Category 2 expenses plus VAT on the basis of the tariff disclosed to creditors with this report and that she be authorised to draw such Category 2 expenses from time to time as funds allow.		
4	That Trinity IP Solutions Limited are paid £435.00 plus VAT for assisting with the closure of the case		

**Liquidation Committee**

The Insolvency Rules require that where a decision is sought from creditors, it is necessary to invite creditors to decide on whether a Liquidation Committee should be established. The Insolvency Rules also state that where the creditors decide that a Liquidation Committee should be established, it cannot be established unless it has at least three (and no more than five) members. Therefore, if you believe a Liquidation Committee should be established, please nominate below a member who is prepared to represent you as a member of the committee.

I am seeking that a Liquidation Committee be established **YES / NO\***

**\*delete as applicable**

I wish to nominate \_\_\_\_\_ (insert name)

Representing \_\_\_\_\_ (insert name of creditor)

### **L3 Group Limited - In Creditors Voluntary Liquidation**

to be a member of the committee

**Please complete the section below before returning the form**

<b>Name of Creditor</b>	
<b>Signature on behalf of creditor</b>	
<b>Position with creditor or relationship to creditor or other authority for signature - please indicate</b>	
<b>Is the signatory the sole member of a body corporate?</b>	<b>YES / NO</b>
<b>Date of signing</b>	

## L3 Group Limited - In Creditors Voluntary Liquidation

### Appendix H

#### Proof of Debt Form

#### L3 Group Ltd – In Creditors Voluntary Liquidation

Date of winding up resolution: 1 November 2017

1	Creditor Name (If a company, please also state company registration number)	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest  <i>Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted</i>	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £  Date given     /     /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10		

### L3 Group Limited - In Creditors Voluntary Liquidation

	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Date	
13	Position with or in relation to creditor  Address of person signing (if different from 2 above)	