

# 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 6 9 3 3 5 8 3

Company name in full SCL Security Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Phil

Surname Deyes

### 3 Liquidator's address

Building name/number Leonard Curtis

Street 9th Floor

7 Park Row

Post town Leeds

County/Region

Postcode L S 1 5 H D

Country

### 4 Liquidator's name ①

Full forename(s) Anthony

Surname Milnes

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Leonard Curtis

Street 1 & 2 Lion Chambers

John William Street

Post town Huddersfield

County/Region

Postcode H D 1 1 E S

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

**6**

### Period of progress report

From date

<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

To date

<sup>d</sup> 2	<sup>d</sup> 8	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**7**

### Progress report



The progress report is attached

**8**

### Sign and date

Liquidator's signature

Signature

**X****X**

Signature date

<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

# LIQ03

## Notice of progress report in voluntary winding up



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Amelia Blythe
Company name	Leonard Curtis
Address	9th Floor
	7 Park Row
	Leeds
Post town	
County/Region	
Postcode	L S 1 5 H D
Country	
DX	
Telephone	0113 323 8890



### 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)

**SCL Security Ltd**  
**(In Creditors' Voluntary Liquidation)**

Company Number: 06933583

Former Registered Office: 9 Gunnery Terrace, Cornwallis Road, London SE18 6SW

Former Trading Address: Riverbank House, Angel Lane, Tonbridge, Kent TN9 1GF

**Joint Liquidators' Third Progress Report**  
pursuant to Section 104A(1) of the Insolvency Act 1986 (as amended)  
and Rule 18.3 of the Insolvency (England and Wales) Rules 2016

Report Period:  
29 October 2022 to 28 October 2023

21 December 2023

Leonard Curtis  
9th Floor, 7 Park Row, Leeds  
LS1 5HD  
Tel: 0113 323 8890  
recovery@leonardcurtis.co.uk  
Ref: E/36/ABL/SE12L/1010

## CONTENTS

- 1 Introduction
- 2 Conduct of the Liquidation
- 3 Receipts and Payments Account
- 4 Outcome for Creditors
- 5 Investigations
- 6 Joint Liquidators' Remuneration, Expenses and Creditors' Rights
- 7 Matters Still to be Dealt With
- 8 Other Matters

## APPENDICES

- A Summary of Joint Liquidators' Receipts and Payments from 29 October 2022 to 28 October 2023
- B Summary of Joint Liquidators' Time Costs from 29 October 2022 to 28 October 2023
- C Summary of Joint Liquidators' Time Costs for the Period from 29 October 2020 to 28 October 2023
- D Summary of Joint Liquidators' Expenses from 29 October 2020 to 28 October 2023 and the Joint Liquidators' Statement of Likely Expenses
- E Leonard Curtis Policy Regarding Fees and Expenses
- F Notice of Decision Procedure by Correspondence
- G Voting Form
- H Proof of Debt
- I Notice of an Invitation to Creditors to form a Liquidation Committee
- J Extracts From The Insolvency (England & Wales) Rules 2016
- K Privacy Notice

TO ALL MEMBERS, CREDITORS AND THE REGISTRAR OF COMPANIES

**1 INTRODUCTION**

- 1.1 Phil Deyes and Anthony Milnes were appointed Joint Liquidators of SCL Security Ltd ("the Company") on 29 October 2020.
- 1.2 Phil Deyes and Anthony Milnes are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3 There has been no change in office holders since the date of Liquidation.
- 1.4 This report provides an update on the conduct of the liquidation for the period from 29 October 2022 to 28 October 2023, as required by Section 104A(1) of the Insolvency Act 1986 (as amended) ("the Act") and Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"). It contains details of the progress made, the expected outcome for creditors and other information that the Joint Liquidators are required to disclose and should be read in conjunction with the previous progress report dated 23 December 2022.
- 1.5 All figures are stated net of VAT.

**2 CONDUCT OF THE LIQUIDATION**

- 2.1 The Company's registered office was changed to 36 Park Row, Leeds LS1 5JL on 5 December 2020 and was subsequently changed to 9<sup>th</sup> Floor, 7 Park Row, Leeds LS1 5HD on 29 November 2021 following the Joint Liquidators' office move.

Assets Realised

**Directors' Loan Account**

- 2.2 The Joint Liquidators' previous progress reports have included details of the outstanding directors' loan accounts, as reflected in the Company's books and records. These reports also explained that the Joint Liquidators carried out an extensive review in order that a re-calculation of the balances could be achieved. As a consequence of this work and the re-allocation of various entries the revised loan accounts were sent to both Mr Merritt and Ms Rowe and subsequently agreed in the following sums:

- Mr Merritt - £6,544,601 debtor of the Company.
- Ms Rowe - £89,977 creditor of the Company.

Mr Merritt

- 2.3 As previously advised, Mr Merritt was made bankrupt with effect from 5 July 2021. Amy Mehers of Leonard Curtis was appointed as Trustee of Mr Merritt's bankruptcy estate by the Secretary of State with effect from 15 July 2021. Following the sale of the matrimonial property for c.£2.2m the net proceeds, after the settlement of the balance due to the secured creditor and the costs of sale, of £1.2m were shared equally between the bankruptcy estate of Mr Merritt and the estate of Ms Rowe.
- 2.4 The Joint Liquidators are pleased to report that, during the period of this report, a first dividend has been received in the sum of £441,677, representing a dividend of 0.0674871 pence in the pound against the claim of £6,544,601.
- 2.5 Furthermore, it is anticipated that a further dividend is anticipated early in the new year. The quantum, of the future dividend is not yet confirmed, but is estimated to be in the region of £70,000.

Ms Rowe

- 2.6 Ms Rowe's claim has been reduced by c.£1.6m, as previously explained. This claim in the Liquidation will be considered in due course along with other creditors.

### Debtors

- 2.7 As previously report, the Company's books and records reflected a debt due from West London College with a book value of £655k in respect of the provision of training. The directors identified this amount as disputed. The Joint Liquidators had previously written to the debtor on several occasions to request their comments on why these invoices remain unpaid, a response to which was received during the period of this report.
- 2.8 The Joint Liquidators were advised in correspondence from the college that the debt was still disputed and they were consulting with their solicitors in order to prepare a full response and counter claim in line with other colleges, which had claimed damages for breach of contract.
- 2.9 The Joint Liquidators have received information from the college that c.£194k of the book value of the debt detailed directors' statement of affairs had in fact been paid some time before the Liquidation. The Joint Liquidators have reviewed the Company records held and can confirm that the bank statements do confirm these monies were received by the Company. Accordingly, the balance of c.£461k remains unpaid and disputed. The college has indicated that, as with other colleges, they are claiming the repayment of monies paid to the Company for services that were not properly provided and that in turn the college are having to repay to ESFA in regard to grant funding provided. This claim has not been formally provided but the college have indicated it is in the region of £2m prior to any offset for the amounts claimed against the college by the Company. This position will be reviewed along with other creditor claims as part of the adjudication procedure in advance of any distribution to the agree creditors. Further correspondence on this matter will be issued in due course.

### 3 RECEIPTS AND PAYMENTS ACCOUNT

- 3.1 A summary of the Joint Liquidators' receipts and payments for the entire period of the Liquidation, including the period from 29 October 2022 to 28 October 2023, is attached at Appendix A.

### 4 OUTCOME FOR CREDITORS

#### Secured Creditors

##### **Innovation Finance Ltd ("Innovation")**

- 4.1 Companies House shows an outstanding charge in favour of Innovation however, as previously advised, it is understood that the Company does not have any secured creditors. The debt was satisfied some time prior to the liquidation, but the requisite memorandum of satisfaction was never filed.

#### Preferential Creditors

- 4.2 The only category of claims which have preferential status are those of employees in respect of wages, accrued holiday pay and certain pension contributions. The directors advised that the Company's employees were made redundant prior the Company entering into liquidation and all amounts due had been paid. Accordingly, as the Company had no employees or employees' claims at the date of liquidation, no preferential claims were anticipated.
- 4.3 The Joint Liquidators have previously advised of outstanding pension contributions in respect of former employees having come to light. The position remains that no further information has yet been provided.
- 4.4 No formal preferential claims have been received during the period of this report. The Joint Liquidators will continue to work towards a conclusion of this matter in order to make a distribution to this class of creditor or alternatively exclude them from the process.

### Prescribed Part

- 4.5 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, a prescribed part of the company's net property must be made available to the unsecured creditors and not be distributed to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. The net property represents the assets available after the costs and expenses of the insolvency procedure and the discharge of preferential creditors' and secondary preferential creditors' claims in full.
- 4.6 As there is no balance owing to the secured creditor under its floating charge, there is no requirement to set aside a prescribed part in this case.

### Ordinary Unsecured Creditors

- 4.8 As at the date of Liquidation, the Company had 28 known unsecured creditors, with estimated claims totalling £3,850,326, including the original claim of Ms Rowe in the sum of £1,688,488. The other creditors according to the directors' statement of affairs were:

- HMRC - £2,065,211;
- Colleges - £9,483;
- Trade Creditors - £87,144.

- 4.9 To date, claims received are broken down as follows:

- HMRC - £2,508,766
- Colleges / ESFA – £25,649,135
- Trade creditors - £77,333
- Employee - £4,509

- 4.9 As stated in our previous progress report, the uplift in claims predominantly relates to claims arising as a result of the Education & Skills Funding Agency ("ESFA") review in respect of monies paid by a number of colleges and agencies to the Company, which as previously advised have been challenged for various breaches highlighted in a report prepared for ESFA. Consequently, colleges have written to us claiming full recovery of all monies previously paid to the Company.

- 4.10 Following receipt of the funds from the bankruptcy estate of Mr Merritt, the Joint Liquidators are in funds and intend to make a distribution to unsecured creditors. The quantum and timing of the dividend is dependent on further realisations from the bankruptcy estate and the costs of the Liquidation being agreed, further information of which are at Section 6 of this report.

- 4.11 Although the claims received from ESFA and the colleges have been reviewed they have not been formally agreed at this stage. Due to their complex nature the Joint Liquidators will refer to the work carried out by Andrew Jackson Solicitors, as referred to in previous reports, and may well seek further guidance on the claims.

- 4.12 If you have not already done so, please submit details of your claim, by completing and returning the proof of debt form, attached at Appendix H, to this office. Please include documentation to support your claim.

## 5 INVESTIGATIONS

- 5.1 As stated in the Joint Liquidators' First Progress Report, the Joint Liquidators were contacted by the Education & Skills Funding Agency ("ESFA") regarding a potential amount owing by the Company as a result of an audit investigation undertaken in 2019. The investigation focused on the Company's operating model in relation to recruitment and delivery to learners to a number of colleges and agencies.
- 5.2 This information was considered as part of the Joint Liquidators statutory and general investigations.



- 5.3 Notwithstanding the above, the Joint Liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

## **6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND CREDITORS' RIGHTS**

### Remuneration

- 6.1 The decision detailed below was proposed to creditors via a decision by correspondence on the Decision Date, being 29 October 2020:
1. That the fee of Leonard Curtis for assisting in convening the decision of creditors and preparation of the Statement of Affairs of £6,500 plus VAT and disbursements paid as an expense of the liquidation, and that of this amount the sum of £1,500 plus VAT will be paid to Cloud Accountants for their assistance with the preparation of the Statement of Affairs.
- 6.2 Based on the votes received the convener decided not to pass the above decision on the decision date. The Joint Liquidators reconvened the decision by correspondence procedure in their First Progress Report, however, no votes were received at this time and subsequently no decision was made.
- 6.3 The Joint Liquidators are now taking steps to again seek the approval of pre appointment costs and also agree the basis of the Joint Liquidators' remuneration.
- 6.4 The Joint Liquidators' remuneration must be fixed:
- (a) As a percentage of the value of the assets which are realised, distributed, or both realised and distributed by the Joint Liquidators; or
  - (b) By reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the Liquidation as set out in a Fees Estimate; or
  - (c) As a set amount.
- 6.5 It may be fixed as any one or more of the bases set out above and different bases may be set for different things done by the Joint Liquidators. Additionally, the basis of remuneration may be one or a combination of the bases set out above and different bases or percentages may be fixed in respect of different things done by the Joint Liquidators.

### Creditor Determination of the Basis of Remuneration

- 6.6 In the absence of a liquidation committee, responsibility for the determination of the basis of the Joint Liquidators' remuneration is placed upon the general body of creditors. In this case the Joint Liquidators wish to seek creditors' agreement to the basis of their remuneration being fixed at 17% of the value of the assets which are realised.
- 6.7 Set out at Appendix C are details of the work that the Joint Liquidators and their staff have undertaken to date and work still to be undertaken before the Liquidation can be brought to a close. The Joint Liquidators' total time costs incurred during the period of the Liquidation to 28 October 2023 amount to £100,274 which represents 248 hours at an average rate of £403 per hour, as shown at Appendix A. The Joint Liquidators estimate that further time costs in excess of £20,000 will be incurred dealing with the work still to be undertaken which includes the adjudication of creditor claims and distribution of a first and final dividend to creditors. Accordingly, the Joint Liquidators' estimate the total time costs that will ultimately be incurred to the closure of the Liquidation will be in excess of £125,000.
- 6.8 The Joint Liquidators consider the proposed fee basis of 17% of the value of the assets which are realised to be a fair and reasonable reflection of the work undertaken and that is still to be undertaken to close the case. Although the quantum of the final dividend to be received from Mr Merritt's bankruptcy estate is yet to be confirmed, the Trustees has advised that it is unlikely to exceed £70,000. On this basis the assets realised are not estimated to be greater than circa £515,000 and the fee drawn by the Joint Liquidators will be £87,550 at a rate of 17% of realisations. Therefore, the approval of the basis of the Joint Liquidators' remuneration at 17% of the value of the assets which are realised

is more cost effective compared to a time costs basis and the Liquidation estate will benefit from the reduction in costs in the region of £37k, thereby increasing the funds available to creditors.

- 6.8 Details of the firm's charge-out rates and policy regarding the recharge of expenses, staff allocation, support staff and the use of subcontractors are attached at Appendix E. Please be aware that the firm's charge out rates have been amended with effect from 1 March 2021.
- 6.9 The Joint Liquidators' receipts and payments account from the date of appointment up to the date of this report is attached at Appendix A.

### Expenses

- 6.10 A summary of the Joint Liquidators' expenses from 29 October 2020 to 28 October 2023 is attached at Appendix B. To assist creditors' understanding of this information, it has been separated into the following two categories:
- Standard Expenses: this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.
  - Case Specific Expenses: this category includes expenses likely to be payable by the Joint Liquidators in carrying out their duties in dealing with issues arising in this particular liquidation. Included within this category are costs that are directly referable to the liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as 'category 2 expenses' and they may not be drawn without creditor approval.
- 6.11 With effect from 1 April 2021, the Joint Liquidators are also required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to associates of Leonard Curtis. Payments to associates are subject to the same level of approval as the office holder's fees and category 2 expenses.
- 6.12 No resolution was proposed to creditors with regard to either payments to associates or the Joint Liquidators' category 2 expenses.
- 6.13 Attached at Appendix E is additional information in relation to the firm's policy on staffing, the use of subcontractors, expenses and details of current charge-out rates by staff grade.

### Method of Decision Procedure - Correspondence

- 6.14 Please be advised that a decision procedure is required to decide the basis upon which the Joint Liquidators will be remunerated and authorising payments to associates and payment of Category 2 expenses.
- 6.15 The Joint Liquidators propose to conduct the vote on the above via correspondence and attach Notice of this at Appendix F. The proposed decisions are set out in full on the Notice. The Joint Liquidators also enclose at Appendix G a voting form for your completion.
- 6.16 Creditors are requested to indicate whether or not they approve the proposed decisions by taking the following action:
1. Please complete the Voting Form (Appendix G), indicating how you wish to vote on the proposed decisions and return it as soon as possible, but no later than 17 January 2024 (**"the Decision Date"**)
  2. Unless you have already done so, please complete the proof of debt form attached at Appendix G and submit this with evidence in support of your claim, together with your voting form, no later than the date shown above.
- 6.17 In order for votes on the proposed decisions set out above to be counted, creditors must have delivered the voting form together with proof of their claim to Leonard Curtis, 9th Floor, 7 Park Row, Leeds,

LS1 5HD, on or before the Decision Date, failing which their votes will be disregarded. Creditors’ attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.

- 6.18 For the decisions to be passed, the Joint Liquidators must receive at least one valid vote by the closing date specified in the notice.

#### Requisitioned Meetings

- 6.19 If creditors are not satisfied with the decision procedure implemented they may request a physical meeting be convened providing their claim is 10% of the value of the creditors, 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a meeting should be made in writing to [Leeds.meetingreq@leonardcurtis.co.uk](mailto:Leeds.meetingreq@leonardcurtis.co.uk) within five business day of receipt of this decision procedure.

#### Effect of Approval of the Decisions

- 6.20 Once approved by creditors, the remuneration drawn by the Joint Liquidators must not exceed the agreed basis of 20% of the value of the assets which are realised without further creditor approval. In the event that realisations prove insufficient to cover the actual time costs incurred, the irrecoverable costs will be written off.

#### Invitation to form a Liquidation Committee

- 6.21 In accordance with Rule 6.19 of the Rules, creditors are invited to decide whether a liquidation committee should be established if sufficient creditors are willing to be members of that committee. In order to be able to make an informed decision on whether you wish to be nominated to serve on a committee, you are advised to read “Liquidation/Creditors’ Committees and Commissioners - A Guide for Creditors” which contains information on the rights, duties and the functions of a committee. This may be obtained via the link below or is available from our office free of charge on request:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>

- 6.22 Phil Deyes invites creditors to put forward their nominations for membership of the committee, such nominations must be received, in writing, by the date specified in the notice attached at Appendix I. The Joint Liquidators can only accept nominations if they are satisfied as to the creditors’ eligibility under Rule 17.4 the Rules (a copy of which is included at Appendix J).

#### Creditor claims

- 6.23 Unless you have already done so, please complete the proof of debt form attached at Appendix H and return it, together with evidence in support of your claim, to the address shown. This will enable your claim to be formally recorded in the liquidation.

#### Creditors’ Rights

- 6.24 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least five per cent in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this report.
- 6.25 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the unsecured creditors (including that creditor), or the permission of the court, may within eight weeks of receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question, make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators’ remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in the progress report, are excessive.

- 6.26 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation.

**7 MATTERS STILL TO BE DEALT WITH**

7.1 Matters still to be dealt with before conclusion of the Liquidation include the following:

- Receipt of the final distribution from Mr Merritt's bankruptcy estate;
- The formal agreement of creditor claims;
- Resolution of the unpaid pension contributions (preferential creditor);
- Formal adjudication of creditor claims;
- Processing and payment of a dividend to each relevant class of creditors;
- The agreement and payment of the unpaid remuneration and expenses;
- Preparation and submission of post-appointment VAT returns to reclaim outstanding VAT;
- Preparation and submission of post-appointment corporation tax returns; and
- Completion of closing procedures at the end of the case.

**8 OTHER MATTERS**

8.1 For your information, Liquidation: A Guide for Creditors on Insolvency Practitioner Fees. Version 1 April 2021, which sets out the rights of creditors and other interested parties under the insolvency legislation, may be accessed from the following website via the link below:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>

8.2 If you would prefer this to be sent to you in hard copy form, please contact Amelia Blythe of this office on 0113 323 8890.

8.3 Creditors are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

<http://www.creditorinsolvencyguide.co.uk>

8.4 The Joint Liquidators are bound by the Insolvency Code of Ethics, which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

**Data Protection**

8.5 When submitting details of your claim in the liquidation, you may disclose personal data to the Joint Liquidators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The Joint Liquidators act as Data Controllers in respect of personal data they obtain in relation to this liquidation and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. The Joint Liquidators' privacy notice, which is attached to this report at Appendix D, explains how they process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

Yours faithfully



**PHIL DEYES**  
**JOINT LIQUIDATOR**

Phil Deyes and Anthony Milnes are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 9089 and 23150, respectively

**SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FROM 29 OCTOBER 2022  
TO 28 OCTOBER 2023**

	Estimated to realise £	Previous periods £	This period £	Cumulative £
Receipts				
Directors' Loan Accounts	Uncertain	Nil	441,676.62	441,676.62
Bank Interest	Nil	Nil	1,779.90	1,779.90
	<u>Uncertain</u>	<u>Nil</u>	<u>443,456.52</u>	<u>443,456.52</u>
Payments				
None		-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Balance in hand		<u>Nil</u>	<u>443,456.52</u>	<u>443,456.52</u>
Represented by				
Current Account				443,456.52
VAT Control Account				Nil
				<u>443,456.52</u>

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS  
FROM 29 OCTOBER 2022 TO 28 OCTOBER 2023

	Total Units	Cost £	Average Hourly Rate £
Statutory and Review	121	4,659.50	385.08
Receipts and Payments	7	171.50	245.00
Insurance	12	324.00	270.00
Assets	59	2,254.50	382.12
Liabilities	84	2,523.00	300.36
General Administration	14	231.00	165.00
Planning and Strategy	40	2,136.00	534.00
Investigations	9	352.50	391.67
Total	346	12,652.00	365.66

All units are six minutes.

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS  
FOR THE PERIOD FROM 29 OCTOBER 2020 TO 28 OCTOBER 2023

	Total Units	Cost £	Average Hourly Rate £
Statutory and Review	262.00	10,271.50	403.63
Receipts and Payments	20.00	581.50	364.82
Insurance	26.00	740.00	284.44
Assets	261.00	11,337.50	440.58
Liabilities	666.00	28,165.50	418.31
General Administration	165.00	5,352.50	264.60
Appointment	208.00	8,093.50	389.11
Planning and Strategy	244.00	11,533.00	481.77
Investigations	631.00	24,199.00	395.76
Total	2,483	100,274.00	402.98

All units are six minutes.

## **JOINT LIQUIDATORS' DETAILS OF WORK COMPLETED AND PROPOSED TO BE UNDERTAKEN**

### **Statutory and Review**

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve regular team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out six monthly reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting. Some of the work involved in this matter is more complex and requires decisions to be made by the Joint Liquidators;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- Preparation and review of an Estimated Outcome Statement ("EOS") in order to monitor asset realisations, the costs of the Liquidation and the potential return to creditors; and
- Completion of case closing procedures at the end of the case.

To date, all of the above work has been carried out, with the exception of the closure procedures. We will also continue to review the case throughout the remainder of the Liquidation until it is brought to a conclusion.

### **Receipts and Payments**

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Monitoring of the case bank account by senior members of staff
- Management of the case bank account to ensure compliance with relevant risk management procedures;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. This is the third progress report that has been produced. A further receipts and payments account will be produced and included in the final report to creditors, bringing the account to nil;
- Timely completion of all post appointment tax and VAT returns;
- Managing estate expenses; and
- Processing payments to creditors as part of the dividend process.

To date the following tasks have been completed:

- Opening of case bank account;
- Monitoring of the case bank account by senior members of staff;
- Preparation of a receipts and payments account in the Joint Liquidators' first and second progress reports; and
- The preparation and submission of post appointment corporation tax returns for the first two reporting periods.

### **Insurance, Bonding and Pensions**

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company



employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Calculation and request of the Joint Liquidators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company director to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme; and
- Liaising with the pension company to arrange for the prompt winding up of any Company pension schemes and to determine if all contributions have been paid up until the Company's cessation of trade.

To date all of the above tasks have been undertaken, the Joint Liquidators will continue to review the bonding requirements until the Liquidation is brought to a close.

### Assets

The work set out in this category may bring a financial benefit for creditors. This may be a distribution to secured creditors of the Company only (where applicable) or may, depending on realisations, costs and the extent of any 3<sup>rd</sup> party security, result in a distribution to the preferential and / or unsecured creditors.

- Agreeing strategy for realisation of Company assets. The director's statement of affairs listed two assets, being the director's loan accounts and a debtor:
  - Director's loan account – the Company's books and records showed an outstanding loan account of circa £8.1 million due from Mr Merritt a director of the Company. The Joint Liquidators will pursue collection of this loan account.
  - The Joint Liquidators therefore implemented a strategy to review the account and pursue the outstanding balance. This has resulted in the bankruptcy of the director and resultantly a dividend paid into the Liquidation account. A further dividend is expected to be received in the new year. Further details as to this work has been provided in the main body of this report and previous progress reports issued.
  - Debtor – as detailed in the main body of this report, the statement of affairs had reflected a debt due in excess of £654k. On review of this claim, and after entering into correspondence with the debtor, it is anticipated that the debtor may be a creditor in the Liquidation. The claim has not yet been adjudicated on. This work is ongoing.
- Liaising with Company's bankers re pre-appointment bank accounts;

To date the following tasks have been undertaken:

- Directors of the Company Mr Merritt and Ms Rowe operated loan accounts. At the date of Liquidation the Company's records showed Mr Merritt to be a debtor for circa £8.1 million and Ms Rowe a creditor of circa £1.6 million. Mr Merritt and Ms Rowe are married and due to the quantum of the loan accounts the Joint Liquidators undertook a detailed review of all transactions to ensure that these had been correctly allocated. Following this review the Joint Liquidators highlighted a number of transactions that they considered to be joint expenses and should be re-allocated. As a result of this work the claims were readjusted and it was considered that the balance owing by Mr Merritt was circa £6.5million. The Joint Liquidators have written to both Mr Merritt and Ms Rowe regarding the work they have undertaken and the reallocation and have requested a proposal for repayment from Mr Merritt. Mr Merritt petitioned for his bankruptcy in July 2021, and on 15 July 2021 Amy Mehers of Leonard Curtis was appointed as Trustee of Mr Merritt's bankruptcy estate by the Secretary of State. The Joint Liquidators have submitted a claim for the re-vised value of the loan account in Mr Merritt's bankruptcy. Time has been spent liaising with the Trustees to obtain regular updates on the progress of the bankruptcy and the sale of the matrimonial home. During the period of this report a first interim distribution have been received. The Joint Liquidators anticipate that a second and final distribution will be received in early 2024.

## SCL Security Ltd – In Creditors' Voluntary Liquidation

---

- Correspondence with the debtor to request repayment of the outstanding balance shown in the Company's books and records.
- Liaising with the Company's pre-appointment bankers to determine if there is a credit balance to be made available to the Liquidation estate.

### Liabilities

This category of time includes both statutory and non-statutory matters and will not necessarily bring any financial benefit to creditors generally. The more employees and creditors a company has, the more time and cost will be involved in dealing with those claims.

### Statutory

- Processing of claims from the Company's creditors – the director's statement of affair included 28 creditors with claims totalling £3.9 million. To date, 14 claims have been received from creditors, which total in excess of £26.7 million. The Joint Liquidators have updated their records to reflect claims received to date and confirmed receipt where requested. As the Joint Liquidators anticipate that a dividend will be paid to creditors, the Joint Liquidators will be required to adjudicate on the claims of creditors, before calculating and making payment of a dividend.
- Preparation and submission of periodic progress reports to creditors – Work carried out in preparing, reviewing and publishing the reports are recorded under this heading. To date the Joint Liquidators have prepared and issued two progress reports. This report has been prepared in the subsequent reporting period.

The Joint Liquidators will continue to lodge creditor claims as and when received and produce progress reports on an annual basis until the Liquidation can be brought to a close.

### Non-statutory

- Dealing with enquiries from the Company's creditors – this will include correspondence via post, email, and telephone.

To date the following tasks have been undertaken:

- Logging and acknowledging creditors claims;
- As previously reported of the Company's creditor ledger circa £25million relates to claims arising as a result of a review undertaken by the Education & Skills Funding Agency ("ESFA") in respect of monies paid by a number colleges and agencies to the Company. While we have not formally agreed any claims as yet, we have spent time reviewing the report commissions by ESFA on which the claims have been based and the information in order to understand the impact on both our statutory investigations and creditors' claims. Time has also been spent liaising with ESFA and a number of the colleges to better understand the investigation and the funding received by the Company. Due to the quantum and nature of the claims received the Joint Liquidators instructed lawyers from Andrew Jackson solicitors to provide legal advice in relation to these claims;
- Dealing with enquires from other trade and expense creditors.

Given the complex nature of some of the creditor claims, it is considered that a significant amount of time will be spent adjudicating and agreeing claims as part of the dividend process.

### General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the liquidation:

- General planning matters;
- Setting up and maintaining the Joint Liquidators' records;
- Arranging collection and storage of Company records; and
- Dealing with general correspondence; and
- Communicating with director and shareholder. This includes correspondence via email and telephone.

The above work has been carried out to date and will continue to be until the case can be brought to a conclusion.

### Appointment

There are certain tasks which the Joint Liquidators have a statutory obligation to undertake during the liquidation process. Other tasks are completed in order to ensure the liquidation is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the Joint Liquidators' appointment; and
- Filing notice of the appointment with Companies House and publishing notice in the London Gazette, as required by the Rules.

This work was carried out following appointment of the Joint Liquidators. No further work will be recorded under this heading.

### Planning and Strategy

This category of work may not directly result in any financial benefit to creditors but is required to ensure the case is progressed adequately.

- Internal meetings held through the lifecycle of the Liquidation to discuss the progress of the case and strategy;
- Recording of any strategic decisions via internal file note;
- General strategy working including preparation for meetings held with creditors to discuss matters relating to the Joint Liquidators' investigations; and
- Correspondence with professional advisors including Andrew Jackson solicitors.

To date all of the above tasks have been completed, however, the Joint Liquidators will continue to monitor the strategy and progress of the Liquidation to ensure the case is brought to a close in a timely manner.

### Post Appointment Creditors' Decisions

This category of activity encompasses work undertaken for statutory reasons. This work will not directly result in any financial benefit for creditors.

- Preparation of Fees Report and Statement of Expenses;
- Convening a decision by correspondence to agree the basis of the Joint Liquidators' remuneration with appropriate body of creditors; and
- Preparing a record of the decisions made.

This report included the preparation of a Fee report and Statement of Expenses and convening a decision by correspondence to agree the basis of the Joint Liquidators' remuneration.

### Investigations

Some of the work liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations. It 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.

- Reviewing the Company's physical records;
- Reviewing transactions recorded in the Company's pre-appointment bank accounts;
- Obtaining access to the Company's electronic accounting records and reviewing these records. This also included trying to access the Company's network server;
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986. Work done to enable the submission of returns under the CDDA is a statutory requirement and that this is unlikely to result in any benefit for creditors;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the directors involved in the

Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;

- Liaising with the Insolvency Service regarding any enquires raised as a result of the report submitted on the conduct of the directors; This has included correspondence via telephone and email. As part of their enquires the Insolvency Service requested access to the Company's records, therefore time was also spent making these available upon their request.
- Liaising with creditors regarding matters that were brought to the Joint Liquidators attention which were considered to require further investigation. This has included correspondence via phone and email with major creditors of the Company. Given that a distribution will be made to unsecured creditors this work was required in order to fully understand that nature of unsecured claims against the Company which are estimated to total circa £25million. Some of this work is also recorded under the liabilities heading detailed above.
- Work carried out in reviewing the director's loan account has also been recorded in this heading. This has proved beneficial in the realisations as detailed at Section 4 of this report.

Work recorded under this heading has been concluded and as such it is not anticipated that further work will be recorded under this heading.

**SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 29 OCTOBER 2022 TO 28 OCTOBER 2023**

## Standard Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Bond Fee	AUA Insolvency Risk	Insurance Bond	400.00	400.00	390.00	-	400.00
Document Hosting	Pelstar	Hosting of documents for creditors	35.00	21.00	7.00	-	21.00
Software License Fee	Pelstar	Case management system license fee	87.00	87.00	-	-	87.00
Statutory Advertising	Courts Advertising	Advertising	275.00	183.60	-	-	183.60
Storage Costs	Auctus	Storage of books and records	350.00	228.26	101.48	-	228.26
Postage	Postworks	Cost of posting documents relating to the case	150.00	54.30	-	-	54.30
		Total standard expenses	1,297.00	974.16	498.48	-	974.16

\*Payment to Associate requiring specific creditor / committee approval if incurred and / or drawn between 1 April 2021 and 31 December 2022

## Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Professional Fees	Cloud Accountants	Assistance with the preparation of the Statements of Affairs	1,500.00	1,500.00	-	-	1,500.00
Courier fees	City Today	Transportation of documents	245.00	242.29	-	-	242.29
Legal Fees	Andrew Jackson Solicitors	Legal advice in relation of the ESFA investigation and creditor claims	15,000.00	13,338.50 plus disbursement of 6.00			10,342.60
Data extraction	Alph4 Limited	Storage and analysis of Company accounting records	250.00	250.00	-	-	250.00
		Total case specific expenses	16,995.00	12,334.89	-	-	12,334.89

## LEONARD CURTIS POLICY REGARDING FEES AND EXPENSES

**Leonard Curtis policy regarding fees and expenses**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to request and obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	6 Jan 2014 onwards		1 Aug 2019 onwards		1 March 2021 onwards	
	Standard	Complex	Standard	Complex	Standard	Complex
	£	£	£	£	£	£
Director	450	562	525	656	550	688
Senior Manager	410	512	445	556	465	581
Manager 1	365	456	395	494	415	518
Manager 2	320	400	345	431	365	456
Administrator 1	260	325	280	350	295	369
Administrator 2	230	287	250	313	265	331
Administrator 3	210	262	230	288	245	306
Administrator 4	150	187	165	206	175	219
Support	0	0	0	0	0	0

In respect of assignments pre-dating 1 March 2022, office holders' remuneration may include costs incurred by the firm's in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

**Use of Associates**

We are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to Associates of Leonard Curtis (LC). The term "Associate" is defined in s435 of the Insolvency Act 1986, but we are also required to consider the substance or likely perception of any association between the appointed insolvency practitioner, their firm (LC) or an individual within the firm and the recipient of a payment. Payments to Associates are subject to the same level of approval as the office holder's fees and category 2 expenses (see table on the next page for further details).

Leonard Curtis Legal Limited (LC Legal) are part of the Leonard Curtis group; as such they are an "Associate" of LC. Where LC Legal are instructed to assist an office-holder in a particular matter from 1 March 2022 onwards, details of their proposed costs will be provided to creditors and specific approval for payments to associates will be sought.

Additionally, Pelstar Limited (Pelstar) provides insolvency case management software and document hosting facilities to LC. Until 31 December 2022, LC employed an individual who is married to a director of Pelstar, and as such, whilst not meeting the legal definition of "Associate", we were aware that there was a perceived association between LC and Pelstar and specific approval of their costs were sought accordingly. As this individual is no longer employed by LC, this is no longer required and Pelstar costs invoiced with effect from 1 January 2023 will be paid without prior approval.

**Use of Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

## SCL Security Ltd – In Creditors' Voluntary Liquidation

### Use of Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

### Categorisation of Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount																								
AML checks via Smartsearch	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search. Note that with effect from 1 April 2021, these costs are no longer recovered from the estate.																								
Bond / Bordereau fee via AUA Insolvency Services	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches via Companies House	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting via Pelstar Limited	Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services.	<table><tr><th>Type</th><th>First 100</th><th>Each addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 pa or £25 for life of case</td></tr></table>	Type	First 100	Each addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 pa or £25 for life of case	
Type	First 100	Each addtl 10																								
ADM	£14.00	£1.40																								
CVL	£7.00	£0.70																								
MVL	£7.00	£0.70																								
CPL	£7.00	£0.70																								
CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 pa or £25 for life of case																									
Software Licence fee hosting via Pelstar Limited	Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.	£87.00 plus VAT per case																								
Postage via Royal Mail or Postworks	Cost of posting documents which are directly attributable to a case to external recipients	Calculated in accordance with applicable supplier rates and dependent on the number of pages and whether the document is sent by international, first or second class post.																								
Post re-direction via Royal Mail	Redirection of post from Company's premises to office-holders' address	0-3 months £216.00 3-6 months £321.00 6-12 months £519.00																								
Statutory advertising via advertising agents	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert. Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include but may not be restricted to:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of appointed solicitors. Will generally comprise advice on validity of appointment,	Time costs plus disbursements plus VAT

## SCL Security Ltd – In Creditors' Voluntary Liquidation

---

	drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions. Where the solicitor appointed is LC Legal, any fee payable for work completed is classed as a payment to an associate and requires specific creditor / committee approval as detailed above.	
Other expenses	See Category 1 and 2 expenses notes below	See Category 1 and 2 expenses notes below

Please note that expenses are generally categorised as Category 1 or Category 2:

- a) Category 1 expenses: These are payments to independent third parties providing the service to which the expense relate. These may include, for example, advertising, external room hire, storage costs, postage costs, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 expenses may be paid without prior approval.
- b) Category 2 expenses: These are costs that are directly referable to the appointment in question, but not paid to an independent third party. They may include costs which have an element of shared cost. The following items of expenditure are recharged on this basis and are charged at HMRC approved rates:
  - Business mileage : 45p per mile

Payments to Associates (as defined above) are categorised by LC in the same way as Category 2 expenses. Category 2 expenses and payments to Associates may only be drawn if they have been approved in the same manner as an office holder's remuneration.



NOTICE TO CREDITORS OF A DECISION PROCEDURE USING CORRESPONDENCE

SCL SECURITY LTD (“**THE COMPANY**”) IN CREDITORS’ VOLUNTARY LIQUIDATION  
COMPANY NUMBER: 06933583

Notice is given pursuant to Rule 15.8 and Rule 18.20 of the Insolvency (England and Wales) Rules 2016 (“the Rules”), that a decision, via correspondence, has been scheduled for 17 January 2024 (“the Decision Date”).

The decisions to be considered are:

1. That the fee of Leonard Curtis for assisting in convening the decision of creditors and preparation of the Statement of Affairs of £6,500 plus VAT and disbursements paid as an expense of the liquidation, and that of this amount the sum of £1,500 plus VAT will be paid to Cloud Accountants for their assistance with the preparation of the Statement of Affairs.
2. That the Joint Liquidators’ remuneration be fixed at 17% of the value of the assets which are realised.
3. That the basis for recharging Category 2 expenses incurred by the Joint Liquidators and payments to associates be payable by reference to the information circulated to creditors in the report dated 20 December 2023 and that the Joint Liquidators be authorised to pay or be reimbursed such costs as and when funds permit.

In order for votes on the proposed decisions set out above to be counted, creditors must have delivered the voting form accompanying this notice together with proof of their claim to Leonard Curtis, 9th Floor, 7 Park Row, Leeds LS1 5HD, on or before the Decision Date, failing which their votes will be disregarded. Creditors’ attention is drawn to Chapter 9 of Part 1 of the Rules 2016, which detail the rules for delivery of documents.

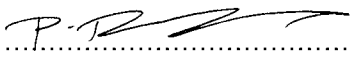
A creditor whose claim is less than £1,000 must still deliver proof of their claim with their voting form if they wish to vote on the proposed decisions.

Any creditor who has opted-out from receiving notices may nevertheless vote, providing they returned their voting form and have submitted proof of their claim.

If creditors are not satisfied with the decision procedure implemented they may request a physical meeting be convened providing their claim is 10% of the value of the creditors, 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a meeting should be made, in writing, to [Leeds.meetingreq@leonardcurtis.co.uk](mailto:Leeds.meetingreq@leonardcurtis.co.uk) within five business days of this notice of a decision procedure being delivered to you (the deemed delivery date of this notice is 27 December 2023).

A creditor may appeal a decision in accordance with Rule 15.35 of the Rules. Such an appeal must be made by not later than 21 days after the Decision Date.

Creditors’ attention is further drawn to rules 15.28, 15.31, 15.33 and 15.34 of The Rules which detail the rules for voting. Extracts from the Rules have also been included with this notice at Appendix J.

Signed   
.....  
PHIL DEYES  
JOINT LIQUIDATOR  
Leonard Curtis, 9th Floor, 7 Park Row, Leeds LS1 5HD  
0113 323 8890

21/12/2023  
Dated .....

VOTING FORM FOR CREDITORS

**SCL SECURITY LTD (“THE COMPANY”) IN CREDITORS’ VOLUNTARY LIQUIDATION**  
COMPANY NUMBER: 06933583

Please indicate whether you agree or disagree with each of the decisions set out below and return this form, together with proof in respect of your claim, to Leonard Curtis, 9th Floor, 7 Park Row, Leeds LS1 5HD, on or before 17 January 2024 (the Decision Date) in order that approval may be determined.

DECISIONS to be considered

1. That the fee of Leonard Curtis for assisting in convening the decision of creditors and preparation of the Statement of Affairs of £6,500 plus VAT and disbursements paid as an expense of the liquidation, and that of this amount the sum of £1,500 plus VAT will be paid to Cloud Accountants for their assistance with the preparation of the Statement of Affairs.

\*Agree / Reject

2. That the Joint Liquidators’ remuneration be fixed at 17% of the value of the assets which are realised.

\*Agree / Reject

3. That the basis for recharging Category 2 expenses incurred by the Joint Liquidators and payments to associates be payable by reference to the information circulated to creditors in the report dated 20 December 2023 and that the Joint Liquidators be authorised to pay or be reimbursed such costs as and when funds permit.

\*Agree / Reject

Dated .....

Signed .....

Position .....

Name of Creditor: .....

## Rule 14.4

### Proof of Debt – General Form

#### CREDITORS' VOLUNTARY LIQUIDATION

RELEVANT DATE FOR CLAIMS: 29 October 2020

Please e-mail completed form to:

[recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk) quoting ref: SE12L/ABL/PROOF

Name of Company in Liquidation:

SCL SECURITY LTD

Company registration number:  
[Liquidation only]

06933583

1 Name of creditor  
(If a company, provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)  
(include any Value Added Tax)

4 If amount in 3 above includes (£)  
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.  
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

## SCL Security Ltd – In Creditors' Voluntary Liquidation

---

9 Signature of creditor  
(or person authorised to act on the creditor's  
behalf)

10 Date of signature

11 Address of person signing if different from 2  
above

12 Name in BLOCK LETTERS:

13 Position with, or relation to, creditor

### Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

3. Please e-mail completed form to:

[recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk) quoting ref: SE12L/ABL/PROOF

**NOTICE OF AN INVITATION TO CREDITORS TO FORM A LIQUIDATION COMMITTEE**

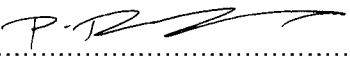
**SCL SECURITY LTD (“THE COMPANY”) CREDITORS' VOLUNTARY LIQUIDATION (“CVL”)**  
REGISTERED NUMBER: 06933583

NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH R6.19 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT

Creditors are invited to decide whether a liquidation committee should be established if sufficient creditors are willing to be members of that committee. Phil Deyes as Convener of the Decision Procedure invites creditors to put forward their nominations for membership of the committee. Such nominations must be received by the Convener, in writing, by the date specified in this notice. The Convener can only accept nominations if they are satisfied as to the creditors' eligibility under R17.4 of the Insolvency (England and Wales) Rules 2016 (a copy of which is enclosed).

Name of Company	SCL SECURITY LTD
Registered Number	06933583
Joint Liquidators	Phil Deyes of Leonard Curtis, 9th Floor, 7 Park Row, Leeds LS1 5HD and Anthony Milnes of Leonard Curtis, 1 & 2 Lion Chambers, John William Street, Huddersfield HD1 1ES
Nominations MUST be received by:	17 January 2024
Contact Details of the Joint Liquidators:	Telephone: 0113 323 8890 Alternative Contact: Amelia Blythe

Dated: 21 December 2023

Signed  .....  
Phil Deyes  
Convener and Joint Liquidator  
9th Floor, 7 Park Row, Leeds LS1 5HD  
Contact details of Phil Deyes and Anthony Milnes: 0113 323 8890

Under Rule 17.4, a creditor is eligible to be a member of such a committee if they have proved for a debt, which is not fully secured, and the proof has not been wholly disallowed for voting purposes or rejected for the purposes of distribution or dividend. A body corporate may be a member of a committee, but it cannot act otherwise than by a duly appointed representative. No person can be a member as both a creditor and a contributory.

EXTRACTS FROM THE INSOLVENCY (ENGLAND & WALES) RULES 2016

**Creditors' voting rights**

- 15.28** (1) In an administration, an administrative receivership, a creditors' voluntary winding up, a winding up by the court and a bankruptcy, a creditor is entitled to vote in a decision procedure or to object to a decision proposed using the deemed consent procedure only if—
- (a) the creditor has, subject to 15.29, delivered to the convener a proof of the debt claimed in accordance with paragraph (3), including any calculation for the purposes of rule 15.31 or 15.32, and
  - (b) the proof was received by the convener—
    - (i) not later than the decision date, or in the case of a meeting, 4pm on the business day before the meeting, or
    - (ii) in the case of a meeting, later than the time given in sub-paragraph (i) where the chair is content to accept the proof; and
  - (c) the proof has been admitted for the purposes of entitlement to vote.
- (2) In the case of a meeting, a proxy-holder is not entitled to vote on behalf of a creditor unless the convener or chair has received the proxy intended to be used on behalf of that creditor.
- (3) A debt is claimed in accordance with this paragraph if it is—
- (a) claimed as due from the company or bankrupt to the person seeking to be entitled to vote; or
  - (b) in relation to a member State liquidator, claimed to be due to creditors in proceedings in relation to which that liquidator holds office.
- (4) The convener or chair may call for any document or other evidence to be produced if the convener or chair thinks it necessary for the purpose of substantiating the whole or any part of a claim.
- (5) In a decision relating to a proposed CVA or IVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.
- (6) Where a decision is sought in an administration under sub-paragraph 3.52(3)(b) (pre-administration costs), paragraph 18.18(4) (remuneration: procedure for initial determination in an administration) or paragraph 18.26(2) (first exception: administrator has made statement under paragraph 52(1)(b) of Schedule B1), creditors are entitled to participate to the extent stated in those paragraphs.

**Calculation of voting rights**

- 15.31** (1) Votes are calculated according to the amount of each creditor's claim—
- (a) in an administration, as at the date on which the company entered administration, less—
    - (i) any payments that have been made to the creditor after that date in respect of the claim, and
    - (ii) any adjustment by way of set-off which has been made in accordance with rule 14.24 or would have been made if that rule were applied on the date on which the votes are counted;
  - (b) in an administrative receivership, as at the date of the appointment of the receiver, less any payments that have been made to the creditor after that date in respect of the claim;
  - (c) in a creditors' voluntary winding up, a winding up by the court or a bankruptcy, as set out in the creditor's proof to the extent that it has been admitted;
  - (d) in a proposed CVA—
    - (i) at the date the company went into liquidation where the company is being wound up,
    - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,
    - (iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim), or
    - (iv) where (i) to (iii) do not apply, at the decision date;
  - (e) in a proposed IVA—
    - (i) where the debtor is not an undischarged bankrupt—
      - (aa) at the date of the interim order, where there is an interim order in force,
      - (bb) otherwise, at the decision date,
    - (ii) where the debtor is an undischarged bankrupt, at the date of the bankruptcy order.
- (2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convener or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose
- (3) But in relation to a proposed CVA or IVA, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.
- (4) Where a debt is wholly secured its value for voting purposes is nil.
- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.

(6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—

- (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); and
- (b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.

(7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.

(8) A vote cast in a decision procedure which is not a meeting may not be changed.

(9) Paragraph (7) does not prevent a creditor or member State liquidator from—

- (a) voting in respect of less than the full value of an entitlement to vote; or
- (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

***Procedure for admitting creditors' claims for voting***

15.33 (1) The convener or chair in respect of a decision procedure must ascertain entitlement to vote and admit or reject claims accordingly.

(2) The convener or chair may admit or reject a claim in whole or in part.

(3) If the convener or chair is in any doubt whether a claim should be admitted or rejected, the convener or chair must mark it as objected to and allow votes to be cast in respect of it, subject to such votes being subsequently declared invalid if the objection to the claim is sustained.

**Requisite majorities**

15.34 (1) A decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed decision, except where this rule provides otherwise

(2) In the case of an administration, a decision is not made if those voting against it—

- (a) include more than half in value of the creditors to whom notice of the decision procedure was delivered; and
- (b) are not, to the best of the convener or chair's belief, persons connected with the company.

(3) Each of the following decisions in a proposed CVA is made when three-quarters or more (in value) of those responding vote in favour of it—

- (a) a decision approving a proposal or a modification;
- (b) a decision extending or further extending a moratorium; or
- (c) a decision bringing a moratorium to an end before the end of the period of any extension.

(4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.

(5) For the purposes of paragraph (4)—

- (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;
- (b) in deciding whether a creditor is connected reliance may be placed on the information provided by the company's statement of affairs or otherwise in accordance with these Rules; and
- (c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.

(6) In a case relating to a proposed IVA—

- (a) a decision approving a proposal or a modification is made when three-quarters or more (in value) of those responding vote in favour of it;
- (b) a decision is not made if more than half of the total value of creditors who are not associates of the debtor vote against it.

(7) For the purposes of paragraph (6)—

- (a) a creditor is not an associate of the debtor unless the convener or chair decides that the creditor is an associate of the debtor;
- (b) in deciding whether a creditor is an associate of the debtor, reliance may be placed on the information provided by the debtor's statement of affairs or otherwise in accordance with these Rules; and
- (c) the total value of the creditors who are not associates of the debtor is the total value of the creditors who are not associates of the debtor whose claims have been admitted for voting.

**Appeals against decisions under this Chapter**

15.35 (1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor, by a contributory, or by the bankrupt or debtor (as applicable).

(2) In a proposed CVA, an appeal against a decision under this Chapter may also be made by a member of the company.

(3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA or IVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.

(4) An appeal under this rule may not be made later than 21 days after the decision date.

(5) However, the previous paragraph does not apply in a proposed CVA or IVA, where an appeal may not be made after the end of the period of 28 days beginning with the day—

- (a) in a proposed CVA, on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was filed with the court(a); or
- (b) in a proposed IVA—
  - (i) where an interim order has not been obtained, on which the notice of the result of the consideration of the proposal required by section 259(1)(a) has been given, or
  - (ii) otherwise, on which the report required by section 259(1)(b)(b) is made to the court.

(6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.

(7) The court may not make an order under paragraph (6) if the person who made the decision in a winding up by the court or a bankruptcy is the official receiver or a person nominated by the official receiver.

**Eligibility for membership of creditors' or liquidation committee**

17.4 (1) This rule applies to a creditors' committee in an administration, an administrative receivership, and a bankruptcy and to a liquidation committee in a creditors' voluntary winding up and a winding up by the court.

(2) A creditor is eligible to be a member of such a committee if—

- (a) the person has proved for a debt;
- (b) the debt is not fully secured; and
- (c) neither of the following apply—
  - (i) the proof has been wholly disallowed for voting purposes, or
  - (ii) the proof has been wholly rejected for the purpose of distribution or dividend.

(3) No person can be a member as both a creditor and a contributory.

(4) A body corporate may be a member of a creditors' committee, but it cannot act otherwise than by a representative appointed under rule 17.17.



## LEONARD CURTIS

### Privacy Notice For Creditors

#### Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation (“the GDPR”). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

#### Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

#### How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

#### Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

#### How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

#### Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

#### Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

#### Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, Riverside House, Irwell Street, Manchester M3 5EN. Alternatively they can be contacted by email: [privacy@leonardcurtis.co.uk](mailto:privacy@leonardcurtis.co.uk)

Data Controller: Leonard Curtis