

# WU07

## Notice of progress report in a winding-up by the court



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 8 2 5 6 2 2 5

Company name in full SCL Elections Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Vincent John

Surname Green

### 3 Liquidator's address

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E

Country

### 4 Liquidator's name ①

Full forename(s) Steven

Surname Edwards

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E



Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

WU07

Notice of progress report in a winding-up by the court

<b>6</b>	<b>Period of progress report</b>																
From date	<sup>d</sup>	1	<sup>d</sup>	7	<sup>m</sup>	0	<sup>m</sup>	4	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	2	
To date	<sup>d</sup>	1	<sup>d</sup>	6	<sup>m</sup>	0	<sup>m</sup>	4	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	3	
<b>7</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> The progress report is attached																	
<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	Signature																
																	
																	
Signature date	<sup>d</sup>	1	<sup>d</sup>	6	<sup>m</sup>	0	<sup>m</sup>	6	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	3	

**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 **Joe Longhurst**

Company name **Crowe U.K. LLP**

Address **4 Mount Ephraim Road**

**Tunbridge Wells**

Post town **Kent**

County/Region

Postcode **T N 1 1 E E**

Country

DX

Telephone **01892 700200**

**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)**

# Crowe

**In the High Court of Justice Reference No. 2018-006713**

**SCL Elections Limited  
(In Liquidation)**

**Annual Progress Report to 16 April 2023**

**Vincent John Green  
Steven Edwards**

**Crowe U.K. LLP  
4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE**

## **CONTENTS**

1. Introduction
2. Administration and Planning
3. Enquiries and Investigations
4. Realisation of Assets
5. Creditors
6. Fees and Expenses
7. Creditors' Rights
8. Conclusion

## **APPENDICES**

- I. Statutory Information
- II. List of Work Undertaken in Reporting Period
- III. Receipts and Payments Account
- IV. Expenses Information
- V. Charge out rate and Disbursements policy

## 1. INTRODUCTION

On 17 April 2019, Vincent John Green and Mark Newman of Crowe U.K. LLP were appointed Joint Liquidators of SCL Elections Limited ("the Company") by the Court. Under the terms of a Block Transfer Order, Steven Edwards was appointed Joint Liquidator on 29 July 2021, replacing Mark Newman.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to their appointment. Prior to the Joint Liquidators' appointment, a review of ethical issues was undertaken and no ethical threats were identified. Since their appointment the Joint Liquidators have continued to undertake periodic reviews of ethical matters and no ethical threats have been identified.

This Progress Report summarises the progress of the Liquidation for the period from 17 April 2022 to 16 April 2023 ("the Reporting Period").

Statutory information relating to the Company is attached at **Appendix I**.

## 2. ADMINISTRATION AND PLANNING

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progression of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks can be found at **Appendix II**.

### Reporting

The Joint Liquidators have met their statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Reporting Period, the following key documents have been issued:

- The progress report for the period 17 April 2021 to 16 April 2022

### Other administrative tasks

During the Reporting Period, the following material tasks in this category were carried out:

- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with statutory requirements;
- Maintaining case files, including documenting decisions made by the Joint Liquidators that materially affect the Liquidation

### The Information Commissioners Office ("the ICO") and Company Data

The Joint Liquidators continue to make enquiries and review the Company's data, books and records with a view to increasing asset realisations for the benefit of the general body of creditors. So not to prejudice the outcome of any recovery action that may yet be taken, we are unable to release any additional information at this stage. We expect to report fully in respect of these enquiries in subsequent reports to creditors.

### 3. ENQUIRIES AND INVESTIGATIONS

An initial investigation into the Company's affairs was undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. This initial assessment revealed matters that the Joint Liquidators considers merit further investigation.

The Joint Liquidators continue to investigate the accounting and other information of the Company with a view to enhancing the extent of realisations. So not to prejudice the outcome of any recovery action that may yet be taken, we are unable to release any additional information at this stage. We expect to report fully in respect of these enquiries in subsequent reports to creditors.

Following the conversion to Liquidation, the Joint Liquidators have and will continue, within jurisdiction, to provide assistance to various U.K. and international authorities in their investigations as appropriate. The Joint Liquidators were also assisted in their investigation by the Public Interest Official Receiver. The Public Interest Official Receiver is a civil servant in The Insolvency Service. The Insolvency Service itself is part of the Government Agency, The Department for Business, Energy and Industrial Strategy.

### 4. REALISATION OF ASSETS

The Joint Liquidators' Receipts and Payments account is attached at **Appendix III**. This account has been reconciled to the Insolvency Service Account held by the Secretary of State.

Detailed below is key information about asset realisations and the Joint Liquidators' strategy, however, more details about the work undertaken can be found at **Appendix II**. The Joint Liquidators formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

#### Assignment Rights

As previously reported, there has been an assignment of all causes of action available to the Company, Cambridge Analytica (UK) Limited, SCL Analytics Limited, SCL Commercial Limited, SCL Group Limited and SCL Social Limited (together "the Companies"), or any of them, against Alexander James Ashburner Nix insofar as capable of assignment by law.

In return, the Joint Liquidators received £110,000 and 10% of the recovery made in any litigation brought pursuant to the causes of action, having first netted off legal costs, disbursements and the other costs of that litigation.

For the avoidance of doubt, but subject to further legal advice, the £110,000 received will enable a distribution to be made to the Preferential creditors and will be attributed in full for this purpose. It is currently uncertain whether this sum will enable a payment in full of preferential claims.

No realisations have been received in the Reporting Period and we expect to report fully in subsequent reports to creditors.

#### Gross Bank Interest

In compulsory liquidations, the Joint Liquidators are obliged to bank funds into an account with the Insolvency Service ("ISA"). Gross interest of £1,690 has been earned in the Reporting Period.

Corporation Tax deducted at source by the Insolvency Service in the Reporting Period relating to bank interest received amounts to £338.

## Third Party Funds – Disklabs

As previously reported, the Joint Liquidators have taken possession of the property seized by the ICO, including the Company's servers which contain approximately 700 terabytes of information. Whilst the ICO conducted their investigations the property were held by a third-party agent, Disklabs Ltd ("Disklabs"), under the instruction of the ICO. Following possession of the property having passed to the Joint Liquidators, the Joint Liquidators have in turn engaged Disklabs to securely store the property and assist the Joint Liquidators in their investigations.

In the Reporting Period, Third Party funds of £84,460 plus VAT have been received from Dynamo Recoveries for the purpose of making payment to Disklabs for the storage, imaging, processing and searching of the data in support of the ongoing enquiries. These costs have been paid to Disklabs by funds received from Dynamo Recoveries into the Liquidation estate specifically for this purpose and are shown on the enclosed receipts and payments account at **Appendix III**.

## Third Party Funds – Howard Kennedy

The Joint Liquidators have instructed Solicitors, being Howard Kennedy LLP, to assist them during the Liquidation period. This instruction has been given to provide legal advice in regard to claims made against the Company and the U.K. subsidiaries prior to and also during the Administration/Liquidation mostly relating to the alleged misuse of data, communications with the ICO, on case strategy and investigations including legal advice on potential actions to be undertaken.

In the Reporting Period, £18,086 plus VAT has been paid to Howard Kennedy LLP in respect of legal fees. Of this sum £4,150 has been paid from funds received from Dynamo Recoveries into the Liquidation estate specifically for this purpose and are shown on the enclosed receipts and payments account at **Appendix III**.

## Third Party Funds – NetSuite/Oracle

The Joint Liquidators have retained access to the Companies NetSuite cloud accounting services provided by Oracle Corporation UK Ltd ("Oracle") to assist their investigations.

In the Reporting Period, an annual charge of £8,486 plus VAT has been paid to Oracle to maintain access. These costs have been paid by funds received from Dynamo Recoveries into the Liquidation estate specifically for this purpose and are shown on the enclosed receipts and payments account at **Appendix III**.

## Third Party Funds – OR Deposit

In the Reporting Period, the majority creditor, Emerdata Limited, applied for a public examination of one of the former directors of the Company, Alexander James Ashburner Nix, pursuant to section 133(2) of the Insolvency Act 1986. In

In accordance with the application, the Creditor is required to deposit with the Official Receiver such sum as the Official Receiver may determine to be appropriate by way of security for the expenses of holding a public examination.

The Official Receiver estimated costs of approximately £2,000, which was duly paid by Emerdata Limited into the Liquidation estate specifically for this purpose and are shown on the enclosed receipts and payments account at **Appendix III**.

In the period to the writing of this report, a cost of £67 has been drawn against this deposit by the Official Receiver for the cost of a shorthand writer.



## Third Party Funds – VAT Receivable

Emerdata Limited and Dynamo Recoveries have paid across funds inclusive of VAT to meet the expenditure costs of the Liquidation as detailed within this report, together with expenditure detailed in previous progress reports. The Company is entitled to reclaim the VAT elements of these payments from HM Revenue & Customs ("HMRC").

Funds totalling £10,000 have been received in the Reporting Period following the submission of VAT reclaims relating to the above. The recovered VAT monies were due to be reimbursed to Emerdata Limited and Dynamo Recoveries. However, they have agreed to the monies recovered being used in settlement of legal fees, Liquidation expenses and the Joint Liquidators' costs. Further information regarding how these funds have been used to pay certain expenses is detailed at **Appendix IV**.

## **Assets still to be recovered**

### Employee loans

As previously reported, according to the director's Statement of Affairs ("SofA"), the Book Value ("BV") balance of employee travel loans were a liability of £427. The director has shown the employee loan amount as a liability rather than an asset. However, the position remains under review and we expect to report fully in subsequent reports to creditors.

### Employee travel loans

As previously reported, according to the director's SofA, the BV balance of employee travel loans was £10,494 and was estimated to be realisable in full.

The balance shown as being outstanding remains under review and we expect to report fully in subsequent reports to creditors.

### NMS International Limited ("NMSI") Loans

As previously reported, according to the director's SofA, the BV balance of NMSI loans was £63,646 estimated to be realisable in full.

The Joint Liquidators' remain in correspondence with NMSI in relation to this balance. No realisations have been received in the Reporting Period and we expect to report fully in subsequent reports to creditors.

### Trade debtors

As previously reported, according to the director's SofA, the BV balance of trade debtors was £64,181 estimated to be realisable in full.

The debtor balances of £64,181 relates to the net balance of six accounts which the director considers to be fully recoverable. The Joint Administrators correspondence with the debtors that relate to this balance has resulted in a number of disputes. As conflicting information relating to the balances has been received the matter remains under review and we expect to report fully in subsequent reports to creditors.

No debtor realisations have been made in the Reporting Period and it is not currently anticipated that any further realisations will be made in respect of these debts.

## VAT Balances

As previously reported, the Company was part of a group VAT registration. Other than the Company, the VAT Group consists of SCL Social Limited, SCL Commercial Limited and Cambridge Analytica (UK) Limited ("the VAT Group").

According to the director's SofA, the BV balance of VAT receivable was £136,918 estimated to be realisable in full. The director has anticipated a full recovery of this asset but this is dependent upon VAT returns to the date of Administration being agreed by HMRC for the VAT Group.

VAT return forms for the pre-appointment period have been completed by the director and submitted by the Joint Liquidators' to HMRC. However, VAT Officer Assessments have been made against the VAT Group and it is possible that the VAT refund will be set off against any sums due to HMRC. A request for a breakdown of the VAT Officer Assessments has been made.

The Joint Liquidators' continue to liaise with HMRC in respect of the VAT reclaim and we expect to fully report in subsequent reports.

## Investments

As previously reported, according to the director's SofA, the BV balance of Investments was £678 with an estimated to realise value of nil.

This is described in the Company's records as investments in SCL USA Inc. and Cambridge Analytica (UK) Limited. Both companies are subject to insolvency proceedings, with SCL USA Inc. subject to a Chapter 7 procedure in the United States and Cambridge Analytica (UK) Limited subject to an Administration Order and now in Liquidation.

The Joint Liquidators are unable to finalise the extent of any claims or amounts that can be made against SCL USA Inc. Accordingly, an interim proof of debt was filed in the Administration Period at the United States Bankruptcy Court under the compulsion of the deadline for such proof of debts established in this case. Based on current information, it is understood that there is no likelihood of any realisation from the investment in SCL USA Inc. The interim claims submitted by the Joint Administrators will remain for the benefit of the Liquidation.

The Joint Liquidators have reserved the right to submit an amended proof of debt and/or supplement the proof of debt at any time and in any manner and/or to make additional submissions for any additional claims.

A reconciliation remains ongoing between the intercompany balances and therefore a claim will be submitted against Cambridge Analytica (UK) Limited should a distribution become available to unsecured creditors in the course of Cambridge Analytica (UK) Limited's Liquidation.

## Rental deposits

As previously reported, according to the director's SofA, the BV balance of Rental deposits was £19,343 with an estimated to realise value of nil.

The amount of £19,343 represents the balance of rental deposits within the Company's accounts as at 31 December 2017. There are no entries for 2018 and comments are awaited from the director regarding 2018 entries and the recoverability of any sums due. Accordingly, the matter remains under review.

## Intercompany balances - SCL Social Limited, SCL Commercial Limited and Cambridge Analytica LLC

As previously reported, all of the above companies are subject to insolvency procedures. The two U.K. subsidiaries were both subject to an Administration Order and are now in Liquidation whilst the U.S. subsidiary is subject to a Chapter 7 procedure in the United States.

According to the director's SofA, the BV balance is £7,876,522, whilst the estimated to realise value is shown as nil.

A reconciliation remains ongoing between the intercompany balances and claims will therefore be submitted in the estates of SCL Social Limited (shown with a BV balance of £104,407) and SCL Commercial Limited (shown with a BV balance of £432,417) should distributions become available to unsecured creditors in the course of either SCL Social Limited or SCL Commercial Limited's Liquidations.

The Joint Liquidators are presently unable to finalise the extent of any claims or amounts that can be made against Cambridge Analytica LLC. Accordingly, an interim proof of debt was filed in the Administration Period at the United States Bankruptcy Court in the sum of £7,339,698, being that identified in the director's SofA, under the compulsion of the deadline for such proof of debts established in this case.

The Joint Liquidators have reserved the right to submit an amended the proof of debt and/or supplement the proof of debt at any time and in any manner and/or to make additional submissions for any additional claims.

## **5. CREDITORS**

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed at **Appendix II**. The following sections explain the anticipated outcomes to creditors and any distributions paid.

The Joint Administrators instructed Moorepay Payroll & HR Solutions Limited ("Moorepay") to prepare the payroll for the period 4 May 2018 to 22 May 2018, so that should sufficient funds become available for this purpose, salary entitlements for this period would be paid as a cost of Administration.

The payroll prepared by Moorepay for the period 4 May 2018 to 22 May 2018 indicates the Gross sum of post-Administration salaries of £161,026.

Following receipt of legal advice, the Company's liability to the employees for the post-insolvency period as at the date of commencement was a 'future/contingent' liability until terminated. As a result, the sums due to employees for the post-insolvency period are unsecured claims.

### Secured Creditors

The Company has not granted any charges over its assets.

### Preferential Creditors

As previously reported, as a result of the assignment rights realisation of £110,000 as commented on above, the Joint Liquidators engaged ERA Solutions Limited ("ERA") in the Reporting Period to assess and calculate preferential and employee claims received in the Liquidation for the purposes of preferential distribution. ERA's review has identified preferential sums due to the RPS and the former employees of £34,065 and £56,342 respectively.

Consequently, based on current information, preferential creditors amount to £90,507.

## Unsecured Creditors

### *Trade & Expense Creditors*

According to the SofA, the director had shown 71 unsecured creditors with a BV value of £8,390,783, excluding HMRC.

To date, claims from 51 unsecured creditors have been received totalling £9,347,301 excluding HMRC. Of this sum, 23 claims totalling £2,211,200 were received from creditors not included on the SofA. Accordingly, the Joint Liquidators have not received claims from 42 unsecured creditors with original estimated claims in the SofA to date.

Please be advised that proofs of debt may still be received and therefore the total value of unsecured claims is not known at present.

### *HMRC*

HMRC was shown to be owed £196,866. A claim was received from HMRC in the Administration Period in the sum of £301,130.

As detailed above, the Company is part of a VAT Group. Of HMRC's claim of £301,130, £141,235 relates to the VAT Group and it is currently being determined how much relates solely to the Company and not the other members of the VAT Group. A breakdown of the claim submitted is currently awaited.

The remaining £159,895 claimed by HMRC relates to direct taxes, being PAYE and Corporation Tax. A breakdown has been requested, but to date the only response has been advised that the majority (no exact sums have been provided) relates to PAYE rather than Corporation Tax.

### *Claims from creditors not included on the SofA*

Of the 23 claims submitted by creditors not included on the SofA, 12 were received from contingent creditors each asserting that they had claims for misuse of data (which are at the present time unproven) worth between £10 and £20,000, eight were received from un-associated creditors, 2 claims were received from the ICO and HM Courts & Tribunals Service and the final claim was that received from the RPS as referred to further below.

### *Employee Claims*

The former employees' unsecured entitlements for arrears of pay, payment in lieu of notice and contractual redundancy pay were not included on the SofA. However, these are estimated at £5,327, £316,987 and £82,258 respectively.

As noted above, the RPS has administered the claims received from the former employees' subject to the statutory limits imposed. The RPS has made payments totalling £38,073 to employees in respect of their unsecured claims for arrears of pay, payment in lieu of notice and contractual redundancy pay subject to the statutory limits imposed. The RPS have also made a payment totalling £26,978 to the pension provider in respect of their claims for unpaid pension contributions subject to the statutory limits imposed.

The RPS made payments to employees and the pension provider in respect of the unsecured elements of employee claims and is therefore entitled to claim against the Company in their stead.

## Dividend Prospects

Where a floating charge is created after 15 September 2003 a prescribed part of a company's net property should be made available for unsecured creditors.

The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently the prescribed part provisions do not apply.

As a result of the realisation of £110,000 relating to the assignment rights, it is anticipated that 100 pence in the pound distribution will be made to preferential creditors.

Any dividend to the unsecured creditors is dependent upon the recoverability of assets, the costs of Administration and the Liquidation and the other outstanding matters detailed within the body of this report. Accordingly, it is currently uncertain whether funds will be available to pay a dividend to the unsecured creditors.

## **6. FEES AND EXPENSES**

### The Joint Administrators' Fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a manager or partner.

The Joint Administrators' fees were approved by creditors on 11 July 2018 on a fixed fee basis of £350,000 plus VAT and following the formation of a Creditors' Committee, these were ratified by the Committee members at the first meeting of the Committee on 8 October 2018. This authorisation carries over to the Liquidation.

As previously reported, funds have been paid directly by Emerdata Limited to a client account operated by Crowe U.K. LLP. These monies were advanced to partially discharge the Joint Administrators' costs for each of the U.K. subsidiaries.

In order to discharge the Joint Administrators' costs, Emerdata Limited has paid £213,997 plus VAT and £61,623 plus VAT (including £17,814 from recovered costs) in the Administration and Liquidation periods respectively. Therefore, to date £275,620 plus VAT has been paid by Emerdata Limited to discharge the Joint Administrators' costs.

Not including the above sums paid by Emerdata Limited, in the Administration Period, £47,010 plus VAT was drawn by the Joint Administrators in respect of their fees agreed on a fixed basis from asset realisations.

The costs discharged by Emerdata Limited do not fall under the fee approval agreed by creditors on 11 July 2018 as the funds used to discharge these costs are being supplied by a third party. For the avoidance of doubt, should asset realisations be achieved sufficient to repay Emerdata Limited for the funds paid to discharge the Joint Administrators' costs, these will be limited to the £350,000 fixed fee approval given by creditors.

### The Joint Liquidators' Fees

As previously reported, prior to the Reporting Period, £81,721 plus VAT and £173,945 plus VAT was paid by Emerdata Limited and Dynamo Recoveries respectively to partially discharge the Joint Liquidators' costs, relating to the Company.

In the Reporting Period, £198,399 plus VAT has been paid by Dynamo Recoveries in respect of the Joint Liquidators' Fees. Of which £27,436 has been paid via the third party VAT receivable sums. In the Reporting Period, the Joint Liquidators' have not drawn any fees from asset realisations.

As above, the costs discharged by Emerdata Limited and Dynamo Recoveries do not fall under the fee approval agreed by creditors on 11 July 2018 as the funds used to discharge these costs are being supplied by third parties.

## Expenses

Expenses are amounts payable by the Joint Liquidators from the Liquidation estate which are not otherwise categorised as the Joint Liquidators' remuneration or as a distribution to a creditor or creditors.

Category 1 expenses are payments to entities providing a service to which the expense relates who are not associates and where the specific expenditure is directly referable to the Liquidation. These expenses are charged to the estate at cost. Liquidators may discharge Category 1 expenses from the funds held in the Liquidation without further recourse to creditors.

Category 2 expenses are other expenses which are payable to associates or which have an element of shared cost. Payments may only be made in relation to Category 2 expenses if the creditors have approved the bases of their calculation. The recovery of Category 2 disbursements was approved by creditors on 11 July 2018 and following the formation of a Creditors' Committee were ratified by the Committee members at the first meeting of the Committee on 8 October 2018.

Details of the expenses incurred and paid in the Reporting Period and also since the commencement of the Liquidation are detailed at **Appendix IV**.

## Sub-Contracted Work

During the administration of the Liquidation some of the work that was required to be undertaken in respect of assessing employees' claims, assisting employees with queries and agreeing claims was sub-contracted to ERA Solutions Limited, an unconnected company that specialises in Employment Rights Act matters and insolvent employers. This work could have been carried out by the Joint Liquidators' office, but the decision was taken to instruct ERA Solutions Limited as employment rights issues are complex and the firm is able to provide specialist assistance to both the employees and the Joint Liquidators.

## Specialist Advice and Services

When instructing third parties or associates to provide specialist advice and/or services the Joint Liquidators are obligated to ensure that the work is warranted and that the work undertaken provides good value. In each case, when considering which specialist to instruct, the Joint Liquidators take into account the experience and knowledge of the specialist, the likely cost to the Liquidation estate and whether the cost of the instruction is proportionate to the likely benefit.

Guidance in respect of insolvency practitioners' fees is available to download at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

Information about insolvency processes can be found on the R3 website at:

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

A hard copy of this guidance information will be provided on request.

Crowe U.K. LLP's charge out rate and disbursements policy is attached at **Appendix V**.

## **7. CREDITORS' RIGHTS**

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

## 8. CONCLUSION

The administration of the Liquidation will continue in order to finalise the following outstanding matters that are preventing the case from being closed:

- Pursuit of the various assets detailed in the body of this report.
- Pursuit and progression of the investigative matters.
- The payment of a distributions to the preferential creditors.
- If possible, the payment of a distributions to the unsecured creditors.

The Joint Liquidators anticipate that the Liquidation will remain open for a further 24 months to enable these matters to be dealt with.

Should you have any queries, please contact Joe Longhurst at this office.



Signed

Vincent Green  
Joint Liquidator

Date 16 June 2023

## Appendix I

### Statutory Information

Court Reference	In the High Court of Justice Reference No. 2018-006713
Title of Proceedings	I [The Honourable Mr Justice Norris] shall therefore appoint the Joint Administrators to be the joint liquidators of the Relevant Companies in the expectation that they will conduct the liquidations for the benefit of the creditors as a whole, faithfully discharging their statutory reporting duties, and generally co-operating with the supervisory authorities (including in particular the Official Receiver) to the extent that their resources permit, even though there may be no direct economic benefit to the general body of creditors.
Company Name	SCL Elections Limited
Company Number	08256225
Registered Office	4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Former Registered Office	c/o PKF Littlejohn LLP, 1 Westferry Circus, London, W11 4RD
Nature of Business	Data Analytics
Office holders	Vincent John Green and Steven Edwards
Office holders' address	Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Office holders' telephone	01892 700 200
Date of appointment	17 April 2019



## Appendix II

### List of Work Undertaken in Reporting Period

General Description	Includes
<b>Administration and Planning</b>	
Statutory/advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing and submitting correspondence to the Insolvency Service Bank account reconciliations Correspondence with the Insolvency Service regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing payment requisitions to the Insolvency Service
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage Dealing with Data records Sending Data records for storage
Creditor reports	Preparing annual progress report, investigation, meeting and general reports to creditors
<b>Investigations</b>	
Statutory reporting on conduct of director(s)	Preparing adhoc reports Assisting the Insolvency Service with its investigations
Examinations	Receipt and review of creditor application for public examination Communications with the Official Receiver regarding application Receipt and accounting deposit Preparing briefs to solicitor and counsel Liaising with solicitor and counsel regarding examinations Attendance at Court hearing regarding postponement of examination
Litigation / Recoveries	Strategy meeting regarding litigation Seeking funding from creditors Liaising with solicitors regarding recovery actions Attending to negotiations Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors Seeking information and explanations from the director (and senior employees) relating to asset, financial and employee matters Endeavouring to reconcile SAGE and NetSuite accounting records to establish the financial position of the Company Reconciliation of the Company's bank accounts with the Company's accounting records. Making enquires of the Company's interim financial accountant regarding financial transactions, employee matters and physical and intangible assets Making enquiries of the Company's accountants and bookkeepers Reviewing information received from creditors Collecting and examining the Company's bank statements, accounts and other records Instructing specialist IT agents to secure and confidentially collect information held on the Company's IT systems and platforms for investigative purposes Liaising with specialist IT agents to interrogate information held on the Company's IT systems and platforms.
<b>Realisation of Assets</b>	
Debtors	Collecting supporting documentation Reviewing and assessing debtors' ledgers Liaising with solicitors Reviewing & assessing Company records and bank transactions relating to debtors Preparing strategy notes

General Description	Includes
Other assets	VAT reclaims relating to Third Party Funds Liaising with HMRC regarding reclaim Pre-Appointment VAT reclaims Liaising with Director to complete returns Submitting returns to HMRC
Insurance	Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
<b>Creditors</b>	
Creditor	Receive and follow up creditor enquiries via telephone
Communication	Review and prepare correspondence to creditors and their representatives via email and post
Dealing with proofs of debt	Receipting and filing claims when not related to a dividend
<b>Creditors Committee</b>	Answering committee member queries
<b>Case Specific Matters</b>	Dealing, considering and responding to legal matters and enquiries Making enquires of the director regarding various matters including press enquiries, the ICO investigation, financial transactions, employee matters and physical and intangible assets Dealing with substantial media coverage and responses

Crowe

**Appendix III**

**Receipts & Payments Account**

SCL Elections Limited  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 17/04/2022 To 16/04/2023 £	From 17/04/2019 To 16/04/2023 £
ASSET REALISATIONS		
Administration Period VAT Refund	NIL	18,035.58
Assignment Rights	NIL	110,000.00
Gross Bank Interest	1,690.20	2,124.78
Third Party Funds - Disklabs	84,460.00	135,438.00
Third Party Funds - Howard Kennedy	4,150.00	4,150.00
Third Party Funds - NetSuite/Oracle	8,486.40	28,990.46
Third Party Funds - OR Deposit	2,000.00	2,000.00
Third Party Funds - Recovery of Costs	NIL	111,635.46
Third Party Funds - VAT Receivable	10,000.00	129,616.18
	<u>110,786.60</u>	<u>541,990.46</u>
COST OF REALISATIONS		
Data Sharing Agreement Consideratio	1.00	1.00
Disklabs - Paid by Third Party	84,460.00	134,130.00
ERA Solutions Limited	NIL	890.00
Insurance of Assets	140.00	840.00
ISA Balance on Appointment	NIL	9,400.00
ISA Banking Fees	88.00	352.00
ISA Cheque Fees	1.50	4.05
Joint Administrators' Fees	NIL	17,813.90
Legal Fees - Paid by Third Party	4,150.00	4,150.00
Legal Fees & Disbursements	13,935.50	97,081.31
Liquidators' Fees - Third Party VAT Re	27,435.60	47,435.60
NetSuite/Oracle - Paid by Third Party	8,486.40	27,141.12
Postage	NIL	12.13
Specialist IT Agent- Paid by Third Part	NIL	300.00
Specific Bond	NIL	110.00
Storage Costs	NIL	62.80
Tax on Interest	338.04	424.96
	<u>(139,036.04)</u>	<u>(340,148.87)</u>
	<u>(28,249.44)</u>	<u>201,841.59</u>
REPRESENTED BY		
ISA IB		187,737.47
Vat Payable		(1,697.28)
Vat Receivable		15,801.40
		<u>201,841.59</u>

## **Appendix IV**

### **Expenses Information**

Expenses Information

The following sums have been paid in the Reporting Period and the entire period of the Liquidation relating to the following agents or professional advisors used by the Joint Administrators/Liquidators since their appointment.

Professional Advisor	Nature of Work	Basis of Fees	Carried forward from ADM Period	Actual Expenses incurred in the Reporting Period	Actual Expenses incurred to Date	Actual Expenses paid in the Reporting Period		Actual Expenses paid to Date		Amount still to be paid
						Paid by Third Party	Paid from Asset Realisations	Paid by Third Party	Paid from Asset Realisations	
Law Abroad Limited t/as Underwoods Solicitors	Legal Advice & Counsel Disbursements	Time Costs & Disbursements	£94,761.55	£0.00	£105,161.22	£0.00	£0.00	£105,161.22	£0.00	£0.00
Howard Kennedy LLP	Legal Advice	Time Costs & Disbursements	£0.00	£15,565.00	£101,015.50	£18,085.50	£0.00	£93,759.00	£7,256.50	£0.00
ERA Solutions Limited	Fixed Fee	Fixed Fee	£0.00	£890.00	£890.00	£0.00	£0.00	£0.00	£890.00	£0.00
Oracle Corporation UK Ltd / Netsuite	Accounting Software	Fixed Fee	£0.00	£8,486.40	£27,141.12	£8,486.40	£0.00	£27,141.12	£0.00	£0.00
Disklabs Ltd	Data Storage / Investigation	Fixed Fee / Time Costs	£0.00	£89,740.00	£139,410.00	£84,460.00	£0.00	£134,130.00	£0.00	£5,280.00
Specialist IT Agents GWT Media	Gmail Data Extraction / Export	Fixed Fee	£0.00	£410.00	£710.00	£300.00	£0.00	£300.00	£0.00	£410.00
Total			£94,761.55	£115,091.40	£374,327.84	£111,331.90	£0.00	£360,491.34	£8,146.50	£5,690.00

The above sums are exclusive of VAT.

The choice of professionals was based on the Joint Liquidators' perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. The Joint Liquidators also considered that the basis on which they will charge their fees represented value for money. The Joint Liquidators have reviewed the charges they have made and are satisfied that they are reasonable in the circumstances of this case.

The agents and professional advisors costs as detailed in the columns named "Paid by Third Party" above have to been settled by third parties, namely Emerdata Limited or Dynamo Recoveries Limited.

The column named "Paid from Asset Realisations" funds have been paid out of asset realisations in respect of these costs.

## Expenses Information Cont.

Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Liquidation the actual expenses incurred will be compared with the original estimate provided and we will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

As previously reported, in this case, the original estimates as detailed in the Administrators' proposals were based on the information held by the Joint Administrators at that time. As further information has come to light and additional investigative enquiries and potential actions have been identified, the original estimates do not encompass the matters that have subsequently arisen. As a result, the original expenses estimates have been significantly exceeded with additional expense types being incurred. For example, legal costs have been incurred above those originally estimated, primarily as a result of the applications of the contingent creditor as commented on in prior reports. Additionally, the Joint Liquidators have required legal advice that could not have been anticipated at the outset of the Administration, including but not limited to:

- External/International Subject Access Requests and information requests
- the return of the Company's physical and electronic records and equipment from professional advisors and the ICO
- potential actions to be undertaken (including the assignment of rights as commented on in the body of this report)
- advice on court applications made to review Company records
- data protection advice relating to information held in the Company's records
- enquiries and review of significant volumes of electronic data via third parties engaged (e.g. Disklabs).
- Seeking legal advice and continuing enquiries of former Company officers via their legal representatives as part of ongoing enquiries and recovery Company records
- Liaising with the Insolvency Service regarding ongoing enquiries, reporting and disclosure requests

### Law Abroad Limited t/as Underwoods Solicitors ("Underwoods")

As previously advised, the Joint Administrators instructed Solicitors, being Underwoods, to assist them during the Administration period. This instruction continued in the Liquidation. The work undertaken on the Joint Administrators' and Joint Liquidators' behalf is included in the body of this report.

However, for the avoidance of doubt, legal advice has been provided to the Joint Administrators/Liquidators in regards to claims made against the Company and the U.K. subsidiaries prior to and also during the Administration/Liquidation mostly relating to the alleged misuse of data, communications with the ICO, clarity on the position of not being Data Controllers, on case strategy, general employment advice, legal advice on the legal action against the Company in relation to an alleged failure to comply with the Enforcement Notice, legal advice on the Joint Administrators' Proposals, assistance with applications to Court to place the Companies into Compulsory Liquidation and the resulting costs applications following the appointment of Joint Liquidators.

Of the £105,161 paid by Emerdata Limited to Underwoods, £62,575 relates to Counsel's fees. No further costs are anticipated to be incurred or paid to Underwoods.

### Howard Kennedy LLP

The Joint Liquidators have instructed Solicitors, being Howard Kennedy LLP, to assist them during the Liquidation period. This instruction has been given to provide legal advice in regard to claims made against the Company and the U.K. subsidiaries prior to and also during the Administration/Liquidation mostly relating to the alleged misuse of data, communications with the ICO, on case strategy and investigations including legal advice on potential actions to be undertaken, including the assignment of causes, application by the majority creditor for a public examination of Alexander Nix and the

completion of a data sharing agreement, for which £1 has been paid as consideration to Dynamo Recoveries Limited as shown on the enclosed Receipts and Payments account at **Appendix III**.

## ERA Solutions Limited

ERA Solutions Limited ("ERA") have been instructed to assess and calculate preferential and employee claims received in the Liquidation for the purposes of preferential distribution. Their costs are on a fixed fee/per employee basis. No payments have been made to ERA in the reporting period.

## NetSuite/Oracle

The Joint Liquidators have retained access to the Companies NetSuite cloud accounting services provided by Oracle to assist their investigations.

## Disklabs

The Joint Liquidators have engaged Disklabs to securely store the materials (including the Company's servers which contain approximately 700 terabytes of information) and assist the Joint Liquidators in their investigations.

In the Reporting Period, Disklabs have been paid £84,460 plus VAT in relation to the processing and analysis of data for the production of a summary of the exhibits for the Joint Liquidators' review. In total, £134,130 plus VAT has been paid to Disklabs for the storage, imaging, processing and searching of the data in support of the ongoing enquiries. These costs, have been paid to Disklabs by funds received from Emerdata Limited and Dynamo Recoveries into the Liquidation estate specifically for this purpose.

## Specialist IT Agents

GWT Media have been instructed by the Joint Liquidators to extract and export certain email data to support with the Joint Liquidators ongoing enquiries and investigations.

## **Disbursement Information**

The following Administration Period category 1 expenses have been paid by the Joint Liquidators since their appointment:

Type of expense	Carried forward from ADM Period	Paid in the review period	Paid by Third Party	Paid from Asset Realisations	Total Expenses paid to Date	Amount still to be paid
Online Reporting Fee	£12.00	£0.00	£12.00	£0.00	£12.00	£0.00
Postage	£101.83	£12.13	£89.70	£12.13	£101.83	£0.00
Insurance	£140.00	£140.00	£0.00	£140.00	£140.00	£0.00
Travel	£104.60	£0.00	£104.60	£0.00	£104.60	£0.00
<b>Total</b>	<b>£358.43</b>	<b>£152.13</b>	<b>£206.30</b>	<b>£152.13</b>	<b>£358.43</b>	<b>£0.00</b>



The following category 1 expenses have been incurred and paid by the Joint Liquidators since their appointment:

Type of expense	Incurred in the Reporting Period	Incurred to Date	Paid in the Reporting Period	Paid by Third Party	Paid from Asset Realisations	Total Expenses paid to Date	Amount still to be paid
Insurance of Assets	£280.00	£980.00	£140.00	£0.00	£840.00	£840.00	£140.00
ISA Balance on Handover	£0.00	£9,400.00	£0.00	£0.00	£9,400.00	£9,400.00	£0.00
ISA Banking Fee	£88.00	£352.00	£88.00	£0.00	£352.00	£352.00	£0.00
ISA Cheque Fees	£1.50	£4.05	£1.50	£0.00	£4.05	£4.05	£0.00
Postage	£161.40	£473.50	£161.40	£461.37	£12.13	£473.50	£0.00
Specific Bond	£0.00	£110.00	£0.00	£0.00	£110.00	£110.00	£0.00
Storage Costs	£0.00	£62.80	£0.00	£0.00	£62.80	£62.80	£0.00
Statutory Advertising	£0.00	£73.55	£0.00	£73.55	£0.00	£73.55	£0.00
Data Sharing Consideration	£1.00	£1.00	£1.00	£0.00	£1.00	£1.00	£0.00
Travel	£132.40	£132.40	£0.00	£0.00	£0.00	£0.00	£132.40
<b>Total</b>	<b>£664.30</b>	<b>£11,589.30</b>	<b>£391.90</b>	<b>£534.92</b>	<b>£10,781.98</b>	<b>£11,316.90</b>	<b>£272.40</b>

## Insolvency Service accounts ("ISA") balance on handover

Administration and General fees of £5,000 and £6,000 respectively are charged to Insolvency Service accounts ("ISA") in respect of compulsory liquidations. Following the reduction of the Petition costs of £1,600 incurred by the Joint Administrators to facilitate the petition for winding-up by the Court, a debit balance of £9,400 was held on the account when the case was handed over by the Official Receiver.

## ISA Banking Fees

The Secretary of State charges a quarterly banking fee in respect of the ISA for the duration of the Liquidation. The fee payable is currently £22 per quarter. Banking fees of £88 have been charged in the Reporting Period.

## ISA BACS Fees

The Secretary of State charges a fee in raising a BACS payment. The fee payable is currently £0.15 per BACS. ISA BACS fees of £1.50 have been charged in the Reporting Period.

## Appendix V

### Charge out rate and Expenses Policy

The table below sets out the charge-out rates utilised by Recovery Solutions at Crowe U.K. LLP for charging staff time:-

Partner	£435 per hour
Director- Appointment Taker	£375 per hour
Director – Non-appointment Taker	£360 per hour
Senior Manager	£325 per hour
Manager	£275 per hour
Assistant Manager	£250 per hour
Senior Administrator	£200 per hour
Administrator	£180 per hour
Cashier	£175 per hour
MVL Administrator	£100 per hour
Trainee/Support Staff	£80 per hour

It should be noted that the above rates may increase from time to time over the period of the administration of each insolvency case. The above rates are effective from 1 April 2023. Time is charged in six minute units.

### Expenses

Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or member. These may include, but are not limited to, legal fees, agents' fees, trading expenses and tax liabilities.

Category 1 expenses are payments to entities providing a service to which the expense relates who are not associates and where the specific expenditure is directly referable to the appointment in question. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that office holders may discharge Category 1 expenses from the funds held in the estate without further recourse to creditors or members.

Category 2 expenses are other expenses which are payable to associates or which have an element of shared cost. Payments may only be made in relation to Category 2 expenses after the creditors or members have approved the bases of their calculation.

### Further Guidance

Guidance in respect of insolvency practitioners' fees is available to download at:  
<https://insolvency-practitioners.org.uk/regulation-and-guidance/creditors-guides-to-fees/>

Information about insolvency processes can be found on the R3 website at:  
<http://www.creditorinsolvencyguide.co.uk/>