



SATURDAY



A07 *A9FCPK03* 10/10/2020 #63
COMPANIES HOUSE.

1 Company details

Company number 0 8 9 1 3 3 8 2

Company name in full Seth Lovis & Co Solicitors Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Administrator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Administrator's name

Full forename(s) Andrew

Surname Poxon

④ Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Riverside House

Street Irwell Street

Post town Manchester

County/Region

Postcode

Country

④ Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 1	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 0	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0

7 Progress report

☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Finian O'Connell

X

Signature date

^d 0	^d 8	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0
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AM10

Notice of administrator's progress report



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 **Finbarr Thomas O'Connell**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

London

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 4000**



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:

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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

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

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



Seth Lovis & Co Solicitors Limited (in administration)

Joint administrators' progress report for the period from 11 March
2020 to 10 September 2020

8 October 2020



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1. Glossary

Abbreviation	Description
the Company	Seth Lovis & Co Solicitors Limited
the administrators/joint administrators	Finbarr Thomas O'Connell and Andrew Poxon
SIP	Statement of Insolvency Practice (England & Wales)
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
SOA	Statement of Affairs
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
RPS	Redundancy Payments Service
Leonard Curtis / LC	Leonard Curtis Recovery Limited
25 John Street / 17 John's Mews	The properties / premises
CFA	Conditional Fee Arrangement
WIP	Work In Progress
SRA	Solicitors' Regulation Authority
Recovery First	Recovery First Limited
Solicitor Manager	Andrew Gregory of Leonard Curtis Legal Limited
HNG	Hargreaves Newberry Gynge Limited
VFS	VFS Legal Limited
Doorway	Doorway Capital Limited
RBS	The Royal Bank of Scotland Plc

2. Introduction & summary

This report provides an update on the progress in the administration of the Company for the six-month period ended 10 September 2020. It should be read in conjunction with our previous reports. By way of reminder, I, Finbarr Thomas O'Connell of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY was appointed joint administrator of the Company along with Julien Robert Irving of Leonard Curtis on 11 March 2019.

Mr Irving ceased to act as Administrator and Andrew Poxon of Leonard Curtis assumed his position as joint administrator of the Company from 17 April 2020.

The following is a summary of matters & progress during the period covered by the report.

- An additional £856,185 has been recovered (£2,189,749 in total) in respect of the Company's WIP. As disclosed in earlier progress reports, the WIP is forecast to take a number of years to recover, due to the protracted time that settlements can often take to reach in these circumstances.
- Work continued in seeking to realise the Company's other main assets, the properties at 25 John Street and 17 John's Mews which were the Company's former trading premises. A sale was successfully achieved on 17 April 2020, for a total of £3,900,000, apportioned £3,000,000 to John Street and £900,000 to 17 John's Mews.
- During the period covered by this report, the sum of £348,000 has been repaid to RBS and the sum of £465,246.80 has been repaid to VFS in respect of their individual charges over 17 John's Mews. A further c.£1.8m has been paid to RBS in respect of its charge over 25 John Street after the period covered by this report but prior to issuance of the report. A further distribution to both VFS and RBS may be made in respect of both properties, once the quantum and allocation of certain costs relating to the management of the properties has been settled.
- We remain unable to determine the full and exact extent to which the secured creditors, and those creditors which may have the benefit of assigned WIP balances, will receive payments from the aforementioned realisations of WIP and properties. Consequently, it is also unclear as to the quantum of funds which will be available for the purpose of discharging preferential claims. A dividend to unsecured creditors, other than possibly by way of the prescribed part (see section 8.2), is now, unfortunately, viewed as being very unlikely.
- The objectives of the administration remain to (i) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) and, if this cannot be achieved, (ii) realise property in order to make a distribution to one or more secured or preferential creditors.
- The joint administrators are continuing to investigate the financial position of the Company and significant work remains to be undertaken before being able to conclude on the final outcome for creditors.
- The joint administrators are yet to agree the basis of their remuneration and accordingly the joint administrators have not drawn any fees to date.
- Approval of the basis of the joint administrators' remuneration and disbursements will be sought from the secured and, if applicable, preferential creditors.

Please note that this report has been produced during the period of the Covid-19 lockdown restrictions. As a result, we have had limited access to our physical case files and have had to produce this report from incomplete records in some cases. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete and comes to our attention, we will provide an explanation and corrected information in the next progress report.

3. Progress of the administration

Attached at Appendix I is our receipts and payments account for the period from 11 March 2020 to 10 September 2020. This account includes cumulative figures for the period from 11 March 2019 to 10 September 2020.

The receipts and payments account also includes references to the directors' SOA but please note that these references, shown alongside the receipts and payments figures, are all described as 'uncertain', due to the understandable difficulty in the directors giving accurate estimated to realise values, as regards complex assets, at the time the SOA was completed.

3.1 WIP and accrued fees on live matters ("WIP")

Further WIP of £856,185 has been recovered in the period of this report (total of £2,189,749).

Recovery First's estimates of the outcome for total recoveries ranged between £3,454,036 and £4,044,286, as disclosed in the last progress report.

It was determined that these recoveries would likely be realised throughout the 3-year period following the commencement of the administration. It would be prudent to note that whilst recoveries have continued throughout this reporting period, the effects of COVID-19 and the remote working restrictions imposed nationally will have inevitably affected progress in certain cases. As such, it is likely that the conclusion of this process may be delayed.

By way of a reminder, the majority of the receivables are subject to CFAs and therefore the recoverability on each case is uncertain. This uncertainty is reflected in the range of outcomes mentioned above.

We remain in discussion with the Company's secured lenders, and those with an assignment of WIP balances, in order to facilitate an agreement in relation to the distribution of WIP recoveries.

3.2 Freehold properties ("the properties")

As noted in my previous report, an acceptable offer for the properties was received. However, the impact of COVID-19 on the property market could not be foreseen and so caused delay when attempting to complete a sale.

Despite the challenges encountered, a successful sale of the properties was achieved on 17th April 2020, resulting in a combined sales price of £3,900,000.

By way of a reminder from previous reports;

- the Company's SASS Pension Schemes held a minority financial interest of 33.2% in 25 John Street,
- RBS had a fixed charge over 25 John Street,
- both RBS and VFS held a fixed charge over 17 John's Mews and had entered into a priority deed pursuant to which, upon a sale of 17 John's Mews, the first £348k (plus interest and costs) of realisations was payable to RBS and the next £566.5k (plus interest and costs) is payable to VFS.

Due to the respective interests of the aforementioned charge-holders, it is therefore relevant to note that the total sales consideration was apportioned as follows:

- 25 John Street - £3,000,000
- 17 John's Mews - £900,000

The joint administrators have commenced the process to return the net proceeds to the secured creditors in accordance with their charges and anticipate that this will be finalised during the forthcoming period.

3.3 Bank interest

During the period covered by this report, the sum of £3,551 has been received in respect of bank interest on the funds held within the administration estate.

4. Pre-administration costs

The pre-administration costs were reported in the administrators' proposals dated 1 May 2019 and have been historically disclosed in the administrators' earlier progress reports.

The payment of the unpaid pre-administration costs as an expense of the administration is subject to the approval of creditors. Based on the most recent analysis produced, it is unlikely that the Company will have sufficient funds to enable a distribution to be made to unsecured creditors, other than via the Prescribed Part (see section 8.2 below).

In light of the above, approval will be sought from the secured and, if applicable, preferential creditors, in the absence of a creditors' committee having been formed. It is expected that the approval of the aforementioned costs will be incorporated into the ongoing discussions with secured lenders with regard to the distribution of monies recovered from the Company's outstanding WIP balances.

5. Administrators' remuneration

As detailed within the administrators' proposals and previous progress reports, approval of the joint administrators' remuneration will be sought from the secured and, if necessary, the preferential creditors, in light of creditors having sought to not establish a creditors' committee. It remains possible that a committee may be formed at a later stage; however, to date, no expressions of interest have been made in this regard.

It is anticipated that the joint administrators will seek the basis of their remuneration to be fixed by reference to time properly spent by them and their staff in attending to matters arising within the administration. In doing so, the joint administrators will share a fee estimate, as regards their work for the appropriate period, with the secured and, if applicable, preferential creditors, at the appropriate stage.

Whilst formal approval of the administrators' time costs is yet to be received, details of the time costs to date are detailed below:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
11 March 2019 to 10 September 2019 (S&W)	683.45	177,053.75	259.06	0.00
11 March 2019 to 10 September 2019 (LC)	37.90	16,179.00	426.89	0.00
11 September 2019 to 10 March 2020 (S&W)	411.30	108,871.80	264.70	0.00
11 September 2019 to 10 March 2020* (LC)	25.60	11,374.00	444.30	0.00
11 March 2020 to 10 September 2020 (S&W)	390.18	112,813.23	289.13	0.00
11 March 2020 to 10 September 2020 (LC)	20.70	8,501.50	410.70	0.00
Total	1,569.13	434,793.28	277.09	0.00

*Please note that during the preceding report period, £4,830 in time costs were not accounted for at the time of reporting. This above table has therefore been amended to reflect this, as well as being incorporated into the cumulative SIP9 of Leonard Curtis.

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Also attached as Appendix III, is a cumulative time analysis for the period from 11 March 2019 to 10 September 2020 which provides details of the administrators' time costs since appointment.

The joint administrators' time costs incurred during this reporting period are £121,314.73 (as above), with £434,793.28 having now been incurred for the entirety of the administration.

Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. An example would include providing information relating to the Company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Details of Smith & Williamson LLP's and Leonard Curtis Recovery Limited's charge out rates and policies in relation to the use of staff are provided at Appendix IV.

On a general note, please be aware that the joint administrators' charge out rates are subject to an annual review.

6. Administration expenses

6.1 Subcontractors

We have utilised the services of the following subcontractors during the current period:

Provider/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Louise Fletcher	Hourly rate agreed	7,315.50	7,315.50	0.00
Martin Gunson Consulting	Hourly rate agreed	2,800.00	2,800.00	0.00
Total		10,115.50	10,115.50	0.00

Further subcontractor costs were incurred and paid during the preceding reporting period. Details of those costs can be found within the joint administrators' earlier progress reports.

6.2 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Total costs incurred £	Costs paid in the current period £	Total costs outstanding at period end £	Total costs paid £
Fraser Real Estate (Property strategy / sale)	% of realisations (to be calculated upon completion of sale)	23,432.00	23,432.00	23,432.00	0.00	23,432.00
HNG (Property agents)	% of realisations (to be calculated upon completion of sale)	37,779.17	37,779.17	37,779.17	0.00	37,779.17
Leonard Curtis Legal (Solicitor Manager)	Hourly rate and disbursements	26,002.65	151,077.65	50,000.00	101,077.65	50,000.00
Leonard Curtis Legal (General Legal advice)	Hourly rate and disbursements	6,936.26	44,751.26	20,000.00	24,751.26	20,000.00
Leonard Curtis Legal (Property advice)	Hourly rate and disbursements	11,134.00	16,065.12	16,065.12	0.00	16,065.12
Rabbow & Co Valuation agents	Hourly rate and disbursements	0.00	3,190.00	3,190.00	0.00	3,190.00
Total		125,284.08	276,295.20	150,466.29	118,892.65	150,466.29

6.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Storage costs (Physical records)	15,629.92	0.00	0.00
Total	15,629.92	0.00	0.00

Further disbursements were incurred during the preceding reporting period. Details of those costs can be found within the joint administrators' earlier progress reports.

6.4 Category 2 disbursements (see appendix IV for an explanation)

The following Category 2 disbursements have been incurred and/or paid in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £	Total costs paid £
Mail charges	143.11	0.00	143.11	0.00
Case management software (e- records storage)	5,101.25	5,101.25	0.00	5,101.25
Total	5,244.36	5,101.25	143.11	5,101.25

Additional category 2 disbursements were incurred and paid during the previous reporting period. Details of those costs can be found within the joint administrators' earlier progress reports.

6.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix I. Detailed below are those expenses which we consider to be significant in the context of this case. These expenses were incurred but not paid in the current period:

Supplier/Service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Veritas Property Management Limited	Security & Property Maintenance	4,071.90	0.00	8,114.00

6.6 Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of the joint administrators' respective firm's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

7. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

When it becomes clear as to how asset realisations will be allocated between the secured creditors, and those with the benefit of any assignment of WIP, it will be possible to produce an estimated outcome statement ("EOS"); however, this is not possible at present. An EOS will be provided when possible.

7.1 Secured creditors

The administrators continue to work closely with the charge holders, and those with the benefit of any assignment of WIP, in order to resolve matter but are yet to reach a final conclusion. We will provide a further update in this regard in our next report, at which point we hope to have greater clarity regarding the position of each of the three secured lenders, including any rights VFS and/or Doorway may have to the benefit of an assignment of WIP.

By way of reminder, the Company has the following three secured creditors:

7.1.1 RBS

The Company received funding via an overdraft facility with RBS. In addition, a loan was also provided to the Company. RBS holds security by way of a debenture, created on 3 November 2015, as well as legal charges over the freehold properties at 25 John Street and 17 John's Mews. Taking into consideration the payment of £348,000 in respect of the sale of the Mews, it is understood that c.£2.652m plus interest and any other applicable fees remains outstanding to RBS.

7.1.2 Doorway

The Company received funding from Doorway with regard to specific client files. Doorway holds security by way of a debenture, created on 25 April 2016. Approximately £1.5m plus interest and any other applicable fees remains outstanding to Doorway.

7.1.3 VFS

The Company received funding from VFS with regard to WIP and disbursements on specific client files. VFS hold security by way of a debenture, created on 8 November 2018, as well as a legal charge over 17 John's Mews. Taking into consideration the payment of £465,246 in respect of the sale of the Mews, it is understood that the approximately £2.735m plus interest and any other applicable fees remains outstanding to VFS.

7.2 Prescribed Part

Where a company has created a floating charge on or after 15 September 2003 Section 176A of the Insolvency Act 1986 makes provision for a share of the company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. The company's net property is the balance that remains after preferential creditors have been paid and which would then otherwise be available for satisfaction of the claims of any holder of a debenture secured by a floating charge. The funds are referred to as the Prescribed Part.

The amount of the Prescribed Part is calculated as follows:

- 50% of the net property up to £10,000, plus
- 20% of the net property over £10,000
- up to a maximum Prescribed Part of £600,000.

Floating charges were registered against the Company by RBS, Doorway and VFS after 15 September 2003 and the Prescribed Part provisions therefore apply.

If we anticipate that there will be a distribution to creditors under their floating charge we are required to set aside a Prescribed Part fund for unsecured creditors out of the Company's net floating charge property. Due to the limited information available at present and the ongoing discussions regarding the priority of ranking and scope of the secured creditors' charges, it is not possible to determine as yet whether there will be a Prescribed Part fund in this case and hence to estimate the Company's net floating charge property, nor the value of the Prescribed Part fund to be ring-fenced for unsecured creditors.

If there is a Prescribed Part distribution to be made, this will be distributed by the joint administrators in the administration, as opposed to by subsequently appointed liquidators, following the changes made by the Small Business, Enterprise and Employment Act 2015 with effect from 26 May 2015.

7.3 Preferential creditors

The Company's potential preferential creditors' liability is currently unknown, as the joint administrators are yet to receive a detailed breakdown of claims received and adjudicated on by the RPS. The joint administrators are monitoring the position and expect full details of preferential claims to be made available in time for the next progress report. In the absence of the aforementioned schedule having been received from the RPS, the joint administrators will make adequate provisions in this regard on the basis of the information which they can extract from their own files.

7.4 Unsecured creditors

In the directors' SOA it was estimated that total unsecured creditor claims would be in the region of £3,500,000.

At present, we have received claims totalling £8,956,595. The joint administrators have not yet undertaken any form of adjudication process on these claims and will not be in a position to do so until it is clear that an unsecured creditors' dividend will be payable.

8. Outstanding matters

The remaining actions to be concluded in the administration are as follows:

- Finalise the closure and archiving of client case files.
- Finalise distribution of net proceeds from the sale of the properties.
- Support the Solicitor Manager in dealing with a very high volume of queries from former clients and other parties in respect of client account funds, culminating in a return of all client monies.
- Work with Recovery First to answer all remaining queries pertaining to the transfer of case files.
- Finalise reporting to the SRA and assisting and dealing with any remaining requirements in relation to its ongoing regulatory work in relation to the firm.
- Assist Recovery First in pursuing all WIP / debt recoveries and take all appropriate actions as and when necessary.
- Conclude investigations into the Company's affairs prior to the appointment of the joint administrators, taking into consideration any additional information provided by the SRA and from any other sources.
- Finalise discussions with secured creditors to determine the agreed distribution of funds recovered from the sale of properties and from the WIP ledger.
- Make a distribution to the secured creditors, as appropriate.
- Finalise details of any preferential creditors and distribute funds to them, where applicable.
- Adjudicate unsecured creditor claims in the event of sufficient asset realisations and declare a dividend, most likely by way of a Prescribed Part fund distribution. However, as mentioned in the body of this report, there is, unfortunately, no certainty that there will be a distribution to the unsecured creditors in this case, even by way of a distribution from a Prescribed Part fund.
- Discharge outstanding administration costs and expenses, in accordance with creditor approval.
- Finalise both Corporation Tax and VAT affairs and obtain relevant tax clearances for the administration period, and
- Reach a decision on the appropriate exit route from the administration and implement accordingly.

On a general note, creditors should be aware that some of this work is required by statute and may not necessarily provide any financial benefit to creditors. An example would be investigating the actions or inactions of the former officers of the Company as required by the Company Directors' Disqualification Act 1986.

9. Privacy and data protection

As part of our role as joint administrators, we would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

Details of the privacy notice for Leonard Curtis Recovery Limited, can be found at Appendix V.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

10. Ending the administration

As detailed in the joint administrators' approved proposals, as well as earlier progress reports, the joint administrators will exercise their discretion to exit the administration by way of one of the following routes:

- (i) If having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, the joint administrators, Finbarr Thomas O'Connell and Andrew Poxon will become the joint liquidators of the Company in the resulting CVL. The acts of the joint liquidators may be undertaken by either or both of them.
- (ii) If the joint administrators, with the permission of the court, make a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being no need for further investigations as described below; they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Administrators have the power to bring claims against former officers of the Company in respect of transactions that may have caused or exacerbated a Company's insolvency. Claims with a good prospect of success may be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the remaining administration timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect.

11. Extension of the administration

At present, it appears desirable to seek an extension of the administration beyond the current period of the administration, which expires on 10 March 2021. The period of the administration was previously extended with the consent of the Company's secured creditors. Further extensions must be sought with an application to Court.

Creditors should note that, as matters stand, it will be the intention of the joint administrators to apply to Court seeking a further extension of at least 12 months and possibly of a number of years, to take into account the likely duration of WIP realisations. We will liaise with the Company's secured creditors in order collate their views prior to making the application. Should any of the Company's unsecured creditors wish to object to the

seeking of a further extension period they should submit their written objections to my offices at the earliest opportunity and ideally by 10 January 2021, so that their views can be considered as part of the Court application.

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Andrew Poxon in the first instance. If the matter is not resolved to your satisfaction, you may contact Smith & Williamson's Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via the Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

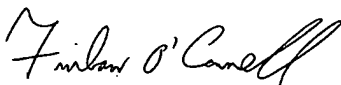
i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015, and

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

13. Next report

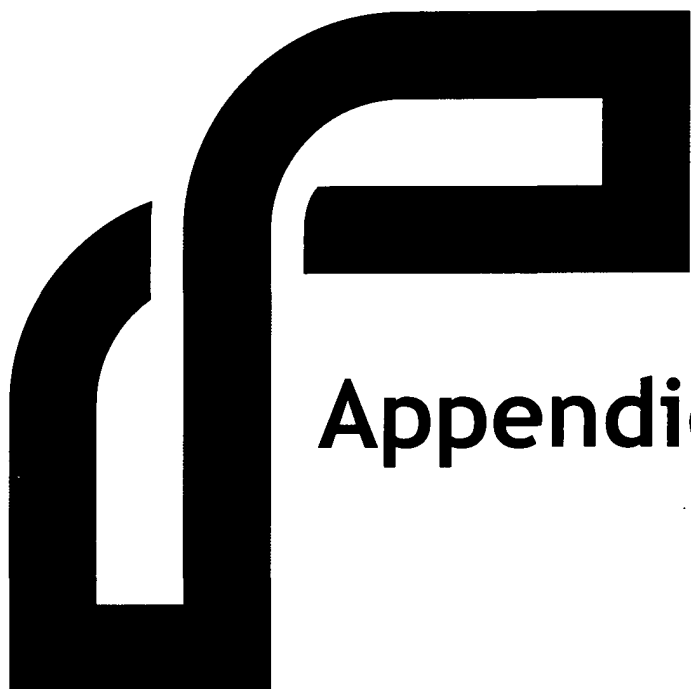
We are required to provide a further report on the progress of the administration within one month of the end of the next six-month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



Finbarr Thomas O'Connell and Andrew Poxon

Joint administrators

Date: 8 October 2020



Appendices

I Receipts and payments account

Receipts and payments account to 10 September 2020

Statement of Affairs	11/03/2020 to 10/09/2020	11/03/2019 to 10/09/2020
£	£	£
GENERAL FIXED CHARGE		
Bank Charges FCR	49.25	49.25
	(49.25)	(49.25)
PROPERTY & LAND		
Subject to a charge	3,900,000.00	3,900,000.00
Agents Disbursements	(2,711.17)	(2,711.17)
Agents Fees	(58,500.00)	(58,500.00)
Chargeholder	(813,246.80)	(813,246.80)
Legal Fees	(14,870.00)	(14,870.00)
Third party interest funds	(922,759.37)	(922,759.37)
VAT Irrecoverable FCR	(15,452.25)	(15,452.25)
Legal Disbursements	(1,195.12)	(1,195.12)
	2,071,265.29	2,071,265.29
ASSET REALISATIONS		
Furniture & Equipment	-	125.00
Property at 25 John Street	-	-
17 John's Mews London WC1N	-	-
WIP / Accrued fees	856,185.49	2,189,749.09
Receipt of client monies	-	78,794.50
Prepaid disbursements	-	3,480.00
Cash at Bank	-	72,245.70
Bank Interest Gross	3,550.75	5,169.41
	859,736.24	2,349,563.70
COST OF REALISATIONS		
Consultants Expenses	-	12.00
Agents Fees	3,190.00	8,940.00
Return of client funds	-	78,794.50
Storage costs	5,101.22	27,645.72
Other property expenses	-	3,449.40
Legal Fees	69,744.85	69,744.85
Legal expenses	255.15	255.15
Payroll - 01/03/2019	-	7,315.39
Payroll agents fees	-	708.40
Consultancy Fees	10,112.50	31,941.30
Bank charges	(10.35)	19.55
	(88,393.37)	(228,826.26)
Uncertain	2,842,558.91	4,191,953.48
REPRESENTED BY		
VAT Receivable Flt Chg		21,836.70
Deposit (Int Bearing)		4,170,141.78
VAT Payable Flt Chg		(25.00)
		4,191,953.48

Notes and further information required by SIP 7

- The basis of the administrators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

Notes and further information required by SIP 9

During the period covered by this report, the costs and expenses incurred have been necessary in order for the orderly wind down of the business and protect the Company's primary assets, being the properties and the WIP ledger.

II Time analysis for the period

Smith & Williamson LLP - From 11 March 2020 to 10 September 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	4.50	0.00	6.75	7.85	0.00	19.10	6,339.75	331.92
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	0.45	0.00	0.45	108.00	240.00
Cashiering general, including bonding	0.98	0.00	2.85	9.15	0.15	13.13	4,538.48	345.57
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	1.55	0.00	5.95	11.30	0.00	18.80	5,408.33	287.68
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.25	0.00	0.10	2.05	0.00	2.40	664.45	276.85
Protection of company records (incl electronic)	0.00	0.00	0.00	12.90	0.00	12.90	3,194.94	247.67
Insurance & general asset protection	0.00	0.00	0.00	12.30	0.00	12.30	3,045.53	247.60
Filing - Administration and planning	0.00	0.00	0.00	0.75	0.00	0.75	135.00	180.00
Director/manager review, approval and signing	1.75	0.00	0.00	0.00	0.00	1.75	948.00	541.71
Other	1.55	0.00	0.00	0.00	0.00	1.55	837.00	540.00
Investigations								
Creditor & shareholder complaints	0.00	0.00	0.00	0.70	0.00	0.70	168.00	240.00
Statutory books and accounting records review	0.00	0.00	0.00	3.95	0.00	3.95	975.75	247.03
Investigation of legal claims	0.10	0.00	0.00	0.35	0.00	0.45	138.00	306.67
Realisation of assets								
Fixed charge Property (land and buildings)	8.60	0.00	56.00	30.85	0.00	103.45	28,909.50	279.45
Debtors subject to invoice discounting/factoring	0.00	0.00	0.00	10.10	0.00	10.10	2,440.50	241.63
Debtors not financed (includes reassigned debtors)	0.00	0.00	0.00	2.85	0.00	2.85	694.50	243.68
Other chattel assets	0.00	0.00	0.00	0.55	0.00	0.55	135.75	246.82
Other	16.00	0.00	5.00	0.00	0.00	21.00	10,624.50	505.93
Creditors								
Fixed charge creditors	0.30	0.00	23.90	15.70	0.00	39.90	11,267.51	282.39
Floating charge creditors	0.00	0.00	0.00	2.10	0.00	2.10	504.00	240.00
Unsecured creditors	0.15	0.00	2.60	83.35	0.00	86.10	21,557.82	250.38
Creditors' committee	0.00	0.00	2.25	0.00	0.00	2.25	675.00	300.00
Distributions for prefs and unsecured	0.00	0.00	0.00	0.60	0.00	0.60	144.00	240.00
Creditors (Case Specific 1)	1.15	0.00	0.00	0.00	0.00	1.15	655.50	570.00
Filing - creditors	0.00	0.00	0.00	0.45	0.00	0.45	113.92	253.16
Other	3.05	0.00	0.00	0.00	0.00	3.05	1,690.50	554.26
Corporate Tax								
Corporate Tax	2.10	0.00	0.00	0.00	0.00	2.10	1,260.00	600.00
Forensics								
Forensics	7.00	0.00	0.00	19.30	0.00	26.30	5,639.00	214.41
Total	49.03	0.00	105.40	227.60	0.15	390.18	£112,813.23	£289.13

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the costs which the administrators and their staff have incurred in order to comply with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Dealing with routine correspondence.
- Responding to a large number of routine enquiries from the Company's former clients and their new legal advisers.
- Managing the Company's archived files and investigating, recovering and returning case files to former clients when requested to do so.
- Dealing with agents on general instruction matters (i.e. not relating to the sale of assets or correspondence with advisers on investigation matters).
- Maintaining physical case files and electronic case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau (regulatory returns) and reviews.
- Case planning; administration; and general case progression, including adjustments in joint administrators' strategy.

- Preparing reports to stakeholders.
- Maintaining and managing the administrators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Dealing with internal Smith & Williamson LLP compliance requirements.

Realisation of assets

This section is in relation to the realisation of the remaining assets of the Company.

- Discussions with our legal advisors in respect of the sales documentation relating to the properties.
- Liaising with Recovery First in respect of the ongoing collections process.
- Monitoring of book debt collections.
- Insurance of the assets and claims under policies if required.
- Exploring possible tax asset recoveries, such as VAT bad debt relief or terminal loss relief claims.

Creditors

Work under this section will include correspondence, and other contact, with the creditors of the Company. The work in this regard includes the following:

- Liaising with and reporting to secured creditors
- Dealing with creditor correspondence via email and telephone.
- Preparing reports.
- Maintaining creditors' information on an insolvency database.
- Dealing with employee claims and liaising with Job Centre, Redundancy Payments Services etc.
- Making distributions to secured creditors.

Leonard Curtis Recovery Limited - From 11 March 2020 to 10 September 2020

Seth Lovis & Co Solicitors Limited
(In Administration)

Summary of Administrators' Time Costs from 11 March 2020 to 10 September 2020

	Director		Senior Manager		Manager 2		Administrator 1		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Statutory and Review	-	-	-	-	72	2,484.00	-	-	72	2,484.00	345.00
Insurance	-	-	1	44.50	-	-	-	-	1	44.50	445.00
Assets	-	-	1	-	4	138.00	-	-	4	138.00	345.00
Liabilities	60	3,150.00	3	133.50	28	966.00	-	-	91	4,249.50	466.98
Debenture Holder	10	525.00	-	-	-	-	-	-	10	525.00	525.00
General Administration	-	-	6	267.00	-	-	-	-	6	267.00	445.00
Case Specific	-	-	-	-	23	793.50	-	-	23	793.50	345.00
Total	70	3,675.00	10	445.00	127	4,381.50	-	-	207	8,501.50	
Average Hourly Rate (£)		525.00		445.00		345.00		-		410.70	

All Units are 6 minutes

DESCRIPTION OF TIME SPENT BY CATEGORY

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 ensures that the case is managed efficiently and resourced appropriately, which is of benefit to all creditors. The work carried out under this category has comprised the following:

- ☐ Case management reviews. These are carried out periodically throughout the case to ensure that all statutory and best practice matters have been dealt with accordingly; and
- ☐ Liaising with Smith & Williamson with regards to the progress and conduct of the administration.

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 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.

- ☐ 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.

Assets

- ☐ Liaising with Recovery First with regards to WIP realisations.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- ☐ Liaising with Smith and Williamson in relation to the joint administrators' Second Progress Report to Creditors;
- ☐ Preparation of the necessary appendices for inclusion in joint administrators' Second Progress Report to Creditors; and
- ☐ Reviewing the joint administrators' Second Progress Report to Creditors.

Non-statutory

- ☐ Dealing with correspondence received from unsecured creditors to this office; and
- ☐ Liaising with our in-house solicitor with regards to reaching an agreement between the secured creditors.

Debenture Holder

- ☐ Time has been spent liaising with VFS, as secured creditor with regards the progress of the administration.

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 administration:

- ☐ Liaising with Smith and Williamson with regards to the progress and conduct of the administration.

Case Specific

- ☐ Dealing with client queries and liaising with Smith and Williamson, where applicable.

Legal Services

- ☐ Legal advice from our in-house solicitor provided to Smith and Williamson; and
- ☐ Assistance with the preparation of an Estimated Outcome Statement.

III Cumulative time analysis

Smith & Williamson LLP - From 11 March 2019 to 10 September 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	10.55	0.00	29.65	40.65	0.00	80.85	23,881.75	295.38
Initial post-appointment notification letters, including creditors	0.00	0.00	0.60	1.65	0.00	2.25	558.00	248.00
Cashiering general, including bonding	1.78	0.00	4.85	19.45	4.45	30.53	9,776.48	320.19
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	5.45	0.00	56.20	53.30	0.00	114.95	31,802.83	276.67
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.50	0.00	0.35	4.80	0.00	5.65	1,532.95	271.32
Protection of company records (incl electronic)	0.00	0.00	4.05	45.45	0.00	49.50	11,981.94	242.06
Insurance & general asset protection	0.00	0.00	8.00	33.35	0.00	41.35	10,425.53	252.13
Filing, file and information management	0.00	0.00	1.65	0.55	0.00	2.20	627.00	285.00
Agents and advisers, general	0.00	0.00	0.00	0.85	0.00	0.85	195.50	230.00
Filing - Administration and planning	0.00	0.00	1.30	0.75	0.00	2.05	525.00	256.10
Director/manager review, approval and signing	4.35	0.00	0.00	0.05	0.00	4.40	2,334.40	530.55
Other	1.55	0.00	21.55	1.00	0.00	24.10	7,536.50	312.72
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	1.25	0.00	0.00	1.25	362.50	290.00
Creditor & shareholder complaints	0.00	0.00	0.00	0.70	0.00	0.70	168.00	240.00
Statutory books and accounting records review	0.00	0.00	0.00	11.30	0.00	11.30	2,736.25	242.15
Investigation of legal claims	30.60	0.00	2.50	0.35	0.00	33.45	16,825.50	503.00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.00	0.00	2.25	2.40	0.00	4.65	1,204.50	259.03
Enquiries of advisers	0.00	0.00	0.00	0.40	0.00	0.40	96.00	240.00
Realisation of assets								
Fixed charge Property (land and buildings)	23.00	0.00	98.35	114.00	0.00	235.35	68,148.50	289.56
Fixed charge other (e.g. chattel mortgages)	0.00	0.00	1.00	0.25	0.00	1.25	355.00	284.00
Debtors subject to invoice discounting/factoring	0.20	0.00	5.00	32.80	0.00	38.00	9,462.00	249.00
Debtors not financed (includes reassigned debtors)	13.65	0.00	5.45	43.55	0.00	62.65	19,162.00	305.86
Other chattel assets	0.00	0.00	0.00	2.15	0.00	2.15	509.75	237.09
Sale of business as a whole, including liaison with legal advisers agents etc	0.00	0.00	1.05	0.00	0.00	1.05	304.50	290.00
Completion of work in progress	0.00	0.00	0.25	0.00	0.00	0.25	72.50	290.00
Liaising with agents (general)	0.00	0.00	0.30	0.00	0.00	0.30	90.00	300.00
Director/manager review, approval and signing	0.20	0.00	0.00	0.00	0.00	0.20	88.00	440.00
Other	16.00	0.00	14.35	0.00	0.00	30.35	13,427.00	442.41
Creditors								
Fixed charge creditors	5.35	0.00	41.75	58.10	0.00	105.20	29,091.01	276.53
Floating charge creditors	2.20	0.00	6.65	3.10	0.00	11.95	3,681.00	308.03
RPO and ERA claims & tribunals	0.00	0.00	0.00	0.55	0.00	0.55	126.50	230.00
Employees & pension (other) (incl Jobcentre/CSA etc)	0.00	0.00	0.00	17.50	0.00	17.50	4,060.00	232.00
Crown (not RPO etc)	0.00	0.00	1.00	0.00	0.00	1.00	290.00	290.00
Unsecured creditors	6.60	19.50	63.35	318.35	35.95	443.75	102,623.22	231.26
Creditors' committee	0.00	0.00	2.25	1.70	0.00	3.95	1,083.00	274.18
Distributions for prefs and unsecured	0.00	0.00	0.00	1.20	0.00	1.20	288.00	240.00
Filing- creditors	0.00	0.00	0.00	0.45	0.00	0.45	113.92	253.16
Other	3.25	0.00	0.10	0.00	0.00	3.35	1,803.00	538.21
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	0.05	0.00	0.05	19.00	380.00
Corporate Tax								
Corporate Tax	2.10	0.00	0.00	0.00	0.00	2.10	1,260.00	600.00
Forensics								
Forensics	15.75	0.00	0.00	87.00	0.00	102.75	19,454.75	189.34
Total	144.23	19.50	375.05	897.75	40.40	1,476.93	£398,738.78	£269.98

Leonard Curtis Recovery Limited - From 11 March 2019 to 10 September 2020

Seth Lovis & Co Solicitors Limited (In Administration)

Summary of Administrators' Time Costs from 11 March 2019 to 10 September 2020

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 4		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Statutory and Review	184	8,580.00	28	1,211.00	30	1,185.00	114	3,933.00	-	-	-	-	356	14,909.00	418.79
Receipts and Payments	-	-	-	-	5	182.50	-	-	-	-	3	49.50	8	232.00	290.00
Insurance	-	-	8	331.50	-	-	-	-	-	-	-	-	8	331.50	414.38
Assets	75	3,375.00	20	890.00	1	36.50	4	138.00	-	-	-	-	100	4,439.50	443.95
Liabilities	86	4,320.00	26	1,157.00	-	-	53	1,828.50	-	-	-	-	165	7,305.50	442.76
Debenture Holder	10	525.00	19	810.50	-	-	-	-	-	-	-	-	29	1,335.50	460.52
General Administration	-	-	34	1,506.00	33	1,204.50	-	-	-	-	4	60.00	71	2,770.50	390.21
Appointment	-	-	-	-	5	182.50	-	-	-	-	-	-	5	182.50	365.00
Planning and Strategy	52	2,730.00	-	-	-	-	-	-	-	-	-	-	52	2,730.00	525.00
Post Appointment Credits fittings	-	-	25	1,025.00	-	-	-	-	-	-	-	-	25	1,025.00	410.00
Case Specific	-	-	-	-	-	-	23	793.50	-	-	-	-	23	793.50	345.00
Total	407	19,530.00	160	6,931.00	74	2,791.00	194	6,693.00	-	-	7	109.50	842	36,054.50	
Average Hourly Rate (£)		479.85		433.19		377.16		345.00		-		156.43			

IV Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include

shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2020 and are subject to an annual review.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr	Regional offices £/hr
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

Smith & Williamson LLP Corporate Tax Charge out rates as at 1 July 2020	London office £/hr
Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	470
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

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 resolution 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 obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

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

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

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.

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.

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	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																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and 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	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every 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 p.a. or £25 for life of case</td></tr> </table>	Type	First 100	Every 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 p.a. or £25 for life of case	
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IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc.																									

	<ul style="list-style-type: none"> - London Gazette - Other 	£85.95 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:

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 externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

V - Leonard Curtis Recovery Limited

- Privacy Notice

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, 5th Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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