

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 08237614

Company name in full Ascot Lawyers Ltd

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD)

Court number 2591 of 2018

3 Administrator's name

Full forename(s) Andrew

Surname Poxon

4 Administrator's address

Building name/number Leonard Curtis

Street Riverside House

Irwell Street

Post town Manchester

County/Region

Postcode M35EN

Country

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Mike		① Other administrator Use this section to tell us about another administrator.
Surname	Dillon		
6	Administrator's address ②		
Building name/number	Leonard Curtis		② Other administrator Use this section to tell us about another administrator.
Street	Riverside House		
	Irwell Street		
Post town	Manchester		
County/Region			
Postcode	M 3 5 E N		
Country			
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature X  X		
Signature date	d 2 8 m 0 6 y 2 0 y 2 2		

**Presenter information**

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

Contact name **Rhuari Robb**

Company name **Leonard Curtis**

Address **Riverside House**

Irwell Street

Manchester

Post town

County/Region

Postcode **M 3 5 E N**

Country

DX

Telephone **0161 831 9999**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.

**Important information**

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

**Where to send**

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

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

**Further information**

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

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**ASCOT LAWYERS LTD
(IN ADMINISTRATION)**

Registered Number: 08237614

Court Ref: 2591 of 2018

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD)

**Joint Administrators' Final Progress Report in accordance
with Rules 3.53 and 18.3 of the Insolvency (England and Wales) Rules 2016**

**Report period
29 December 2021 to 28 June 2022**

28 June 2022

**Andrew Poxon and Mike Dillon - Joint Administrators
Leonard Curtis
Riverside House, Irwell Street, Manchester, M3 5EN
Tel: 0161 831 9999 Fax: 0161 831 9090
recovery@leonardcurtis.co.uk
Ref: M/20/RR/A895K/1010**

CONTENTS

1	Introduction
2	Statutory Information
3	Joint Administrators' Proposals
4	Progress of the Administration
5	Investigations
6	Joint Administrators' Remuneration and Expenses
7	Outcome for Creditors
8	Matters Still to be Dealt With
9	Extensions to the Administration
10	Ending the Administration
11	Data Protection

APPENDICES

A	Summary of Joint Administrators' Approved Proposals
B	Summary of Joint Administrators' Receipts and Payments Account for the Period from 29 December 2021 to 28 June 2022
C	Summary of Joint Administrators' Time Costs for the Period from 29 December 2021 to 5 June 2022
D	Summary of Joint Administrators' Time Costs from 29 June 2018 to 5 June 2022 Incorporating a Comparison of the Joint Administrators' Revised Fee Estimate
E	Summary of Joint Administrators' Expenses From 29 December 2021 to 28 June 2022 Incorporating a Comparison of the Joint Administrators' Statement of Likely Expenses
F	Estimated Outcome Statement
G	Leonard Curtis Policy regarding Fees, Expenses and Disbursements
H	Privacy Notice
I	AM23 - Notice of Move from Administration to Dissolution

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**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rules 3.53 and 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”) to provide creditors with an update on the progress of the Administration of Ascot Lawyers Ltd (“the Company”) for the period from 29 December 2021 to 28 June 2022. This is the Joint Administrators’ final progress report to creditors.
- 1.2 The Administration of the Company is now for practical purposes complete. Section 10 of this report deals with how the Joint Administrators intend to bring the Administration to an end.
- 1.3 Much of the information contained in this report encompasses the whole period of the Administration. Please be aware, however, that where reference is made to “the period of this report”, this specifically means 29 December 2021 to 28 June 2022, being the period since the end of the period covered by the last progress report.

2 STATUTORY INFORMATION

- 2.1 Julien Irving and John Titley were appointed as Joint Administrators of the Company in the jurisdiction of the High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD), number 2591 of 2018 on 29 June 2018. The Administration appointment was made by the Director.
- 2.2 As previously advised, Andrew Poxon replaced John Titley as Joint Administrator on 31 May 2019 and Mike Dillon replaced Julien Irving as Joint Administrator on 17 April 2020.
- 2.3 The Administration is being handled by the Manchester office of Leonard Curtis, which is situated at Riverside House, Irwell Street, Manchester, M3 5EN.
- 2.4 The principal trading address of the Company was Acentia House, Lyndhurst Road, South Ascot, SL5 9ED. The business traded under its registered name.
- 2.5 The registered office address of the Company at the date of the appointment of the Joint Administrators was Ascentia House, Lyndhurst Road, South Ascot, Berkshire, SL5 9ED. Following the appointment, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ. Following the Joint Administrators’ change of office address this has been changed to Riverside House, Irwell Street, Manchester, M3 5EN. The registered number of the Company is 08237614.
- 2.6 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Joint Administrators may be exercised by all or any of the persons holding that office.
- 2.7 The Company’s main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were deemed approved by creditors on 6 September 2018.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.
- 3.4 The objective of the Administration is to realise property in order to make a distribution to one or more secured or preferential creditors.
- 3.5 This objective has been achieved as preferential creditors have received payment in full. Furthermore, a dividend has been paid in part to one of the secured creditors, under their floating charge.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 29 December 2021 to 28 June 2022. Cumulative figures have also been provided to reflect transactions for the whole of the Administration period to date.

Sale of Business and Work In Progress ("WIP")

- 4.2 As set out in our earlier reports, a detailed marketing exercise was undertaken.
- 4.3 Since no offers had been received for the business and assets as a going concern, the Company and the proposed administrators considered that the offer received from Recovery First Limited ("Recovery First") was the best available option and it was accepted. The Company's primary secured creditor, Novitas Loans Limited ("Novitas"), also orally consented to the offer.
- 4.4 To minimise the risk of SRA intervention and maximise the value of the WIP, the assignments to Clear Law Solicitors, Go Law Solicitors Limited T/A Go Law, Edwards Hoyle Limited, Forster Dean Limited, Michael W Halsalls Solicitors Limited and Simpson Sisson Brooke LLP ("the Purchasers") were entered into on 29 June 2018 immediately prior to the appointment of the Joint Administrators.
- 4.5 The initial book value of WIP showed an amount due to the Company of £2,427,801 however the actual value of WIP could only be determined when the cases are settled and costs assessed. It was initially estimated that between 70-85% of WIP would be recovered. For the purposes of the estimated outcome a general provision in respect of unsuccessful claims was applied and a 70% recovery rate was estimated to the balance, being £1,359,569.
- 4.6 Upon the matters settling, a percentage was due to the Company dependent on the WIP and paid disbursements paid by the Company and the costs of the Purchaser.
- 4.7 In addition to the above, on 29 June 2018, the Company entered into Monitoring Agreements with Recovery First and the Purchasers. By these Recovery First would provide certain management services in respect of the progression of, and reporting on, the legal claims subject to the Assignments. These services included the provision of management information, auditing of case progression, assistance with cost, drafting and collections of fees recorded in respect of the legal claims. The agreed fee was 15% of all recovered WIP.
- 4.8 An amount totalling £525,108.21 has been received in respect of WIP, of which an amount of £28,017.02 has been received during the period of this report. The total WIP received during the period of the Administration is significantly below the estimated to realise figure, however the realisations were entirely dependent on the successful outcome of the cases.

- 4.9 Given that the remaining final cases may take a considerable period of time to realise, consideration was given by Recovery First as to whether they were in a position to make an offer in order to take assignment of the remaining WIP and disbursements.
- 4.10 An offer of £2,225.00 was received from Recovery First in respect of the purchase of the remaining WIP and Disbursements. The Joint Administrators received an independent recommendation from Cerberus Receivables Management ("CRM") to accept this offer. This transaction enabled the Administration to be brought to a timely conclusion, preventing incurring additional costs, including those that would have been entailed in making an application to Court to seek their consent to extend the period of the Administration. The remaining WIP and Disbursements were sold to Recovery First on 13 May 2022 for the total sum of £2,225.00. This amount received is included within the summary of WIP received at paragraph 4.8 above. Following the completion of the sale of the residual recoverable WIP to Recovery First, no further realisations are anticipated in respect of this matter.
- 4.11 As previously reported, a selection of the Company's cases relating to conveyancing were not transferred to Recovery First panel firms but were transferred to Bonnetts Solicitors ("Bonnetts"), an unconnected party on 29 June 2018. Whilst the exact level of recoveries remained uncertain, SRA Intervention would have significantly reduced recoveries for the benefit of the creditors. Realisations totalling £8,710.00 have been received into the Administration estate to date. There are no further realisations anticipated in this regard.

Disbursements Recovered

- 4.12 Funds totalling £52,828.77 have been received in respect of disbursements that had previously been paid for by the Company and subsequently reimbursed.

Office Furniture and Computer Equipment

- 4.13 The Company had nominal items of Office Furniture and Computer Equipment; no offers were received for the purchase of these items. As such, certain of these items were removed from the leasehold premises by Cerberus Asset Management ("CAM") prior to returning the keys of the premises back to the Landlord. CAM subsequently arranged for the items to be sold, resulting in realisations of £630.00 received during the Administration.

Furniture

- 4.14 The Company had nominal items of furniture, which were removed from the leasehold premise by CAM and stored at their premises until we determined who had title to the goods. As nobody claimed these, the items were to be sold by CAM in their auction in March 2020, however, the buyer defaulted.
- 4.15 The items were subsequently sold at auction on 28 May 2020 and realised £120.00. This amount has been offset against associated costs of £120.00 for storage and therefore there is no net realisable benefit to the administration estate.

Debtors

- 4.16 As previously reported, the Director advised that the Company had debtors totalling a book value of £26,823.00.
- 4.17 Funds totalling £16,409.46 have been received in respect of the debtor receipts, of which an amount of £30.00 has been received during the period of this report.
- 4.18 Over the period of the Administration, the Joint Administrators have reviewed the outstanding balances and the physical company records to determine if there are any further recoverable debtor amounts.
- 4.19 The Joint Administrators instructed CRM to review the debtor ledger and supporting documentation located. CRM have conducted a review and proceeded to contact a selection of the debtors who subsequently advised that payment of the outstanding amounts were made between 2017 and 2018. It was therefore considered that the

Company's records were out of date at the appointment date and therefore it is not deemed economically beneficial to incur costs to investigate the debtor ledger further.

- 4.20 As previously reported, an element of the sums received relate to one debtor that was being collected by a third-party collection agent. As previously reported, it was understood that there was a remaining balance of £51.09 due in relation to this debt. The sums received during the previous periods exceeded this balance of £51.09 and the account balance was queried with the third-party collection agent to ascertain a further update in respect of the debt. No further communications have been received in respect of this debt and given the passage of time since the last funds were received in respect of this debt the Joint Administrators do not consider that any further funds relating to which will be received.
- 4.21 As previously reported, in a period prior to this report, the Joint Administrators received the sum of £13,948.99 from Recovery First in relation to costs that were received by Recovery First in error. The funds have been received into the Administration estate, bringing total debtor collections to £16,409.46. No further funds are expected to be received in respect of the debtor balances.

Cash at Bank

- 4.22 As at the date of the Administration, the Company had cash at bank amounting to £15,550.00. These funds have been received into the Administration estate.
- 4.23 Over the course of the Administration, it transpired that further funds were held in the Company's client account available to the Joint Administrators. A review of the Company records was undertaken and funds in the sum of £2,075.40 were received into the Administration.
- 4.24 Total sums realised in respect of this matter are £17,625.40. No further funds are expected to be received into the administration estate in respect of the former Company accounts.

Cash in Hand

- 4.25 As at the date of Administration, the Company had cash in hand of £6.18, these funds were collected by CAM and have been received into the Administration account. No further funds are to be realised in this matter.

Potential Claim against Accountants

- 4.26 The Directors advised that there may have been a potential claim to be brought against the former accountant of the Company in respect of incorrect VAT advice provided. Further information in respect of this claim was received and reviewed by an expert accountant.
- 4.27 It was considered that sufficient explanations had been provided and therefore it was considered unlikely that a successful claim could be brought.
- 4.28 No further action is to be taken in this regard.

Director's Loan Account

- 4.29 The book value of the Director's Loan Account, as stated in the Company's Management Accounts as at 30 April 2018, was £46,789.45 (Peter Charles Williams £33,791.81 and James Neil Somerville £12,997.64).
- 4.30 The Directors claimed that significant funds were introduced to the Company and that they are now unsecured creditors in the Administration.
- 4.31 The matter has been considered further and no realisations are expected to be made in this regard.

Receipt to Repay

- 4.32 During the Administration, the Joint Administrators have received funds of £21,155.28 and £540.00 in respect of third party funds relating to ongoing matters transferred to the panel firms of solicitors. These funds have since been distributed back to the third party and no further realisations are due in this regard.

Sundry Receipts

- 4.33 To date, funds totalling £206.16 have been received into the Administration from HMCTS. No further funds are anticipated to be received from HMCTS.

Sundry Refunds

- 4.34 During the Administration, funds totalling £916.55 have been received into the Administration, £912.00 of which has been received from HM Land Registry in respect of a credit balance held in the Company's name for payment of various application fees. An amount of £4.55 has been received from Clear Law LLP in relation to a payment for courier fees incurred, which were less than had originally been anticipated.

Funds for Providing Files

- 4.35 During the period of the Administration, an amount of £341.95 has been received from former clients, and solicitors acting on behalf of the clients, of the Company. The funds received are in relation to reimbursement of the costs involved to retrieve the client files from storage and delivering them to the clients as requested. In regard to the amount received, an amount of £73.00 has been received during the period of this report.

Business Loan Repayment Insurance Refund

- 4.36 Funds totalling £9,430.05 have been received from Lloyds Bank in respect of payments deducted in error following the closure of the business loan account upon the Joint Administrators' appointment. No further funds are anticipated to be received in respect of this matter as the Loan account has since been closed.

Bank Interest

- 4.37 To date, bank interest received into the Administration is in the sum of £335.73, of which £74.61 has been received during the period of this report.

5 INVESTIGATIONS

- 5.1 As previously reported, following their initial assessment, no detailed investigations were considered to be required by the Joint Administrators. Nothing further has been brought to the attention of the Joint Administrators in the period of this report.

6 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

Pre-Administration Costs

- 6.1 On 21 March 2019, the secured and preferential creditors consented to the following pre-Administration costs and expenses being paid as an expense of the Administration:

Charged by	Services provided	Total amount charged £
Leonard Curtis	Providing insolvency advice to the Company, obtaining financial information in order to formulate strategy, attendance at Company's premises, instructing agents, assisting with redundancies, liaising with the SRA, marketing of the Company, negotiation of the sale of the WIP, liaising with secured creditors and dealing with appointment formalities.	27,462.50
TOTAL		<u>27,462.50</u>

These costs have now been paid and are detailed in the receipts and payments account attached at Appendix B.

Joint Administrators' Remuneration

- 6.2 On 21 March 2019, the secured and preferential creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £199,257.00, as set out in a Fees Estimate.
- 6.3 On 17 May 2022, the Joint Administrators issued a Request for Approval of a Revised Fees Estimate via a decision procedure. On 8 June 2022, the secured and preferential creditors resolved by way of a decision procedure by correspondence, that the basis of the Joint Administrators' Remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £375,213.50, as set out in a Revised Fees Estimate, however payment would be limited to £234,257.00.
- 6.4 The Joint Administrators' time costs are summarised below:

	Hours No.	Rate / hr £	Total value of time £
Time previously reported to 28 December 2021	1,355.2	268.85	360,285.00
Time incurred in the period of this report to 5 June 2022	93.3	288.20	21,291.50
Total Administrators' time costs	<u>1,448.5</u>	<u>263.43</u>	<u>381,576.50</u>

- 6.5 The time charged by the Joint Administrators for the period of this report to 5 June 2022 amounts to £21,291.50. This represents 93.3 hours at an average rate of £288.20 per hour. A summary of time costs incurred in the period to 5 June 2022 is attached at Appendix C. A detailed description of work undertaken attributable to each category of time costs during the period to 5 June 2022, and an explanation of why it was necessary for that work to be performed, is also provided at Appendix C. Additional, unposted, time has been incurred in the period since 5 June 2022 tending to matters relating to the finalisation of the Administration, including the drafting of this final progress report, the declaration of the prescribed part dividend and the issue of a floating charge distribution.
- 6.6 In addition, a summary of the Joint Administrators' time costs encompassing the whole of the Administration to 5 June 2022, incorporating a comparison with time costs as set out in the Joint Administrators' Revised Fees Estimate, is attached at Appendix D.
- 6.7 You will note that time costs incurred to 5 June 2022 do exceed the time as set out in the Revised Fees Estimate. As demonstrated at Appendix D, costs attributable to each category of time generally fall within those anticipated. The area where significant variance has occurred relates to Liabilities.

Liabilities

- 6.8 Time spent on Liabilities to 5 June 2022 exceeds the time set out in the Revised Fees Estimate by £3,016.00. This is as a result of a larger number of creditor queries and correspondence having been received in respect of the Unsecured Creditor Distribution by virtue of the Prescribed Part. Further time has also been incurred in respect of liaising with the secured creditors of the Company in regard to the Joint Administrators' proposed Revised Fees Estimate.
- 6.9 It should be noted that the request for a Revised Fees Estimate was approved on 8 June 2022 for a total amount of £375,213.50, however total payments made in respect of the Joint Administrators' Remuneration is limited to £234,257.00.
- 6.10 Further guidance may be found in "Administration: A Guide for Creditors on Insolvency Practitioner Fees" (Version 1 – April 2021) which may be downloaded from:
- <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>
- 6.11 If you would prefer this to be sent to you in hard copy please contact Rhuari Robb of this office on 0161 831 9999.
- 6.12 The remuneration drawn by the Joint Administrators totals £218,372.35 plus VAT.

Joint Administrators' Statement of Likely Expenses

- 6.13 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 expenses" and are subject to the approval of the creditors.

Additionally, with effect from 1 April 2021, the Joint Administrators are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to associates of Leonard Curtis. Payments to associates are subject to the same level of approval as the office holder's fees and category 2 expenses and further details are included at Appendix E and G.

On 21 March 2019, the secured and preferential creditors also approved that category 2 expenses could be drawn by the Joint Administrators, as detailed at Appendix G.

- 6.14 A copy of the Joint Administrators' statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix E.
- 6.15 The expenses incurred have exceeded those anticipated within the original statement of expenses.
- 6.16 The areas where significant variance has occurred relate to the following:
- Additional agent's fees of £13,120.00 have been incurred by CAM relating to the valuation and advice provided with regards to the assets, the collection of the company books and records and the setting up and

administration of the IT systems. It should be noted that there were significant volumes of books and records that had to be collected resulting in several days being on our site. In addition, CAM hosted the IT System at the outset to enable the Joint Administrators to have access to the server.

- Additional storage and destruction costs of £38,148.14 have been incurred by Flexible Storage Solutions and Offsite Archive Storage, as a result of the significant volume of books and records held and the need to destroy the records held securely once they have been held for the required period of time.
- Additional costs of £91,656.06 have been incurred by Leonard Curtis Legal, in relation to the costs of the Solicitor Manager required due to the nature of the case and level of legal assistance required dealing with the high volume of client queries and the distribution of client account funds which has proved difficult following the ransomware attack, preventing access to the client records and ledgers resulting in a lot of work having to be done manually.

6.17 Since our last report, the following professional advisors (“PA”) and / or subcontractors (“S”) have been instructed:

Name of Professional Advisor	PA / S	Service Provided	Basis of Fees
Cerberus Receivables Management (“CRM”)	Subcontractor	Review of offer received from Recovery First in regard to the sale of the remaining WIP Ledger	Fixed Fee

The Joint Administrators have chosen to instruct CRM to undertake a review of the offer received from Recovery First in respect of the sale of the residual WIP ledger. The instruction was made due to CRM’s significant professional expertise and experience in this area. Subsequently a fixed fee of £750.00 has been paid to CRM for the work and discussions undertaken.

6.18 Attached at Appendix G is additional information in relation to the firm’s policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. Please be aware that the firm’s charge out rates have been amended with effect from 1 March 2021.

6.19 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.

6.20 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators’ remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.

6.21 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.

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

7 OUTCOME FOR CREDITORS

Secured Creditors

Novitas Loans Limited (“Novitas”)

7.1 Novitas hold security by way of a debenture, incorporating a fixed and floating charge, dated 28 July 2015. Novitas provided a disbursement funding facility to the Company.

7.2 As at the date of appointment, Novitas were owed £345,000. Further interest and charges may be applicable.

- 7.3 A first and final partial distribution of £39,264.02 has been made to Novitas under their floating charge.

Lloyds Bank Plc (“Lloyds”)

- 7.4 Lloyds hold security by way of a debenture, incorporating a fixed and floating charge, dated 11 September 2015.
- 7.5 As at the date of appointment, it was understood Lloyds were owed the sum of £450,000. Further interest and charges may be applicable.
- 7.6 As detailed in our previous reports, estimated realisations from WIP have significantly reduced and therefore there have been insufficient realisations to make a distribution to Lloyds under their floating charge.

Preferential Claims

- 7.7 The only categories of claims which have preferential status are those of employees in respect of wages, accrued holiday pay and certain pension contributions.
- 7.8 Preferential claims received total £28,678.71.
- 7.9 A Notice of Intended Dividend was issued to preferential creditors on 22 December 2020, with a deadline of 21 January 2021 to submit claims.
- 7.10 On 2 February 2021, a dividend of 100p in the £ totalling £28,678.71 was paid to preferential creditors, resulting in preferential creditors being repaid in full.

Prescribed Part

- 7.11 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrators must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.
- 7.12 As previously reported, it was estimated that there would be a prescribed part fund available in this case. The Joint Administrators issued a Notice of Intended Dividend on 10 May 2022 in respect of the Prescribed Part funds available. The prescribed part dividend has duly been finalised, and dividend payments totalling £13,566.00, thus representing a total dividend equating to approximately 0.84 pence in the pound on admitted claims of £1,600,306.57. This Prescribed Part Dividend is to be declared and paid in the period imminently following the filing of this report.

Unsecured Non-Preferential Claims

- 7.13 A liquidator will not be appointed for the purpose of enabling a distribution to unsecured creditors. The Joint Administrators have paid a prescribed part dividend as referred to in paragraph 7.12 above. No further distributions will be made to unsecured creditors.
- 7.14 From April 2017, the Joint Administrators have had the discretion to admit claims from creditors with claims under £1,000 without receiving a proof of debt. The Joint Administrators confirm that, to date, no claims have been admitted under the small claims provisions.

8 MATTERS STILL TO BE DEALT WITH

- 8.1 All matters have been dealt with and consequently the Administration has now concluded.

9 EXTENSIONS TO THE ADMINISTRATION

- 9.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 9.2 In certain circumstances it becomes necessary to extend the Administrators' term of office.
- 9.3 As you will be aware, the period of the Administration was extended until 28 June 2020 with the consent of:
- each secured creditor of the Company; and
 - preferential creditors via a decision procedure.
- 9.4 A further extension was required from the Court for an additional 24 months to enable the continued realisation of assets to facilitate distributions to be made to the creditors.
- 9.5 The Court extension has been granted and the revised date at which the Administration will come to an end is 28 June 2022. The company will then move to dissolution.
- 9.6 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

10 ENDING THE ADMINISTRATION

- 10.1 The Administration is now for practical purposes complete. As there are insufficient funds available to allow payment of a dividend to unsecured creditors in this case, other than by virtue of the prescribed part fund, the appropriate exit route from the Administration is Dissolution of the Company. Attached at Appendix H is Notice of Move from Administration to Dissolution. On the registration of this Notice by Companies House, the Administration will be brought to an end and the appointment of the Joint Administrators will cease to have effect.
- 10.2 At the end of the period of three months beginning with the date of registration of the Notice of Move from Administration to Dissolution at Companies House, the Company will be dissolved.
- 10.3 The Joint Administrators will be discharged from liability in respect of any action(s) of theirs as Joint Administrators immediately upon their appointment ceasing to have effect.

11 DATA PROTECTION

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

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If you wish to discuss the issues raised in this report or require any additional information please contact this office.

Yours faithfully
for and on behalf of
ASCOT LAWYERS LTD



ANDREW POXON
JOINT ADMINISTRATOR

Andrew Poxon and Mike Dillon are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 8620 and 24610, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Julien Irving and/or John Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Julien Irving and/or John Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

Note that references to Julien Irving and John Titley are replaced by Mike Dillon and Andrew Poxon respectively as detailed at sections 2.2 of the report.

APPENDIX B

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
29 DECEMBER 2021 TO 28 JUNE 2022

	Estimated to realise £	Previous periods £	This Period £	Cumulative £
RECEIPTS				
Goodwill	-	-	-	-
WIP	1,359,569.00	497,091.19	28,017.02	525,108.21
WIP – Bonnets	-	8,710.00	-	8,710.00
Furniture	-	120.00	-	120.00
Office Furniture	200.00	630.00	-	630.00
Debtors	13,412.00	16,379.46	30.00	16,409.46
Cash at Bank	15,550.00	17,625.40	-	17,625.40
Potential Claim Against Accountants	Not Known	-	-	-
Disbursements Recovered	-	52,828.77	-	52,828.77
Receipts to Repay – Recovery First	-	21,155.28	-	21,155.28
Receipts to Repay (Other)	-	540.00	-	540.00
Sundry Receipts	-	206.16	-	206.16
Bank Interest	-	261.12	74.61	335.69
Business Loan Repayment Insurance Refund	-	9,430.05	-	9,430.05
Sundry Refunds	-	916.55	-	916.55
Cash in Hand	-	6.18	-	6.18
Funds for Providing Files	-	268.95	73.00	341.95
	1,388,731.00	626,169.11	28,194.63	654,363.74
PAYMENTS				
Panel Review Fee		(39,449.34)	(3,488.85)	(42,938.19)
Other Professional Fees		(3,945.00)	(925.00)	(4,870.00)
Storage Charges		(44,416.01)	(8,732.16)	(53,148.17)
Software Licence Fee		(1,137.25)	-	(1,137.25)
Receipt to Repay (Recovery First)		(21,155.28)	-	(21,155.28)
Receipt to Repay (Client Account)		(416.67)	-	(416.67)
Insurance		(240.80)	-	(240.80)
WIP Collection Fee		(74,360.95)	(3,886.38)	(78,247.33)
Bank Interest and Charges		(105.00)	-	(105.00)
Wages & Salaries		(2,579.80)	-	(2,579.80)
Costs Order		(920.00)	-	(920.00)
Agents' Fees and Expenses		(15,120.00)	(750.00)	(15,870.00)
Debt Collection Fee		(4.50)	-	(4.50)
Solicitor Fees		(89,131.05)	(2,525.00)	(91,656.05)
Pre-Appointment Administrators' Fee		(27,462.50)	-	(27,462.50)
Administrators' Remuneration		(199,257.00)	(19,115.35)	(218,372.35)
Disbursements CAT1		(7,317.38)	(1,991.50)	(9,308.88)
Disbursements CAT2		(238.75)	-	(238.75)
Accountancy Fees		(4,000.00)	-	(4,000.00)
Corporation Tax		(49.61)	(14.18)	(63.79)

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Agents' Disbursements	(119.70)	-	(119.70)
	<u>(531,426.59)</u>	<u>(41,428.42)</u>	<u>(572,855.01)</u>
DISTRIBUTIONS			
Preferential Creditors (100p in the £)	(28,678.71)	-	(28,678.71)
Unsecured Creditors – Prescribed Part (c.0.83p in the £) – Note 1	-	(13,566.00)	(13,566.00)
Floating Charge Creditor – Novitas (c.11.02p in the £)	-	(39,264.02)	(39,264.02)
	<u>(28,678.71)</u>	<u>(52,830.02)</u>	<u>(81,508.73)</u>
BALANCE IN HAND	<u>66,063.81</u>	<u>(66,063.81)</u>	<u>Nil</u>

Notes

1. The Prescribed Part Distribution of approximately 0.84p/£ is in the process of being declared and will be paid shortly. The value of the distribution has been included within this reporting period for transparency and ease of reference for creditors.

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 29 DECEMBER 2021 TO 5 JUNE 2022

	Units	Average hourly rate £	Cost £
Statutory and Review	69	301.30	2,079.00
Receipts and Payments	126	241.67	3,045.00
Insurance, Bonding and Pensions	33	182.27	601.50
Assets	71	230.77	1,638.50
Liabilities	475	227.05	10,785.00
General Administration	66	189.55	1,251.00
Post Appointment Creditors' Decisions	20	283.00	566.00
Case Specific	73	181.58	1,325.50
	933	228.20	21,291.50

All Units are 6 Minutes

APPENDIX C (continued)

DESCRIPTION OF TIME SPENT BY CATEGORY

The work carried out during the period of this report from 29 December 2021 to 5 June 2022 under the below categories has comprised of the following.

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.

- Case management reviews. These have been carried out periodically throughout the life of the case to ensure that all statutory and best practice matters have been dealt with appropriately;
- Completion of periodic review documents in respect of the conduct of the Administration;
- Completion of case closure review to ensure that all matters have been tended to as required prior to the closure of the Administration; and
- Completion of case closing procedures at the end of the case.

Receipts and Payments

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

- Preparation of periodic receipts and payments accounts for inclusion in the Joint Administrators' Seventh Progress Report and the Revised Fee Estimate Report;
- Timely completion of all post appointment tax returns;
- Submission of Form VAT 7 to HMRC to request that the Company be deregistered for VAT purposes;
- Timely completion and submission of all post appointment VAT returns;
- Preparation, review and submission of monies in vouchers in respect of the Administration Receipts and Payments account;
- Reviewing and updating the Estimated Outcome Statement ("EOS") to ensure all realisations and payments have been allocated correctly, and all assets and costs and payments have been received and paid as anticipated in advance of the closure of the Administration; and
- Managing estate expenses and payments to third parties from the Administration estate.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Notification and progression of post-appointment insurance claims relating to former legal client cases; and
- 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

The work set out in this category may bring a financial benefit for creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be set aside for the benefit of unsecured creditors) or may, depending on realisations, costs and the extent of any 3rd party security, result in a distribution to the preferential and / or unsecured creditors.

- Agreeing strategy for realisation of Company assets, specifically relating to matters with regarding prospective outstanding WIP realisations. Liaise with Recovery First to assess their appetite for making an offer to purchase the residual ledger, the sale of which for an acceptable price would enable the Administration to be progressed to closure without incurring the costs and expenses associated with making an application to Court to seek Court consent to the prospective further extension to the period of the Administration. When making this assessment, a cost benefit exercise has been conducted in order to determine the cost of extending the Administration, in comparison to the value of potential additional WIP realisations;
- Instruction of and liaising with agents as required – in particular liaising with CRM in respect of the review of the offer received from Recovery First in relation to the purchase of the outstanding WIP Ledger;
- Liaising with Recovery First in respect of the WIP and estimated future recoveries to maximise realisations; and
- Liaising with Recovery First in respect of the sale of the remaining ledger and legal cases to maximise realisations.

Liabilities

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

Statutory

- Processing of claims from the Company's creditors – all 100 claims received from the Company's creditors have been logged. Claims have been formally agreed in respect of the Prescribed Part Distribution, and a dividend has been distributed with dividend payments totalling £13,566.00, thus representing a total dividend equating to approximately 0.84 pence in the pound on admitted claims of £1,600,306.57;
- Processing of claims from the Company's employees – all 17 claims in respect of the employee unsecured amounts due have been logged in the Administration and taken into account when preparing and finalising the prescribed part dividend. Time has been spent liaising with Evolve with regard to any residual employee claims and calculations;
- Preparation and submission of the Joint Administrators' Seventh Progress Report to creditors;
- Processing and finalisation of distribution to unsecured creditors by virtue of the Prescribed Part funds available
- Drafting, review and finalisation of the Joint Administrators' Revised Fee Estimate Report; and
- Drafting of the Joint Administrators' Final Progress Report.

Non-statutory

- Dealing with enquiries from the Company's creditors – this has included queries received by email and telephone in respect of the creditor claims received and submitted;
- Preparing and issuing letter to HMRC to request clearance in respect of all outstanding tax matters prior to the closure of the Administration; and
- Liaising with Solicitors in respect of the insurance claims received into the administration estate.

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:

- Maintaining the Joint Administrators' records;
- Liaising and responding to requests from former clients in respect of file requests; and
- Liaising with third party storage providers in respect of file requests received and delivery of respective files.

Post Appointment Creditors' Decisions

Agreeing and reporting on our proposals and fee basis is a statutory requirement. This work will not directly result in any financial benefit for creditors.

- Convening a decision by correspondence to agree a Revised Fees Estimate with the Secured and Preferential Creditors; and
- Reporting on outcome of voting regarding the decision sought.

Case Specific

- Dealing with enquiries from clients regarding the files transferred to the Purchasers;
- Dealing with requests for files from clients for closed and archived cases;
- Reviewing and providing client records from storage; and
- Liaising with the storage company regarding the client records that can be destroyed due to their age.

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS
FROM 29 JUNE 2018 TO 5 JUNE 2022
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS' REVISED FEE ESTIMATE

	REVISED FEES ESTIMATE			INCURRED TO 5 JUNE 2022			VARIANCE
	Total			Total			
	Units	Cost	Average	Units	Cost	Average	Cost
	No	£	hourly rate	No	£	hourly rate	£
Statutory and Review	593	19,992.50	337.14	615	20,473.50	332.90	481.00
Receipts and Payments	1,310	35,982.00	274.67	1,367	37,363.50	273.32	1,381.50
Insurance	113	3,231.00	285.93	117	3,301.00	282.14	70.00
Assets	5,730	124,680.50	217.59	5,739	124,934.00	217.69	253.50
Liabilities	2,132	66,474.00	311.79	2,272	69,490.00	305.85	3,016.00
Landlords	9	234.00	260.00	9	234.00	260.00	-
Debenture Holder	117	4,417.50	377.56	117	4,417.50	377.56	-
General Administration	1,485	42,592.00	286.81	1,513	43,082.00	284.75	490.00
Appointment	72	2,500.00	347.22	72	2,500.00	347.22	-
Planning and Strategy	67	2,230.50	332.91	67	2,230.50	332.91	-
Post Appointment Creditors' Decisions	132	3,654.50	276.86	152	4,220.50	277.66	566.00
Investigations	226	4,977.50	220.24	226	4,977.50	220.24	-
Case Specific	1,656	45,059.50	272.10	1,662	45,164.50	271.75	105.00
LEGAL SERV - Preparation	339	11,566.00	341.18	339	11,566.00	341.18	-
LEGAL SERV - Attendance	31	1,275.00	411.29	31	1,275.00	411.29	-
LEGAL SERV - Research	25	375.00	150.00	25	375.00	150.00	-
LEGAL SERV - Drafting docs	34	1,115.50	328.09	34	1,115.50	328.09	-
LEGAL SERV - Letter Out	74	2,668.50	360.61	74	2,668.50	360.61	-
LEGAL SERV - Tel Call	39	1,549.50	397.31	39	1,549.50	397.31	-
LEGAL SERV – Email Out	15	638.50	425.67	15	638.50	425.67	-
All Units are 6 Minutes	14,199	375,213.50	264.25	14,485	381,576.50	263.43	6,363.00

APPENDIX E

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES
FROM 29 DECEMBER 2021 TO 28 JUNE 2022
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'
STATEMENT OF LIKELY EXPENSES**

Standard Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks	Business Tax Centre	Electronic client verification	10.00	-	-	-	-
Bond Fee (CAT1)	AUA Insolvency Risk Services	Insurance bond	260.00	657.00	-	657.00	-
Document Hosting (CAT1)*	Pelstar	Hosting of documents for creditors	112.00	296.80	57.40	239.40	57.40
Software Licence Fee (CAT1)*	Pelstar	Case management system licence fee	87.00	87.00	-	87.00	-
Statutory Advertising (CAT1)	Courts Advertising	Advertising	83.02	270.67	95.85	270.67	-
Storage Costs (CAT1)	Auctus	Storage of books and records	20,000.00	3,759.30	1,196.52	3,759.30	-
Post Redirection (CAT1)	Royal Mail	Redirection of post	303.00	507.00	-	507.00	-
Postage (CAT1)	Post Works	Postage	-	241.08	198.99	241.08	-
Transfer of Files (CAT1)	City Today	Transfer of Files	-	39.42	-	39.42	-
		Total standard expenses	20,855.02	5,858.27	1,548.76	5,800.87	57.40

* Payment to associate requiring specific creditor / committee approval if drawn after 1 April 2021

Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Agents' Fees	Cerberus Asset Management	Costs of valuing and realising assets	2,000.00	15,120.00	-	15,120.00	-
Agents' Commission	Cerberus Asset Management	Commission fees following auction and costs of preparation, portage, catalogues and advertising	186.20	119.70	-	119.70	-
Professional Fees	Insol	Site attendance and calculation of residual preferential and unsecured claims	2,500.00	2,245.00	-	2,245.00	-
Agents' Fees	Flexible Storage Solutions & Offsite Archive Storage	Costs of collection of books and records from the site and returning to Manchester. Assisting the administrators	15,000.00	53,148.17	8,732.16	53,148.17	-

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		with the set up and administration of the IT systems. Subsequent destruction of records no longer required.					
WIP Collection Fees	Recovery First	Costs of collection of WIP (15%)	203,935.00	78,247.33	3,886.38	78,247.33	-
Panel Review Fee	Recovery First	Costs of Purchasers' initial review of the transferred case	TBC	42,938.19	3,488.85	42,938.19	-
Staff parking costs (CAT1)	Leonard Curtis	Staff Parking Costs	20.00	12.50	-	12.50	-
Court Filing Fee (CAT1)	HMCTS	Costs of filing the appointment documentation in the Manchester District Registry	50.00	50.00	-	50.00	-
Court Fees (CAT1)	HMCTS	Philip J Thomas and Janice Lucas	-	865.00	-	865.00	-
Staff Mileage (CAT2)	Leonard Curtis	Category 2 disbursement requiring specific creditor / committee approval	600.00	238.75	-	238.75	-
Staff Travel & Subsistence (CAT1)	Leonard Curtis	Staff Travel & Subsistence	-	224.26	-	224.26	-
Accountancy Fees	Elsbury Ltd	Costs of assisting with the preparation of the statement of affairs and preparing the P45s for the redundant employees	4,000.00	4,250.00	-	4,250.00	-
Insurance	Eddisons	Insurance costs in respect of the physical assets	229.60	240.80	-	240.80	-
IT System (CAT1)	Eclipse Hardware Ltd and Advanced Legal Solutions and Sibit Computer Support	Costs of IT system	10,000.00	770.00	-	770.00	-
Software Licence	Eclipse Hardware Ltd and Advanced Legal Solutions and Sibit Computer Support	Software Licence		1,137.25	-	1,137.25	-
Sundry Expenses (CAT1)	Leonard Curtis	Costs of office supplies and postage	49.18	1,413.39	-	1,413.39	-
Land Registry Search Fee (CAT1)	HMLR	Land Registry Searches	-	21.00	-	21.00	-
Costs Order	Recovery First	Costs Order	-	920.00	-	920.00	-
Debt Collection Fee	Redwood Collections	Debt Collection Fee	-	4.50	-	4.50	-
Wages	Staff	Wages in respect of retained staff	2,579.80	2,579.80	-	2,579.80	-
Solicitor Fees	Solicitor Manager	Costs of the Solicitor Manager in overseeing the client funds and other client matters	-	91,656.05	2,525.00	91,656.05	-
Professional Fees	Harold Sharp	Accountancy Advice	-	1,000.00	-	1,000.00	-

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Professional Fees	Evolve IS	Assistance with employee claims	-	1,375.00	925.00	1,375.00	-
Corporation Tax	H M Revenue & Customs	Corporation Tax	-	63.79	14.18	63.79	-
Bank Charges	AIB	Bank Charges	-	105.00	-	105.00	-
Legal Fees (CAT1)	Farleys	Legal Fees & Disbursements	-	151.86	-	151.86	-
Agent's Fees	Cerberus Receivables Management	Reviewing offer received in respect of Sale of Ledger	-	750.00	750.00	750.00	-
		Total case specific expenses	241,149.78	299,647.34	20,321.57	299,647.34	-

ESTIMATED OUTCOME STATEMENT

	Preferential £'000	Secured Novitas £'000	Secured Lloyds £'000	Unsecured – Prescribed Part £'000
Amount available to class of creditor	79	39	-	13.5
Amount due to creditor per Estimated Financial Position	(29)	(354)	(450)	(1,600)
Estimated dividend rate (as a %)	100%	11%	0%	0.84%

LEONARD CURTIS POLICY REGARDING FEES AND EXPENSES

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

Staff Allocation and Charge Out Rates

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

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

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

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

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

Use of Associates

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

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

Additionally, whilst not meeting the legal definition of "Associate" we are aware that there is a perceived association between LC and Pelstar Limited. Pelstar Limited provides insolvency case management software and document hosting facilities to LC. LC employs an individual who is married to a director of Pelstar Limited. Pelstar Limited's costs are set out in the expenses tables below.

Use of Professional Advisors

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

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

Use of Subcontractors

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

Categorisation of Expenses

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

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

Type	Description	Amount																								
AML checks via Smartsearch	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search Note that with effect from 1 April 2021, these costs are no longer recovered from the estate.																								
Bond / Bordereau fee via AUA Insolvency Services	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches via Companies House	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting via Pelstar Limited (see Use of Associates and Category 2 expenses)	Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services.	<table><tr><th>Type</th><th>First 100</th><th>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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Software Licence fee hosting via Pelstar Limited (see Use of Associates and Category 2 expenses)	Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.	£87.00 plus VAT per case																								
Postage via Royal Mail or Postworks	Cost of posting documents which are directly attributable to a case to external recipients	Calculated in accordance with applicable supplier rates and dependent on the number of pages and																								

		whether the document is sent by international, first or second class post.
Post re-direction via Royal Mail	Redirection of post from Company's premises to office-holders' address	0-3 months £216.00 3-6 months £321.00 6-12 months £519.00
Statutory advertising via advertising agents	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert Dependent upon advert and publication
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges

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

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions. Where the solicitor appointed is LC Legal, any fee payable for work completed is classed as a payment to an associate and requires specific creditor / committee approval as detailed above.	Time costs plus disbursements plus VAT
Other expenses	See Category 1 and 2 expenses notes below	See Category 1 and 2 expenses notes below

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

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

Business mileage

45p per mile

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

**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

NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION