

AM10

Notice of administrator's progress report



Companies House

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

1	Company details	
Company number	1 0 1 4 3 0 6 2	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	CK Realisations 2022 Limited (formerly Cartwright King Limited)	
2	Administrator's name	
Full forename(s)	Mark	
Surname	Thornton	
3	Administrator's address	
Building name/number	Central Square	
Street	29 Wellington Street	
Post town	Leeds	
County/Region		
Postcode	L S 1 4 D L	
Country		
4	Administrator's name ^①	
Full forename(s)	Simon	① Other administrator Use this section to tell us about another administrator.
Surname	Girling	
5	Administrator's address ^②	
Building name/number	Bridgewater House	② Other administrator Use this section to tell us about another administrator.
Street	Finzels Reach	
Post town	Counterslip	
County/Region	Bristol	
Postcode	B S 1 6 B X	
Country		

AM10

Notice of administrator's progress report


6 Period of progress report

From date	^d 2	^d 3	^m 0	^m 6	^y 2	^y 0	^y 2	^y 3	
To date	^d 2	^d 2	^m 1	^m 2	^y 2	^y 0	^y 2	^y 3	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X  X	
Signature date	^d 1 ^d 9 ^m 0 ^m 1 ^y 2 ^y 0 ^y 2 ^y 4	

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 **Mark Thornton**

Company name **BDO LLP**

Address **5 Temple Square**

Temple Street

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX

Telephone **+44 (0) 1512 374 500**



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

CK Realisations 2022 Limited (formerly Cartwright King Limited)
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 23/06/2023 To 22/12/2023 £	From 23/12/2022 To 22/12/2023 £
	FIXED CHARGE ASSETS		
10,000.00	IP	NIL	10,000.00
	Interest Gross	123.93	123.93
		<u>123.93</u>	<u>10,123.93</u>
	FIXED CHARGE COSTS		
	Administrators' Pre-Administration Fe	4,191.59	4,191.59
		<u>(4,191.59)</u>	<u>(4,191.59)</u>
	FIXED CHARGE CREDITORS		
	Secured Creditor	732.28	732.28
		<u>(732.28)</u>	<u>(732.28)</u>
	ASSET REALISATIONS		
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		<u>159,614.31</u>	<u>380,592.17</u>
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	Statutory Advertising	NIL	95.00
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<u>200,000.00</u>		<u>(48,190.85)</u>	<u>147,413.96</u>
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Trade Creditors		(6,366.96)
Vat Control Account		1,565.67
		<u>147,413.96</u>

**CK Realisations 2022 Limited
(formerly Cartwright King Limited)
In Administration**

Joint Administrators' progress report from
23 June 2023 to 22 December 2023

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Glossary of terms

Abbreviation or term	Meaning
'Act'	Insolvency Act 1986
'AWH'	AWH Acquisition Corp Limited
'Bank'	Clydesdale Bank Plc
'CAPA'	Consultiam Property Limited
'ERA'	ERA Corporate Services Limited
'HMRC'	HM Revenue & Customs
'Horsepool'	Oliver Horsepool Legal Costs Ltd
'Joint Administrators' or 'we'	Mark Thornton and Simon Girling
'LAA'	Legal Aid Agency
'LTO'	Licence to Occupy Agreement dated 23 Decemebr 2023 between the Company and AWH
'net property'	Floating charge realisations after costs and payment of preferential and secondary preferential creditors in full
'Period'	23 June 2023 to 22 December 2023
'POA'	Payments on account
'preferential creditors'	Claims for unpaid wages earned in the four months prior to Administration up to £800, holiday pay and unpaid pension contributions in certain circumstances. Where a decision is being sought from preferential creditors these will include secondary preferential creditors
'Prescribed Part'	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
'Proposals'	The Joint Administrators' statement of proposals for achieving the purpose of the Administration
'QFCH'	Qualifying Floating Charge Holder
'Rules'	Insolvency (England and Wales) Rules 2016
'Sch.B1 to the Act'	Schedule B1 to the Act
'secondary preferential creditors'	Where a company enters into Administration on or after 1 December 2020, claims for unpaid VAT, PAYE deductions, Employee National Insurance Contributions (NICs) deductions, student loan repayment deductions and amounts withheld under the construction industry scheme

‘secured creditors’	Creditors whose debt is secured, in accordance with Section 248 of the Act
‘SPA’	Sale and Purchase Agreement dated 23 December 2022 between the Company and AWH
‘the Company’	CK Realisations 2022 Limited (formerly Cartwright King Limited)
‘the Report’	Prepared in accordance with Rules 18.3 and 18.6 of the Rules
‘unsecured creditors’	Creditors who are neither secured nor preferential
‘WIP’	Work in Progress

Key information

Background

The Company entered into Administration on 23 December 2022, upon which date Mark Thornton and Martha Thompson were appointed as Joint Administrators.

A court order dated 5 July 2023 and sealed by the court on 6 July 2023 removed Martha Thompson from office following her retirement from BDO LLP. The Court order also provided for the appointment of Simon Girling, of BDO LLP, to be appointed in her place.

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

Purpose of the Report

This is the six-month Report for the period from 23 June 2023 to 22 December 2023.

The main purpose of the Report is to provide you with an update on the progress of the Administration during the Period and to update you on the pursuit of the statutory purpose of the Administration.

The Report can be reviewed in conjunction with all other reports regarding this Administration, on the brportal.bdo.co.uk portal.

Return to creditors

The table below summarises the anticipated outcome for creditors based on our current understanding of the case. Please note, these figures may be subject to change.

Class of creditor	Current estimate	Previous estimate
Secured creditors	Small distribution from fixed charge security. Any distribution from the floating charge security is uncertain	Uncertain
Preferential creditors ¹	N/A	Uncertain
Secondary preferential creditors	Uncertain	Uncertain
Unsecured creditors ²	Uncertain	Uncertain

- Following our previous report, and further investigations regarding potential preferential creditors, the Joint Administrators are satisfied that there are no preferential creditors.
- Based on current information, there will not be a return to unsecured creditors, other than by virtue of a potential distribution via the Prescribed Part. Any distribution via the Prescribed Part will be dependent on the level of floating charge realisations after deduction of costs and expenses of the Administration and the settlement of the secondary preferential creditor claim in full.

What creditors need to do

The purpose of the Report is to provide you with an update only and the creditors of the Company do not need to take any actions at this time.

Creditors' rights

An overview of the rights of creditors are detailed in Appendix B.

Contact details

Contact: Valeria Eugenio
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: 0151 237 6632
Email: BRCMTNorthandScotland@bdo.co.uk
Reference: 00422410

Progress in the period

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Period. Although these are self-explanatory, a brief summary is below:

Bank Interest

Bank interest of £124 and £1,930 has been received in the Period in respect of the fixed and floating charge bank accounts.

Business Rates Refunds

As previously reported, CAPA have been liaising with the local authorities for the former trading premises at Manchester and Middlesbrough regarding potential business rate refunds. This has resulted in realisations of £4,060 in the Period.

CAPA have confirmed that all business rate refunds have now been recovered. This matter is therefore closed.

Insurance Refund

An insurance refund of £528 has been received in the Period, following the cancellation of certain pre-appointment insurance policies.

Licence to Occupy Fees

Pursuant to the terms of the SPA, outstanding LTO's fees of £2,654 have been paid by AWH in the Period in respect of their occupation of three leasehold trading properties following the appointment.

All LTO fees have now been paid in full.

WIP - Undertakings

In accordance with my previous reports, 210 client files transferred to other legal firms prior to my appointment. The WIP incurred by the Company, prior to the transfer of these case files to other legal firms, represents an asset of the Company and are subject to WIP undertakings with the respective legal firms who inherited those client files.

As reported previously, the WIP undertakings were excluded from the SPA and therefore represent a realisable asset in the Administration. Given the complexities of this matter, the Joint Administrators engaged Horsepool (independent costs draftsman) to assist with the following:

- Collecting and collating information (WIP, disbursement records etc for each transferred client file) for billing purposes;
- To liaise with the respective successor firms and the LAA regarding WIP/disbursements and apportionment of costs for each transferred client file;
- Where appropriate, to review, raise bills and collect monies on behalf of the Company to realise the Company's WIP/disbursements for each transferred client file; and
- Assist in assessing any recoupment payments that may need to be repaid.

As part of the WIP/debtor collection process, I have been made aware that certain case files completed after the transfer to the other firms and the WIP undertakings due to the Company have been incorrectly paid to AWH. Consequently, AWH will need to repay the Company in respect of these monies.

I have also recently been made aware that the Company had obtained POA's from the LAA in respect of certain case files prior to the appointment. Consequently, and as a result of how the billing process operates with the LAA, when a final bill is raised, the LAA makes the payment in full (ie including any POA) and then separately issues a recoupment to recover the POA. As a result of the Company entering

Administration, the LAA have issued recoupments against AWH for certain case files subject to the WIP undertakings as opposed to the Company. Consequently, the Company will need to repay AWH for any recoupments incorrectly recovered by the LAA in respect of those WIP undertakings.

I have therefore been in protracted discussions and correspondence with Horsepool and representatives at AWH to clarify the above and agree the net position. After accounting for the monies owed from AWH and the monies due to AWH, a reparative payment of £26,719 was paid to AWH in the Period. A further reparative payment will be due to AWH once remaining funds have been realised in respect of the WIP undertakings and a mechanism for the ongoing monitoring of the position has been agreed.

Notwithstanding the above, net realisations relating to this asset totalling £150,442 have been realised in the Period.

The amount and timing of future realisations will be dependent on the conclusion and submission of final bills to the LAA and the deduction of any recoupments. Given the above, future realisations remain uncertain at this stage.

Potential future asset realisations

WIP/Debtor - Undertakings

As referred above, the Joint Administrators, with the assistance of Horsepool, will continue to liaise with the other firms, the LAA and AWH regarding realisation of the outstanding WIP due to the Company.

Due to the reasons set-out above, the amount recoverable is uncertain at this stage.

SPA - WIP/Debtors

In accordance with the terms of the SPA, the Company will be entitled to receive 50% of any WIP and debtor realisations recovered by AWH in excess of £2.5m.

The Joint Administrators are continuing to liaise with AWH in this regard to determine whether the threshold is likely to be met.

Distributions to creditors

Secured creditors

The Bank has a fixed charge and floating charge over certain Company's assets which was registered at Companies House on 27 November 2019.

On appointment, the Bank was owed c£5.1m in respect of a term loan, Coronavirus Business Interruption Loan Scheme, Recovery Loan Scheme and an overdraft facility.

A first interim distribution of £732 has been paid to the Bank in respect of its fixed charge security. A second and final distribution of c£1,900 will be paid shortly.

Any distribution to the Bank, in respect of its floating charge security, will predominantly be dependant on the final level of WIP realisations achieved. Based on current information, it is uncertain whether there will be any distribution to the Bank in respect of its floating charge security.

Preferential creditors

Following further investigations, the Joint Administrators are satisfied that there are no preferential creditors in the Administration.

Secondary preferential creditors

HMRC have a secondary preferential claim in respect of unpaid VAT and PAYE/Tax deductions. Based on the interim claim submitted by HMRC, there claim is summarised as follows:

Type of claim	Value (£)	Comments
Secondary Preferential	1,187,808.82	Direct taxes - Unpaid VAT and Employee NIC deductions.
Unsecured	167,362.76	Indirect taxes - Employer NIC deductions and interest.

Any distribution to HMRC, in respect of the secondary preferential claim of £1,187,809, will be dependent on the costs of the Administration, the level of asset realisations, in particular, the WIP/debtor undertakings and potential SPA WIP/debtor realisations. The level of such realisations is uncertain at present.

Prescribed Part

Any distribution via the Prescribed Part will be dependent on the level of floating charge realisations after deduction of costs and expenses of the Administration and the settlement of the secondary preferential creditor claim in full.

Based on current information, it is uncertain whether there will any funds available for distribution via the Prescribed Part.

Unsecured creditors

The Statement of Affairs details unsecured creditors' claims totalling £878,331.

To date, the Joint Administrators have received unsecured claims totalling £1.842m.

As detailed in the return to creditors section of the Report, it is not anticipated that a dividend will be paid to unsecured creditors other than via the Prescribed Part referred above. Consequently, these claims have not been reviewed and adjudicated for dividend purposes.

Extension of the Administration

On 30 October 2023 the secured creditor, together with the consent of the preferential creditors, approved an extension to the Administration for a period of one year. The Administration is now due to end on 22 December 2024.

Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Administrators in this Administration.

Pre-Administration costs

Approval was obtained for the payment of the pre-Administration costs of £183,854.05 from the secured and the preferential creditors on 6 October 2023.

A summary of the Pre-Administration costs are as follows:

Pre-Administration costs	Total Costs £	Paid £	Outstanding (£)
Joint Administrators' pre-Administration fees	76,412.70	76,412.70	Nil
Joint Administrators pre-Administration expenses	107,441.35	87,631.25	19,810.10
Total	183,854.05	164,043.95	19,810.10

Outstanding pre-appointment expenses will be paid shortly.

Joint Administrators' remuneration

The Joint Administrators' remuneration was approved on a time costs basis in accordance with the fees estimate circulated to secured and preferential creditors on 20 September 2023 and subsequently approved on 6 October 2023.

Further to the above, to enhance the prospects of a potential return to the preferential creditors, we have applied a discount of 30% in respect of our remuneration.

During the Period, time costs of £89,164 (noting this does not include the 30% discount) were incurred over 311 hours at an average rate of £287 per hour. The Joint Administrators have drawn remuneration of £35,000 in line with the approval given, as shown on the enclosed receipts and payments account at Appendix C.

A detailed report of the time incurred by the Joint Administrators and a narrative of the work undertaken during the Period is attached in Appendix D.

Joint Administrators' expenses

Expenses paid during the Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred is set out in Appendix E.

Future actions

Extension of the Administration

The Administration is due to end on 22 December 2024.

If a further extension to the Administration is required approval will be sought by a court order.

Joint Administrators' discharge from liability

Approval will be sought from the relevant creditors, prior to closure, that the Joint Administrators be discharged from liability on registration of the notice to move from Administration and the final progress report filed with the registrar of companies.

Remaining matters

A summary, although not exhaustive, of the ongoing matters which will need to be completed as part of the ongoing progression and subsequent closure of the Administration, is as follows:

- Ongoing review of the Company's WIP undertakings with the other firms, the LAA and AWH, with specific reference to agreeing and raising bills for the Company's WIP undertakings on a case-by-case basis;
 - Liaising with Horsepool with regards to collating information and apportioning costs between the Company and the respective firms and raising bills on behalf of the Company's WIP undertakings which were excluded from the SPA;
 - Ongoing review of WIP/debtor receipts recovered by AWH to establish whether there are any additional realisations due to the Company, in accordance with the SPA;
 - Assist AWH with any ongoing transitional matters following completion of the transaction (e.g. transferring certain creditor agreements for ongoing use and payment by AWH) in accordance with the terms of the SPA;
 - Respond to and resolve any ad hoc queries raised by third-parties;
 - Comply with BDO LLP's internal policies and procedures, six-month case reviews and monitoring/clearing diary lines in connection with the Administration;
 - Complying with our statutory obligations as Administrators of the Company (i.e. preparing and filing our six-month progress report to creditors etc);
 - Complete ongoing cashiering functions - recording receipts/payments in the Administration and completing monthly bank reconciliations;
 - Preparing and filing the Company's post appointment VAT returns;
 - Dealing with ongoing insurance matters following our appointment;
 - Responding to creditor queries and, where applicable, recording details of creditor claims submitted against the Company;
 - If applicable, review and adjudicate creditor claims and calculate, declare and pay dividends to creditors;
-

- Complete closure planning guidance in accordance with BDO LLP policies. This will include obtaining clearance from solicitors, agents and tax clearance from HMRC etc, that all outstanding matters have been completed;
 - Obtaining approval from the Company's creditors for the Joint Administrators discharge from liability; and
 - Prepare the final report and final account seeking the Joint Administrators release from office and filing with the creditors and Companies House.
-

Appendix A

Statutory information

Information

Company name	CK Realisations 2022 Limited (formerly Cartwright King Limited)
Company registration number	10143062
Registered office	C/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Court name and reference	High Court of Justice, Business and Property Courts in Leeds - 2022-LDS-001054
Date of appointment	23 December 2022
Appointor	The director pursuant to Paragraph 22 of Sch.B1 to the Act
Joint Administrators	Mark Thornton - appointed 23 December 2022 Simon Girling - appointed on 5 July 2023

Under the provisions of paragraph 100(2) of Sch.B1 to the Act the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by both of them.

Martha Thompson retired from BDO LLP and was removed as Joint Administrator by a Court Order dated 5 July 2023 and Simon Girling was appointed replacement Administrator on 5 July 2023.

Joint Administrators' address	BDO LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Data Control and GDPR	Mark Thornton and Simon Girling are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK.

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of CK Realisations 2022 Limited (formerly Cartwright King Limited). Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies>

Appendix B

Creditors' rights

Within 21 days of receipt of the Report (1) a secured creditor, (2) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (3) any unsecured creditor with the permission of the court, may request in writing that the Joint Administrators provide further information about their remuneration or expenses which are itemised in the Report.

Within 14 days of receipt of the request, the Joint Administrators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the Administration or might reasonably be expected to lead to violence against any person, or
- the Joint Administrators are subject to confidentiality obligations in respect of the information.

The Joint Administrators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Report, make an application to court that the basis fixed for the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred by the Joint Administrators, as set out in the Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Administrators' Fees' and information on the rights, duties and functions of a creditors' committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Administration. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

Appendix C

Receipts and payments account

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Appendix D

Joint Administrators' remuneration

The Joint Administrators' remuneration has been approved on a time costs basis, in accordance with the Fee Estimate approved by the secured and preferential creditors capped at £213,941.91, after applying a discount of 30%.

For clarity, total time costs for the Administration are estimated to be £305,631.30, as noted in the "Cumulative time incurred to fees estimate comparison" section referred later in this report'.

Time costs of £89,164 (noting this does not reflect the 30% discount) have been incurred during the Period and a breakdown is detailed below together with details of the work undertaken.

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Planning and strategy	-	0.20	1.20	6.25	0.85	2.15	10.65	3,454.35	324.35
Statutory reporting and decisions	6.45	-	7.20	29.35	5.35	13.50	61.85	21,106.25	341.25
General administration	1.00	1.10	1.10	21.00	24.40	35.80	84.40	17,353.80	205.61
Assets	4.05	1.40	0.90	69.70	0.90	33.55	110.50	34,483.95	312.07
Employees and pensions	0.50	-	-	4.40	-	-	4.90	2,013.70	410.96
Creditors	-	0.30	1.25	16.35	7.15	3.15	28.20	8,238.05	292.13
Post appointment taxation	0.50	-	-	2.65	6.90	0.65	10.70	2,514.25	234.98
TOTAL	12.50	3.00	11.65	149.70	45.55	88.80	311.20	89,164.35	286.52

Planning and strategy

- Internal meetings and discussions to discuss next steps and prioritise distribution of work;
- Preparation and completion of internal case reviews pursuant to BDO LLP procedures; and
- Preparation and review of strategy documents relating to the WIP undertakings and POA/recoupments and updating the estimated outcome statement.

Statutory reporting and decisions

- Preparation of the fees and expenses estimate and the remuneration report and appendices. Arranging filing/notification of the remuneration report to the secured and preferential creditors;
- Obtaining approval of the Joint Administrator's remuneration from the secured and preferential creditors and completing relevant notices to support the above;
- Preparation and finalisation of the periodic progress report for the period 23 December 2022 to 22 June 2023;
- Filing statutory documents at Companies House; and
- Requesting and obtaining consent from the secured creditor and preferential creditors to extend the Administration until 22 December 2024.

General administration

- Cashiering functions, including recording receipts, reviewing/processing payments and completing bank reconciliations;
- Assisting with queries from AWH and third parties, regarding the transition of the business and certain assets and liabilities to AWH, in accordance with the terms of the SPA;
- Liaising with Pinsents (as Solicitor Manager) and AWH in respect of reconciliation of the Company's client account, transfer of such funds to AWH and payment of unpaid disbursements, noting these are a liability of AWH in accordance with the terms of the SPA;
- Monitoring incoming mail and emails;
- Ongoing maintenance of case files in accordance with BDO LLP policies;
- Ongoing maintenance/updating of case diary lines in accordance with BDO LLP policies; and
- General ad hoc matters not categorised elsewhere.

Assets

- Liaising with our insurers with regards to the public liability cover for the properties subject to an LTO agreement with AWH;
- Reconciliation of WIP undertakings in respect of client files that transferred prior to the sale to AWH;
- Ongoing correspondence with the respective firms, AWH and the LAA with regards to agreeing the Company's WIP on a case-by-case basis and agreeing the billing mechanism with those firms to realise the Company's WIP;
- Liaising with Horsepool to assist us in collating information and apportioning costs between the Company and the respective firms and raising bills on behalf of the Company;
- Monitoring the realisation of the WIP undertakings with Horsepool and practices to which files excluded from the SPA were transferred prior to the date of Administration, and agreeing the recharge of certain costs in respect of these files;
- Correspondence with AWH and the LAA regarding realising the WIP incorrectly paid to AWH in respect of certain files excluded from the SPA;
- Correspondence with Horsepool and LAA in relation to the POA and recoupments owed to AWH as outlined in the Assets section. Additional internal discussions to consider appropriate next steps/strategy;
- Liaising with AWH with regards to the proposed vacation of the remaining properties and confirming the position with the respective landlords/landlords' agents;
- Liaising with AWH regarding realisation of the outstanding LTO monies pursuant to the SPA;
- Engaging and liaising with CAPA regarding an audit review of the business rates for the properties occupied by the Company;
- Pursuant to instructions from the Solicitor Manager, reviewing and approving the transfer of client monies (to AWH) incorrectly paid into the Company's pre-appointment bank account after the appointment; and
- Correspondence with AWH regarding potential deferred consideration due in respect of WIP realisations over £2.5m, in accordance with the terms of the SPA.

Significant time costs, relative to the total costs incurred to date in the Administration, have been allocated to this category. This reflects the complexities of understanding the excluded client files, protracted correspondence with the various successor practices, the LAA and Horsepool, and to understand the issues surrounding the repatriation of any POA by the LAA and the correct apportionment/recoupment of subsequent funds to AWH.

Any distribution to creditors, will likely be dependent on the outcome of the collection of WIP. Consequently, the time costs incurred to date are essential in ensuring the maximisation of WIP/Debtor realisations for the benefit of the Company's creditors as a whole.

Employees and pensions

- Investigating the potential preferential claims against the Company; and
- Engaging with ERA to assist us with regards to the above.

Creditors

- Liaising with the secured creditor;
- Obtaining legal advice in relation to certain contentious claims submitted following my appointment;
- Reviewing and responding to creditor claims, processing of creditors' claim form and entering into IPS;
- Redirecting legal disbursement creditors to AWH per the terms of the SPA; and
- Liaising with the Company's directors and AWH to assist with certain creditor queries to ascertain the correct treatment of potential liabilities.

Post appointment taxation

- Preparation of VAT returns in the Administration; and
- Correspondence with Horsepool, AWH and the other firms to ascertain the correct apportionment of VAT in relation of the WIP undertakings.

The current charge out rates per hour of staff within the firm who may be involved in working on the Administration are as follows:

Grade	£
Partner	745
Director	417-834
Senior Manager	347-694
Manager	190-507
Senior Executive	152-354
Executive	93-186
BDO LLP tax department (max)	1,304

Cumulative time incurred to fees estimate comparison

Total time costs of £264,318 have been incurred over the course of the Administration to 22 December 2023 as detailed below.

Activity	Fees Estimate dated 15 September 2023			Total Incurred		
	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £
Steps on appointment	61.35	260.11	15,957.65	61.35	260.11	15,957.65
Planning and strategy	44.10	346.95	15,300.45	21.50	390.33	8,392.05
Statutory reporting and decisions	154.35	348.93	53,857.20	129.10	364.75	47,089.15
General administration	151.55	242.04	36,681.15	146.45	242.58	35,525.95
Assets	295.35	399.56	118,010.45	292.85	382.48	112,009.25
Investigations	13.35	378.29	5,050.20	13.35	378.29	5,050.20
Employees and pensions	24.70	370.51	9,151.70	23.20	362.03	8,399.20
Creditors	124.40	225.61	28,065.75	106.00	224.91	23,840.60
Post appointment taxation	48.65	325.34	15,827.75	25.70	313.37	8,053.60
Closure	26.50	291.66	7,729.00	-	-	-
TOTAL	944.30	323.66	305,631.30	819.50	322.54	264,317.65

Appendix E

Joint Administrators' expenses

The Joint Administrators' expenses incurred and paid are detailed below.

	Estimated	Incurred in Period 23/06/2023 to 22/12/2023 £	Total Incurred 23/12/2022 to 22/12/2023 £	Total Paid 23/12/2022 to 22/12/2023 £
Category 1				
Agents' Expenses		102.83	102.83	102.83
Agents' Fees	850.00	700.00	700.00	700.00
CAPA - Agents Fees ¹		1,014.92	3,210.01	3,210.01
Excluded WIP - Admin Costs		596.06	596.06	596.06
Horsepool - Costs Draftsman ²	30,000.00	7,767.34	8,619.54	8,619.54
ICO Fees	80.00	40.00	40.00	40.00
Insurance	2,250.00	512.96	2,187.36	2,187.36
Legal Fees	22,500.00	-	2,712.50	2,712.50
Licence to Occupy Fees	-	-	11,972.11	11,972.11
PR/Media Costs	345.00	-	345.00	345.00
Pre-Administration Legal Disbursements		50.00	50.00	50.00
Pre-Administration Legal Fees ³		75,000.00	75,000.00	75,000.00
Pre-Administration PR Costs		-	2,581.25	2,581.25
Pre-Administration Solicitor Manager Fee		-	10,000.00	10,000.00
Printing & Postage	4,372.00	-	2,371.50	2,371.50
Re-direction of Mail	474.00	-	474.00	474.00
Solicitor Manager Fees ⁴	10,000.00	10,000.00	10,000.00	10,000.00
*Specific Bond	300.00	-	100.00	100.00
Statutory Advertising	95.00	-	95.00	95.00
*Bonding			100.00	0.00
Category 2				
Mileage	100.00	-	-	-

*included within disbursements not yet paid from the case.

Although the expenses are largely self-explanatory, we would specifically comment on the following expenses which were incurred and paid in the Period:

1. CAPA have been engaged to complete a business rates review of the Company's property portfolio to establish whether the Company may be due a refund in respect of business rates.

CAPA's fees have been agreed on a no win no fee basis with a fixed fee of 25% of any net realisations paid into the estate.

2. Horsepool have been engaged by the Company to assist with the following:
 - Collecting and collating information (WIP, disbursement records etc for each transferred client file) for billing purposes;

- To liaise with the respective successor firms and the LAA regarding WIP/disbursements and apportionment of costs for each transferred client file;
- Where appropriate, to review and raise bills on behalf of the Company to realise the Company's WIP/disbursements for each transferred client file; and
- Assist in assessing any recoupment payments that may need to be repaid.

Horsepool's fees are based on a percentage of the total bill for each case file. Horsepool's costs are difficult to quantify as the fixed fee can change depending on the type of case file and whether a case file qualifies as an exceptional case for LAA funding purposes. These costs are necessary to ensure realisations are maximised for the benefit of the estate.

3. Pinsent's costs relate to pre-appointment costs for the period 24 October 2022 to 22 December 2022. The costs relate primarily to assisting with the preparation of the appointment documents to place the Company into Administration and the preparation of the SPA.

These costs were necessary to place the Company into Administration and to facilitate the completion of the SPA to AWH to achieve the best possible outcome for the creditors as a whole.

4. Pinsent's were also engaged as Solicitor Manager to assist in reviewing the Company's client account and WIP records in the post-appointment period.

These costs are necessary to ensure that the Company is compliant with Solicitor Regulation Authority requirements regarding client account monies. Pinsent's fees were agreed at a fixed fee of £10,000.
