

# WU07

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



Companies House

MONDAY



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15/06/2020

#284

COMPANIES HOUSE

### 1 Company details

Company number 0 8 2 5 6 2 2 5

Company name in full SCL Elections Limited

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

### 2 Liquidator's name

Full forename(s) Vincent John

Surname Green

### 3 Liquidator's address

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E

Country

### 4 Liquidator's name

Full forename(s) Mark

Surname Newman

① Other liquidator  
Use this section to tell us about another liquidator.

### 5 Liquidator's address

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E

Country

② Other liquidator  
Use this section to tell us about another liquidator.

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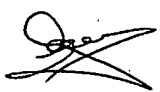
**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9	
To date	<sup>d</sup> 1	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	

**7** Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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**8** Sign and date

Liquidator's signature	Signature X  X								
Signature date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	

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 **Presenter information**

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

Contact name **Joe Longhurst**

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

Address **4 Mount Ephraim Road**

**Tunbridge Wells**

Post town **Kent**

County/Region

Postcode **T N 1 1 E E**

Country

DX

Telephone **01892 700200**

 **Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

 **Important information**

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

 **Where to send**

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

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

 **Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



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

**SCL Elections Limited  
(In Liquidation)**

**Annual Progress Report to 16 April 2020**

**Vincent John Green  
Mark Newman**

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

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## 1. INTRODUCTION

On 17 April 2019, Vincent John Green and Mark Newman of Crowe U.K. LLP were appointed Joint Liquidators of SCL Elections Limited ("the Company") by the Court.

This Progress Report summarises the progress of the Liquidation for the period from 17 April 2019 to 16 April 2020 ("the Reporting Period").

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

## 2. ADMINISTRATION AND PLANNING

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

### Reporting

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

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

- Notice of the Joint Liquidators' appointment to creditors, directors, members and other interested parties;
- The final Administration report for the period 3 May 2018 to 17 April 2020 ("the Administration Period").

### Other administrative tasks

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

- Informing all relevant persons of the appointment of Liquidators, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with statutory requirements;
- Maintaining case files, including documenting decisions made by the Joint Liquidators that materially affect the Liquidation.

### The Information Commissioners Office ("the ICO")

As previously reported, under the terms of a warrant to enter and search premises granted by the High Court on 23 March 2018, representatives of the ICO removed any documents or other material that may have provided evidence of offences under section 55 of the Data Protection Act 1998. The ICO attended the premises at 55 New Oxford Street, London ("the Premises") and the server hosting sites. The U.K. subsidiaries' file servers were removed together with all laptops and electronic data storage devices at the Premises at the time of the ICO's attendance.

In particular and without wishing to prejudice the ICO's investigations, through various endeavours the Joint Administrators located and provided key information relevant to data platforms, log in scripts, and passwords. The Joint Administrators had a number of meetings with the ICO and there has been a sharing of relevant information. This cooperation has continued in the Liquidation, and in the period to the writing of this report, the ICO have confirmed that their investigation has now concluded. The

ICO have advised that they are in a position to agree to the return of all the remaining material seized under warrant to the Joint Liquidators. The return is subject to various undertakings that are currently being considered by the Joint Liquidators in accordance with legal advice and the return has unavoidably been delayed as a result of the COVID 19 pandemic restrictions.

No data has been processed by the Joint Liquidators, this matter was dealt with in the case of *Smith v The Information Commissioner, re Southern Pacific Loans Ltd (2014) 2 WLR 1067*. In this matter, the Court held that the Liquidators were not Data Controllers within the meaning of the Data Protection Act in respect of data processed by the company prior to its Liquidation.

### 3. ENQUIRIES AND INVESTIGATIONS

An initial investigation into the Company's affairs was undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. The detailed narrative at **Appendix II** provides information on the work undertaken.

This initial assessment revealed matters that the Joint Liquidators considers merit further investigation.

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

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

### 4. REALISATION OF ASSETS

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

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

#### Realised Assets

##### Administration Period VAT Refund

The sum of £18,035.58 has been received from HM Revenue & Customs ("HMRC") in respect of VAT reclaimed in the period of the Company's Administration.

##### Recovery of Costs

As previously reported, in the Administration Period a contingent creditor opposed the Joint Administrators' petition for winding-up by the Court. The matter was heard by a High Court Judge on 18 March 2019, who subsequently approved the appointment of the Joint Administrators' as Joint Liquidators, pursuant to S.140 of Schedule B1 to the Insolvency Act 1986 ("the Act"), with effect from the date of the Order, being 17 April 2019. The Judge did not accept the claims made against the Joint Administrators.

At the time of the Judgment confirming the appointment of the Joint Administrators as Joint Liquidators, the Court did not make a decision on the Order of Costs nor the application for permission

to appeal made by the contingent creditor. Costs submissions were therefore made to the Court by the contingent creditor and the Joint Liquidators.

As a result of the submissions made, on 10 December 2019 the Court found that an interim payment of £78,300 inclusive of VAT was to be made in the Joint Administrators' favour and refused the contingent creditor permission to appeal the appointment of the Joint Administrators. Although refused permission to appeal, the contingent creditor may have chosen to renew an application to appeal directly to the Court of Appeal. No such application was made.

Following receipt of an initial payment of £44,560.64 from the contingent creditor, an offer of \$75,000 to settle all remaining costs to which the Joint Liquidators responded with a counter offer of \$115,000. As a result of discussions the Joint Liquidators have received £111,635.46 in settlement of costs. £101,641.46 of which having been received in the Reporting Period and the remaining £9,994 received in the period to the writing of this report.

These funds are a recovery of costs that relate to the contingent creditors opposition to the appointment of Joint Liquidators over;

- the Company;
  - Cambridge Analytica (UK) Limited;
  - SCL Analytics Limited;
  - SCL Commercial Limited;
  - SCL Group Limited; and,
  - SCL Social Limited
- (together "the Companies")

These costs were settled in full by Emerdata Limited and therefore the recovered costs were due to be reimbursed to Emerdata Limited. However, Emerdata Limited have agreed to the costs recovered to be used in settlement of legal fees and the Joint Liquidators' costs. To avoid complication the recovered funds and payments in respect of legal fees and Liquidators' costs have been allocated solely to the Company and are shown on the enclosed receipts and payments account at **Appendix III**.

In the Reporting Period, of the funds recovered, £45,946.87 plus VAT has been used in payment of legal fees and £17,813.90 has been used in payment of Joint Administrators' costs. In the period to the writing of this report, £20,000 plus VAT of the funds received has been used to settle the Joint Liquidators' costs.

#### Gross Bank Interest

In compulsory liquidations, the Joint Liquidators are obliged to bank funds into an account with the Insolvency Service ("ISA"). Gross interest of £1.86 has been earned in the Reporting Period.

Corporation Tax deducted at source by the Insolvency Service in the Reporting Period relating to bank interest received amounts to £0.37.

#### **Assets still to be recovered**

##### Employee loans

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

##### Employee travel loans





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

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

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

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

Following receipt of information provided by the director, correspondence has been entered into with NMSI in relation to this balance. No realisations have been received in the Reporting Period and we expect to report fully in subsequent reports to creditors.

#### Trade debtors

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

The debtor balances of £64,181 relates to the net balance of six accounts which the director considers to be fully recoverable. The Joint Administrators corresponded with the debtors that relate to this balance and received a number of disputes. No debtor realisations have been received in the Reporting Period. As conflicting information relating to the balances has been received the matter remains under review and we expect to report fully in subsequent reports to creditors. It is uncertain what realisations will be made in respect of these debts

#### VAT Balances

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

According to the director's Statement of Affairs, the BV balance of VAT receivable was £136,918 estimated to be realisable in full.

The director has anticipated a full recovery of this asset but this is dependent upon VAT returns to the date of Administration being submitted to and agreed by HMRC for the VAT Group.

VAT return forms required for the pre-appointment period have been received and provided to the director for his completion and assistance has been given in the completion of these returns as appropriate. VAT Officer Assessments have been made against the VAT Group and a request for a breakdown of the same has been made.

Any realisations from this source will depend upon the pre-appointment returns submitted by the director and the assessments of HMRC.

#### Investments

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

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



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

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

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

#### Rental deposits

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

The amount of £19,343 represents the balance of rental deposits as at 31 December 2017. There are no entries for 2018 and comments are awaited from the director regarding 2018 entries and the recoverability of any sums due. Accordingly, the matter remains under review and will be taken up by the Joint Liquidators.

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

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

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

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

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

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

## **5. CREDITORS**



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

### **Employee Claims**

As previously advised, the employees of the Company were immediately advised of the Joint Administrators' appointment, the implications of the Administration and that it was the Company that would continue with their employment contracts. Employees were also advised that their post-Administration salaries could only be paid from asset realisations, should such funds become available. The employees were also informed that the Joint Administrators would not be adopting the employees' contracts.

Amounts remain due to employees for holiday pay and wages accrued in the post Administration period from 4 May 2018 to 22 May 2018, being the date that the employees were necessarily made redundant. Any payments to employees will be dependent upon the sum of realisations made. The liabilities for holiday pay and wages were estimated to amount to £150,075 and £21,055 respectively.

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

The payroll prepared by Moorepay for the period 4 May 2018 to 22 May 2018 indicates the Gross sum of post-Administration salaries of £161,026.28.

### **Secured Creditors**

The Company has not granted any charges over its assets.

### **Preferential Creditors**

All employees were made redundant in the Administration Period on 22 May 2018. The relevant information for employees to submit claims has been presented to the Redundancy Payment Service ("the RPS") and information and assistance has been given to employees to enable them to submit their claims online.

The only known preferential creditors are former employees of the Company for unpaid wages, holiday pay and unpaid pension contributions to 3 May 2018. Their claims are subject to a maximum limit set by the insolvency legislation.

The director did not reflect any outstanding liabilities in respect of the former employees in the Statement of Affairs. According to information provided by the Company's former HR officer the liabilities for unpaid wages and holiday pay are estimated as follows:

- Accrued wages - £33,102
- Holiday pay - £50,960

The RPS was notified of the insolvency of the Company and administered the claims received from the former employees subject to the statutory limits imposed.

The RPS has made payments totalling £34,064.61 to employees in respect of their claims for arrears of pay and accrued holiday pay subject to the statutory limits imposed. The RPS made payments to employees in respect of these elements of their claims, and is therefore entitled to claim against the Company in their stead.

### **Unsecured Creditors**



According to the director's Statement of Affairs, the director had shown 71 unsecured creditors with a book value of £8,390,783.92, excluding HMRC.

To date, claims from 50 unsecured creditors have been received totalling £7,192,901.69 excluding HMRC. Of this sum, 20 claims totalling £357,852.15 were received from creditors not included on the director's Statement of Affairs. Accordingly, the Joint Liquidators have not received claims from 41 unsecured creditors with original estimated claims in the Statement of Affairs to date.

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

#### HMRC

HMRC was shown to be owed £196,865.76. A claim was received from HMRC in the Administration Period in the sum of £301,130.03.

As detailed above, the Company is part of a VAT Group. Of HMRC's claim of £301,130.03, £141,235.32 relates to the VAT Group and it is currently being determined how much relates solely to the Company and not the other members of the VAT Group. A breakdown of the claim submitted is currently awaited.

The remaining £159,894.71 claimed by HMRC relates to direct taxes, being PAYE and Corporation Tax. A breakdown has been requested, but to date the only response has been advised that the majority (no exact sums have been provided) relates to PAYE rather than Corporation Tax.

#### Claims from creditors not included on the director's Statement of Affairs

Of the 20 claims submitted by creditors not included on the director's Statement of Affairs, 12 were received from contingent creditors each asserting that they had claims for misuse of data (which are at the present time unproven) worth between £10 and £20,000, three were received from un-associated creditors and the final claim was that received from the RPS as referred to further below.

#### Employee Claims

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

As noted above, the RPS has administered the claims received from the former employees subject to the statutory limits imposed. The RPS has made payments totalling £38,073.24 to employees in respect of their unsecured claims for arrears of pay, payment in lieu of notice and contractual redundancy pay subject to the statutory limits imposed. The RPS have also made a payment totalling £26,978.36 to the pension provider in respect of their claims for unpaid pension contributions subject to the statutory limits imposed.

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

#### **Dividend Prospects**

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

Any dividend to the preferential creditors and subsequently the unsecured creditors is dependent upon the recoverability of assets, the costs of Administration and the Liquidation (including the sum of post-Administration salaries) and the other outstanding matters detailed within the body of this report.



Accordingly, it is currently uncertain whether funds will be available to pay a dividend to preferential creditors and subsequently a dividend to the unsecured creditors.

## **6. FEES AND EXPENSES**

### **The Joint Liquidators' Fees**

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

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

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

In order to discharge the Joint Administrators' costs, Emerdata Limited paid £178,094.18 plus VAT and £95,700.58 plus VAT in the Administration and Reporting Period respectively. Therefore, to date £273,794.76 plus VAT has been paid by Emerdata Limited to partially discharge the Joint Administrators' costs.

Not including the above sums paid by Emerdata Limited, in the Administration Period, £47,009.97 plus VAT was drawn by the Joint Administrators in respect of their fees agreed on a fixed basis from asset realisations.

In the Reporting Period, £20,239.24 plus VAT has been paid by Emerdata Limited to partially discharge the Joint Liquidators' costs, relating to the Company. For the avoidance of doubt, this sum does not include the £20,000 plus VAT drawn in the period to the writing of this report from the aforementioned costs recovery that would otherwise have been reimbursed to Emerdata Limited.

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

### **Expenses & Disbursements**

The expenses and disbursements incurred and paid in the Reporting Period are detailed at **Appendix IV** together with a comparison to the Expenses Estimate that were estimated at the outset of the Administration.

The Category 1 disbursements paid in the Reporting Period total £9,488 and represent the reimbursement of actual out of pocket payments made in relation to the Liquidation.

The recovery of Category 2 disbursements was approved by creditors on 11 July 2018 and following the formation of a Creditors' Committee were ratified by the Committee members at the first meeting of the Committee on 8 October 2018. There have been no Category 2 disbursements incurred or paid in the Reporting Period.

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

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

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

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

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

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

## **7. CREDITORS' RIGHTS**

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

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

## **8. EU REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)**

The Company's centre of main interest was in the UK as its registered office address and trading address was located in the UK. Therefore, it is considered that the EU Regulations apply. These proceedings are main proceedings as defined in the EU Regulation.

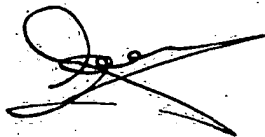
## **9. CONCLUSION**

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

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

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

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



Signed \_\_\_\_\_

Vincent Green  
Joint Liquidator

Date 15 June 2020

**Appendix I****Statutory Information**

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

## Appendix II

### List of Work Undertaken in Reporting Period

#### Administration and Planning:

- Statutory/advertising - Filing of documents to meet statutory requirements; Advertising in accordance with statutory requirements
- Document maintenance/file review/checklist - Filing of documents; Periodic file reviews; Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards; Maintenance of statutory and case progression task lists/diaries; Updating checklists
- Bank account administration - Preparing and submitting correspondence in respect of the Insolvency Service Account (ISA); Obtaining bank statements; Bank account reconciliations; Correspondence with the Insolvency Service regarding specific transfers; Maintenance of the estate cash book; Banking remittances and issuing cheques/BACS payments
- Planning / Review - Discussions regarding strategies to be pursued; Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
- Books and records / storage - Dealing with records in storage; Sending job files to storage
- Creditor reports - Preparing annual progress report, investigation, meeting and general reports to creditors

#### Realisation of assets:

- Debtors - Collecting supporting documentation; Correspondence with debtors; Reviewing and assessing debtors' ledgers; Dealing with disputes, including communicating with directors/former staff;
- Insurance - Identification of potential issues requiring attention of insurance specialists; Correspondence with insurer regarding initial and ongoing insurance requirements; Reviewing insurance policies; Correspondence with previous brokers

#### Investigations:

- SIP 2 Review - Collection, and making an inventory, of company books and records; Correspondence to request information on the company's dealings, making further enquiries of third parties; Reviewing questionnaires submitted by creditors and directors; Reconstruction of financial affairs of the company; Reviewing company's books and records; Preparation of deficiency statement; Review of specific transactions and liaising with directors regarding certain transactions; Liaising with the committee/creditors or major creditors about further action to be taken; Advising Official Receiver of any matters that may be relevant to their reporting requirements in respect of the Directors' conduct.
- Litigation / Recoveries - Strategy meeting regarding litigation; Seeking funding from creditors; Reviewing terms of solicitors' fee agreements; Preparing brief to solicitors/Counsel; Liaising with solicitors regarding recovery actions; Attending to settlement matters
- Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors
- Seeking information and explanations from the director (and senior employees) relating to asset, financial and employee matters
- Endeavouring to reconcile SAGE and NetSuite accounting records to establish the financial position of the Company
- Reconciliation of the Company's bank accounts with the Company's accounting records.
- Making enquires of the Company's interim financial accountant regarding financial transactions, employee matters and physical and intangible assets
- Making enquiries of the Company's accountants and bookkeepers





- Reviewing information received from creditors
- Collecting and examining the Company's bank statements, accounts and other records
- Instructing specialist IT agents to secure and confidentially collect information held on the Company's IT systems and platforms for investigative purposes
- Liaising with specialist IT agents to interrogate information held on the Company's IT systems and platforms.

#### Creditors:

- Creditor Communication - Receive and follow up creditor enquiries via telephone; Review and prepare correspondence to creditors and their representatives via facsimile, email and post; Assisting employees to pursue claims via the RPS; Corresponding with the PPF and the Pensions Regulator
- Dealing with proofs of debt - Receipting and filing POD when not related to a dividend; Corresponding with RPS regarding POD when not related to a dividend
- Creditors Committee (where applicable) - Corresponding with the Creditors' Committee, including formal reporting duties and holding meetings where appropriate.
- Corresponding with the representatives of parties claiming to be creditors of the Company connected to their misuse of data representations
- Dealing with a significant volume of email communications from members of the public regarding alleged misuse of data

#### Case Specific Matters:

- Liaising with the ICO and assisting with their enquiries
- Liaising and dealing with the ICO regarding its enforcement notice, its implications and the computer and other equipment seized
- Communications with U.S. Attorneys, representatives of U.S. subsidiaries (including the US Trustees) and authorities in the U.S.
- Liaising with law enforcement agencies worldwide
- Dealing, considering and responding to legal matters and enquiries
- Making enquires of the director regarding various matters including press enquiries, the ICO investigation, financial transactions, employee matters and physical and intangible assets
- Dealing with substantial media coverage and responses
- Responding to the significant number of Subject Access Requests received
- Meeting and liaising with solicitors regarding the winding up petition, the associated potential appeal and cost applications
- Meeting and liaising with counsel regarding the winding up petition, the associated potential appeal and cost applications
- Preparing and filing cost applications to the Court
- Dealing with press regarding the winding up petition



**Appendix III**

**Receipts & Payments Account**

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

Statement of Affairs £	From 17/04/2019 To 16/04/2020 £	From 17/04/2019 To 16/04/2020 £
<b>ASSET REALISATIONS</b>		
Administration Period VAT Refund	18,035.58	18,035.58
Gross Bank Interest	1.86	1.86
Recovery of Costs - Third Party Funds	84,701.22	84,701.22
	<u>102,738.66</u>	<u>102,738.66</u>
<b>COST OF REALISATIONS</b>		
ISA Balance on Appointment	9,400.00	9,400.00
ISA Banking Fees	88.00	88.00
Legal Fees & Disbursements	45,946.87	45,946.87
Liquidators' Costs - Paid by 3rd party	17,813.90	17,813.90
Tax on Interest	0.37	0.37
	<u>(73,249.14)</u>	<u>(73,249.14)</u>
	<u><b>29,489.52</b></u>	<u><b>29,489.52</b></u>
<b>REPRESENTED BY</b>		
ISA NIB		33,677.21
Vat Payable		(16,940.24)
Vat Receivable		12,752.55
		<u><b>29,489.52</b></u>



**Appendix IV**

**Expenses & Disbursements Information**

### Expenses Information

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

Professional Advisor	Nature of Work	Basis of Fees	Carried forward from ADM Period	Further Costs Accrued	Paid by Third Party	Paid from Asset Realisations	Amount still to be paid
Law Abroad Limited t/as Underwoods Solicitors	Legal Advice & Counsel Disbursements	Time Costs & Disbursements	£94,761.55*	£10,399.67	£103,574.55	£0.00	£1,586.67
Howard Kennedy LLP	Legal Advice	Funds Paid on Account	£0.00	£7,500.00	£7,500.00	£0.00	-
<b>Total</b>			<b>£94,761.55</b>	<b>£17,899.67</b>	<b>£111,074.55</b>	<b>£0.00</b>	<b>£1,586.67</b>

\* the actual sum carried forward from the Administration Period was £94,761.55, although shown in the Final Administration report at £63,331.55.

The above sums are exclusive of VAT.

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

The agents and professional advisors costs as detailed in the column named "Paid by Third Party" above have to be settled by a third party, namely Emerdata Limited, the group parent company.

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

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



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

Of the £103,574.55 paid by Emerdata Limited to Underwoods in the Reporting Period, £62,575 relates to Counsel's fees.

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

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

In this case, legal costs have been incurred above those originally estimated, primarily as a result of the applications of the contingent creditor as previously mentioned.

### Disbursement Information

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

Type of expense	Original Estimate	Amount accrued	Paid by Third Party	Paid from Asset Realisations	Amount still to be paid
Online Reporting Fee	Uncertain	£12.00	£12.00	£0.00	£0.00
Postage	Uncertain	£89.70	£89.70	£0.00	£0.00
Travel	Uncertain	£104.60	£104.60	£0.00	£0.00
<b>Total</b>	<b>£0.00</b>	<b>£206.30</b>	<b>£206.30</b>	<b>£0.00</b>	<b>£0.00</b>

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

Type of expense	Original Estimate	Amount accrued	Paid by Third Party	Paid from Asset Realisations	Amount still to be paid
ISA Balance on Handover	N/A	£9,400.00	£0.00	£9,400.00	£0.00
ISA Bank Charges	N/A	£88.00	£0.00	£88.00	£0.00
Postage	Uncertain	£312.10	£299.97	£0.00	£12.13
Statutory Advertising	Uncertain	£73.55	£73.55	£0.00	£0.00
Insurance	Uncertain	£280.00	£0.00	£0.00	£280.00
<b>Total</b>	<b>£0.00</b>	<b>£10,153.65</b>	<b>£373.52</b>	<b>£9,488.00</b>	<b>£292.13</b>

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

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

### ISA Banking Fees

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



**Appendix V**

**Charge out rate and Disbursements policy**



**CROWE U.K. LLP**

**RECOVERY SOLUTIONS**

**CHARGE-OUT RATES AND DISBURSEMENTS**

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

Partner	£385 per hour
Director	£300 per hour
Senior Manager	£280 per hour
Manager	£250 per hour
Assistant Manager	£200 per hour
Senior Administrator	£170 per hour
Administrator	£130 per hour
Trainee/Support Staff	£70 per hour

It should be noted that the above rates may increase from time to time over the period of the administration of each insolvency case. The above rates are effective from 1 April 2020. Time is charged in six minute units.

Category 1 disbursements are charged at the actual cost at which they are incurred and are directly attributable to the case. Category 1 disbursements include statutory advertising, specific bond insurance, external records storage and postage. Reimbursement of Category 1 disbursements does not require the approval of creditors.

Category 2 disbursements are those incurred by Crowe U.K. LLP and re-charged to the case and they may include a profit element. Category 2 disbursements are reimbursed from the case only when the basis of the disbursement charge has been approved by creditors in advance.

It is the firm's policy to recover the following disbursements:

Photocopying	Re-charged at 10p per sheet
Internal room hire	Charged at £50 per meeting held in house
Company searches	£15 per corporate case
Mileage	Charged at 45 pence per mile

**GUIDES TO FEES AND BEST PRACTICE**

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

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

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

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