In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

FRIDAY

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A08 10/05/2019 #2
COMPANIES HOUSE

1	Company details
Company number	0 5 0 2 6 5 8 4
Company name in full	Open Door (Legal Services) Ltd

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

2	Administrator's name
Full forename(s)	Daniel James Mark
Surname	Smith

3	Administrator's address
Building name/number	1 New Street Square
Street	
Post town	London
County/Region	
Postcode	E C 4 A 3 H Q
Country	

4	Administrator's name ❶
Full forename(s)	Daniel Francis
Surname	Butters

❶ **Other administrator**
Use this section to tell us about another administrator.

5	Administrator's address ❷
Building name/number	1 New Street Square
Street	
Post town	London
County/Region	
Postcode	E C 4 A 3 H Q
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6	Period of progress report
From date	1 1 / 1 0 / 2 0 1 8
To date	1 0 / 0 4 / 2 0 1 9

7	Progress report
	☑ I attach a copy of the progress report

8	Sign and date
Administrator's *signature*	Signature X X
Signature date	0 8 / 0 5 / 2 0 1 9

Deloitte.

Harrington Brooks Group Limited ("HBGL")
Harrington Brooks Limited ("HBL")
HB Financial Solutions Limited ("HBFS")
Open Door (Legal Services) Limited ("ODLS")
One Advice Limited ("OAG")
All in Administration (together "the Companies" / "the Group")

Progress report to creditors for the period 11 October 2018 to 10 April 2019 pursuant to Rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Daniel James Mark Smith and Daniel Francis Butters ("the Joint Administrators") were appointed Joint Administrators of the Companies on 11 April 2018 by the Directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

Key messages

Key messages

Joint Administrators of the Companies

Daniel James Mark Smith

Deloitte LLP

2 Hardman Street

Manchester

M60 2AT

Daniel Francis Butters

Deloitte LLP

1 New Street Square

EC4A 3HQ

Contact details

Email: aabanks@deloitte.co.uk

Website:

www.deloitte.com/uk/oneadvice

Tel: 0121 695 5827

	Commentary
Purpose of administration	• The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole than a liquidation would be expected to achieve.
Progress of administration	• The business and assets were sold on 11 April 2018 as detailed in our SIP 16 Statement dated 18 April 2018 a copy of which can be viewed on www.deloitte.com/uk/oneadvice. • Funds totalling £263k were received across the Companies in respect of pre appointment bank account sweeps. • An extension to the administrations was granted by the secured creditors as detailed below. • During the period various queries were submitted by the Financial Ombudsmen Services ("FOS") in relation to previous customers of the Companies. The Joint Administrators continue to address any queries received.
Costs	• The basis of our post-appointment fees has been fixed as a set amount as detailed below: - HBGL: £7k - HBL: £7k - HBFS: £75k - ODLS: £20k - OAL: £251k • Fees have been drawn during the period as detailed on page 15. • No disbursements were incurred in the report period. Please see page 16 for further details. • Legal fees of £94k have been incurred across all Companies during the report period. Please see page 6 for further details.
Outstanding matters	• Continue to respond to any queries from previous customers of the Companies and the FOS. • Monitor and collect the remaining deferred and contingent consideration from the Purchaser. • Payment of Joint Administrators' remuneration and expenses. • Conclusion of ongoing legal matters and payment of final legal costs. • Make final distributions to the secured creditors. • Finalise tax and VAT matters. • Conclude statutory administrative matters including finalisation of the administrations.
Dividend prospects	• The first ranking secured creditor PNC Financial Services UK Ltd ("PNC") has been paid in full during the administration. • It is expected that the second ranking secured creditors being the holder of Secured Loan Notes ("LN") (being 88.7% held by RJD Partners Ltd ("RJD"), 9.1% held by F&C Private Equity Trust Ltd ("F&C") and 2.2% held by management) will not be paid in full due to insufficient asset realisations. • Preferential creditors – There are no preferential creditors in the administrations as all employees transferred to the Purchaser. • Unsecured creditors – There will be no distribution for unsecured creditors.
Extension to administration period	• The administrations were extended by the secured creditors on 18 February 2019 and will now end on or before 10 April 2020.

Progress of the administration

Progress of the administration
Summary

Progress of the administration

Work done during the report period

During the period various queries were submitted by the FOS in relation to previous customers of the *Companies. The Joint Administrators have continued to* address any queries received.

We have continued to liaise with the Purchasers in order to assist creditors with queries received.

We have worked with solicitors to resolve ongoing litigation and progress asset recoveries.

Sale of business

The deferred contingent consideration for payment on 11th April 2019 has not yet been received from the Purchaser. The Joint Administrators are in discussion with the Purchaser in this regard.

The values attributed to the asset sales are detailed in the receipts and payments accounts on pages 7 to 9. These values were in line with the offer put forward by the Purchaser and the apportionment of consideration specified in the sale and purchase agreement for the business and assets sale.

Leasehold property

As previously reported the Companies operated from a leasehold property. A licence to occupy was granted to the Purchaser for 2 months.

Funds totalling £225k plus VAT were received from the Purchaser in respect of the licence to occupy agreement, to date we have incurred costs of £231k.

The licence to occupy has now ended and the majority of payments have been finalised. Once all relevant costs have been settled, any remaining funds will be paid back to the Purchaser.

For further details please refer to the HBFSL receipts and payments account on page 7.

Creditors

As previously reported we expect insufficient funds will be realised to enable a dividend to be paid to unsecured creditors.

Case specific matters

The Joint Administrators have continued to comply with HM Revenue and Customs ("HMRC") regarding the filing of VAT and Tax returns.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case management;
- statutory reporting;
- correspondence;
- case reviews; and
- cashiering functions;

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

Having completed this review and upon receipt of additional information we are exploring further avenues of recovery.

If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on page 3 above.

Progress of the administration
Summary

Progress of the administration

Third Party Costs incurred during the report period

The following costs and expenses have been incurred during the report period:

DLA Piper (UK) LLP a firm of lawyers are instructed to assist with the licence to occupy, deferred consideration discussions and general case advice. Their unbilled WIP across all Companies amounts to £94k.

The Joint Administrators' remuneration and expenses are detailed on page 14.

All costs have been paid, as shown in the receipts and payments accounts on pages 7 to 9.

All professional costs are reviewed and analysed in detail before payment was approved.

Progress of the administration

Receipts and payments

A receipts and payments account is provided opposite and on the next page for each of the Companies, detailing the transactions in the administrations to 10 April 2019.

HBFSL - Joint Administrators' receipts and payments account 11 October 2018 to 10 April 2019

£	SoA values	Notes	Period	To date
Fixed Charge Receipts				
Intellectual property, customer list, debts, equipment, goodwill, IT, WIP, DSS	*6,000,000*		-	9
Contracts and contract data				3,999,991
Bank Interest Gross	-	1	237	299
Licence to occupy funds	-	4&5	-	225,251
	6,000,000		237	4,225,550
Fixed Charge Payments				
Pre appt Administrators' fees			20,000	20,000
Administrators' Fees			42,000	42,000
Administrators' Expenses			372	372
Postage & Redirection			-	303
Licence to occupy		4&5	5,848	213,669
Bank Charges			5	8
Distribution to PNC			-	3,717,825
			68,224	3,994,177
Fixed Charge Balance			**(67,988)**	**231,373**
Floating Charge Receipts				
Pre appointment cash	*37,953*		-	290
Wage control	*3,206*		-	-
	41,159		-	290
Floating Charge Balance			-	**290**
Balance			**(67,988)**	**231,663**
Made up of:				
Fixed Charge IB A/C		1		219,188
Vat Control Account		2		12,474
Balance in hand				**231,663**

Notes to all receipts and payments account

The notes below relate to all of the receipts and payments accounts, including the one opposite and those included on the following two pages. The notes have only been included on this page and not duplicated across the following pages.

Note 1 - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Note 2 - All sums shown above are shown net of VAT, which is recoverable/payable and will be accounted for to H M Revenue & Customs in due course.

Note 3 - Funds of £6.6k were paid into OAL's bank account in error, these funds do not form part of the assets of the Companies and have been refunded.

Note 4 - The Companies operated from a leasehold property. A licence to occupy was granted to the Purchaser for 2 months and funds were received accordingly. Once final payments have been made the licence to occupy funds that remain will be paid to the Purchaser.

Note 5 - *Funds totalling £270k (£225k plus VAT)* were received into OAL from the Purchaser in respect of the licence to occupy agreement. However, as the licence agreement is between HBFSL and the Purchaser the gross funds of £270k were transferred from OAL to HBFSL. *In the HBFSL receipts and payments account* this is shown as the net £225k receipt and the VAT element of £45k is included within the VAT control account (see note 2).

Note 6 - There may appear to be rounding errors as all entries in the receipts and payments account have been presented for reporting purposes to the nearest whole number.

Note 7 – The receipts and payments accounts are presented differently to our previous reports to show the split between fixed and floating realisations.

Progress of the administration

Receipts and payments

OAL - Joint Administrators receipts and payments account
11 October 2018 2018 to 10 April 2019

£	SoA values	Notes	Period	To date
Fixed Charge Receipts				
Intellectual property, customer list, equipment, goodwill, IT and WIP				6
Contracts and contract data				3,889,672
Debts	*22,084,216*		-	12,610,322
Bank Interest Gross	-	1	782	2,059
	22,084,216		782	16,502,058
Fixed Charge Payments				
Administrators' Fees			139,500	139,500
Administrators' Expenses			245	245
Pre-appointment Legal fees			-	204,040
Pre-appointment Legal expenses			-	4,081
Distribution to PNC			-	15,376,671
			139,745	15,724,538
Fixed Charge Balance			**(138,963)**	**777,521**
Floating Charge Receipts				
Pre appointment sweep	*309,891*		-	254,240
Licence funds from DLA	-	5	-	270,301
Funds received in error	-	3	-	6,607
Bank Interest Gross	-	1	713	1,448
	309,891		713	532,595
Floating Charge Payments				
Payment of licence funds to HBFS		5	-	270,301
Payment of funds received in error		3	-	6,607
Pre-appointment Administrators' Fees			36,621	36,621
Pre-appointment Legal Fees				36,000
Postage & Redirection			-	1,212
Statutory Advertising			-	169
Bank Charges			12	12
			36,633	350,921
Floating Charge Balance			**(35,920)**	**181,674**
Balance			**(174,883)**	**959,195**
Made up of:				
Fixed Charge Current A/c		1		742,248
Floating Charge Current A/c				181,674
Vat Control Account		2		35,273
Balance in hand				**959,195**

HBL - Joint Administrators' receipts and payments account
11 October 2018 to 10 April 2019

£	SoA values	Notes	Period	To date
Receipts	-		-	-
Total receipts	-		-	-
Payments			-	-
Total payments			-	-
Balance				-
Made up of:				
Balance in hand				-

Progress of the administration

Receipts and payments

ODLS - Joint Administrators' receipts and payments account 11 October 2018 to 10 April 2019

£	SoA values	Notes	Period	To date
Fixed Charge Receipts				
Intellectual property, customer list, equipment, goodwill, IT, WIP and contracts and customer data				7
Debts	*500,000*		-	499,993
Bank Interest Gross	-	1	118	118
	500,000		118	500,118
Fixed Charge Payments				
Pre appt Administrators' fees			10,000	10,000
Administrators' Fees			11,000	11,000
Administrators' Expenses			252	252
Legal Fees			-	426
Legal expenses			-	174
Statutory Filing			-	40
Insurance of Assets			-	204
Bank Charges			3	3
Distribution to PNC			-	342,424
			21,256	364,523
Fixed Charge Balance			**(21,138)**	**135,594**
Floating Charge Receipts				
Pre appointment bank account	*1,367*		3,050	4,259
	1,367		3,050	4,259
Floating Charge Balance			**3,050**	**4,259**
Balance			**(18,088)**	**139,853**
Made up of:				
Fixed Charge Current A/c		1		135,603
Vat Control Account		2		4,250
Balance in hand				**139,853**

HBGL - Joint Administrators' receipts and payments account 11 October 2018 to 10 April 2019

£	SoA values	Notes	Period	To date
Floating Charge Receipts				
Bank Interest Gross		1	5	8
Pre appointment bank account sweep	*5,109*		-	7,319
	5,109		5	7,327
Floating Charge Payments				
Delisting Fee			-	1,500
Pre appt Administrators' fees			3,000	3,000
Administrators' Fees			1,800	1,800
Administrators' Expenses			20	20
Bank Charges			3	3
			4,823	6,323
Balance			**(4,818)**	**1,004**
Made up of:				
Fixed Charge Current A/c		1		49
Vat Control Account		2		955
Balance in hand				**1,004**

Progress of the administration
Pre-administration costs

Pre-administrations costs

As detailed in the Proposals dated 18 April 2018, we and DLA LLP are claiming pre-administration costs.

The below pre-administration costs have been approved.

Pre-administration costs

Party	Amount (£)	Approval date	Date paid
Administrators' fees	72,621	23/05/2018	16/01/2019 *
Legal fees	240,002	23/05/2018	24/05/2018
Legal expenses	4,081	23/05/2018	24/05/2018
Total approved	**316,704**		
Total paid	**313,704**		
Total unpaid *	**3,000**		

A break down of the Joint Administrators pre-administration costs is provided below.

Fees

We have incurred pre-administration time costs of £72,621, split between the Companies as follows:

- HBGL - £3,000
- HBL - £3,000
- HBFS - £20,000
- ODLS - £10,000
- OAL - £36,621

Please note that all pre-administration costs have been paid to date other than the Joint Administrators' fees incurred in HBL due to insufficient funds. With permission from the secured creditor these funds will be drawn from the OAL account.

Information for creditors

Secured creditors

The Group was funded by a combination of a £19.5m RCF facility with PNC and £36m of Secured Loan Notes ("LN").

The PNC funding was secured by way of an assignment of the DMP cases and PPI claims, fixed charges over IVA cases and a floating charge debenture and cross guarantees. The PNC charges were registered on 11 June 2011 and 27 July 2012.

The floating charge is a qualifying floating charge for the purposes of appointing an administrator.

Following the sale on 11 April 2018 the first ranking secured creditor PNC has been repaid in full from pre appointment account sweeps and payment from the Companies as shown in the receipts and payments accounts on pages 7 to 9.

The LNs are secured by way of an assignment over DMP, IVA and PPI cases and fixed charge security over IVA cases. The LN security ranks second to the PNC security in all respects. The LNs are also secured by a second ranking debenture secured across the Group companies.

On present information insufficient assets will be realised to enable the second ranking secured creditor to be paid in full.

Preferential creditors

There were no preferential creditors in the administration.

Unsecured creditors

A total of 68 creditor claims have been received across all Companies during the administrations.

On present information insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, accordingly we are not undertaking any work to review or agree claims received.

Claims process – creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less, unless you wish to vote in any decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Companies' records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.

Extensions to the administration

The administrations were extended by the secured creditors on 18 February 2019 and will now end on or before 10 April 2020. We do not anticipate that it will be necessary to further extend the period of the administrations.

Exit

Once the administrations are ready to end we will most likely exit via dissolution.

Information for creditors
Statutory information

Statutory information

	Harrington Brooks Group Limited	Harrington Brooks Limited	HB Financial Services Limited	Open door (Legal Services) Limited	One Advice Limited
Company number	08123197	05296992	03592213	05026584	05394623
Registered office	Four Brindleyplace, Birmingham, B1 2HZ	Four Brindleyplace, Birmingham, B1 2HZ	Four Brindleyplace, Birmingham, B1 2HZ	Four Brindleyplace, Birmingham, B1 2HZ	Four Brindleyplace, Birmingham, B1 2HZ
Trading names	Hedley Bidco Limited	N/A	N/A	N/A	N/A
Previous names	Hedley Bidco Limited	One Advice Group Limited	Harrington Brooks (Accountants) Limited	Castkle Keep Law Limited	Broomco (3736) Limited
Court	High Court of Justice, Business and Property Courts, Manchester	High Court of Justice, Business and Property Courts, Manchester	High Court of Justice, Business and Property Courts, Manchester	High Court of Justice, Business and Property Courts, Manchester	High Court of Justice, Business and Property Courts, Manchester
Court reference	2348 of 2018	2346 of 2018	2350 of 2018	2347 of 2018	2349 of 2018
Company directors	Steven Evans, Matthew Cheetham and John Dillon	Steven Evans and Matthew Cheetham	Steven Evans, Matthew Cheetham, Alexander Shapland, Darren Smith, Claire Merton, Neil Collins, John Dillon and Richard Grainger	Steven Evans, Matthew Cheetham, Emma Willis and Darren Smith	Steven Evans and Matthew Cheetham
Company Secretary	N/A	N/A	N/A	N/A	N/A
Directors' shareholdings	N/A	N/A	N/A	N/A	N/A

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales.

Should you require a paper copy, please send your request in writing to us at the address on page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 23 May 2018 by the secured creditors for a set fee of £359,970 plus VAT, broken down as follows:

- HBGL - £7k
- HBL - £7k
- HBFS - £75k
- ODLS - £20k
- OAL - £251k

Fees drawn to date

To date the Joint Administrators have drawn the following remuneration from each estate:

- HBGL - £1.8k
- HBFSL - £42k
- ODLS - £11k
- OAL - £139.5k

Remuneration and expenses

Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Disbursements

Our disbursements for the administrations to date are in line with estimates provided in the proposals and are summarised below. All expenses have been recovered with the exception of insurance bonding of £20 in HBL and the website charge of £500.

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by creditors on 23 May 2018.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Category 1 disbursements

£ (net)	Estimated	Incurred in report period	Total cost for the period of the appointment	Unpaid
Bordereau Bonding	730	-	730	20
Postage/Couriers	100	-	120	-
Travel	200	-	15	-
Stationery	-	-	45	-
Total disbursements	**1,030**	**-**	**910**	**20**

Category 2 disbursements

£ (net)	Estimated	Incurred in report period	Total cost for the period of the appointment	Unpaid
Mileage	200	-	-	-
Website set up	500	500	-	500
Total disbursements	**700**	**500**	**-**	**500**

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.

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	Aaron Banks
Company name	Deloitte LLP
Address	1 New Street Square
Post town	London
County/Region	
Postcode	E C 4 A 3 H Q
Country	
DX	
Telephone	+44 121 632 6000

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