

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 6 7 0 6 7 4 1

Company name in full Ethos Solutions Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Michaela

Surname Hall

3 Liquidator's address

Building name/number 4th Floor

Street 4 Victoria Square

Post town St Albans

County/Region Hertfordshire

Postcode A L 1 3 T F

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report																
From date	^d	0	^d	4	^m	0	^m	4	^y	2	^y	0	^y	2	^y	0	
To date	^d	0	^d	3	^m	0	^m	4	^y	2	^y	0	^y	2	^y	1	
7	Progress report																
	<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date																
Liquidator's signature	Signature X <i>M J Hall</i> X																
Signature date	^d	1	^d	3	^m	0	^m	5	^y	2	^y	0	^y	2	^y	1	

**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	Neill Bacon
Company name	Moore Kingston Smith & Partners LLP
Address	4th Floor 4 Victoria Square
Post town	St Albans
County/Region	Hertfordshire
Postcode	A L 1 3 T F
Country	
DX	
Telephone	01727 896015

**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

Ethos Solutions Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 04/04/2020 To 03/04/2021 £	From 18/12/2012 To 03/04/2021 £
ASSET REALISATIONS		
Bank Interest Gross	1.21	105.02
37,199.80 Book Debts	NIL	15,814.35
5,360.04 Cash at Bank	NIL	5,323.89
12,743.00 Furniture & Equipment	NIL	12,743.00
4,750.00 Rent Deposit	NIL	NIL
Settlements	46,500.00	135,921.08
	46,501.21	169,907.34
COST OF REALISATIONS		
Agents/Valuers Fees (1)	NIL	1,303.00
Corporation Tax	NIL	16.67
Legal fees (2)	60,355.20	74,907.92
Office Holders Expenses	NIL	216.13
Office Holders Fees	NIL	25,000.00
Preparation of S. of A.	NIL	6,283.50
Specific Bond	NIL	80.00
Statutory Advertising	NIL	142.38
Storage Costs	NIL	247.60
	(60,355.20)	(108,197.20)
UNSECURED CREDITORS		
(2,328,057.72) HM Revenue & Customs	NIL	NIL
(191,195.13) HM Revenue & Customs	NIL	NIL
(4,242.66) Trade & Expense Creditors	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(100.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(2,463,542.67)	(13,853.99)	61,710.14
REPRESENTED BY		
Bank Allied Irish Bank (GB)		696.98
Solicitors Client Account		61,013.16
		61,710.14

mj Hall
Michaela

Michaela Hall
Liquidator

Ethos Solutions Limited
- In Liquidation

Liquidator's Annual Progress Report
to Creditors & Members

13 May 2021

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- B** Time Analysis for the period from 4 April 2020 to 3 April 2021 and cumulative from 18 December 2012 to 3 April 2021
- C** Additional information in relation to Liquidator's Fees and Expenses

1 Summary and Statutory Information

Company Name:	Ethos Solutions Limited		
Company Number:	06706741		
Registered office of Company:	Changed from the principal trading address to 4th Floor, 4 Victoria Square, St Albans, Hertfordshire, AL1 3TF		
Principal trading address of Company:	3 The Precincts, Canterbury Cathedral, Canterbury, Kent, CT1 2EE		
Previous trading name of Company:	Not applicable		
Liquidator:	Michaela Joy Hall of Moore Kingston Smith & Partners LLP		
Contact details:	Moore Kingston Smith & Partners LLP, 4th Floor, 4 Victoria Square, St Albans, Hertfordshire, AL1 3TF 01727 - 896015 receovery@mks.co.uk		
Date of appointment:	18 December 2012		
Changes in Officeholder:	Michaela Joy Hall officially replaced Ian Mark Defty as Liquidator on 4 April 2014		
Basis of remuneration, as agreed (see section 4):	Time costs	Drawn to date:	£25,566.11
Dividend prospects for unsecured creditors:	Paid to date:	£nil	Estimated future dividend: £Uncertain
Matters preventing closure	Case Management Conference to be held on 28 May 2021		

- 1.1 Further details on work undertaken in the period and costs incurred are provided in the body of the report.
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.mks.co.uk/recovery-gdpr If you are unable to download this, please contact us and a hard copy will be provided to you free of charge.

2 Progress of the Liquidation

- 2.1 This report provides an update on the work that has been undertaken, and the progress made, in the period from 4 April 2020 to 3 April 2021 ("the reporting period"). This report should be read in conjunction with any previous progress reports that have been issued.
- 2.2 By way of reminder, I can confirm that I replaced Ian Mark Defty ("Mr Defty") as Liquidator following his official retirement from this practice and the making a block transfer order in the High Court on 4 April 2014.
- 2.3 At the same time, creditors may also recall that Mr Defty had previously been appointed Liquidator at a meeting of creditors convened under section 98 of the Insolvency Act 1986 on 18 December 2012
- 2.4 A copy of my receipts and payments account for the reporting period, together with a cumulative total since the commencement of the liquidation, is attached at Appendix A.
- 2.5 As can be seen, total receipts amount to £46,501.21 and include Settlements of £46,500 and Gross Bank Interest of £1.21. Payments made within the last twelve months consist of Legal fees totalling £60,355.20.
- 2.6 I would comment on the progress made as follows:

Administration (including statutory compliance & reporting)

- 2.7 In the period under review, I have maintained the required practice files, estate cashbook and bank account and completed my periodic statutory and regulatory duties as previously reported.
- 2.8 This work will not necessarily bring any financial benefit to creditors but is required on every case by statute.
- 2.9 Creditors should also note that a lot of additional time then had to be spent on reviewing a wide variety of legal documents including a supplementary Note of Advice prepared by Counsel as well as an Amended Points of Claim.

Investigations

- 2.10 As previously reported, proceedings have already been issued in the High Court against a large number of Respondents who all gained some sort of financial benefit from a business benefit trust, which had been specifically created by the Company.
- 2.11 Following a series of interlocutory hearings, I can confirm that a formal Strike Out Application, which was formally adopted by 41 of the 63 Respondents was finally heard by Mrs Justice Barber on 3 and 4 November 2020 respectively.
- 2.12 Although the subsequent judgment, which was handed down on 4 February 2021, effectively struck out certain paragraphs of the original Points of Claim, Mrs Justice Barber also gave the Claimants permission to either submit a formal appeal by 4pm on 4 March 2021 or serve an Amended Points of Claim by no later than 4pm on 18 March 2021.
- 2.13 At the same time, the Judge further ordered that the Claimants own Strike Out Application be adjourned generally with liberty to restore and that the Claimants pay 75% of the costs of the Respondents' Strike Out Application.
- 2.14 An amended Points of Claim together with a large number of supporting schedules was then submitted following detailed consultations with HMRC and on further legal advice from Solicitors and Counsel.

- 2.15 As such, a further Case Management Conference has now been listed for 28 May 2021.

Realisation of Assets

- 2.16 More information concerning the realisation of assets can be found in my previous annual progress reports to creditors.

Settlements

- 2.18 During the reporting period, I have received the sum of £46,500 from two of the former beneficiaries of the Ethos Solutions Limited Business Bonus Trust No.2. To date, the sum of £135,921.08 has been recovered from six of the named Respondents.

Gross Bank Interest

- 2.19 Gross bank interest of £1.21 has been received during the reporting period.
- 2.20 For the avoidance of doubt, I can confirm that there have been no additional asset realisations made during the reporting period
- 2.21 The Company has no other known assets.

Creditors (claims and distributions)

- 2.22 As Liquidator, I am required to deal with correspondence and claims from all classes of creditors. This work will not necessarily bring any financial benefit to creditors unless a distribution is anticipated, however, this work is required by statute.

Outcome for Creditors

Secured creditors

- 2.23 The Company did not grant fixed or floating charges over the Company's assets to any secured creditors and no distributions have been made to such creditors as a result in the liquidation. The provisions to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part) do not apply.

Preferential Creditors

- 2.24 No preferential claims have been received to date in this matter

Unsecured Creditors

- 2.25 I have received claims totalling £2,730,841 from four creditors. This compares to a figure of £2,523,496 as per the Director's Estimated Statement of Affairs as at 18 December 2012.
- 2.26 At present, there are insufficient funds after costs to enable a distribution to be paid to the unsecured creditors. This is subject to change however depending on the number and overall level of settlements reached with the former beneficiaries of the Trust.

Matters still to be dealt with

- 2.27 As mentioned as paragraph 2.15 above, the Court has now listed a further Case Management Conference for 28 May 2021.

3 Liquidator's Remuneration

- 3.1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by her and her staff in managing the Liquidation at a meeting of creditors held on 19 February 2013.
- 3.2 My time costs for the reporting period are £85,833.16. This represents 197.43 hours at an average rate of £434.75 per hour.
- 3.3 Attached, as Appendix B, is a cumulative time analysis for the period from the date of my appointment. The cumulative time costs incurred to date are £358,603.49. This represents 861.35 hours at an average rate of £416.33 per hour. To date, fees, and expenses of £25,566.11 plus VAT (where applicable) have been drawn on account.
- 3.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available, free of charge, on request or can be downloaded from www.mks.co.uk/creditors-guide-fees/ In this case, you should refer to the version issued in October 2015.
- 3.5 Attached as Appendix C is additional information in relation to the Liquidator's fees and expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

4 Liquidator's Expenses

- 4.1 Additional information in relation to the expenses and disbursements incurred in the period and drawn to date is given at Appendix C.

5 Creditors' Rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors), may request in writing that the Liquidator provides further information about her remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors), may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 01727 - 896015 or by email at recovery@mks.co.uk

Yours faithfully



MICHAELA JOY HALL
Liquidator

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Appendix A

Receipts and Payments Account from 4 April 2020 to 3 April 2021 and cumulative from 18 December 2012 to 3 April 2021

**Ethos Solutions Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 04/04/2020 To 03/04/2021 £	From 18/12/2012 To 03/04/2021 £
ASSET REALISATIONS		
	1.21	105.02
37,199.80	NIL	15,814.35
5,360.04	NIL	5,323.89
12,743.00	NIL	12,743.00
4,750.00	NIL	NIL
	46,500.00	135,921.08
	46,501.21	169,907.34
COST OF REALISATIONS		
	NIL	1,303.00
	NIL	16.67
	60,355.20	74,907.92
	NIL	216.13
	NIL	25,000.00
	NIL	6,283.50
	NIL	80.00
	NIL	142.38
	NIL	247.60
	(60,355.20)	(108,197.20)
UNSECURED CREDITORS		
(2,328,057.72)	NIL	NIL
(191,195.13)	NIL	NIL
(4,242.66)	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(100.00)	NIL	NIL
	NIL	NIL
(2,463,542.67)	(13,853.99)	61,710.14
REPRESENTED BY		
Bank Allied Irish Bank (GB)		696.98
Solicitors Client Account		61,013.16
		61,710.14



Michaela Hall
Liquidator

Appendix B

Time Analysis for the period from 4 April 2020 to 3 April 2021 and cumulative from 18 December 2012 to 3 April 2021

Ethos Solutions Limited

Summary of Fees and Expenses

From 04/04/2020 to 03/04/2021

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Transfers Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	1.83	14.83	2.58		19.25	8,112.51	421.43
Cashiering - set-up, maintenance & control of accs							
General Administration							
Post Appointment VAT & CTax							
Statutory filing with Court, Companies House and BIS							
Checklists/Diary Compliance							
Case Planning/Information Capture/Interviews							
Set-up Administration/Initial correspondence							
Investigations	25.42	127.25	3.08		155.75	71,674.18	460.19
Information capture/initial correspondence							
Litigation - document review							
Retrieval, review & analysis of debtors books & records							
Strategy, planning, meetings and interviews							
Other scheduling & information analysis							
SIP 2 review & CDDA reporting							
Realisation of Assets	0.33	0.75	15.00		16.08	3,135.00	194.96
Cashiering - banking, realisations & payment costs							
Debtors & Claims							
Identification, securing, insuring & bonding							
Attending Hearing							
Creditors	0.42	5.92			6.33	2,910.42	459.78
Correspondence/Preparation of Reports/Meetings							
Other				0.02	0.02	1.05	52.50
Creditors Voluntary Liquidation							
Grand Total:	28.00	148.75	20.67	0.02	197.43	85,833.16	

Ethos Solutions Limited- In liquidation
Liquidator's Annual Progress Report to Creditors and Members

Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The number of hours shown have been rounded to two decimal places.

Expenses

These are costs that are directly attributable to the estate.

Category 1 expenses	130.00
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These are payment to persons providing the service who are not an associate of the officeholder.
These costs may be paid without prior approval.

Category 2 Expenses

These are payments to associate or which have a element of shared costs. Before being paid these expenses require approval in the same manner as an officeholderes remuneration.

Ethos Solutions Limited

Summary of Fees and Expenses

From 18/12/2012 to 03/04/2021

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Trainee Hrs	Total Hrs
Administration & Planning	12.83	92.33	12.42			117.58
Case Planning/Information						
Cashier/Interviews						
Cashiering set up, maintenance & control of accs						
General Administration						
Post Appointment VAT & CTax						
Set up Administration Initial correspondence						
Statutory filing with Court, Companies House and BIS						
Checklists/Diary Compliance						
Books & Records administration						
Dealing with company Debtor re general admin						
Investigations	62.17	565.25	34.92			662.33
Information capture/initial correspondence						
Litigation document review						
Other scheduling & information analysis						
Retrieval, review & analysis of debtors books & records						
Strategy, planning, meetings and interviews						
SIP 2 review & CDDA reporting						
Realisation of Assets	0.67	7.25	15.00	0.08		23.00
Cashiering banking, realisations & payment costs						
Debtors & Claims						
Identification, securing, insuring & bonding						
Tangible Assets plant, motors, fixtures and fittings						
Freehold & Leasehold property/mortgage and home						
Attending Hearing						
Creditors	2.33	39.75	7.50	0.17		49.75
Correspondence/Preparation of Reports/Meetings						
Claims/Proofs						
Other		0.67	6.00	2.00	0.02	8.68
Creditors Voluntary Liquidation						
Grand Total:	78.00	705.25	75.83	2.25	0.02	861.35

Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The number of hours shown have been rounded to two decimal places.

Expenses

These are costs that are directly attributable to the estate.

Category 1 expenses

2,791.16

These are payment to persons providing the service who are not an associate of the officeholder.

These costs may be paid without prior approval.

Appendix C

Additional Information in Relation to the Liquidator's Fees and Expenses

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 I am not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment, I have used the professional advisors listed below. I have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis. No significant personal or professional relationships that may give rise to a potential threat or conflict have been identified with any advisor and their costs are regarded as category 1 expenses.

Name of Professional Advisor	Basis of Fee Arrangement
Marsh Limited (insurance)	Scale rate
Clarke Willmott LLP (legal advice)	Conditional Fee Agreement

- 2.2 My choice was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

3 Liquidator's Expenses

- 3.1 An expense is a directly attributable cost to the estate which is neither an office holder's remuneration nor a distribution to creditors or members. Expenses can include disbursements, payments met by the office holder and subsequently recovered from the estate, and are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).
- 3.2 Category 1 expenses are payments to independent third parties and do not have to be approved prior to payment, but when reporting to the creditors committee and creditors during the course of the liquidation the actual expenses incurred will be compared with the original estimate provided with any material difference explained (e.g., where legal costs rise due to escalated recovery action).
- 3.3 Category 2 expenses are payments to associates, or parties with a professional or personal relationship, or payments which have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration. Where it is necessary for staff to travel from the office, **for the purposes of the administration of the estate, business mileage may be charged at the HMRC rate of 45p per mile.**

- 3.4 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report, is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Category 1 expenses				
Solicitors' Costs and Disbursements	0.00	60,355.20	563,286.82	850,000.00
Agents/Valuers Fees	1,303.00	0.00	0.00	1,303.00
Bonding Bordereau	80.00	0.00	210.00*	290.00
Companies House Fees	2.00	0.00	0.00	2.00
HM Land Registry Fees	6.00	0.00	36.00*	42.00
Statutory advertising	142.38	0.00	0.00	142.38
Couriers	0.00	0.00	191.97*	191.97
External storage of books & records	247.60	0.00	242.08*	489.68
Train Fares	25.00	0.00	189.70*	214.70
Transcription Costs	115.43	0.00	0.00	115.43
Category 2 expenses				
Photocopies	54.05	0.00	0.00	54.05
Postage	13.65	0.00	0.00	13.65
Business mileage	0.00	0.00	117.60*	117.60

- 3.5 Expenses are shown exclusive of VAT. Expenses marked (*) have been paid by Moore Kingston Smith & Partners LLP and may be recovered from the case.
- 3.6 As previously reported, this is a highly complex case, which involves a significant number of Respondents. Apart from having to attend a number of interlocutory hearings, my Solicitors and Counsel have also had to spend a further time on attending high level meetings with HMRC as well as preparing an Amended Points of Claim following the judgment handed down by Mrs Justice Barber on 4 February 2021.

4 Charge-Out Rates

- 4.1 Moore Kingston Smith & Partners LLP's current charge-out rates are detailed below. Please note that this firm records its time in minimum units of 5 minutes.

General Rates

Position	Rates from 1 May 2017 to 30 April 2019	Rates from 1 May 2019 to 30 April 2021	Rates from 1 May 2021
Partner	420	440	460
Licensed Insolvency Practitioner (Non-Partner)	380	400	420
Managers			
Senior Manager	355	375	395
Manager	330	345	360
Assistant Manager	295	310	325
Administrators			
Senior Administrator	260	275	290
Junior Administrator/Administrator	160-200	175-210	175-220
Support Staff			
Cashier	210	210	231
Support	130	100-200	135-200

Investigation Rates

Position	Rates from 1 May 2017 to 30 April 2019	Rates from 1 May 2019 to 30 April 2021	Rates from 1 May 2021
Partner	595	595	600
Licensed Insolvency Practitioner (Non-Partner)	520	520	520
Managers			
Senior Manager	495	495	495
Manager	450	450	450
Assistant Manager	395	395	395
Administrators			
Senior Administrator	260	275	275
Junior Administrator/Administrator	160-200	175-210	175-210
Support Staff			
Cashier	210	210	231
Support	130	100-200	135-200

Historical rates are also available on request