

The Insolvency Act 1986

Administrator's progress report

Ashworth Law Limited

Company number
06816609

In the High Court of Justice, London

Court case
number
10108 of 2011(a) Insert full name(s)
and address(es) of
administrator(s)

We Michael Christian Kienlen and David James Robson

Joint administrators of the above company attach a progress report for the period

from

to

9 December 2011

8 June 2012

(b) Insert dates

Signed

Joint Administrators

Dated

3/7/12

Contact Details:

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

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at.

Companies House, Crown Way, Cardiff, CF14 3UZ
Cardiff

DX 33050



A1CFQQ61

A31

04/07/2012

#48

COMPANIES HOUSE

WEDNESDAY

TO ALL KNOWN CREDITORS

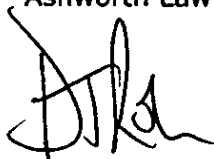
Date 29 June 2012
Please ask for: Lisa Wood
Our Ref LW 43720
Your Ref -
T 0113 221 1389
e lisa.wood@armstrongwatson.co.uk

Dear Sirs

**Ashworth Law Limited - In Administration
Joint Administrator's Progress Report**

Please find enclosed a formal notice and detailed report covering progress in the Administration during the six month period ended 8 June 2012.

Yours faithfully
For and on behalf of
Ashworth Law Limited



D J Robson
Joint Administrator

Enc

Michael C Kienlen and David J Robson are licensed as Insolvency Practitioners in the UK by the Insolvency Practitioners Association

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

Central House
47 St Paul's Street
Leeds LS1 2TE
T 0113 221 1300
F 0113 221 1301

www.armstrongwatson.co.uk

A list of partners and offices is available at
15 Victoria Place, Carlisle CA1 1EW (principal place of business)

Armstrong Watson is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales

Armstrong Watson Financial Planning Limited is authorised and regulated by the Financial Services Authority Firm reference number 542122
Registered as a limited company in England and Wales No 7208672
Registered office 15 Victoria Place, Carlisle CA1 1EW

**Joint Administrator's Progress
Report**

**For the period
9 December 2011 to 8 June
2012**

**Ashworth Law Limited
- In Administration**

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THE JOINT ADMINISTRATOR'S PROGRESS REPORT

1 Statutory information

- 1.1 I was appointed as Joint Administrator of the Company on 9 December 2011.
- 1.2 This Administration is being handled by Armstrong Watson at Central House, 47 St Paul's Street, Leeds, LS1 2TE. The Administration is registered in the High Court of Justice, London, reference number 10108 of 2011
- 1.3 The trading address of the Company is 7 Grove Park Court, Harrogate, North Yorkshire, HG1 4DP. The business trades under the name Ashworth Law.
- 1.4 The registered office of the Company is c/o Armstrong Watson, Central House, 47 St Paul's Street, Leeds, LS1 2TE and its registered number is 06816609.

2 Progress of the Administration

- 2.1 Attached at Appendix A is my Receipts and Payments Account for the period from 9 December 2011 to 8 June 2012

2.2 Sale of Business & Assets

The Company's business and assets were sold to Legal Development Partners Limited on 9 December 2011 for the sum of £42,000.

2.3 Lease Assignment

Since my appointment, I can confirm that I have been liaising with the landlord with regards to the assignment of the lease to Legal Development Partners Limited ("LDP"), in respect of the property at Unit 7, Grove Park Court, Harrogate, HG1 4DP.

I can confirm that my solicitors are currently negotiating with the landlord's solicitors and I expect the assignment to be finalised very shortly.

2.4 CMC Work in Progress

Since my last report, I can confirm that LDP instructed an independent third party solicitor, with my approval, to consider and report on any claim against CMC.

Ashworth Law Limited - In Administration

It was reported that although there were circa 6,000 cases under the control of Ashworth Law, the cases had not progressed beyond the early stages of the automated process, with no man hours being spent on this and as a result, this has not created any WIP.

However, it was established that there must have been some value in the work carried out by Ashworth Law on behalf of each of the clients, although it was considered that much of the value of this would have been wiped out by the failure of Ashworth Law to progress the cases.

It was therefore concluded that any action against CMC by Ashworth Law would potentially be a costly exercise and, with no guarantee of recovery.

2.5 Monies held in Client Account

I can confirm that it has been brought to my attention that there is a significant amount of money being held in a HSBC Client Account in respect of monies held on behalf of clients

I have instructed my solicitors to look into this and I hope to receive advice within the next month, however, it is anticipated that the funds will be forwarded to LDP to distribute to the various clients of Ashworth Law.

3 Assets still to be realised

3.1 I can confirm that there are no other assets still to be realised.

4 Pre-administration Costs

- 4.1 On 30 January 2012 the following amounts in respect of pre-administration costs were approved:

Name of recipient	Brief description of services provided	Total amount approved
Armstrong Watson	Marketing and sale of company to LDP Limited	£15,000 + VAT
Tremark Associates Limited	Valuation of debtors and WIP	£500 + VAT
Michael Steel & Co	Valuation of office furniture and business equipment	£300 + VAT
Chadwick Lawrence Solicitors	Dealing with associated sale contract and general advice	£7,500 + VAT

5 Administrator's Remuneration

- 5.1 The Creditors approved that the basis of the Administrator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Administration.
- 5.2 My time costs for the period from 9 December 2011 are £20,215. This represents 139.5 hours at an average rate of £145 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Administration. To date, £8,263 plus disbursements of £1,738 has been drawn on account.

The majority of time costs incurred to date relate to the investigation of the expected outcome of the CMC Contract, including the review of the report received from the independent third party solicitors, liaising with the landlord in respect of the assignment of the lease to LDP Limited, dealing with the monies held in the client account and responding to advice given by my solicitors and liaising with creditors in respect of the Administration as a whole

Ashworth Law Limited - In Administration

- 5.6 Attached as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

6 Administrator's Expenses

Since my appointment, I can confirm that the following costs have been incurred:

Name of recipient	Brief description of services provided	Total amount approved
Tremark Associates Limited	Valuation of debtors and WIP	£500 + VAT
Michael Steel & Co	Valuation of office furniture and business equipment	£300 + VAT
Chadwick Lawrence Solicitors	Dealing with associated sale contract and general advice	£7,500 + VAT
Willis Limited	Insurance of Assets	£106
Legal & Public Notices Limited	Advertisement of appointment	£67.50
Wine & Co	Assistance with the preparation of the statement of affairs/sales information	£4,000 + VAT

7 Estimated outcome for creditors

- 7.1 There will be insufficient funds to enable a dividend to be paid to the unsecured creditors of the Company due to the nil claim in respect of the CMC Contract.

8 Ending the Administration

- 8.1 As it is unlikely that there will be sufficient funds available for a distribution, the exit route is dissolution straight from Administration pursuant to Schedule B1 Paragraph 84.
- 8.2 If the Joint Administrators think that the Company has no property which might permit a distribution to creditors, it is proposed that they file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company. They will send copies of these documents to the Company and its creditors. The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- 8.3 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

9 Creditors' rights

- 9.1 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 Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 9.2 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 the basis fixed for the Administrator's remuneration, the remuneration charged or the expenses incurred by the Administrator as set out in this progress report are excessive.

Ashworth Law Limited - In Administration

10 Next report

- 10.1 The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it.

For and on behalf of
Ashworth Law Limited

A handwritten signature in black ink, appearing to be 'D J Robson', written over a horizontal line.

D J Robson
Joint Administrator

Ashworth Law Limited - In Administration

**Receipts and Payments Account for the Period from 9 December
2011 to 8 June 2012**

Appendix A

**Ashworth Law Limited
(In Administration)**

**Income and Expenditure Account
09 December 2011 to 08 June 2012**

INCOME	Total (£)
Goodwill	997 00
Information Technology	1 00
Furniture & Equipment	3,000 00
CMC Work In Progress	1 00
Work In Progress	6,000 00
Book Debts	32,000 00
Business Intellectual Property	1 00
Rates Refund	666 80
Bank Interest Gross	3 12
	<hr/>
	42,669.92
	<hr/>
EXPENDITURE	
Agents Fees	300 00
Legal Fees	7,500 00
Valuation of Book Debts	750 00
Legal Disbursements (Non Vatable)	114 00
Professional Fees	4,000 00
Advertising	67 50
Insurance of Assets	106 00
Bank Charges	25 00
Pre Administrators Costs	15,000 00
Administrators Fees	8,262 40
Administrators Disbursements	1,737 60
Bank Charges	4 83
	<hr/>
	37,867.33
	<hr/>
Balance	4,802 59
	<hr/>
MADE UP AS FOLLOWS	
VAT Receivable	500 00
Current Account	4,302 59
	<hr/>
	4,802.59
	<hr/>

Ashworth Law Limited - In Administration

**Time Analysis for the Period from 9 December 2011 to 8 June
2012**

Appendix B

Client	43720	Ashworth Law Limited
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08-Jun-2012

Ave Hourly Rate
111
116
149
135
94
166
179
147
189

	Assistant And Support Staff	Manager	Other Senior Professional	Partner	Total
Admin File Review	Hours Value 0.40 £36.80	0.00 £0.00	1.00 £118.00	0.00 £0.00	1.40 £154.80
Admin Filing	Hours Value 0.30 £27.60	0.00 £0.00	4.50 £531.00	0.00 £0.00	4.80 £558.60
Admin Reports	Hours Value 3.50 £322.00	28.00 £4,592.00	12.30 £1,451.40	3.50 £679.50	47.30 £7,044.90
Administration	Hours Value 1.40 £133.80	0.00 £0.00	31.80 £3,752.40	10.50 £1,992.60	43.70 £5,878.80
Cashiering	Hours Value 7.10 £664.70	0.00 £0.00	0.00 £0.00	0.00 £0.00	7.10 £664.70
Creditors	Hours Value 0.20 £15.40	24.50 £4,034.00	0.50 £59.00	3.50 £644.00	28.70 £4,752.40
Investigation	Hours Value 0.60 £107.40	0.00 £0.00	0.00 £0.00	0.00 £0.00	0.60 £107.40
Planning	Hours Value 0.60 £55.20	0.00 £0.00	0.00 £0.00	0.90 £165.60	1.50 £220.80
Realisation of assets	Hours Value 0.00 £0.00	3.00 £504.00	0.00 £0.00	1.40 £328.60	4.40 £832.60
Total	Hours Value 14.10 £1,362.90	55.50 £9,130.00	50.10 £5,911.80	19.80 £3,810.30	139.50 20,215.00

Disbursements Summary

Type and Purpose	Date	Value	Note
AGENTS	02/12/2011	£1,620.00	
AGENTS	27/01/2012	£58.80	
AGENTS	27/01/2012	£58.80	
Total		£1,737.60	

Ashworth Law Limited - In Administration

Estimated Outcome Statement as at 8 June 2012

Appendix C

Ashworth Law Limited
As at 8 June 2012

	Realisations To Date £	Future Realisations £	Total Realisations £
Assets not specifically pledged			
Book debts	32,000	0	32,000
Owned work in progress	6,000	0	6,000
CMC work in progress	1	0	1
Office furniture and business equipment	3,000	0	3,000
Information Technology	1	0	1
Business Intellectual Property	1	0	1
Goodwill	997	0	997
Rates Refund	667	0	667
Bank Interest Gross	3	0	3
Total assets before costs	42,670	0	42,670
Less: Professional fees (estimated)			
Pre Administrators Costs	(15,000)	0	(15,000)
Administrators fees and disbursements	(10,000)	(2,000)	(12,000)
Legal fees and disbursements	(7,614)	(1,802)	(9,416)
Agents fees	(300)	0	(300)
Valuation of Book Debts	(750)	0	(750)
Other professional fees	(4,000)	(1,000)	(5,000)
Bank Charges	(30)	0	(30)
Sundry costs including insurance, advertising etc	(174)	0	(174)
Total costs	(37,868)	(4,802)	(42,670)
Total assets available for distribution	4,802	(4,802)	(42,670)
Available to unsecured creditors			
	0	0	0
Unsecured creditors			
HM Revenue & Customs	(581,844)	0	(581,844)
AWS Commercial Agents	(70,000)	0	(70,000)
Ashworth Finance	(39,000)	0	(39,000)
Mr A Holey	(137,625)	0	(137,625)
Mrs A Cobley	(120,500)	0	(120,500)
Mrs L Kirkham	(13,901)	0	(13,901)
Mrs A Beck	(13,375)	0	(13,375)
Mr M Cobley	(7,096)	0	(7,096)
Cobley Johnson Partners	(145,268)	0	(145,268)
Total unsecured creditors	(1,128,609)	0	(1,128,609)
Estimated shortfall to unsecured creditors	(1,128,609)	0	(1,128,609)

**Additional Information in Relation to Administrator's Fees
Pursuant to Statement of Insolvency Practice 9**

Appendix D

Policy

Detailed below is Armstrong Watson's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff Allocation and the use of Sub-contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any sub-contractors in this case.

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Chadwick Lawrence Solicitors (legal advice)	Hourly rate and disbursements
Willis Limited (Insurance)	Hourly rate and disbursements
Michael Steel & Co (valuation and disposal advice)	Hourly rate and disbursements
Tremark Associates Limited	Hourly rate and disbursements

Ashworth Law Limited - In Administration

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

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Charge-out Rates

A schedule of Armstrong Watson's charge-out rates for this assignment effective from 1 April 2012 is detailed below.

Partner – Insolvency Practitioner	£247 - £321
Director/Senior Manager – Insolvency Practitioner	£224 - £281
Manager	£172 - £242
Senior	£107 - £168
Administrator	£85 - £141