

AM25

Notice of court order ending administration



Companies House

SATURDAY



A22 *A85Q0RSZ* 18/05/2019 #153
COMPANIES HOUSE

1 Company details

Company number 0 8 2 5 6 2 2 5

Company name in full SCL Elections Limited

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

2 Administrator's name

Full forename(s) Vincent John

Surname Green

3 Administrator'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 Administrator's name ①

Full forename(s) Mark

Surname Newman

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

5 Administrator's address ②

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 administrator
Use this section to tell us about
another administrator.

AM25

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6 Administration end date

End date

d	1	7	m	0	4	y	2	0	1	9
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7 Date of court order

Court order date

d	1	7	m	0	4	y	2	0	1	9
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8 Attachments

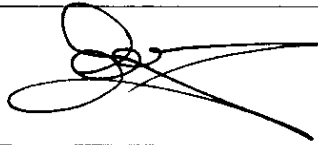
- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

9 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	1	6	m	0	5	y	2	0	1	9
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AM25

Notice of court order ending administration



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
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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 all the required documents.
- ☐ You have signed the form.



Important information

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



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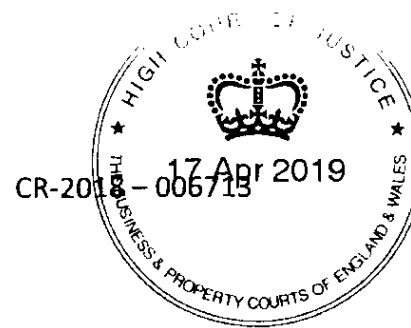
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

CR-2018-006713

IN THE MATTER OF THE INSOLVENCY ACT 1986

AND IN THE MATTER OF **SCL ELECTIONS LIMITED (IN ADMINISTRATION) (CRN 08256225)**

Before The Honourable Mr Justice Norris on 17th April 2019

ORDER

UPON the Order of Mr Justice Hildyard appointing Vincent John Green and Mark Newman, of Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE and Riverside House, 40 – 46 High Street Maidstone, Kent ME14 1JH, as joint administrators of SCL Elections Limited (CRN 08256225) ("**the Company**") with effect from 3.30pm on 3 May 2018 ("**the Administration Order**")

AND UPON THE PETITION of Vincent John Green and Mark Newman, as the Joint Administrators of the Company ("**the Joint Administrators**"), presented to this Court on 13 August 2018 ("**the Petition**")

AND UPON HEARING Catherine Addy QC and Mark Watson-Gandy of counsel on behalf of the Joint Administrators and Andreas Gledhill QC and Eleni Dinenis on behalf of Professor David Carroll, of 29 Tiffany Place, Apartment 1K, Brooklyn, New York NY 11231, United States of America, a person claiming to be a creditor of the Company, in opposition to the Petition

AND UPON THE COURT being satisfied that the EU Regulation on Insolvency Proceedings applies to these proceedings and that these proceedings are main proceedings within the meaning of Article 3 of the Regulation

IT IS ORDERED THAT:

1. The Administration Order appointing the Joint Administrators in respect of the Company do cease to have effect as at 11pm 17th April 2019.

2. The Joint Administrators be released as administrators of the Company and discharged from liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986 28 days after the date of filing of their final progress report to creditors as Joint Administrators.
3. The Company be wound up by this Court under the provisions of the Insolvency Act 1986.
4. Mr Vincent John Green and Mr Mark Newman be appointed as joint liquidators of the Company pursuant to section 140 of the Insolvency Act 1986 with effect from the date of this Order.
5. Pursuant to section 231 of the Insolvency Act 1986, any act required or authorised under any enactment to be done by the liquidator may be done by either or both of the joint liquidators.
6. The Joint Administrators' costs of the Petition be paid as an expense of the liquidation.
7. Subject to any further order of the Court pursuant to paragraph 9 below, the Joint Administrators' costs of the application made by Professor Carroll dated 9th November 2018 ("**the Disclosure Application**") which were reserved pursuant to the order of Deputy Insolvency and Companies Court Judge Barnett dated 7th December 2018 be paid as an expense of the liquidation.
8. The Joint Administrators' costs of dealing with any questions arising on their final report and of complying with the direction for written submissions in paragraph 9 and 10 below shall (subject to further order) be paid as an expense of the liquidation.
9. Without prejudice to paragraphs 6 and 7 above, the issue of whether Professor Carroll should be ordered to pay any of the Joint Administrators' costs of the Petition and the incidence of the reserved costs of the Disclosure Application be determined by

reference to written submissions (such submissions in each case to be of no more than 10 pages in length) to be made to Mr Justice Norris as follows (and subject to any direction by the Judge that there should be an oral hearing following receipt the same):

- a. By 4.30pm on 13th May 2019 the Joint Administrators and Professor Carroll shall file and exchange their written submissions;
- b. By 4.30pm on 27th May 2019 the Joint Administrators and Professor Carroll shall file and exchange their written submissions in reply.

10. Any application to this court for permission to appeal shall be determined on written submissions, unless the court orders otherwise, with the time for doing so to be extended to 4.30pm on 13 May 2019 on the following terms:

- a. Any such application shall be made by separate written submissions which are to be filed and served upon the Joint Administrators by no later than 4.30pm on 13th May 2019;
- b. The Joint Administrators shall file and serve any written submissions in answer by 4.30pm on 27th May 2019.

11. If permission is refused, pursuant to CPR rule 52.12(2), the time for Professor Carroll to make any application for permission to appeal to the Court of Appeal is extended to 4.30pm on the date 21 days after the determination of the application under paragraph 10 above.

Dated:

Service of this Order:

The Court has provided a sealed copy of this Order for service to the Petitioners' solicitors:

Underwoods Solicitors, 79 Marlowes, Hemel Hempstead, Hertfordshire, HP1 1LR



Crowe

High Court of Justice - 2018/003656

**SCL Elections Limited
(In Administration)**

Final Progress Report to 17 April 2019

**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 3 May 2018, Vincent John Green and Mark Newman of Crowe U.K. LLP were appointed Joint Administrators of SCL Elections Limited ("the Company") by the High Court. The affairs, business and property of the Company were managed by the Joint Administrators who acted as agents of the Company and contracted without personal liability.

As Joint Administrators of the Company, Vincent John Green and Mark Newman were officers of the Court, and performed their duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which was to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators considered the first objective. However, the first objective could not be achieved as no purchaser could be found for the shares of the Company having regard to the adverse publicity, the actions of the Information Commissioner's Office ("the ICO") and the withdrawal or withholding of projects by the Company's clients.

The second objective, this being in accordance with the application for the Administration Order, was that the Joint Administrators explore the opportunity of securing a sale of the business assets of the Company as a going concern so that a better result for the Company's creditors as a whole would be achieved than if the Company was wound up. In a winding-up by the Court, the Secretary of State would apply fees which would become payable by the Company. It was this objective in particular that the Joint Administrators endeavoured to achieve.

The Joint Administrators instructed Lambert Smith Hampton ("LSH or the Agents") as agents and valuers to assist with the marketing of the business assets which was undertaken at short notice. The Agents attended the Company's trading premises and met with the Joint Administrators and the Company's remaining management team with a view to preparing a sales campaign to endeavour to find a buyer for the business assets. This proved difficult due to the absence of credible accounting records to include within a sales prospectus.

The third objective could only be achieved if sufficient value was achieved from asset realisations to make a distribution to the preferential creditors. For the avoidance of doubt, the Company has no secured creditors and this objective was not sought.

The insolvency legislation has a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. As set out in the Joint Administrators' Proposals, with the Administration objective not being achievable, it was proposed that the Company be converted to a Compulsory Liquidation and the making of application to the Court for a winding-up order. On 11 July 2018, the matter was put to a vote of the creditors and the resolution in favour of making this application was passed by a majority.

Following the circulation and approval of the Joint Administrators' Proposals the Joint Administrators presented petitions to the High Court of Justice on 13 August 2018 in respect of the U.K. subsidiaries over which Vincent Green and Mark Newman were appointed Joint Administrators (being, the Company, SCL Group Limited; SCL Social Limited; SCL Analytics Limited; SCL Commercial Limited and Cambridge Analytica (UK) Limited ("the U.K. subsidiaries")) for the following relief:

- (i) That the Administration Orders be discharged pursuant to paragraph 79(1) of Schedule B1 to the Insolvency Act 1986 ("Sched B1" and "the Act" respectively) – in circumstances where the Joint Administrators have concluded that the purposes of administration cannot be achieved in relation to the Companies;
- (ii) That the Joint Administrators be released as Administrators of the Companies and discharged from liability pursuant to paragraph 98 of Sched B1;
- (iii) Compulsory winding up orders be made in respect of each of the Companies on the grounds that they are unable to pay their debts; and
- (iv) The Joint Administrators be appointed as Joint Liquidators, pursuant to Section 140 of the Act ("the S.140 appointment").

An application fee cost of £280 plus the payment of Petition costs of £1,680 have been incurred in order to facilitate the petition for winding-up by the Court. These funds were transferred to Underwoods Solicitors, acting on behalf of the Joint Administrators' in this matter, to accompany the submission of the petition.

Following the application, a contingent creditor sought to oppose the S.140 appointment and requested the production of documents put before the Judge at the hearing at which the said Administration Orders were made. The hearing to place the Company in Liquidation was scheduled for 10 October 2018. However, following the applications made by the contingent creditor, the hearing was adjourned by the Court, taking the hearing out of the winding-up list and placed on the general company list. The hearing was subsequently relisted for Friday 7 December 2018.

The Joint Administrators had remained of the view that it was not incumbent upon them to obtain, collate and provide all of those requested materials to the contingent creditor and that it would not be appropriate to deploy the Company's resources in doing so. However, on 6 December 2018, the Joint Administrators received the contingent creditor's third witness statement from which it was considered that the substance of the contingent creditor's objections to the proposed appointment of Vincent John Green and Mark Newman as Joint Liquidators had materially altered. In particular, it became apparent that the Joint Administrators themselves might wish to refer to some of those materials in order to answer particular allegations that had been made.

In those circumstances, at the hearing on 7 December 2018 (which was a hearing initially listed in respect of the Joint Administrators' Petitions), the Joint Administrators consented to the provision of information requested by the contingent creditor and the Judge ordered that the Joint Administrators' petitions be adjourned to a date to be fixed, to be listed to be heard by a High Court Judge.

Consequently 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 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.

It was further ordered that the Administration Order appointing the Joint Administrators in respect of the Company ceases to have effect as at 11pm on 17 April 2019, with the Joint Administrators to be released as administrators of the Company and discharged from liability pursuant to paragraph 98 of Sched B1 to the Act 28 days after the date of filing of their final progress report to creditors as Joint Administrators.

This Progress Report summarises the progress of the Administration since the last report and also the duration of the Administration ("the Review Period").

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

2. ADMINISTRATION AND PLANNING

The Joint Administrators 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 Administrators 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 Review Period, the following key documents have been issued:

- Issuing the Joint Administrators' Proposals, seeking relevant creditors' approval and issuing notice of the outcome;
- Drafting and issuing a six monthly progress report;
- Reporting to the Creditors' Committee;
- Preparation and submission of three witness statements to support the winding-up petition and the High Court hearings.

Other administrative tasks

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

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

The Information Commissioners Office ("the ICO")

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.

At the date of Administration the file servers and laptops were still being held by the ICO and the government department had been communicating with the Company's representatives and appointed solicitors. The ICO were seeking, amongst other information, login scripts and passwords to commence their review.

Immediately upon their appointment the Joint Administrators made contact with the ICO to obtain copies of the notices served on the Company and to obtain a list of the equipment seized. Through Underwoods and also direct communications with the ICO, consents were given where possible and appropriate, for the data held on the electronic equipment to be imaged, this facilitated the return of the computer hardware to the Company. Following agreement with the ICO and the provision of necessary consents, the ICO returned the majority of the laptops on 14 May 2018. However, the file servers are still held by the ICO.

Following further and continuing communications with the ICO, it is now clear to the Joint Administrators that the delay in the file servers being provided relates more to the ICO's investigation lasting longer due to the quantity of data held being far greater than could have anticipated rather than any wish to withhold the servers. It is understood that the devices seized held approximately 700 terabytes of information which is understood to be the equivalent to 52.5 billion pages of data.

In particular and without wishing to prejudice the ICO's investigations, through various endeavours the Joint Administrators have located and provided key information relevant to data platforms, log in scripts, and passwords. The Joint Administrators have had a number of meetings with the ICO and there has been a sharing of relevant information.

No data has been processed by the Joint Administrators, 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. These principles apply to the Joint Administrators and consequently the Joint Liquidators.

The absence of the file servers has contributed to the difficulties encountered by the Joint Administrators in ascertaining credible financial information of the Company.

Criminal Action taken by ICO

As required under the provisions of the Insolvency Act 1986, the ICO sought permission from the Joint Administrators to proceed with legal action against the Company in relation to an alleged failure to comply with the Enforcement Notice submitted on 4 May 2018.

Following receipt of legal advice received, the Joint Administrators were advised to consent to the lifting of the moratorium solely to enable the ICO (no other party) to commence its criminal action against the Company, purely on the basis that this relates to the criminal action of the Company and its failure to comply with the notice and most certainly not relating to any alleged misuse of data.

On the basis of legal advice received, the Joint Administrators consented to the lifting of the moratorium solely in this matter. The consent did not extend to any other action whatsoever where such consent was required to the lifting of the moratorium.

Should the Joint Administrators not have consented to the lifting of the moratorium, it is possible that a cost order may have been imposed against the Company following an application to Court by the ICO, which would potentially dilute any funds available to unsecured creditors.

The advice received and Opinion from Counsel was that the Joint Administrators should attend the Court hearing in person, on behalf of the Company, and enter a plea of not guilty.

At the Court hearing on 3 October 2018, the Joint Administrators plead not guilty on behalf of the Company to the charge that between 4 June 2018 and 5 September 2018, the Company failed to comply with the Enforcement Notice. Creditors are reminded that, during the period of the Administration, the file servers continued to be held by the ICO.

Following the plea of not guilty, the hearing was adjourned to 9 January 2019.

It should be noted that the prosecution related to a failure by the Company (not the Joint Administrators) to comply with the Enforcement Notice and did not relate to any claims or allegations concerning misuse of data. It was the Joint Administrators understanding that, the Company's valid defence to the failure to comply with the Enforcement Notice would, put shortly, be that at the time of the notice all of the relevant data was held on the file servers which were already in the possession of the ICO (as they had seized them) and were not available to the Company.

The Joint Administrators' Counsel subsequently filed a skeleton argument in relation to the defence and in mid-December 2018, the ICO filed their skeleton argument in response.

In the light of the contents of the ICO's skeleton argument in response, the Joint Administrators' Counsel reviewed their advice and their view of the Company's prospects of successfully defending the proceedings diminished.

Given that there was then an appreciable risk of the Company being convicted and given the costs which would be incurred in pursuing a contested trial, the Joint Administrators took the commercial decision to change the plea entered on behalf of the Company to "guilty". The decision to enter this plea was in line with advice which the Joint Administrators had then received from criminal and insolvency Counsel and was taken after careful consideration of what would be in the best interests of creditors generally.

Negotiations then ensued as to the basis of plea with the ICO. Following legal advice, the Joint Administrators agreed to the basis of plea document and this was accepted by the ICO, which was subsequently put before the Court and the trial date of 9 January 2019, at Hendon Magistrates' Court, and was used for the purposes of mitigation and sentence.

The result was that the Court ordered Elections to pay a fine of £15,000, prosecution costs of £6,000 and a victim surcharge of £170. That order has given rise to an unsecured claim in the administration.

Correspondence continues to be held with the ICO with regard to their ongoing investigation and the recovery of the Company's file servers.

3. ENQUIRIES AND INVESTIGATIONS

During the Review Period, the Joint Administrators carried out a limited initial review of the Company's affairs in the period prior to and immediately following the Joint Administrators' appointment. This included seeking information and explanations from the director (and senior employees) by means of questionnaires; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The director provided the books and records and a completed questionnaire as well as a Statement of Affairs.

The information obtained from this process enabled the Joint Administrators to meet their statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have had past dealings with the Company.

This initial assessment revealed matters that the Joint Administrators considered merited further investigation.

The Joint Administrators investigated the accounting and other information of the Company with a view to enhancing the extent of realisations. These investigations will continue in the Liquidation by the Joint Liquidators. So not to prejudice the outcome of any recovery action that may yet be taken by the Joint Liquidators, we are unable to release any additional information.

Following the conversion to Liquidation, the Joint Liquidators will be assisted with 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 Administrators' Receipts and Payments account is attached at **Appendix III**.

Detailed below is key information about asset realisations and the Joint Administrators' strategy, however more details about the work undertaken can be found at **Appendix II**. The Joint Administrators 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.

Valuation and marketing of the business and assets

On 29 May 2018, a valuation of the assets of the Company was received from the Agent, being an independent firm of valuers, qualified by the Royal Institution of Chartered Surveyors ("RICS"), who have confirmed that they hold Professional Indemnity Insurance.

The valuation was prepared in accordance with the RICS Valuation – Global Standards 2017 and the International Valuation Standards 2017 and was prepared on the basis of Market Value, which is defined by RICS Valuation Professional Standards as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

The valuation of the assets was completed in contemplation of a sale, both as forming part of the assets of a continuing business and a close down and piecemeal disposal under restricted marketing conditions.

Following the Joint Administrators' instructions, the Agents attended the Company's premises and met with the remaining management team with a view to preparing a sales campaign to try and find a buyer for the business.

The Agents prepared an 'email taster' along with a sales prospectus, albeit this was limited due to the lack of any credible accounting information. The email taster was forwarded to approximately 18,000 parties on the Agent's buyers database. The opportunity was also listed on the Agent's website under their Business for Sale section and social media in the form of Twitter was also used to bring the sale to public attention and it was listed on the Agent's LinkedIn page which resulted in a further 429 views.

The Agent also completed online searches for direct competitors and identified a further 52 companies. These companies were subsequently emailed details of the business opportunity. Where email addresses could not be obtained a 'cold calling' operation was undertaken to try to ascertain their possible interest.

The Company's management team and workforce also provided details of a number of parties they felt could be interested. The Agents made attempts to directly contact each, and sent details of the business opportunity where possible.

A number of parties approached the Joint Administrators directly and their details were sent on to the Agents who subsequently forwarded them the sale prospectus.

All interested parties were required to complete and return a non-disclosure agreement to the Agents before further provision of information, other than that contained within the email taster.

In total 13 completed non-disclosure agreements were returned and sales details were sent out. Following this a number of meetings took place, in the U.K. and via conference calls with interested parties situated abroad.

The final date for offers to be received was at 4:00p.m. on 21 May 2018. However, at 3:30pm on 21 May 2018, an expression of further interest was received and the Joint Administrators therefore provided an extension to the deadline to 22 May 2018. Overnight, the last minute interest expressed fell away.

Four offers were received as follows:

- £1 for the business and IPR
- £10,000 / £15,000 for the assets of the company
- £1 for the name 'Cambridge Analytica'.
- £300 for the name 'Cambridge Analytica'.

The Agents advised that the offers received were all at disappointing levels, this being attributed to the restrictions resulting from the ICO action (their removal of the majority of the IT equipment), and correspondence with various overseas enforcement agencies which prevented the sale of the laptops and servers and data. The sum of the offers were also affected by the lack of any credible accounting information. The Agents recommended that the offers should not be accepted and that the assets still available for sale should be realised by private treaty with all IT equipment scheduled and delivered to the Administrators office pending the release of the various injunctions and notices etc.

The values attributed to the assets by the Agent were as below:

Asset category	Valuation basis & amount (£)	
	Market Value as a whole in place	Market Value for removal (4 week marketing period)
Office Furniture and Equipment	29,000	14,000
IT Equipment returned by Information Commissioners Office	20,000	11,000
IT Equipment awaiting to be removed by Information Commissioners Office	17,500	10,000
Servers and laptops held by the Information Commissioners Office	8,700	5,200
Laptops not returned by employees	11,400	6,700
Laptops returned by the Information Commissioners Office and subsequently stolen	4,400	2,500
Total	91,000	49,400

The Agents advised that their views had been prepared within an extremely short period of time and that they had to rely heavily upon information supplied to them by the Company which they were unable to verify in the time available.

The Agents confirmed that they had not previously acted for the Company in respect of its property, plant or machinery and thus were able to confirm their independence. The Agents also confirmed that they carry adequate PI insurance cover.

Realised Assets

Business Rates Refund

A business rates refund of £1,680.33 was received from Westminster City Council on 14 January 2019.

Cash at Bank

According to the director's Statement of Affairs, the balance of funds held in the Company's Sterling, Euro and Dollar accounts held with Barclays Bank Plc ("the Bank") amounted to £97,774 and were estimated to be realisable in full.

A sum of £98,428.53 was received into the Administration account on 15 June 2018. Comprising the balance of the Company's Sterling, Euro and Dollar accounts held with the Bank.

Cash in Hand

The sum of £477.40 has been realised in respect of foreign currency petty cash held at 55 New Oxford Street, London ("the Premises").

FairFx Cards

The director did not show a book value or estimated to realise value from the FairFx foreign exchange cards previously utilised by certain employees of the Company.

Following communications with FairFX, the balance held on the cards in the sum of £18,156.97 was received into the Administration account on 30 August 2018.

Fixed assets

According to the director's Statement of Affairs, the book value ("BV") balance of fixed assets was £101,181 with an estimated to realise value of nil.

Following an initial review of the Company's books and records, the fixed assets include:

- Leasehold property – BV £27,354

This relates to the refurbishment costs of the Premises on the 1st and 2nd floors of New Oxford Street in London. The lease was dated 22 June 2017, for a term of 10 years. The Joint Administrators had no interest in the leasehold property considering the Company is financially unable to carry out its repairing and redecoration obligations. Accordingly, the Joint Administrators consented to a request to forfeit the lease made by the Landlord's agent, and forfeiture of the lease took place on 20 February 2019.

- Office equipment – BV £18,219

This relates to the office equipment held at the leasehold premises. The majority of these items of equipment were seized by the ICO and this probably explains the director's estimate of a nil realisable value. The Agents have estimated a realisable value for these assets of approximately £49,400 if all the equipment is returned by the ICO and also employees. It should be noted that this also includes a sum of £2,500 in respect of laptops that were stolen from the Premises.

- Fixtures and fittings – BV £55,608

The principal expense for furniture and fixtures occurred in September 2017 relating to the fitting out of 55 New Oxford Street. No realisable value has been attached to the fixtures and fittings.

As previously stated, the Agents carried out a valuation of the office furniture and IT equipment of the Company. The Agent considered these assets to have an in-situ value of £91,000 and an ex-situ value of £49,400.

Three offers were received by the Agents for the Company's office furniture and equipment which was valued 'for removal' at £14,000. The highest offer was made and accepted on the Agents' recommendation by an un-associated third party for a sum totalling £12,200 plus VAT, excluding any artwork located on site.

The sale proceeds detailed above were paid to the Agents and the Joint Administrators subsequently received the sale proceeds relating to the furniture and equipment, amounting to £12,200 plus VAT on 12 September 2018.

Transactions with Connected Parties

As previously stated, the Administrators instructed LSH to dispose of the Company's assets using the most advantageous method available.

Interest was expressed in purchasing a piece of Art owned by the Company by two parties. One unconnected party and Mr Waqās Ahmed who is connected with the Company because he was a former employee of the Company.

Both the unconnected party and Mr Ahmed, were invited to contact LSH direct to progress their interest. LSH weighed up the advantages of both parties and the benefits of a swift sale, which would avoid the ongoing costs of storing and marketing the asset, against the potential of attracting a better offer albeit that this would involve incurring more costs.

Following offers made by both parties, LSH concluded that Mr Ahmed's offer of £2,000 plus VAT was very likely to represent the best net realisation for the asset and they recommended that the offer be accepted. For the avoidance of doubt, the offer made by the unconnected party amounted to £1,800 plus VAT.

Consequently, the piece of Art was sold to Mr Ahmed on 10 July 2018 for £2,000 plus VAT. The balance was paid to the Agents and subsequently transferred to the Joint Administrators in full on 12 September 2018.

US Department of Justice Filing Fee Refund

A payment identified in the Joint Administrators' Receipts and Payments account as US Department of Justice Filing Fee of £234.83 relates to a registration under the Foreign Agents Registration Act ("FARA").

It is understood that SCL Social Limited registered under FARA for work that it undertook on behalf of the government of Abu Dhabi. The filing was required to confirm that work had been completed and it is understood that it would have been a criminal offence not to make the filing. It was originally understood that the registration was under the Company's name. However, following payment of the filing fee, it became apparent that the registration was under the name of SCL Social Limited. Accordingly, these funds were refunded to the Company on 10 December 2018.

VAT Refund

A VAT refund was received in the Review Period of £11,426.35.

Assets to be dealt with in the Liquidation

Employee loans

According to the director's Statement of Affairs, the BV balance of employee travel loans was a liability of £427. As the director has shown the employee loan amount as a liability rather than an asset, the position remains under review and will be taken up by the Joint Liquidators.

Employee travel loans

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 will be taken up by the Joint Liquidators as conflicting information relating to the balances has been received.

NMSI Loans

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 NMS International Ltd in relation to this balance. No realisations have been received in the Review Period and the matter will be taken up by the Joint Liquidators.

Trade debtors

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. In the Review Period, the Joint Administrators have corresponded with the debtors that relate to this balance and received a number of disputes. No debtor realisations have been received during the Review Period. Accordingly, the matter remains under review and will be taken up by the Joint Liquidators as conflicting information relating to the balances has been received. It is uncertain what realisations will be made in respect of these debts.

VAT Balances

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 HM Revenue & Customs ("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

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 Administrators 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 has been filed 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 Administrators and subsequently as 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

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

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 Administrators 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 has been filed 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 interim claims submitted by the Joint Administrators will remain for the benefit of the Liquidation.

The Joint Administrators and subsequently 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.

Recovery of Legal Costs

The Joint Liquidators will endeavour to recover the legal costs incurred as a result of the opposition of the contingent creditor to the Joint Administrators' petition to Court.

The Joint Liquidators are currently pursuing the legal costs incurred. However, so not to prejudice the outcome of any recovery action that may yet be taken by the Joint Liquidators, the Joint Administrators are unable to release any additional information at this stage.

5. CREDITORS

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

Employee Claims

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.

Costs of £3,000 plus VAT were incurred in the Review Period and paid to Moorepay, following their engagement by the Joint Administrators' in association with the payroll calculation, the closing of the Company's PAYE reference and the production of P45s for all former employees.

Secured Creditors

The Company has not granted any charges over its assets.

Preferential Creditors

All employees were made redundant 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 £33,385.83 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 45 unsecured creditors have been received totalling £7,099,363.05 excluding HMRC. Of this sum, 17 claims totalling £287,859.54 were received from creditors not included on the director's Statement of Affairs. Accordingly, the Joint Administrators have not received claims from 44 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 has been received from HMRC in the Review 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 17 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 unassociated 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.

Clumber Consultancy Limited ("Clumber") were initially engaged to complete a pension scheme report on the Company, to include a review of unpaid pension contributions for a fixed fee of £300 plus VAT. Following receipt of the report, Clumber were engaged to prepare and submit claims to the RPS in respect of unpaid pension contributions for a fixed fee of £2,350 plus VAT. The costs totalling £2,650 plus VAT have been paid in the Review Period.

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 subsequent 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

Pre-Administration Costs

Under the terms of the Administration Order it was ordered that the pre-Administration costs be settled as a cost of the Administration.

All costs were settled by a third party, Emerdata Limited ("Emerdata"), the ultimate parent company, to enable the application for the Administration Order.

The following statement sets out the pre-Administration costs incurred and relates to all the U.K. subsidiaries:

Professional Advisor	Nature of Work	Paid
Tiger Law Ltd	Legal Advice/Administration Application	£27,854.80
Law Abroad Limited t/as Underwoods Solicitors	Legal Advice & Counsel Disbursements	£33,944.76
Total		£61,799.56

Of the £33,944.76 paid to Underwoods, an amount of £12,000.00 relates to Counsel's fees.

As stated above, prior to the commencement of the Administration, Crowe U.K. LLP assisted the director with the preparation of estimated outcome comparison statement to accompany the director's witness statement, as required as part of the application for an Administration Order. Additionally, the options available to the Company and the U.K. subsidiaries were confirmed and advice was given to the director about the financial difficulties and the options available to help determine an appropriate course of action. The agreed fixed fee for the U.K. subsidiaries was £25,000 plus VAT and this has been fully settled by Emerdata.

Crowe U.K. LLP also assisted the Board in taking the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above, are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The Joint Administrators' 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.

As previously reported, an amount of £221,792.50 was paid directly by Emerdata to a client account operated by Crowe U.K. LLP. These monies were advanced to partially discharge the Joint Administrators' fees for each of the U.K. subsidiaries. An amount of £135,004.12 has been paid from these funds, relating to the Company.

A further £359,450.00 has been paid directly by Emerdata to a client account operated by Crowe U.K. LLP. From these monies £43,090.06 plus VAT has been paid to partially discharge the Joint Administrators' fees, relating to the Company. £60,000.00 remains held in the client account operated by Crowe U.K. LLP and is due to be discharged to meet further legal and counsel fees incurred in the Review Period.

The balance of these funds was utilised to partially discharge the Joint Administrators fees in relation to the other five Administrations and to discharge legal and Counsel costs incurred. Further information can be found at **Appendix IV**.

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

The fixed fee balance amounting to £124,895.85 remains due to be paid.

Expenses & Disbursements

The expenses and disbursements incurred and paid in the period since the last report and also since the commencement of the Administration are detailed at **Appendix IV** together with a comparison to the expenses that were estimated at the outset of the Administration.

The category 1 disbursements paid in the in the Review Period total £4,763.78 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. The category 2 disbursements paid in the Review Period total £115.37.

Unpaid Fees & Expenses

Any unpaid fees and expenses of the Joint Administrators are charged on and payable out of the Company's property. As such, the Joint Liquidators will be responsible for discharging these sums from the assets and funds handed over to them by the Joint Administrators.

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 Administrators' 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 Administrators' 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. CONCLUSION

Attached at **Appendix VI** is a summary of the Joint Administrators' Proposals as approved. There have been no material deviations from the Proposals.

The Company has now moved from Administration to Compulsory Liquidation. The Joint Liquidators will continue to pursue the remaining assets and progress other matters described in this report. There is currently a nil balance in the Joint Administrators' account, however input VAT amounting to £18,035.58 is due to be received from HMRC. Should this be received prior to the opening of the Insolvency Service's Liquidation account, the funds, together with control of the remaining assets yet to be realised and claims to be progressed will be transferred to the Joint Liquidators.

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

Signed



Vincent Green
Joint Administrator

Date

16 May 2019

Appendix I**Statutory Information**

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
Joint Administrators	Vincent John Green and Mark Newman
Joint Administrators' address	Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Joint Administrators' telephone	01892 700 200
Date of appointment	3 May 2018
Court Name and reference	High Court of Justice No.: 2018-003656

Appendix II

List of Work Undertaken in Review Period

Administration:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Preparing, reviewing and issuing proposals to the creditors and members.
- Filing the proposals at Companies House.
- Circulating decisions by correspondence information to all known creditors to consider the Joint Administrators' proposals.
- Reporting on the outcome of the decisions by correspondence and circulating a record of decisions to the creditors, Companies House and the Court.
- Corresponding with the Creditors' Committee, including formal reporting duties and holding meetings where appropriate.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing progress reports to creditors and members, if appropriate.
- Filing progress reports at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Preparing, reviewing and issuing a final progress report to creditors and members

Creditors:

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the RPS.
- Corresponding with employees regarding their claims.
- Liaising with the RPS regarding employee claims.
- Liaising with the director regarding the commitment to settle employee entitlements.
- Instructing payroll specialists in association with pre and post appointment payroll calculations, the closing of the Company's PAYE reference and the production of P45s for all former employees.
- Liaising with pension specialists to prepare and submit claims to the RPS in respect of unpaid pension contributions.
- Instructing pension specialists to produce a report of the Company's pension scheme.
- Liaising with pension specialists to prepare and submit claims to the RPS in respect of unpaid pension contributions.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Liaising with the Company's landlord.
- Maintaining up to date creditor information on the case management system.
- 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.

Realisation of assets:

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with the Company's pre-appointment bankers regarding the closure of the account.
- Liaising with the FairFx regarding the closure of the account.
- Recovery of cash balances.
- Instructing agents to value known assets.
- Liaising with agents to realise known assets.
- Writing to debtors regarding outstanding monies.
- Instructing solicitors to assist in the realisation of assets.

Investigations:

- Recovering the books and records for the case.
- Listing the books and records recovered.
- Submitting an online on the conduct of the directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties.
- 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.

Case Specific Matters:

- Liaising with the ICO and assisting with their enquiries.
- Investigating the whereabouts of and the provision of login script and passwords to the ICO.
- Liaising and dealing with the ICO regarding its enforcement notice, its implications and the computer and other equipment seized.
- Seeing and obtaining legal advice and counsel opinion relating to the criminal action commenced by the ICO.
- 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.
- Meeting and liaising with counsel regarding the winding up petition.
- Preparing and filing witness statements to accompany the winding up petition and in response to various opposing applications made.
- Attendances at Court regarding the winding up petition.
- Dealing with press regarding the winding up petition.

SCL Elections Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 03/11/2019 To 17/04/2019 £	From 03/05/2018 To 17/04/2019 £
	ASSET REALISATIONS		
	Business Rates Refund	NIL	1,680.33
97,774.00	Cash at Bank	NIL	98,428.53
	Cash in Hand	NIL	477.40
(427.00)	Employee Loans	NIL	NIL
10,494.00	Employee Travel Loans	NIL	NIL
	FairFx cards	NIL	18,156.97
	Fixed Assets	NIL	14,200.00
63,646.00	NMSI Loans	NIL	NIL
64,181.00	Trade Debtors	NIL	NIL
	US Dept of Justice Filing Fee Refund	NIL	234.83
136,918.00	VAT Balances	NIL	NIL
	VAT Refund	NIL	11,426.35
		NIL	144,604.41
	COST OF REALISATIONS		
	Agents/Valuers Fees	NIL	3,517.12
	Court Fees	NIL	280.00
	Insurance of Assets	NIL	773.99
	Joint Administrators' CAT 2 Disb	NIL	115.37
	Joint Administrators' Fees	NIL	47,009.97
	Legal Fees & Disbursements	NIL	56,682.10
	Online Reporting Fee	NIL	48.00
	Payroll Agent Fees	NIL	3,000.00
	Pension Advice	NIL	2,650.00
	Petitioners Deposit	NIL	1,600.00
	Postage	NIL	721.90
	Professional Costs	NIL	1,260.00
	Re-Direction of Mail	NIL	507.00
	Specialist IT Agents	NIL	2,500.00
	Specific Bond	NIL	210.00
	Statutory Advertising	NIL	115.65
	Storage Costs	NIL	4,296.50
	Travel	NIL	1,046.40
	US Dept of Justice Filing Fee	NIL	234.83
		NIL	(126,568.83)
	UNSECURED CREDITORS		
(8,578,658.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(8,206,072.00)		NIL	18,035.58
	REPRESENTED BY		
	Vat Control Account		18,035.58
			18,035.58

Vincent John Green
Joint Administrator



Expenses Information

The Joint Administrators have also used the following agents or professional advisors since their appointment as Joint Administrators:

Professional Advisor	Nature of Work	Basis of Fees	Original Estimate	Amount Accrued	Paid by Third Party	Paid from Asset Realisations	Amount still to be paid
Lambert Smith Hampton Group Ltd	Valuer	Time Costs & Disbursements	£31,705.00	£25,222.12	£21,705.00	£3,517.12	-
Back Row IM Limited	Financial Accountancy	Time Costs & Disbursements	£32,756.76	£22,756.76	£22,756.76	-	-
Information Protection Solutions Ltd	Storage Costs	Time Costs & Fixed Fee	£5,000.00	£5,173.50	£877.00	£4,296.50	-
Clumber Consultancy Limited	Pension Advice	Fixed Fee	Uncertain	£2,650.00	-	£2,650.00	-
US Attorney Legal Costs	Legal Advice	Uncertain	£50,000.00	-	-	-	-
Infinite Global Consultancy Ltd	PR Consultancy	Uncertain	Uncertain	£1,260.00	-	£1,260.00	-
Moorepay Payroll & HR Solutions Limited	Payroll Agents	Fixed Fee	Uncertain	£3,000.00	-	£3,000.00	-
GWT Media Limited	IT Specialists	Uncertain	£10,000.00	£3,940.00	£1,440.00	£2,500.00	-
Law Abroad Limited t/as Underwoods Solicitors	Legal Advice & Counsel Disbursements	Time Costs & Disbursements	£95,786.84	£285,407.71	£165,394.06	£56,682.10	£63,331.55
Marsh Ltd UK	Insurance of Assets	Fixed Fee	Uncertain	£773.99	-	£773.99	-
Total			£225,248.60	£350,184.08	£212,172.82	£74,679.71	£63,331.55

The above sums are exclusive of VAT.

The choice of professionals was based on the Joint Administrators' perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. The Joint Administrators also considered that the basis on which they will charge their fees represented value for money. The Joint Administrators 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, LSH were instructed as agents and valuers to assist with the marketing of the business assets. Information relating to the work undertaken on the Joint Administrators' behalf is included in the body of this report. Sums accrued by LSH in relation to the exploration of the opportunity to sell the U.K. subsidiaries as a going concern have been paid by a third party, namely Emerdata Limited. The sums paid from asset realisations relate to time costs and a 10% realisation fee in the marketing and sale of office furniture & equipment. It is understood that the office furniture & equipment was paid for and owned by the Company.

Back Row IM Limited, being engaged by the U.K. subsidiaries prior to the involvement of the Joint Administrators were retained by the Joint Administrators to complete a financial review of the U.K. subsidiaries. The costs relate solely to work completed post appointment for the period ended 24 May 2018. The sums accrued by Back Row IM Limited relate to the all the U.K. subsidiaries and have been paid by a third party, namely Emerdata Limited.

We are required to take the Company's and the U.K. subsidiaries' books and records under our control. The Joint Administrators engaged Information Protection Solutions Ltd in the collection, archival and listing of boxed records.

Of the aforementioned £359,450.00 paid directly by Emerdata to a client account operated by Crowe U.K. LLP, £877 plus VAT was paid to Information Protection Solutions Ltd.

As previously advised, Clumber were initially engaged to complete a pension scheme report on the Company, to include a review of unpaid pension contributions and were subsequently engaged to prepare and submit claims to the RPS in respect of unpaid pension contributions.

To date, no US Attorney legal costs have been incurred.

Infinite Global Consultancy Ltd were initially engaged to provide PR consultancy immediately following the appointment of Joint Administrators and in light of the significant press attention received.

Moorepay were engagement by the Joint Administrators' in association with the payroll calculation, the closing of the Company's PAYE reference and the production of P45s for all former employees. In the period to the date of this report, the fixed fee of £3,000 plus VAT at stated above has been paid to Moorepay from asset realisations.

IT Specialists, GWT Media Ltd, were engaged by the Joint Administrators' in association with the secure and confidential collection of the Company's Gmail accounts and its provision in a format intended for further investigation by the Joint Administrators.

Of the aforementioned £359,450.00 paid directly by Emerdata to a client account operated by Crowe U.K. LLP, £1,440 plus VAT was paid to GWT Media Ltd in association with the secure and confidential collection of the Company's Gmail accounts, its provision in a format intended for further investigation and their advice relating to the Company's IT systems.

The Joint Administrators instructed Solicitors, being Underwoods, to assist them during the post Administration period. The work undertaken on the Joint Administrators' behalf is included in the body of this report. However, for the avoidance of doubt, legal advice has been provided to the Joint Administrators in regards to claims made against the Company and the U.K. subsidiaries prior to and also during the Administration mostly relating to the alleged misuse of data, communications with the ICO, clarity on the position of the Joint Administrators not being Data Controllers, on the strategy of the Administrators, general employment advice, legal advice on the Joint Administrators' Proposals,

assistance with applications to Court to place the U.K. subsidiaries into Compulsory Liquidation and legal advice on the legal action against the Company in relation to an alleged failure to comply with the Enforcement Notice.

Of the £165,394.06 paid by Emerdata to Underwoods, £70,375.00 relates to Counsel's fees. Of the £56,682.10 paid from asset realisations, £10,875 relates to Counsel's fees.

Of the aforementioned £359,450.00 paid directly by Emerdata to a client account operated by Crowe U.K. LLP, £153,517.38 plus VAT has been paid to Underwoods Solicitors in respect of legal and counsel fees incurred.

The remaining £50,617.23 plus VAT (of the £359,450.00 paid by Emerdata) has been paid to partially discharge the Joint Administrators' fees, relating to the other U.K. subsidiaries.

In addition to the sums paid to Underwoods in the Review Period, the Joint Administrators understand further accrued costs in the sum of £63,331.55 plus VAT, for work completed in relation to the Administrations, have been incurred by Underwoods (of which £35,000 relates to Counsel's fees). However, the invoice has not been approved by the Joint Administrators on behalf of any of the U.K. subsidiaries.

The sum of £773.99 has been paid to Marsh Limited in respect of Public liability and Employers' liability, for the period 3 May 2018 to 22 May 2018, and Computer cover, for the twelve month period ended 2 May 2019.

Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Administration 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 application of the contingent creditor as mentioned in the body of this report.

Disbursement Information

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

Type of expense	Original Estimate	Amount accrued	Amount Paid	Amount still to be paid
Online Reporting Fee	Uncertain	£48.00	£48.00	£0.00
Postage	Uncertain	£721.90	£721.90	£0.00
Redirection of Mail	Uncertain	£507.00	£507.00	£0.00
Specific Bond	£210.00	£210.00	£210.00	£0.00
Statutory Advertising	Uncertain	£115.65	£115.65	£0.00
Travel	Uncertain	£1,151.00	£1,046.40	£104.60
US Dept of Justice Filing Fee	Uncertain	£234.83	£234.83	£0.00
Court Fees	Uncertain	£280.00	£280.00	£0.00
Petitioners Deposit	Uncertain	£1,600.00	£1,600.00	£0.00
Total	£210.00	£4,868.38	£4,763.78	£104.60

As stated in the body of the report, a payment identified in the Joint Administrators' Receipts and Payments account as US Department of Justice Filing Fee of £234.83 relates to a registration under FARA.

It is understood that SCL Social Limited registered under FARA for work that it undertook on behalf of the government of Abu Dhabi. The filing was required to confirm that work had been completed and it is understood that it would have been a criminal offence not to make the filing. It was originally understood that the registration was under the Company's name. However, following payment of the filing fee, it became apparent that the registration was under the name of SCL Social Limited. Accordingly, these funds were refunded to the Company on 10 December 2018.

The Joint Administrators are permitted to charge and recover what are known as category 2 expenses. Information about category 2 expenses is set out in our practice fee recovery policy, following approval by creditors on 11 July 2018 and ratification by the Committee members at the first meeting of the Committee on 8 October 2018. The following category 2 expenses have been incurred and paid by the Joint Administrators since their appointment:

Type of category 2 disbursement	Amount accrued	Amount Paid	Amount still to be paid
Mileage	£115.37	£115.37	-
Total	£115.37	£115.37	-

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	£375 per hour
Director	£290 per hour
Senior Manager/Manager	£210 to £250 per hour
Assistant Manager	£180 per hour
Senior Administrator	£165 per hour
Administrator	£125 per hour
Trainee/support staff	£65 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 2018. 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/>

Appendix VI

Summary of the Joint Administrators' Proposals

- i). That the Administrators' proposals be approved; being
 - 1. Steps are taken to convert the Administration of the Company into a Compulsory Liquidation and that the Joint Administrators be appointed as Joint Liquidators.
 - 2. In respect of proposal 1, Vincent John Green and Mark Newman be authorised to act either jointly or separately in undertaking their duties as Liquidators.
- ii). That the Administrators' fees be approved on a fixed fee basis of £350,000 plus VAT;
- iii). That the Administrators be permitted to recover category 2 disbursements.