



Joint Liquidators' Progress Report

For the Period 17 August 2018 to 16 August 2019

Vantis Tax Limited

(in Liquidation) (the "Company" or "VTL")

Company Number: 04997302

27 September 2019

CONTENTS

- 1 Introduction
- 2 Progress of the Liquidation
- 3 Estimated Outcome for Creditors
- 4 Liquidators' Remuneration and Disbursements
- 5 Next Report and Closure

APPENDICES

Statutory Information	Appendix A
Receipts and Payments Accounts for the Period from 17 August 2018 to 16 August 2019 and 17 August 2011 to 16 August 2019	Appendix B
Unbilled Time and Fee Analysis for the period from 17 August 2018 to 16 August 2019 and 17 August 2011 to 16 August 2019	Appendix C
Additional Information in Relation to Liquidators' Fees Pursuant to Statement of Insolvency Practice 9	Appendix D

1 Introduction

- 1.1 Simon Granger and Chad Griffin of FTI Consulting LLP (“FTI”) were appointed as Joint Administrators of the Company on 2 September 2010.
- 1.2 Following an application to the Court pursuant to s.123 of the Insolvency Act 1986 (as amended) (“the Act”), the Court ordered that the Company be placed into liquidation and that Chad Griffin and Simon Granger be appointed as Joint Liquidators of the Company on 17 August 2011.
- 1.3 Simon Granger and Chad Griffin are licensed by the Institute of Chartered Accountants of England and Wales.
- 1.4 This Report is prepared pursuant to Rule 18.8 (formerly Rule 4.49B) of the Insolvency Rules 2016 (formerly Insolvency Rules 1986 as amended) (“the Rules”). The purpose of the report is to provide creditors with an update as to the present position of the Liquidation.
- 1.5 Statutory information pertaining to the Company and as required by the Rules is set out in Appendix A.
- 1.6 We are bound by the Insolvency Code of Ethics. We did not identify any ethical threats in considering our appointment over the Company, but a copy of our considerations can be provided on request.
- 1.7 The Insolvency (England and Wales) Rules 2016 were made effective on 6 April 2017. The new Rules replace the Insolvency Rules 1986 (as amended). Where appropriate, we have included references to the new Rules together with the former references.

2 Progress of the Liquidation

Receipts and Payments to date

- 2.1 A summary of receipts and payments for the Company for the period 17 August 2018 to 16 August 2019 is attached in Appendix B.
- 2.2 Since our appointment, the only realisations have been the receipt of surplus funds from the administration and the receipt of a creditor dividend of £15,988 due to the Company from another group entity. There have been no receipts during the period 17 August 2018 to 16 August 2019.

Future Realisations

- 2.3 In relation to the Company and Vantis Plc (which is also in liquidation), we continue to progress claims against two former tax partners. As previously advised, we have entered into arrangements with Aquila (“Aquila Advisory Limited”) who are pursuing these claims on a contingent fee basis. There is a

possibility that realisations from these claims may flow to VTL; this will depend on the success or otherwise of the different aspects of the claims.

- 2.4 In March 2018, the court announced its Judgment and found in favour of Aquila against the Crown Prosecution Service (CPS) in respect of confiscated assets from certain former Vantis partners and their associates, in connection with certain tax products sold by Vantis group.
- 2.5 The CPS however have sought to appeal the decision on multiple occasions. The first appeal to the Court of Appeal was rejected and at the same time their application to appeal to the Supreme Court was also rejected. Earlier this year the CPS applied directly to the Supreme Court for permission to appeal and we are currently awaiting a decision on whether this permission will be granted.
- 2.6 In the meantime, as a result of settlement agreements between Vantis Plc and certain subsidiaries which entered Administration (“the Companies”), the individuals involved, the CPS and Aquila an Enforcement Receiver has been appointed and therefore the process of realisation of assets pending the legal appeal can continue.
- 2.7 Given the uncertainty in respect of future legal costs in dealing with an appeal, uncertainty over the net proceeds from the Enforcement Receiver, and pending the outcome of an appeal, it remains challenging to estimate potential recoveries from this source.

3 Estimated Outcome for Creditors

- 3.1 Creditors should be aware that a prediction of the likely dividend level in the liquidation is subject to change. Actual dividends payable will be affected by future asset realisations, costs and the level of creditor claims, which may differ from directors’ estimates.

The estimated outcome for the Company is summarised below:

- **Secured creditors** – A dividend of £15,988 was received by the Company, but turned over to the secured creditors under the terms of the finance agreements in place. No other amounts have been distributed to the secured creditors by the Company. A further distribution may be paid in due course but will be dependent on total net floating charge realisations.
- **Preferential creditors** – There are no known preferential creditors. All Company employees were employed through Vantis HR Limited.
- **Prescribed Part** – Under Section 176A of the Act where after 15 September 2003 the Company has granted a creditor a floating charge, a proportion of the net property of the company must be made available for the unsecured creditors.

The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) available to unsecured creditors, and is calculated as follows:

- 50% of net property up to £10k.
- Plus 20% of net property in excess of £10k.
- Subject to a maximum of £600k.

Based on the information available, we think that it is unlikely that there will be any funds available to unsecured creditors from the prescribed part.

- **Unsecured Creditors** – Based on the information available and total unsecured claims we are currently aware of, the Joint Liquidators estimate that there will be no funds available to distribute to unsecured creditors.

4 Liquidators' Remuneration and Disbursements

- 4.1 There are currently no funds available in the Liquidation to allow any time costs incurred to date to be billed.
- 4.2 Unpaid time costs incurred from 17 August 2018 to 16 August 2019 total £1.9k. Disbursements for this period are nil. We have attached, at Appendix C, time analysis in accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), which provides details of the activity costs incurred by staff grade for this period. Creditors should note that the minimum time units used by the Liquidators and their staff are of six minutes.
- 4.3 Total time costs incurred during the period of the liquidation from 17 August 2011 to 16 August 2019 are £159,747. Category 1 expenses incurred during this period total £266.
- 4.4 Should realisations be made in the future, we will submit all time costs to the secured creditors for approval to draw fees pursuant to Rule 18.16 of the Rules, given that there are no preferential creditors. The basis of remuneration is fixed with reference to time costs properly incurred in dealing with the liquidation.
- 4.5 Creditors notice is drawn to Rule 18.9 of the Rules, which states that a secured creditor or unsecured creditor comprising more than 5% of the value of creditors, or any creditor with the permission of the court, can, within 21 days of receipt of this report, request further information about our remuneration or expenses.

- 4.6 We will provide this information within 14 days of receiving that request unless we consider that the time or cost of preparing that information is excessive, the disclosure of information would be prejudicial to the liquidation or would breach confidentiality obligations.
- 4.7 If we do not disclose the information, or don't do so within 14 days, within 21 days of that date a creditor can apply to court to extend the period in which information must be provided.
- 4.8 Any secured creditor, or 10% value of unsecured creditors, or any creditor with the permission of the court, may, pursuant to Rule 18.34 of the Rules, apply to Court to challenge the liquidators' remuneration as excessive.
- 4.9 Such application needs to be made within 8 weeks after receipt by the applicant of this report.
- 4.10 A full guide to liquidators' fees is available at:
<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>
- 4.11 Should you wish to receive a soft or hard copy of this guide, please contact Alex Lewis at InsolvencyTeam@fticonsulting.com or on 0207 3727 1550.
- 4.12 Attached as Appendix D is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge out rates by staff grade.

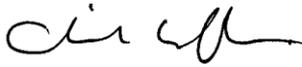
5 Next Report and Closure

- 5.1 Given the lack of certainty of the availability of funds for creditors, as stated above, the duration of the liquidation remains uncertain and will remain under review.
- 5.2 Prior to the closure of the liquidation, a final report will be sent to all creditors following which creditors will have eight weeks to object to the office holders' release prior to the termination of the liquidation. Until such time as the liquidation is concluded, the liquidators are required to report to creditors within two months of the end of the next year anniversary or earlier if the liquidation has been finalised.
- 5.3 Pursuant to Rule 1.50(a) of the Rules all further information in respect of the liquidation of the Company will be placed on the website below (except for certain notices which will be mailed to creditors and were listed on the previously provided notice) and no notice will be provided to creditors of updates placed on the website:

<http://www.fticonsulting-emea.com/cip/vantis>

5.4 Should creditors wish to receive a hard copy of any of the documents available at the above website or if you have any specific queries in relation to this report or the liquidation in general, please contact the liquidators via email at InsolvencyTeam@fticonsulting.com, by phone on 020 3727 1550, or by writing to FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD.

For and on behalf of
the Company

A handwritten signature in black ink, appearing to read 'C. Griffin', written over a horizontal line.

Chad Griffin
Joint Liquidator

Simon Granger and Chad Griffin are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

Company	Vantis Tax Limited
Court details	High Court of Justice, Chancery Division, Companies Court Case No. 6392 of 2011
Registered number	04997302
Registered office address	C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD
Company directors	Trevor Applin, Paul Kerr Ashton and Paul Francis Jackson
Company Secretary	Paul Kerr Ashton
Date of Liquidation appointment	17 August 2011
Shareholding held by directors and secretary	Nil
Liquidators' Names	Simon Granger and Chad Griffin
Liquidators' Address	FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD
Liquidators' Licensing Body	ICAEW

The appointment of the Liquidators was made by the Court. The appointment is as Compulsory Liquidators.

The Company is subject to fixed and floating charges in favour of the secured lenders and the validity of the appointment and of the security has been confirmed by CMS Cameron McKenna LLP

Pursuant to Section 100 of the Act, any function of the Liquidators may be exercised by any or all of the Liquidators named above.

Receipts and Payments Account for the Period from 17 August 2011 to 16 August 2019

Appendix B

Vantis Tax Limited (in Liquidation)

Expected to Realise Statement of Affairs	LIQUIDATION PERIOD							TOTAL PERIOD
	17 August 2011 To 16 August 2013	17 August 2013 To 16 August 2014	17 August 2014 To 16 August 2015	17 August 2015 To 16 August 2016	17 August 2016 To 16 August 2017	17 August 2017 To 16 August 2018	17 August 2018 To 16 August 2019	Total for period 17 August 2011 To 16 August 2019
£	£	£	£	£	£	£	£	£
Receipts								
Surplus from administration	391.00	31.32	Nil	Nil	Nil	Nil	Nil	31.32
Subordinated Inter-company Debt	Nil	15,987.75	Nil	Nil	Nil	Nil	Nil	15,987.75
	391.00	16,019.07	Nil	Nil	Nil	Nil	Nil	16,019.07
Payments								
Statutory Advertising		(31.32)	Nil	Nil	Nil	Nil	Nil	(31.32)
		(31.32)	Nil	Nil	Nil	Nil	Nil	(31.32)
Dividends								
Payment to Secured Lender under Inter-Creditor Agreement		(15,987.75)	Nil	Nil	Nil	Nil	Nil	(15,987.75)
		(15,987.75)	Nil	Nil	Nil	Nil	Nil	(15,987.75)
Surplus/(Deficit)		Nil						

Note: No funds are currently held

Unbilled Time and Fee Analysis for the period from 17 August 2018 to 16 August 2019

Appendix C

SIP 9 time and fee analysis for the period 17 August 2018 to 16 August 2019

Classification of Work Function	Hours					Total Hours	Total Time Cost (£)	Average Hourly Rate (£)
	Senior Managing Director	Managing Director	Director	Senior Consultant	Consultant / Associate			
Administration, Accounting and Statutory	0.0	0.7	0.0	0.0	0.0	0.7	528.5	755.0
Investigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Realisation of Assets	0.0	0.9	0.0	0.0	0.0	0.9	679.5	755.0
Tax Compliance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Correspondence with Creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Other	0.0	0.9	0.0	0.0	0.0	0.9	679.5	755.0
Total Hours	0.0	2.5	0.0	0.0	0.0	2.5	1,887.5	755.0
Unbilled WIP	0.0	1,887.5	0.0	0.0	0.0		1,887.5	

	Time Costs	Category 1	Category 2	Total
Total Costs incurred 17 Aug 2017 to 16 Aug 2018	1,887.5	0.0	0.0	1,887.5
Amount Billed	0.0	0.0	0.0	0.0
Unbilled WIP	1,887.5	0.0	0.0	1,887.5

Unbilled Time and Fee Analysis for the period from 17 August 2011 to 16 August 2019

Appendix C

SIP 9 time and fee analysis for the period 17 August 2011 to 16 August 2019

Classification of Work Function	Hours					Total Hours	Total Time Cost (£)	Average Hourly Rate (£)
	Senior Managing Director	Managing Director	Director	Senior Consultant	Consultant / Associate			
Administration, Accounting and Statutory	0.0	9.6	2.2	4.5	37.6	53.9	17,950.5	333.0
Investigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Realisation of Assets	12.2	66.9	1.0	0.0	35.1	115.2	59,102.0	513.0
Tax Compliance	0.0	10.0	1.5	0.0	7.8	19.3	8,106.5	420.0
Correspondence with Creditors	0.0	50.0	32.0	0.3	18.9	101.2	53,356.0	527.2
Other	0.0	31.2	0.0	0.0	1.0	32.2	21,231.5	659.4
Total Hours	12.2	167.7	36.7	4.8	100.4	321.8	159,746.5	496.4
Unbilled WIP	8,315.0	104,904.0	21,146.5	2,204.0	23,177.0		159,746.5	

	Time Costs	Category 1	Category 2	Total
Total Costs incurred 17 Aug 2011 to 16 Aug 2019	159,746.5	265.6	0.0	160,012.1
Amount Billed	0.0	0.0	0.0	0.0
Unbilled WIP	159,746.5	265.6	0.0	160,012.1

1 Policy

Detailed below is FTI’s policy in relation to:

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

1.1 Staff Allocation and the use of Sub-contractors

Our 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 Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

1.2 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	Fees drawn during period
CMS Cameron McKenna (legal advice) – Joint Liquidators’ lawyers	Hourly rate and disbursements	Nil

Our choice was based on our view 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.

We have also utilised the services of other teams within FTI Consulting LLP to assist with the liquidation process. The fees of our tax team have been included in our SIP9 analysis provided to creditors of the Company and allocated to the work streams and entities to which their work related, for approval by those parties approving our fees.

We consider that the rates chargeable for these services are in line with general market practice and that the service is comparable to similar firms of professional advisors. In addition, by working closely with our internal team, we believe a more coordinated and cost-effective approach to the liquidation work streams has been possible.

1.3 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.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder. On this case no costs of this nature have been incurred.

1.4 Charge-out Rates

A schedule of FTI's charge-out rates for this assignment are as follows:

	2014 £ (Per hour)	2015 £ (Per hour)	2016 £ (Per hour)	2017 £ (Per hour)	2018 £ (Per hour)	2019 £ (Per hour)
Directors:						
Senior Managing Director	£725	£765	£795	£830	£850	£875
Managing Director	£630	£665	£695	£715	£735	£755
Tax Director	£630	£665	£575	£580	£590	£605
Director	£550	£580	£595	£595	£610	£625
Manager:						
Senior Consultants	£455	£480	£505	£525	£540	£555
Other Senior Professionals:						
Consultants	£400	£420	£440	£450	£460	£475
Associates	£185 - £250	£195 - £265	£210 - £285	£215 - £295	£220 - 305	£225 - 315

1.5 Post-appointment time costs

The main areas of our work to date and expected future work streams have been set out in the body of the report but can be summarised as follows:

Category	Description (O – Ongoing, C – Completed, F – Future)	Rationale
Administration & Planning	<ul style="list-style-type: none"> Day 1 of appointment including communication with creditors and statutory notifications - C Complying with statutory formalities include relevant filings and statutory communications – O Maintaining the Liquidation record – O Review of Company books and records – C Case closure including statutory reporting - F 	Statutory / compliance requirement; to ensure efficient project management
Realisation of Assets	<ul style="list-style-type: none"> Dealing with VAT realisations – C Legal claims against former directors – C Analysis of Gift Aid debtors and VTL strategy – C Assignment of claims to BTG Tax LLP and subsequent termination – C Assignment of claims to Aquila - C Correspondence with Aquila regarding latest legal case developments - O 	Identify, assess and seek to realise potential value
Tax Compliance	<ul style="list-style-type: none"> Corporation tax computations and submissions – C VAT reclaims post-deregistration from legal advisors representing professional indemnity insurers - O 	Necessary to facilitate liquidators' legal duties and realise value
Correspondence with Creditors	<ul style="list-style-type: none"> Dealing with Personal Indemnity claims – C Responding to shareholder queries – O Correspondence with Secured Lender – O Dealing with unsecured creditor queries and queries from legal advisors representing professional indemnity insurers – O Liaising with creditors in respect of Gift Aid schemes - C 	Statutory requirements; required for orderly case management;
Other matters	<ul style="list-style-type: none"> Discussions with insurers regarding claims and review of defence agreement – C Negotiating a legal settlement agreement - C Miscellaneous and ad-hoc tasks not falling within the categories above – F 	Necessary to deal with company liabilities and legal claims.