Rule 2 33 | Form 2 17B

The Insolvency Act 1986

Statement of administrator's proposals

2.17B

Name of Company	Company Number
Manches Services Limited	08250846

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	7092 of 2013

(a) Insert full name(s) and address(es) of administrator(s)

~~I~~ / We (a) David Robert Baxendale and Zelt Hussain of PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT and Stuart David Maddison of PricewaterhouseCoopers LLP of 9 Greyfriars Road, Reading RG1 1JG

* Delete as applicable

attach a copy of ~~*my~~ / our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 3 December 2013

Signed ____________

~~Joint~~ / Administrator(s)

Dated 3rd DECEMBER 2013

Contact Details:

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

Aidan Donaldson	
7 More London Riverside, London SE1 2RT	
	Tel 0207 583 5000
DX Number	DX Exchange

SATURDAY

A2MPPN8X

A07 07/12/2013 #327

COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

pwc

Manches Services Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 7092 of 2013

Joint Administrators' proposals for achieving the purpose of administration

2 December 2013

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1. Purpose of this document

I wrote to all creditors on 23 October 2013, to explain that Manches Services Limited (the "Company") had entered into Administration and that Zelf Hussain, Stuart Maddison and I had been appointed as Joint Administrators (the "Administrators") on 14 October 2013.

We were appointed as Administrators to manage the affairs, business and property of the Company. We will act until such time as our proposals for achieving the purpose of administration have been agreed by creditors and implemented, following which the Administration will be ended.

The purpose of administration is to achieve one of the following objectives: -

(a) Primarily, rescuing the Company as a going concern, or failing that
(b) Achieving 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 finally
(c) Realising property in order to make a distribution to one or more secured or preferential creditors.

For the reasons detailed in this document, objective (b) is being pursued as it was not reasonably practical to rescue the Company as a going concern. Further details of the steps taken in pursuit of objective (b), specifically a sale of the Company's business and assets, are set out below and were circulated to all creditors on 23 October 2013, pursuant to Statement of Insolvency Practice No.16 ("SIP16").

This document and its appendices form the Administrators' statement of proposals for achieving the purpose of administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86").

You are requested to vote upon the Administrators' proposals, Category 2 disbursements and pre-Administration costs and to fix the Administrators' remuneration by returning the enclosed Form 2.25B together with details of your claim on the enclosed claim form. If a claim form has been submitted previously for voting purposes, it is not necessary to send a further copy. We have set 12 noon on 19 December 2013 as the date by which these must be returned. Please note that you will be bound by the proposals if they are approved by the requisite majority of creditors. It is important therefore, that you read this document carefully.

Please note that you are not obliged to return the Form 2.25B if you do not wish to vote on the resolutions and you will not prejudice your claim and entitlement to a dividend, should there be one, if you do not vote, or if your claim is submitted after the date mentioned above.

1. Purpose of this document

If you have any concerns or questions regarding the background to this case, or what is being proposed, please do not hesitate to contact my colleague, Osman Khan on 020 7213 8145.

David Robert Baxendale
Joint Administrator of Manches Services Limited

David Baxendale, Zelf Hussain and Stuart Maddison have been appointed as joint administrators of Manches Services Limited to manage its affairs, business and property as its agents and without personal liability The joint administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998 PricewaterhouseCoopers LLP will act as Data Processor on their instructions Personal data will be kept secure and processed only for matters relating to the administration

2. The Administrators' statement of proposals

a. Brief history and summary of the Administrators' actions to date

Background

The Company was incorporated on 12 October 2012 as a service company with the purpose of supplying employees to Manches LLP ("LLP") and various other finance and management functions. The Company relied solely on the LLP for funding to cover its operating costs through management recharges.

The LLP was a law firm located in London, Reading and Oxford. The LLP provided legal services to high net worth individuals and corporates in the mid-market sector.

The circumstances giving rise to the Administrators' appointment

Over the last few years LLP suffered from a fall in turnover. The decline was further exacerbated in autumn 2012 by the departure of one of LLP's high earning partners. In light of its falling turnover LLP took steps to reduce its cost base, however, this was not sufficient to offset the decline in revenue. Consequently, this had a severe impact on LLP's cash flow

By the start of 2013, the strain on cash was increasingly evident as LLP struggled to meet its obligations to HM Revenue & Customs ("HMRC") for unpaid partners' personal tax liabilities, VAT and other taxes as and when they fell due. In May 2013, an increase in LLP's overdraft was agreed with its bankers to avoid a breach of its facility and enable it to continue to trade, in the short term, with a view to addressing its cash flow difficulties.

In an attempt to ease cash pressures, LLP also sought to enter into a time to pay arrangement with HMRC with regard to unpaid partners' tax liabilities which fell due on 31 July 2013. This proved unsuccessful as HMRC insisted on negotiating individual time to pay arrangements with the partners as the liability was their personal responsibility.

The Solicitors Regulation Authority ("SRA") became aware of LLP's position in summer 2013 and closely monitored the ability of LLP to meet its obligations to clients. From this monitoring process the SRA established that in addition to its solvency issues, LLP had failed to properly account for accrued interest on its client accounts.

The continued decline in revenue and LLP's high cost base resulted in LLP being unable to settle its VAT liability, which fell due in August 2013, of £625k which left it at risk of enforcement action by HMRC.

2. The Administrators' statement of proposals

By September 2013, LLP's cash requirement for the month was forecast to exceed its overdraft facility. It became apparent that LLP did not have sufficient headroom to settle critical payments such as rent, partner tax and the annual renewal of its Professional Indemnity Insurance ("PII") cover. Without mandatory PII cover (which was due to expire on 30 September 2013) LLP would have been unable to continue to trade as a regulated entity. LLP eventually obtained extended PII cover for one month (until 31 October) whilst it explored a potential sale.

Given LLP's inability to meet its liabilities as they fell due, the partners of LLP determined that LLP was insolvent and they sought advice from independent professional advisors The Company's directors similarly recognised that if LLP could not meet its management recharges, the Company would be unable to avoid formal insolvency and they also took independent advice.

LLP now faced the prospect of intervention by the SRA to safeguard LLP's client interests and files, preventing continued trading of LLP. This inevitably would have resulted in the Company also ceasing to trade and the redundancy of all employees.

Following discussions with the SRA, LLP undertook a discrete marketing process. A potential purchaser was identified and initially explored a solvent merger with LLP but given the extent of LLP's financial difficulties it became clear that a sale outside formal insolvency could not be achieved. The SRA indicated that it would not object to a sale from an insolvency process.

The joint administrators were satisfied that a sale, immediately following their appointment, of LLP's business and a transfer of the Company's employment contracts was the only viable solution to preserving value and preventing job losses. A lengthy post appointment sales process would have led to a diminution in value and probable SRA intervention in the affairs of LLP and termination of the Company's services.

On 14 October 2013 the High Court granted the application of the directors for an order appointing Zelf Hussain, David Baxendale and Stuart Maddison of PwC as joint administrators of the Company and LLP.

On the same day, LLP acting by its joint administrators sold its business and certain assets, excluding its book debts, to Penningtons Solicitors LLP (the "Purchaser") on a going concern basis. To facilitate the sale, the contracts of all of the Company's 226 employees were transferred to Penningtons Services Limited ("PSL") under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") on the same day

2. The Administrators' statement of proposals

LLP, acting by its joint administrators, agreed that the Purchaser will act as a debt collection agent for the administration estate. A portion of net debt receipts are to be made available to settle legal disbursements and LLP equity partners' personal obligations and personal guarantees, with the remainder intended to remain in the estate with other floating charge realisations, from which a Prescribed Part will be set aside. The precise amount of the Prescribed Part will not be known until all asset realisations are completed

The Company will rank as an unsecured creditor for the outstanding inter-company management recharge and share in the distribution from any Prescribed Part from LLP.

Receipts and Payments account

There have not been any receipts or payments during the period 14 October 2013 to 15 November 2013.

Pre-Administration costs

PwC was instructed by LLP, at the request of LLP's secured creditor, to.

1) comment on LLP's short term cash flow forecast;
2) review LLP's financial position; and
3) comment on the main options available to the Bank in respect of its security and lending strategy.

This work was primarily for the benefit of LLP, however, the transfer of partners and staff, and their knowledge of the client matters to be transferred, was intrinsic to the sale. Therefore, consideration was given to the role the Company would play in any sale and any insolvency appointment required to achieve it.

Before the Company went into Administration, but with a view to it doing so, expenses of £4,344 (plus VAT) were incurred in respect of pre-Administration costs. These expenses are legal fees and disbursements incurred in applying to Court for an administration order in respect of the Company. They will be settled out of LLP funds and will be reimbursed when realisations are made for the benefit of the Company

A statement of the pre-Administration costs is shown at Appendix A setting out the expenses incurred by the Administrators This statement shows any unpaid fees and expenses . The payment of unpaid pre-Administration costs as an expense of the Administration are subject to approval in the same manner as the Administrators' remuneration and certain disbursements and are not part of the Administrators' proposals subject to approval under Paragraph 53 Sch.B1 IA86.

2. The Administrators' statement of proposals

The manner in which the Company's affairs and business have been managed and financed

As disclosed in the SIP16 report, all of the employees' contracts of employment were transferred to PSL under TUPE in order to facilitate the sale of LLP's business and assets, excluding debtors, following Administration. The transfer has resulted in the preservation of 226 jobs.

PSL assumed the Company's obligations for arrears of wages and accrued holiday, therefore avoiding potentially significant contingent preferential claims against the Company, as well as claims for pay in lieu of notice and redundancy pay.

This transaction formed a part of the wider sale of LLP's business and assets to the Purchaser, comprising work in progress and chattel assets for £500,001. However, LLP's book debts were not included in the sale. It is intended that the Company will rank as an unsecured creditor and participate in any distribution from LLP out of any Prescribed Part set aside from floating charge realisations

Objective of the Administration

As explained above, it was not reasonably practicable to rescue the Company as a going concern. Accordingly, objective (b), to achieve a better result for creditors as a whole than would be likely if the Company were wound up (without first being in Administration), is being pursued.

Dividend prospects

Secured creditors

The Company has no secured creditors.

Preferential creditors

The Company has no preferential claims as all of its employees were transferred to PSL under TUPE.

2. The Administrators' statement of proposals

Unsecured creditors

At the time of the Administrators' appointment, it was thought that the Company's sole unsecured creditor was HMRC for unpaid PAYE/NI and that its only asset was its inter-company claim against LLP, which is itself insolvent. The Administrators had anticipated that possible recoveries in regard to the inter-company debt would not be sufficient to enable a distribution to be made to the unsecured creditors of the Company. However, according to the directors' statement of affairs for the Company, which is attached as Appendix B, there are a number of potential assets not included in the sale to the Purchaser, with a total book value of approximately £120,000, in addition to the estimated Prescribed Part distribution due from LLP of £48,000.

The Administrators will continue to negotiate with the Purchaser in order to extract fair value for these further assets for the benefit of unsecured creditors.

Ending the Administration

The Administrators currently envisage that once the objective of the Administration has been achieved, and if there are sufficient funds *with which to pay a dividend to unsecured creditors, the Company will be placed into creditors' voluntary liquidation.*

Alternatively, the Administrators may apply to court for permission to distribute to unsecured creditors in the Administration, if it will be more cost effective to do so.

If it transpires that there are insufficient funds to distribute to unsecured creditors, the Administrators will file notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies to facilitate the dissolution of the Company or, if appropriate, make an application to court under Paragraph 79 Sch.B1 IA86 for the Administration to be ended accompanied by a petition for the Company to be wound up.

2. The Administrators' statement of proposals

b. Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration.

i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving 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)

ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.

iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration.

iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.

v) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances: -

(a) If there are sufficient funds to distribute to unsecured creditors, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that David Robert Baxendale and Zelf Hussain be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved; or

(b) Alternatively, if it is more cost effective to do so, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later; or

2. The Administrators' statement of proposals

(c) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later or apply to court under Paragraph 79 Sch.B1 for the Administration to be ended and for the Company to be placed into compulsory liquidation.

vi) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration

vii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy as set out in Appendix D. It will be for the general body of creditors to determine these.

Creditors are asked to vote upon the following matters: -

- The approval of the Administrators' proposals for achieving the purpose of administration
- The approval for payment of the unpaid pre-Administration costs
- The basis and level of the Administrators' fees and Category 2 disbursements

2. The Administrators' statement of proposals

c. Statement of affairs

A statement of affairs of the Company was delivered to the Administrators on 7 November 2013. The statement was signed by Krishna Vishnubhotla, a director of the Company.

The Administrators make the following comments on the statement of affairs: -

- In accordance with the standard format of the statement of affairs, no provision has been made for the costs of realising the Company's assets or the costs of the Administration.
- The Administrators have not carried out anything in the nature of an audit on the information.
- A value for preferential creditor claims as at 14 October 2013 has been omitted on the basis that the transfer of the Company's employees, as a part of the sale of certain of the business and assets of LLP, avoid any such claims arising.

The statement of affairs is reproduced in redacted form at Appendix B, together with a list of the Company's creditors and shareholders.

2. The Administrators' statement of proposals

Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court Case number 7092 of 2013
Full name:	Manches Services Limited
Trading name:	Manches Services Limited
Registered number:	08250846
Registered address:	Aldwych House, 81 Aldwych, London WC2B 4RP
Company directors:	Melvin Pedro, Richard Smith, Krishna Vishnubhotla
Company secretary:	None
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	14 October 2013
Administrators' names and addresses:	David Robert Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT and Stuart David Maddison of PricewaterhouseCoopers LLP, 9 Greyfriars Road, Reading
Appointor's / applicant's name and address:	High Court of Justice, Chancery Division, Companies Court upon the application of the directors of the Company
Objective being pursued by the Administrators:	Objective (b) - Achieving 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)
Division of the Administrators' responsibilities:	It is ordered that all of the functions of an administrator and in particular any act required or authorised under any enactment to be done by an administrator may be performed by any or all of the joint administrators
Proposed end of the Administration:	CVL or distribution in administration,
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	Not applicable
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

Appendix A Pre-Administration costs

The following are costs incurred prior to the appointment of the Administrators but with a view to the Company entering Administration. It is proposed that the unpaid costs will be paid as an expense of the Administration and settled from funds held by LLP, to be reimbursed by the Company when realisations are made.

	Unpaid amount (£)	**Paid amount (£)**
Legal expenses incurred by the Administrators	**4,343.61**	**0.00**
Total	**4,343.61**	**0.00**

Appendix B Copy of the statement of affairs

Rule 2.29 Form 2.14B

Statement of affairs

Name of company Manches Services Limited	Company number 08250846
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 7093 of 2013

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Manches Services Limited, Aldwych House, 81 Aldwych, London WC2B 4RP

(b) Insert date

on the (b) 14 October 2013, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full true and complete statement of the affairs of the above named company as at (b) 14 October 2013 the date that the company entered administration

Full name KRISHNA KUMAR VISHNUBHOTLA

Signed

Dated 5 November 2013

Appendix B Copy of the statement of affairs

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge	NIL	Not applicable
Assets subject to floating charge	NIL	Not applicable
Uncharged assets'	£958,724	£167,877
Estimated total assets available for preferential creditors	£958,724	£167,877

Signature [signature] Date 5/11/2013

(K Vamvakoulas)

Appendix B Copy of the statement of affairs

A1 – Summary of Liabilities

	£	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)		167877
Liabilities		
Preferential creditors -	NIL	NIL
Estimated ~~deficiency~~/surplus as regards preferential creditors		167,877
Estimated prescribed part of net property where applicable (to carry forward)	NIL	NIL
Estimated total assets available for floating charge holders		167,877
Debts secured by floating charges	NIL	NIL
Estimated ~~deficiency~~/surplus of assets after floating charges		167,877
Estimated prescribed part of net property where applicable (brought down)	NIL	NIL
Total assets available to unsecured creditors		167,877
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(809120)	(809120)
Estimated deficiency/~~surplus~~ as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(64,243)
Shortfall to floating charge holders (brought down)	NIL	NIL
Estimated deficiency/~~surplus~~ as regards creditors		(64,243)
Issued and called up capital	(2)	
Estimated total deficiency/~~surplus~~ as regards members		(2)

Signature ________ Date 5/11/2013

(K NEWNUBHOTA)

Appendix B Copy of the statement of affairs

Name of creditor or Claimant	Address (with postcode)	Amount of debt (£)	Details of any security held by creditor	Date security given	Value of security (£)
HMRC	NIC&EO PAYE Employer Office, BP4009 Benton Park View, Newcastle Upon Tyne, NE98 1ZZ	522,302 55	0	N/A	0
Employer Services Ltd	William Hunter Hourse, 20 Western Road, Brentwood, Essex, CM14 4SR	884 82	0	N/A	0
Ad Astra Undique Ltd	1E Derby Avenue, London, N12 8DD	7,595.10	0	N/A	0
Chadwick Nott	800 The Boulevard, Capability Green, Luton, Beds, LU1 3BA	4,218 77	0	N/A	0
Law Absolute	5th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London, WC2A 3JL	2,712 48	0	N/A	0
Reading Borough Council	PO Box 5, Civic Offices, Reading, Berks, RG1 7AE	20,255 00	0	N/A	0
Radio Taxi's	Interzone House, 74-77 Magdalen Road, Oxford, OX4 1RE	324 72	0	N/A	0
Rapid Despatch	Unit 2, 424 Portwood Road, Southampton, Hants, SO17 3SD	12.00	0	N/A	0
Cintas	Bowman House, 49 Mabgate, Leeds, LS9 7DR	17 623 92	0	N/A	0
Restore	Building 234 Heyford Park, Upper Heyford, Oxfordshire, OX25 5HA	4,748 84	0	N/A	0
Shred It	M4 Corridor, Unit 1, Martor Industrial Estate, Chippenham, SN14 8LJ	635 40	0	N/A	0
The Compliance Group Ltd	Compliance House, The Walled Garden, Herriard Park Estate, Herriard, RG25 2PL	725 15	0	N/A	0
Agora	Nesfield House, Broughton Hall Business Park, Skipton, Yorkshire, BD23 3AN	84 21	0	N/A	0
Pussinace Comp	Bibby Factors Sussex Limited, 3rd Floor, Lacuna Place, Havelock Road, Hastings, East Sussex, TN34 1BG	157 50	0	N/A	0
Chris Lewis Fire & Security	Isis Business Centre, Pony Road, Cowley, Oxford, OX4 2RD	198 00	0	N/A	0
Office B	Unit 5, Rivermead, Dean Road, Yate, Bristol, BS37 5NH	90 41	0	N/A	0
Fresh Ground Coffee	Pinnacle House, 1 Rhodes Way, Watford, Herts, WD24 4YW	2,111 87	0	N/A	0
Jones Brother	85 Middlesex Street, London, E1 7DA	838 16	0	N/A	0
RAO Fish Merchant	Unit Q10 Billingsgate Market, Trafalgar Way, London, E14 5ST	964 41	0	N/A	0
Nisbetts	Fourth Way, Avonmouth, Bristol, BS11 8TB	554 15	0	N/A	0
J Munro	172 Crofton Lane, Orpington, Kent, BR6 0BW	984 00	0	N/A	0
Staycool	2 Dulwich Rise Gardens, London, SE22 8LS	924 20	0	N/A	0
Plant Design	Fleet House, 8-12 New Bridge Street, London, EC4V 6AL	1 167 00	0	N/A	0

Appendix B Copy of the statement of affairs

Name of creditor or Claimant	Address (with postcode)	Amount of debt (£)	Details of any security held by creditor	Date security given	Value of security (£)
Tecservuk	Apex House, 1 Mansfield Road, Underwood, Nottingham, NG16 5FF	574 80	0	N/A	0
Sky	PO Box 1805, Livingston, West Lothian, EH54 7XG	526 80	0	N/A	0
PRS	19 Church Walk, Peterborough, Cambridgeshire, PE1 2UZ	27 14	0	N/A	0
Grundon	PO Box 132 Wallingford, OX10 6BY	54 00	0	N/A	0
Caterers	6-8 Jackson Way, Great Western Industrial Park, Windmill Lane, Southall, Middlesex, UB2 4SF	224 27	0	N/A	0
Xeretec	Ashbridge House, Oaklands Park Fishponds Road, Wokingham, Berkshire, RG41 2FD	2,181.91	0	N/A	0
Xenith	11-13 Wakley Street, London, EC1V 7LT	8,110 36	0	N/A	0
Konica Minolta	Miles Gray Road, Basildon Essex SS14 3AR	85 30	0	N/A	0
Swallowtail	Drayton Industrial Park, Taverham Road, Drayton, Norwich, NR8 6RL	194 40	0	N/A	0
Chambers & Partners	39-41 Parker Street, London, WC2B 5PQ	5,940 00	0	N/A	0
OBN Ltd	Suite L, 11 Park House, Milton Park, Oxfordshire, OX14 4RS	4,500 00	0	N/A	0
Talking Talent	The Studio, Holcombe Lane, Newington, Oxon, OX10 7AJ	720 00	0	N/A	0
Wildy	Lincoln's Inn Archway, Carey Street, London, WC2A 2JD	1,724 62	0	N/A	0
LexisNexis	Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS	169 934 01	0	N/A	0
Legalease	Kensington Square House 12-14 Ansdell Street, London, W8 5BN	192 00	0	N/A	0
Martins	6938-Hornsey, C/O Smiths News, 16-17 Cranford Way, Hornsey London, N8 9DG	105 04	0	N/A	0
Thomson Reuters	100 Avenue Road, Swiss Cottage, London, NW3 3PF	335 00	0	N/A	0
Allstar	PO Box 1463, Windmill Hill, Swindon SN5 6PS	175 24	0	N/A	0
Moneypenny	Ellice Way, Wrexham, LL13 7YT	152 54	0	N/A	0
Reeves Lund	The Courtyard, 55 Charterhouse Street, London, EC1M 6HA	23,249 77	0	N/A	0
TOTAL		809,119.86			0.00

(K VISWANATHAN)

Appendix B Copy of the statement of affairs

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
MANCHES LLP	ALDWYCH HOUSE, 81 ALDWYCH LONDON WC2B 4RP	2 (ORDINARY)	£1 each	100% holding
TOTALS		2 ORDINARY	£1 each	

Signature (K. VISHNUBHOTLA) Date 5/11/2013

Appendix C Common questions and answers regarding the initial meeting of creditors

Am I obliged to vote at the meeting that is being conducted by correspondence?

No. Your claim and entitlement to dividend will not be affected if you do not do so.

How do I ensure that my vote counts?

In order to be counted, a creditors' vote must be received by the Administrators by 12.00 hours on the closing date specified on Form 2.25B and must be accompanied by written details of the creditor's claim unless written details of the claim have been given previously for voting purposes(Rule 2.48(2)).

If any vote is received without written details of the creditor's claim, or the Administrators decide that the creditor is not entitled to vote according to Rules 2.38 and 2.39, that creditor's vote shall be disregarded (Rule 2.48(3)).

The closing date shall be set at the discretion of the Administrators. In any event, it must not be set less than 14 days from the date of issue of the Form 2.25B (Rule 2.48(4)).

Who decides whether my claim ranks for voting purposes?

The Administrator can accept or reject the whole or any part of your claim (Rule 2.39(1)) If he is in doubt whether your claim should be admitted, he should mark it as objected to and allow you to vote However, if the objection is sustained, your vote will be declared invalid (Rule 2.39(3)). If your vote was critical to the outcome of the meeting, this could change the resolutions that were passed and/or result in a further meeting (Rule 2.39(4)).

What happens if I disagree with the chairman's Administrator's decision?

You are entitled to appeal to the court for an order reversing the Administrator's decision on your claim provided you do so within 21 days of the meeting (Rule 2.39(5)). If the court does reverse the Administrator's decision it can order that another meeting be held or make such other order as it thinks just (Rule 2.39(4)).

Creditors also have the right to appeal to the court if they believe that the administration unfairly harms their interests (Paragraph 74(1) Sch.B1 IA86).

Appendix C Common questions and answers regarding the initial meeting of creditors

It is recommended that you seek legal advice about the merits of taking these steps in any particular circumstances.

How do I calculate my claim for voting purposes?

Votes are calculated according to the amount of a creditor's claim as at the date on which the Company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustments by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes were counted (Rule 2.38(4)).

What majorities are needed to approve resolutions?

A resolution to approve the proposals or any modification to them is passed at the creditors' meeting if supported by a majority in excess of 50% in value of the creditors voting on the resolution (Rule 2.43(1)).

Any resolution is invalid if those voting against it include more than 50% in value of the creditors to whom notice of the meeting was sent and who are not, to the best of the chairman's / Administrator's belief, connected with the Company (Rule 2.43(2)).

What happens if I cannot yet quantify my claim with certainty?

A creditor cannot vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, unless the chairman / Administrator agrees to put on the debt an estimated minimum value for voting purposes (Rule 2.38(5)).

What happens if my debt is wholly or partly secured?

A secured creditor whose debt is wholly or partly secured is entitled to vote only in respect of the balance (if any) of his debt after deducting the value of his security as estimated by him. However, if the Administrators have made a statement under Paragraph 52(1)(b) Sch.B1 IA86 and an initial creditors' meeting has been requisitioned by creditors under Paragraph 52(2) Sch.B1 IA86, a secured creditor is entitled to vote in respect of the full value of this debt without any deduction for the value of his security (Rule 2.40).

What happens if I hold a negotiable instrument?

A creditor shall not vote in respect of a debt on or secured by a current bill of exchange or promissory note unless he is willing: -

a) to treat the liability to him on the bill or note of every person who is liable on it antecedently to the Company and against whom a bankruptcy order has not been made (or in the case of a company, which has not gone into liquidation) as security in his hands; and
b) to estimate the value of the security and, for the purpose of his entitlement to vote (but not for dividend), to deduct it from his claim (Rule 2.41).

What happens if I am a creditor under a hire-purchase, conditional sale agreement or leasing agreement?

An owner of goods under a hire-purchase or chattel leasing agreement, or a seller of goods under a conditional sale agreement is entitled to vote in respect of the amount of the debt due and payable to him by the Company on the date the Company entered Administration. In calculating the amount of any debt for this purpose, no account shall be taken of any amount attributable to the exercise of any right under the relevant agreement, so far as the right has become exercisable solely by virtue of: -

- the making of an administration application
- a notice of intention to appoint an administrator or any matter arising as a consequence, or
- of the Company entering administration (Rule 2.42).

Am I bound by the Administrators' proposals if they are approved at the meeting?

The Administrators' proposals, when approved by the creditors' meeting, will dictate how the Company's affairs will be conducted in future and how creditors' claims will be addressed.

Once approved the proposals are binding on all creditors, including those who did not vote at the meeting. For this reason, it is important that creditors properly consider the proposals and decide whether and how they wish to vote.

Appendix D The Administrators' charging and disbursements recovery policy

Overview of the Administrators' strategy and objectives

David Baxendale, Zelf Hussain and Stuart Maddison were appointed Administrators of the Company on 14 October 2013 with the objective of:

(a) Primarily, rescuing the Company as a going concern, or failing that
(b) Achieving 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 finally
(c) Realising property in order to make a distribution to one or more secured or preferential creditors.

As stated earlier in the proposals, objective (b) is being pursued.

Summary of legal and other professional firms

The Administrators have instructed the following professionals / subcontractors: -

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	CMS Cameron McKenna	Industry knowledge	Time costs

The Administrators require all third party professionals to submit time costs analyses and narrative in support of invoices rendered.

Office holder's charging and disbursement policy

The time charged to the Administration is by reference to the time properly given by the Administrators and their staff in attending to matters arising.

It is the Administrators' policy to delegate tasks in the Administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

Appendix D The Administrators' charging and disbursements recovery policy

Hourly rates

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Grade	Rate per hour £
Partner	775
Director	680
Senior Manager	525
Manager	444
Senior Associate	275
Associate/Support Staff	230

Specialist departments within the Administrators' firm such as Tax, VAT, Property and Pensions may charge a number of hours if and when the Administrators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Maximum rate per hour £
Partner	1075
Director	990
Senior Manager	755
Manager	545
Senior associate – qualified / consultant	410
Senior associate – unqualified	250
Associate	210
Support staff	120

In common with all professional firms, the scale rates used by the Administrators may periodically rise (for example to cover annual inflationary cost increases) over the period of the Administration. Any material amendments to these rates will be advised to the creditors in the next statutory report.

Appendix D The Administrators' charging and disbursements recovery policy

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows: -

Disbursements for services provided by the Administrators' own firm(s) (Category 2 disbursements)

Photocopying	At 4 pence per sheet copied, only charged for circulars to creditors and other bulk copying
Mileage	At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)

The Administrators did not incur any Category 2 disbursements during the period 14 October 2013 to 15 November 2013.

An explanatory note giving creditors a statement of their rights in relation to the Administrators' remuneration and expenses, and their rights to request further information, can be found online at:

www.pwc.co.uk/msl

A copy may also be obtained free of charge by telephoning Osman Khan on 020 7213 8145.

Appendix D The Administrators' charging and disbursements recovery policy

Charge-out rate summary for the period 14 October 2013 to 15 November 2013

Work type classification	Hours					Total Hours	Total Cost	Average rate (£/h)
	Partner / Director	Senior Manager	Manager	Senior Associate	Associate / Support Staff			
Accounting and Treasury	-	-	-	0 90	0 25	1 15	293 55	255 26
Strategy, Planning and Team Management	3.00	0 20	-	5 55	-	8 75	3,319 35	379 35
Statutory and Compliance	1 00	5 80	1 20	25 45	4 90	38 35	10,973 95	286 15
Sale of Business / Realisation of Assets	-	0 75	-	0 70	-	1 45	474 46	327 22
Employees	-	-	-	0 70	-	0 70	190 40	272 00
Creditors	-	-	-	1 20	-	1 20	326 40	272 00
Tax / VAT	-	0 20	-	2 30	3 00	5 50	1,283 13	233 30
Total	**4.00**	**6.95**	**1.20**	**36.80**	**8.15**	**57.10**	**16,861.24**	**295.29**

Note: the amounts referred to above exclude VAT.

Narrative of work carried out for the period 14 October 2013 to 15 November 2013

The key areas of work have been:

Accounting and Treasury

Opening bank accounts
Reviewing invoices for the Company to be settled by LLP, as insufficient funds held

Strategy, Planning & Team Management

Internal meetings with case team to discuss strategy and progress

Appendix D The Administrators' charging and disbursements recovery policy

Preparing and reviewing (by senior staff) initial budget for the administration

Statutory and Compliance

Preparing, reviewing and circulating initial notifications to Court, Companies House, the Company and the directors
Arranging notification to be advertised in the London Gazette
Preparing, reviewing and circulating SIP16 statement to creditors, including subsequent circulation to additional creditors identified
Corresponding with directors to request completion of the statement of affairs
Reviewing completed statement of affairs and submission at Companies House
Complying with internal checks and procedures
Setting up and maintaining case databases
Liaising with insurers to set up post-appointment insurance policy
Setting up webpage on PwC LLP site with information for creditors and copies of documents circulated

Sale of Business / Realisation of Assets

Liaising with solicitors and dealing with post-completion matters

Employees

Liaising with management regarding transfer of Employee contracts to Purchaser and associated filing/reporting requirements

Creditors

Responding to queries from creditors

Tax / VAT

Preparing and sending notification to HMRC regarding the appointment of the Administrators
Liaising with Tax/VAT specialists regarding details of the Administration and proposed involvement
Preparing and reviewing Tax specialists budget for the Administration