

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

08250846

Name of Company

(a) Insert full name of
company

(a) Manches Services

Limited

(b) Insert full name(s)
and address(es)We (b) David Robert Baxendale and Zelf Hussain of
PricewaterhouseCoopers LLP, 7 More London Riverside, London
SE1 2RTthe liquidator(s) of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 16 October 2015 to 15
October 2016

THURSDAY



A5LWXA0B

A20

15/12/2016

#310

COMPANIES HOUSE

Signed

Date 12 DECEMBER 2016

Presenter's name,
address and
reference
(if any)

Joint Liquidators’ progress report

Manches Services Limited – in Liquidation

**For the period from 16 October 2015 to 15 October,
2016**

8 December 2016

David Baxendale and Zelf Hussain have been appointed Joint Liquidators of Manches Services Limited. David Baxendale and Zelf Hussain are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators 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 liquidation.

Definitions used in this report

Definition used	Term
the Company	Manches Services Limited (in liquidation)
the Joint Liquidators	David Baxendale and Zelf Hussain
/we /our	
the Rules	Insolvency Rules 1986
the Act	Insolvency Act 1986
ICAEW	Institute of Chartered Accountants in England and Wales
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
HMRC	HM Revenue and Customs
LLP	Manches LLP (in Liquidation)
NOID	Notice of Intended Dividend
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential

Table of contents

1. Introduction	4
1 1 Why we're sending you this report	4
1 2 Outcome for Creditors	4
<hr/>	
2 Progress made during the period	5
2 1 Asset realisations	5
2 2 Next steps	5
<hr/>	
3. Outcome for creditors	6
3.1 Secured creditors	6
3 2 Preferential	6
3 3 Unsecured Creditors	6
<hr/>	
4 Liquidators' fees and other financial information	7
4 1 Our fees	7
4 2 Our disbursements	7
4 3 Creditors' rights	7
4 4 Receipts and payments account	7
4 5 Statement of expenses	7
<hr/>	
Appendix A. - Statutory and other	8
Appendix B - Receipts and payments account for the period 16 October 2015 to 15 October 2016	9
Appendix C - Details of our remuneration and disbursements and other professional costs	10
Appendix D - Statement of expenses for the period 16 October 2015 to 15 October 2016	17

1. Introduction

1.1. Why we're sending you this report

This is our second annual progress report to members and creditors. It will help if you read this in conjunction with our first progress report dated 10 December 2015.

This report provides a summary of

- The steps taken during the second year of the Liquidation, and
- The outcome for unsecured creditors.

In Section 2 we provide more detailed information on what we've been doing during the period covered by this report and in Section 3 we provide information as to the outcome for creditors.

By law, we have to give you certain statutory information, this is included at Appendix A.

1.2. Outcome for Creditors

On 22 September 2016 a first and final dividend of 4 32 pence in the £ was declared to unsecured creditors. No further dividends will be declared.

2. Progress made during the period

2.1. Asset realisations

Inter Company Debt

As previously reported, the directors' statement of affairs indicated that the Company had an estimated claim against LLP of c £660k. Following our review of the Company's records and further information received, the Company's claim against LLP was calculated at c £1.9m. Following the submission of the Company's claim it was admitted by the liquidators of LLP for dividend for purposes.

LLP declared and paid a first and final prescribed part dividend of 10.27 pence in the £ resulting in the Company receiving £204,827 in relation to its admitted claim.

No further realisations are anticipated.

2.2. Next steps

Having finalised the asset realisations and distribution to creditors, we will now take steps to conclude our remaining obligations and proceed to bring the liquidation to a conclusion.

Our final report convening the final meetings of members and creditors will be issued in due course.

If you have any questions, please get in touch by telephoning by calling James Tomlinson on +44 (0)20 7213 3387 or email james.b.tomlinson@pwc.com.

3. Outcome for creditors

3.1. Secured creditors

The Company had no secured creditors

3.2. Preferential

There were no preferential creditor claims

3.3. Unsecured Creditors

Following the issue of the NOID on 20 June 2016, 23 claims totalling c£1.9m were received. Following the claims adjudication process these claims determined to be valid and admitted for dividend purposes.

On 22 September 2016 a first and final dividend of 4.32 pence in the £ was declared and it was paid to the admitted creditors shortly thereafter.

In the event you received your dividend payment by cheque please ensure that it is presented as soon as possible and in any event within 3 months of the date of it being issued. Any dividend payments which are not presented will be sent to the Insolvency Services Unclaimed Dividend Account.

The prescribed part does not apply because there is no floating charge registered against the Company.

4. Liquidators' fees and other financial information

4.1. Our fees

During the Administration, creditors passed a resolution fixing the Administrators' fees by reference to time properly given by the Administrators and their staff in dealing with the Administration

The fee basis agreed in the Administration continued to apply in the Liquidation. This means that our fees as Joint Liquidators are calculated by reference to time properly given

From 16 October 2015 to 15 October 2016, we have incurred time costs of £80,605 for 250 hours work, which works out at an average hourly rate of £322. The average hourly rate for the period covered by our previous progress report was £332

We include details of the time costs incurred from the 16 October 2015 to 15 October 2016, by work type, at Appendix C

In accordance with the approved resolution, shortly after the period of this report we drew £60,000 plus VAT on account of the time costs incurred. As this was outside of the period of this report this payment does not appear on the receipts and payments account at Appendix B. In addition, it should be noted that whilst some further fees will be drawn, there will not be sufficient funds to meet our time costs in full.

Further details of our fees are included at Appendix C

4.2. Our disbursements

No disbursements were incurred during the period of this report.

4.3. Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Rules. Any request must be in writing. Creditors can also challenge the liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131 of the Rules. This information can also be found in the guide to fees at:

<http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20liquidators%20fees%20final.ashx>

You can ask for a copy free of charge by calling James Tomlinson on +44 (0)20 7213 3387 or email james.b.tomlinson@pwc.com

4.4. Receipts and payments account

A receipts and payments account for the period 16 October 2015 to 15 October 2016, is provided at Appendix B

4.5. Statement of expenses

A statement of expenses for the period 16 October 2015 to 15 October 2016, is provided in Appendix D.

Appendix A. - Statutory and other

Name of company:	Manches Services Limited (in Liquidation)
Registered number	08250846
Registered office	7 More London Riverside, London, SE1 2RT
Former company names	N/A
Trading names.	Manches
Names of joint liquidators and their address(es):	David Robert Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
Date of joint liquidators' appointment	16 October 2014
Details of prior administration	On 14 October 2013 David Robert Baxendale, Zelf Hussain and Stuart David Maddison of PricewaterhouseCoopers LLP were appointed Joint Administrators of the Company The Administration concluded on 16 October 2014
Details of unsecured dividend	4 32 pence in the £ was paid to unsecured creditors

Appendix B. - Receipts and payments account for the period 16 October 2015 to 15 October 2016

	Notes	16.10.14 to 15.10.15 £	16.10.15 to 15.10.16 £	16.10.14 to 15.10.16 £
Receipts				
Balance transfer from Administration	1	32,459	(300)	32,159
Employee travel loans		9,930	-	9,930
Inter Company - Manches LLP		-	204,827	204,827
Bank interest		75	51	126
Total		42,464	204,578	247,042
Payments				
Statutory advertising		76	70	146
Legal fees and disbursements		6,433	-	6,433
VAT		1,290	14	1,304
Total		7,799	84	7,883
Distributions				
Unsecured Creditors	2	-	85,155	85,155
Total		-	85,155	85,155
Cash in hand	3	34,665	119,339	154,004

Notes

- 1) Included in the funds transferred from administration was £300 received in error. This was repaid during the period of this report.
- 2) First and final unsecured dividend of 4 32 pence in £ declared on 22 September 2016.
- 3) Funds are held in a non-interest bearing account.
- 4) No comparison with the figures included in the directors statement of affairs is shown as the Liquidation followed Administration.

Appendix C. - Details of our remuneration and disbursements and other professional costs

Background

This section sets out the process that was established for setting and monitoring the Joint Liquidators' remuneration.

The basis of our fees and certain disbursements was approved in the prior Administration by resolution of the creditors at the first meeting of creditors held by correspondence and has transferred across to the Liquidation in accordance with the Rules.

The basis of our fees is by reference to the time properly given by the Joint Liquidators and their staff in dealing with the Liquidation. Details on the amount we have drawn can be found at Section 4

Joint Liquidators' charging policy

It is our policy to delegate tasks in the Liquidation to appropriate members of staff, considering their level of experience and any requisite specialist knowledge needed and they are supervised accordingly to maximise the cost effectiveness of the work performed

Our junior people have carried out the routine work in the Liquidation to keep the costs down. We and our senior staff have supervised them and we have dealt with any complex or significant matters ourselves

Matters of particular complexity or significance requiring more exceptional responsibility are undertaken by senior staff or the Joint Liquidators themselves.

Narrative of key areas of work carried out for the period 16 October 2015 to 15 October 2016

There remain a number of distinct work streams within the work we have carried out. It should be noted that individuals will have worked in more than one area. The activities of these work streams are summarised below

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"> Allocating tasks between team members and following up on progress Team meetings to review progress of case, agree priorities and discuss key issues 	<p>To ensure efficient completion of tasks</p> <p>Ongoing maintenance of the Liquidation.</p>	The Administrators are required by statute to perform their functions as quickly and efficiently as possible
Assets	<ul style="list-style-type: none"> Reviewing Company records and information received to 	Recovery/Realisation of the Company's assets	Financial benefit, to maximise realisations

	calculate the claim against LLP		for the benefit of creditors as a whole
	<ul style="list-style-type: none"> • Submission of claim against LLP 		
Creditors	<ul style="list-style-type: none"> • Responding to creditors' enquiries • Maintaining database of claims and creditors in preparation of dividend • Issuing NOID • Undertaking/completing claims adjudication process • Calculating dividend payable to creditors • Declaring and paying the first and final dividend to unsecured creditors 	To facilitate the agreement of claims and distribution to unsecured creditors	Required by IA86/IR86 or regulatory requirements Financial benefit
Accounting and treasury	<ul style="list-style-type: none"> • Processing of payments, receipts, journals and updating nominal ledger • Dealing with general accounting enquires • Reconciling bank accounts to internal systems. 	Ongoing maintenance of Liquidation.	Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence
Statutory and compliance	<ul style="list-style-type: none"> • Dealing with the various on-going statutory, other regulatory • Preparation and circulation of the 2015 progress report, and internal compliance procedures in the Liquidation 	Regulatory requirement	Required by IA86/IR86 or regulatory requirements
Tax & VAT	<ul style="list-style-type: none"> • Preparing, reviewing and submitting VAT returns and general VAT compliance matters <p>Deregistering for VAT</p>	In compliance with duties as proper officers for tax	In compliance with duties as proper officers for tax.

Our Future Costs

We envisage that the following work will be required before the Liquidation can be finalised.

Area of work	Work to be undertaken	Estimated Cost	Whether or not the work will provide a financial benefit to creditors
Strategy and planning	<ul style="list-style-type: none"> Allocating tasks between team members Team meeting to progress all remaining matters to closure of the Liquidation. 	£5,000	The Administrators are required by statute to perform their functions as quickly and efficiently as possible
Creditors	<ul style="list-style-type: none"> Responding to creditor queries 	£2,000	Required by IA86/IR86 or regulatory requirements
Accounting and treasury	<ul style="list-style-type: none"> Processing of payments, receipts, journals and updating nominal ledger Reconciling post appointment bank accounts to internal system Transferring unclaimed dividends to The Insolvency Service Final reconciliation and closure of bank accounts. 	£3,000	Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence
Statutory, compliance and closure procedures	<ul style="list-style-type: none"> Dealing with the various on-going statutory, other regulatory and internal compliance procedures in the Liquidation Preparation and circulation of second progress report Preparation and circulation of Liquidators' final progress report to creditors. 	£18,000	Required by IA86/IR86 or regulatory requirements

	<ul style="list-style-type: none"> • Convening final meetings of members and creditors. • Completing checklists and diary management system. • Closing down internal systems. 		
Tax & VAT	<ul style="list-style-type: none"> • Preparation and submission to HMRC of further VAT reclaim. • Submission of final VAT reclaim and obtain VAT clearance from HMRC in order to close Liquidation. 	£3,000	Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence
Total estimate		£31,000	

As previously mentioned there will not be sufficient funds to meet our time costs in full

Hourly rates

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structures. During the period covered by this report the charge out rates were increased on 1 July 2016.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually involved on this assignment. All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment. The minimum time charged is three minutes (i.e. 0.05 units). There was no allocation of any general costs or overhead costs.

Specialist departments with our firm, such as Tax, VAT, Property and Pensions were also used where expert advice was required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour.

)

Our rates

Grade	Maximum rate per hour 1 July 2015 - 30 June 2016 (£)	Maximum rate per hour From July 1 2016 (£)	Specialist maximum rate per hour 1 July 2015 - 30 June 2016 (£)	Specialist maximum rate per hour From July 1 2016 (£)
Partner	825	840	1,190	1,250
Director	725	740	1,095	1,175
Senior Manager	550	560	835	1,170
Manager	470	480	665	700
Senior Associate	390	400	490	515
Associate	245	250	240	255
Support staff	120	125	140	150

Our relationships

We have had no business or personal relationships with the parties who approve our fees or who provide services to the Liquidation where the relationship could give rise to a conflict of interest.

Payments to associates

We have not made any payments to associates in the period covered by this report

Disbursements for services provided by our firm (Category 2 disbursements)

Expenses are defined in SIP9 as amounts properly payable by us as Joint Liquidators from the estate and includes our fees, but excludes distributions to creditors. They include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2.

Category 1	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question
Category 2	Costs that are directly referable to the appointment in question but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis

Our Firm's disbursement policy allows for all properly incurred expenses to be recharged to the case. We don't need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 disbursements as these are for services provided by our Firm. The policies for payment of Category 2 disbursements have been approved as follows:

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)

Our disbursements in the period 16 October 2015 to 15 October 2016

We have not incurred any disbursements during the period of this report.

Other professional advisors we've used

No legal and other professional firms or subcontractors were instructed in the period 16 October 2015 to 15 October 2016.

Analysis of time costs for the period from 16 October 2015 to 15 October 2016

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate
Strategy and planning	-	0.25	8.40	6.65	5.30	5.00
Assets	-	-	0.60	2.40	-	-
Creditors	-	0.70	1.90	20.95	76.40	52.35
Accounting and treasury	-	-	0.10	1.70	3.00	7.30
Statutory and compliance	0.50	1.50	4.05	3.00	19.20	22.30
Tax & VAT	-	-	-	-	5.10	1.60
Grand Total	0.50	2.45	15.05	34.70	109.00	88.55

Total Hours	Total cost £	Average hourly rate £
25.60	11,205.65	438
3.00	1,482.00	494
152.30	44,717.55	294
12.10	2,916.60	241
50.55	17,458.45	345
6.70	2,824.50	422
250.25	80,604.75	322

Cumulative time costs for the period 16 October 2014 to 15 October 2016

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate
Strategy and planning	2.50	1.00	8.40	6.65	13.90	5.00
Assets	-	-	0.60	2.40	1.10	-
Investigations	0.50	-	0.20	-	5.50	-
Creditors	-	0.70	1.90	20.95	77.50	52.35
Accounting and treasury	-	-	0.80	1.70	9.85	11.65
Statutory and compliance	0.50	1.75	6.55	3.00	39.40	32.95
Tax & VAT	-	-	-	0.30	8.20	5.45
Employees and pensions	-	-	-	0.40	1.40	-
Total for the period	3.50	3.45	18.45	35.40	156.85	107.40

Total hours	Time cost £	Average hourly rate £
37.45	16,992.40	454
4.10	1,903.00	464
6.20	2,595.50	419
153.40	45,139.55	294
24.00	6,526.10	272
84.15	28,735.95	341
13.95	4,850.00	348
1.80	662.50	368
325.05	107,405.00	330

Appendix D. - Statement of expenses for the period 16 October 2015 to 15 October 2016

The Rules requires this progress report to include a statement of expenses incurred by the Joint Liquidators during the period of the report, irrespective of whether payment has been made or not. This relates to all costs incurred, and not just the Joint Liquidators' disbursements.

	Brought forward from preceding period	Paid in the period Under review	Incurred but not paid	Cumulative	Estimated future	Anticipated total
	£	£	£	£	£	£
Joint Administrators' fees	73,335	-	-	73,335	-	73,335
Joint Liquidators' fees	26,800	-	80,605	107,405	31,000	138,405
Statutory advertising	76	70	-	146	75	221
Legal fees and disbursements	6,433	-	-	6,433	-	6,433
Total (excl VAT)	106,644	70	80,605	187,319	31,075	218,394