

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

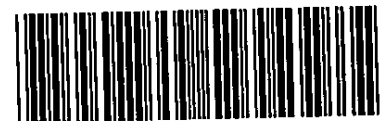
(a) Insert full name of
company

(a) Manches Services

Limited

(b) Insert full name(s)
and address(es)I/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 my/our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 16 October 2014 to 15
October 2015

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COMPANIES HOUSE

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

Signed

Date 10th DECEMBER 2015



**First progress report
to members & creditors**

10 December 2015

Company **Manches Services Limited - in Liquidation**

Registered Number **08250846**

Registered address **7 More London Riverside, London SE1 2RT**

Type of Insolvency **Creditors' Voluntary Liquidation**

Date of Appointment **16 October 2014**

Appointees **David Robert Baxendale and Zelf Hussain**

Address **PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT**

Dividend Prospects	Current estimate p in £	Previous estimate p in £
Unsecured	5 to 10	-

Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.

Manches Services Limited – In Liquidation (“the Company”)

Report to Members & Creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the liquidators’ first progress report to members and all known creditors. Attached at appendix A is a summary of the financial information relating to the liquidation.

Appointment of Administrators

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 was concluded on 16 October 2014, being the date the Company moved into Creditors’ Voluntary Liquidation. David Robert Baxendale and Zelf Hussain were appointed Joint Liquidators (“the Liquidators”) on that date in accordance with the Proposals approved by creditors.

Pursuant to paragraph 98(2)(c) of Schedule B1 to the Insolvency Act 1986, the administrators were discharged from liability in respect of any actions as administrators of the Company by order of the court dated 14 January 2015.

David Robert Baxendale and Zelf Hussain were also appointed liquidators of an associated entity, Manches LLP – in liquidation (formerly in administration) (“LLP”).

Asset Realisations

The company’s assets have been realised as follows -

Receipt of funds from the administration – Following the move to liquidation, the balance of funds held in the administration account of £32,459 were transferred to the liquidation account.

Travel loans - £9,930 has been realised in respect of travel loans to former employees of the Company. This brings the total recoveries during the course of the administration and liquidation to £47,601.

Ongoing matters

VAT refund – A refund of £1,275 relating to the Company has been received by LLP, in its capacity as the VAT group representative. This will be transferred shortly.

Intercompany debt – The Company has a claim of £659,659 against LLP, according to its Statement of Affairs. If this claim is admitted for this amount, the Company may receive £79,000 from LLP, based on an estimated Prescribed Part distribution of approximately 12 pence in the £.

Outcome for Creditors

Secured creditors - The Company had no secured creditors.

Preferential creditors – There were no preferential creditor claims for arrears of wages or holiday pay.

Unsecured creditors - The directors’ statement of affairs estimated that amounts due to unsecured creditors totalled circa £817,000. Whilst it is anticipated that surplus funds will become available for distribution to unsecured creditors, this is dependent upon receipt of a distribution from LLP. The timing and amount of any potential dividend is subject to the level of this distribution, the final level of admitted claims against the Company and the costs of the liquidation.

If you have not already, please submit a completed claim form available at www.pwc.co.uk/msl.

Investigations

The Liquidators have complied with their statutory obligation under the Company Directors' Disqualification Act 1986 to consider the directors' conduct and have submitted a return/report to the Insolvency Service

Professional Advisers

The professional advisers listed below handled the former administrators' application to court for discharge from liability

Name of Professional Adviser	Type of work	Basis of Fee Arrangement
CMS Cameron McKenna LLP	Legal advice	Time costs

The choice was based on the adviser's experience, the complexity and type of work and the basis of the fee arrangement. The Liquidators are satisfied that the fees charged are reasonable.

Liquidators' remuneration

You may recall that a resolution was passed at the initial creditors meeting to fix the administrators' fees. Under Rule 2.106 IR86 the fees were fixed by reference to time properly given by the administrators and their staff in attending to matters arising. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the administration will continue in the liquidation.

To 15 October 2015, the Liquidators have incurred time costs of £26,800. This represents 74.80 hours at an average hourly rate of £358. No remuneration on account of these costs, or the administration, has been drawn.

Routine work in the liquidation has been delegated to junior staff in order to maximise the cost effectiveness of the work performed. They have been supervised by senior staff and the Liquidators. Any complex or significant matters have been dealt with by senior staff and by the Liquidators.

Details of the time costs incurred from the Liquidators' appointment to 15 October 2015, by work category, are included at appendix B.

In common with all professional firms, scale rates increase from time to time. We reserve the right to change our charge out rates and grade structure. Full details of the charge out rates charged to this case are included at appendix B.

Specialist staff within PricewaterhouseCoopers LLP, such as Tax, VAT, property and pensions, may charge a small number of hours should their expert advice be required. Their rates vary, but, the figures given indicate the maximum hourly rate.

Liquidators' disbursements

The Liquidators have not incurred any disbursements during the period.

Statement of expenses

The following expenses have been incurred during the period 16 October 2014 to 15 October 2015

Paid	£
Statutory advertising	76
Legal fees / disbursements	6,433
Sub total	<u>6,509</u>
Unpaid	
Liquidators' unbilled time costs	26,800
Sub total	<u>26,800</u>
Overall total	<u><u>33,309</u></u>

Administrators' fees and disbursements

The Administrators incurred time costs of £38,379, and disbursements of £15. These have yet to be drawn, but will be paid when funds become available.

Additional information

If you require more detail on anything in this report, please contact Osman Khan,
osman.j.khan@uk.pwc.com

Any request for further information about the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E IR1986), in addition, should you consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, you have the right to challenge the amounts in accordance with Rule 4.131 IR86.

A copy of Statement of Insolvency Practice 9, appendix C, "A creditors' guide to Liquidators' fees", is available on the ICAEW website, at

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

You can also get a copy free of charge by contacting Osman Khan

Appendix A

Manches Services Limited – In Liquidation Summary of Financial Information as at 15 October 2015

	Notes	16.10 14 to 15 10 15 £	Estimated to realise as per Statement of affairs
Receipts			
Balance transfer from Administrators		32,459	
Employee travel loans		9,930	60,596
Distribution from Manches LLP		-	48,000
Pre-payment refunds		-	59,281
Bank Interest Gross		75	
Total receipts		42,464	167,877
Payments			
Statutory advertising		76	
Legal fees/disbursements		6,433	
VAT		1,290	
Total payments		7,799	
Cash in hand	1)	34,665	

Footnotes

- 1) The balance of cash in hand is held in an interest-bearing account

Manches Services Limited – In Liquidation

Appendix B

Analysis of time costs for the period 16 October 2014 to 15 October 2015

Set out below are the relevant charge-out rates per hour worked for the grades of the Liquidators' staff involved on this assignment. Time was charged by reference to actual work carried out on the assignment. There was no allocation of any general costs or overhead costs.

Grade	From 1 July 2014	From 1 July 2015
Partner	795	825
Director	695	725
Senior manager	540	550
Manager	460	470
Senior associate	380	390
Associate and other	240	245

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

Grade	From 1 July 2014	From 1 July 2015
Partner	1,130	1,190
Director	1,040	1,095
Senior manager	795	835
Manager	575	605
Senior associate	420	445
Associate	225	240
Support staff	130	140

In common with all professional firms, the scale rates used by the Liquidators may increase from time to time to cover annual inflationary cost increases.

Manches Services Limited – In Liquidation
Analysis of time costs for the period 16 October 2014 to 15 October 2015

Appendix B

Aspect of assignment	Partner	Director	Senior		Manager	Senior		Associate	Support	Total hours	Time cost £	Average hourly rate £
			Manager	Manager		Associate	Associate					
1 Strategy & planning	2.50	0.75	-	-	-	8.60	-	-	-	11.85	5,786.75	488.33
2 Assets	-	-	-	-	-	1.10	-	-	-	1.10	421.00	382.73
3 Investigations	0.50	-	0.20	-	-	5.50	-	-	-	6.20	2,595.50	418.63
4 Creditors	-	-	-	-	-	1.10	-	-	-	1.10	422.00	383.64
5 Accounting and treasury	-	-	0.70	-	-	6.85	4.10	0.25	-	11.90	3,609.50	303.32
6 Statutory and compliance	-	0.25	2.50	-	-	20.20	10.65	-	-	33.60	11,277.50	335.64
7 Tax & VAT	-	-	-	0.30	-	3.10	2.60	1.25	-	7.25	2,025.50	279.38
8 Employees & pensions	-	-	-	0.40	-	1.40	-	-	-	1.80	662.50	368.06
Total for the period	3.0	1.0	3.4	0.7	47.9	17.4	1.5			74.80	26,800.25	358.29

Narrative of work carried out for the period 16 October 2014 to 15 October 2015

The key areas of work have been as follows -

Strategy & planning

- Preparation and periodic updating of strategy documents for review and discussion by the Liquidators,
- Internal strategy and planning and team supervision,
- Conducting regular case reviews,
- Liquidation budgeting and cost control, and
- Sundry tasks not covered under other headings

Assets

- Continuing to correspond with newco regarding employee loan deduction,
- Reviewing funds and reconciliations to off-set employee deductions against funds due to newco, and
- Agreement to final deductions balance and receipt

Investigations

- Investigate matters in line with statutory requirements, particularly Statements of Insolvency Practice 2, and
- Summarise findings and file relevant documents with the Insolvency Service

Creditors

Manches Services Limited – In Liquidation
Analysis of time costs for the period 16 October 2014 to 15 October 2015

Appendix B

- Recording claims received and dealing with general creditor enquiries

Accounting and treasury

- Opening liquidation bank account,
- Processing receipts and payments to/from liquidation account, and updating accounting system,
- *Arranging transfer of funds from Administration account, and*
- Regular reconciliations of the liquidation account

Statutory and Compliance

- Preparing and issuing initial notifications of the Liquidators appointment to various parties,
- Initial liquidation case and systems set up including arranging statutory bond,
- Updating and tailoring case database prompts and milestones,
- Creating hand copy case files and file initial notices/correspondence, and
- Discussions with former management and issue notices regarding implications of section 216/7 of IA86.

Tax & VAT

- Initial discussions with Tax and VAT specialists to plan compliance requirements,
- Draft initial notifications to HMRC regarding move from administration to liquidation and responsibility for tax affairs,
- Review and submission of the Company's administration and liquidation period VAT returns,
- Liaison with VAT specialists regarding VAT compliance on group bad debt relief claim submission, and
- Reviewing and considering the Corporation Tax position agreed with HMRC following move to Liquidation

Employees and pensions

- Liaise with HMRC regarding RTI submission compliance requirements upon move to liquidation, and
- Prepare and file statutory notices in respect of the pension scheme upon move to liquidation