Rule 2 47

Form 2 24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company Number
Manches LLP	OC305898

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	7093 of 2013

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

I / We (a) Mr Zelf Hussain and Mr David Robert Baxendale of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and Stuart David Maddison of PricewaterhouseCoopers LLP, One Reading Central, 23 Forbury Road, Reading RG1 3JH

administrator(s) of the above company attach a progress report for the period

from to

(b) Insert dates

(b) 14 October 2013 (b) 13 April 2014

Signed
Joint / Administrator(s)

Dated 12th MAY 2014

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
DX Number	DX Exchange

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pwc

Manches LLP – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 7093 of 2013

Joint Administrators' progress report for the period from 14 October 2013 to 13 April 2014

12 May 2014

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1. Joint Administrators' progress report for the period from 14 October 2013 to 13 April 2014

Introduction

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Manches LLP ("LLP") in the six months since the Administrators' appointment on 14 October 2013

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1)(a) to (d) IR86, which is included in Section 2 of this report

At this time the Joint Administrators estimate that a dividend of 10p in the £ may be payable to creditors from the Prescribed Part. However, there are material uncertainties regarding future net realisations and the final level of creditor claims so this estimate is subject to change. These matters are discussed below

Background information and initial actions taken by the Administrators

LLP was incorporated on 28 October 2003 It provided legal services to high net worth individuals and growing mid-market companies It operated from offices in London, Oxford and Reading, with a focus on the following areas of the law Construction, Corporate, Employment, Family, Litigation, Property, Technology, Intellectual Property, and Trust Estate Planning LLP used a service company, Manches Services Limited ("MSL"), which held all employee contracts, for its finance and management functions

During the last few years prior to Administration, LLP suffered from a fall in turnover This decline was further exacerbated in Autumn 2012 by the departure of one of its high fee generating members. In light of the 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 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 members' personal tax liabilities, VAT and other tax) as and when they fell due

In May 2013, an overdraft increase was agreed with its bankers, Lloyds Banking Group plc ("LBG"), 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

The Solicitors Regulation Authority ("SRA") became aware of LLP's position and began to closely monitor the situation

By September 2013, it became apparent that there was insufficient headroom in LLP's overdraft facility to settle critical payments such as rent, member tax and the annual renewal of its Professional Indemnity Insurance ("PII") cover

Given LLP's inability to meet its liabilities as they fell due, the members determined that LLP was insolvent and they sought advice from independent professional advisors LLP now faced the prospect of intervention by the SRA to safeguard client interests and files

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

Upon the application of the members of LLP and directors of MSL, on 14 October 2013 the High Court granted an order appointing Zelf Hussain, David Baxendale and Stuart Maddison of PwC as Joint Administrators of LLP and MSL

Sale of business and certain assets

Following their appointment, the Administrators concluded that the most appropriate strategy was to sell LLP's business and certain assets immediately upon their appointment A lengthy post-appointment sales process would have led to a diminution in value and probable SRA intervention

On the same day, LLP, acting by the Administrators, sold its business and certain assets, excluding book debts, to Penningtons Solicitors LLP (the "Purchaser") on a going concern basis

The contracts of employment of all employees, which were held in a subsidiary company, Manches Services Limited ("MSL"), were also transferred to the Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") All members of LLP transferred to the Purchaser

The transfer of the employment contracts was the only viable solution to preserve value, prevent the loss of 226 jobs and avoided potentially significant preferential claims against MSL for pay in lieu of notice and redundancy pay

As disclosed in the SIP16 report, LLP's business and assets, comprising work in progress (including any unbilled disbursements) and chattel assets were sold to the Purchaser for £500,001 Following the sale, the Purchaser changed its name to Penningtons Manches LLP.

Realisation of other assets

LLP, acting by the Administrators, agreed that the Purchaser would act as a debt collection agent for the administration estate Any funds realised from book debts were firstly to be used to settle outstanding billed professional disbursements, as defined in the SRA Accounts Rules 2011

A portion of net receipts from such debts were to be made available to settle the equity members' personal obligations and personal guarantees The Purchaser insisted on this clause to ensure that members would become free from this liability

Remaining book debt realisations were to flow to the Administration estate and, together with floating charge asset realisations, create a Prescribed Part available for unsecured creditors

As at 9 April 2014, the Purchaser had recovered £2,335,006 from book debts Of this, £1,715,605 became available to the Administration estate, and has been received

CFA monies

Prior to the Administrators' appointment LLP entered in to various Conditional Fee Agreements (CFAs) with their clients of LLP and various counsel in relation to various ongoing matters The Administrators have assigned any right, title and interest in the CFAs to the Purchaser The Purchaser will recover any costs incurred by LLP up to the date of the assignment of the CFAs

The work in progress on these cases as at 6 December 2013 was £375,516 However, the quantum and timing of any recoveries is dependent upon the progress of the individual matters and therefore remains uncertain

Members' tax affairs

The Administrators understand that, as they remain responsible for tax affairs of LLP, the former members have submitted Terminal Loss Relief claims to HMRC and the Administrators await confirmation of any residual amount available for the benefit of LLP

Prepayments and refunds

The Purchaser has paid £277,582 to LLP in respect of the prepaid October quarter rent and service charge for the London and Oxford leasehold premises

The Administrators have secured a refund of business rates of £25,919 in respect of the Oxford premises The Administrators have also instructed agents to pursue appeals of the rateable values applied to LLP's three office premises The Administrators await the outcome of the appeals which are due to be heard in the next few months

The Administrators are also in discussion with the Purchaser to recover deductions taken from the transferred employees, in respect of loans for travel season tickets paid by LLP prior to the Administration of £46,926

Other issues

Under the terms of the sale of the business and certain assets, LLP granted the Purchaser licences to occupy LLP's leasehold offices for the period to 24 March 2014.

The remaining floors of the London offices were vacated on 31 December 2013 and surrenders of the leases to the various floors were offered to the landlord These surrenders have not yet been accepted and the floors remain empty and unoccupied.

The Purchaser has successfully negotiated terms for a new lease for the Oxford offices and a surrender of LLP's lease was agreed on 24 March 2014

The licence to occupy the Reading office has been extended by a further three months to 24 June 2014 to enable the Purchaser to continue negotiations to assign the lease, or agree a new lease.

The Purchaser has put the Administration estate in funds to cover expenses arising during the licence periods, in addition to a fee to cover the prepayment of rent and service charge in respect of the Oxford offices

Approval of the Administrators' proposals

On 2 December 2013, the Administrators circulated to creditors their *proposals for achieving the purpose of administration*

The Administrators stated in their proposals that they had formed the view that LLP has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the *prescribed part to be set* aside in accordance with Section 176A of the Insolvency Act 1986 ("IA86")

The proposals were approved by creditors without modification by a meeting by correspondence

Receipts and payments account

An account of the receipts and payments in the Administration for the period from 14 October 2013 to 13 April 2014 is set out in Section 3 of this report

Expenses statement

A statement of the expenses incurred by the Administrators in the period 14 October 2013 to 13 April 2014 is included at Section 4 of this report

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period

Administrators' remuneration

In the specific circumstances of this case, it is for LBG, in its capacity as secured creditor, to approve the Administrators' remuneration LBG has agreed to the Administrators drawing remuneration on a time costs basis In the period, the Administrators have drawn remuneration of £123,453 (plus VAT)

In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of the Administrators' time costs and Category 2 disbursements for the period 14 October 2013 to 13 April 2014 is provided in Section 5 of this report

Pre-Administration costs

Information regarding the approval for payment of the pre-Administration costs previously detailed in the Administrators' proposals can be found at Section 6 of this report

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 7 of this report

1. Joint Administrators' progress report for the period from 14 October 2013 to 13 April 2014

Outcome for creditors

Secured creditors

The total amount due to LBG is circa £6 5 million

As a consequence of the sale of business, and current book debt recoveries LBG will shortly receive an interim distribution of £750,000 under its fixed and floating charges.

Any further recoveries will derive from other realisations, including further book debt recoveries. However, it is presently anticipated that LBG will suffer a shortfall under its security

Preferential creditors

LLP has no preferential creditors as it had no employees

Unsecured creditors

As discussed above, a portion of book debt recoveries will flow to the Administration estate to create a Prescribed Part to distribute to unsecured creditors. The Administrators calculate that approximately £250,000 is currently available and indications are that the eventual value may increase to £500,000

The precise amount of the dividend payable will not be known until creditor claims have been established However, based on a Prescribed Part of £250,000, a distribution of approximately 6p in the £ is possible, but due to the ongoing uncertainties this estimate is subject to change

The Administrators are considering the most appropriate strategy for making a distribution to unsecured creditors, taking into account the prospect of further book debt recoveries and likely costs. Creditors will be advised of the Administrators' decision in due course.

Next report

The Administrators anticipate that they will circulate their next report to creditors at the earlier of the conclusion of the Administration or in approximately six months

David Baxendale
Joint Administrator
Manches LLP

David Baxendale, Zelf Hussain and Stuart Maddison have been appointed as joint administrators of Manches LLP 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. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court 7093 of 2013
Full name:	Manches LLP
Trading name:	Manches
Registered number:	OC305898
Registered address:	7 More London Riverside, London SE1 2RT
LLP members:	See Section 8
Shareholdings held by the directors and secretary:	n/a
Date of the Administration appointment:	14 October 2013
Administrators' names and addresses:	David Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, and Stuart David Maddison of PricewaterhouseCoopers LLP, One Reading Central, 23 Forbury Road, Reading RG1 3JH
Details of any extension(s) to the initial period of appointment	None
Changes in office holder:	None
Appointor's / applicant's name and address:	The High Court of Justice, Chancer Division, Companies Court upon the application of the members of Manches LLP, Aldwych House, 81 Aldwych, London WC2B 4RP
Objective being pursued by the Administrators:	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:	Likely to be either Creditors' Voluntary Liquidation, or distribution in Administration, followed by dissolution of the LLP
Estimated dividend for unsecured creditors:	Approximately 6p in the £ (but subject to change)
Estimated values of the prescribed part and the company's net property:	£250,000 and £1,300,000, respectively (but subject to change)
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Considered unlikely
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 the main proceedings

3. Receipts and payments account for the period 14 October 2013 to 13 April 2014

	Notes	14.10.13 to 13.04.14 £	Estimated to realise as per Statement of affairs
Receipts			
Assets subject to the bank's floating charge			
Work in progress		500,000	500,000
Fixtures and fittings		1	1
Debts and other pre-payments	1)	28,419	4,386,351
Recovery of pre-paid rent		277,582	-
Other receipts			
Licence fee for occupying property		551,721	-
Third party funds	2)	204,916	
Interest received gross		1,266	
Balance at bank		4,018	
Total receipts		1,567,923	4,886,352
Payments			
Rent paid		716,753	
Insurance		661	
Statutory advertising	3)	226	
Printing & postage	3)	5,316	
Pre-appointment legal fees/disbursements	3)	101,891	
Post-appointment legal fees/disbursements		32,910	
Solicitor Manager fees/disbursements		16,655	
Agents' fees		12,125	
PwC pre-appointment fees		76,714	
Administrators' remuneration		123,453	
Administrators' category 1 disbursements		2,332	
Administrators' category 2 disbursements		77	
Bank charges		135	
Net VAT receivable		92,647	
Total payments		1,181,895	
Cash in hand	4)	386,028	

Footnotes

1) Pursuant to the business and asset sale agreement, the Purchaser has collected £2,335,006 from Manches LLP's debtor ledger as at 9 April, of which £1,715,605 is held for the benefit of Manches LLP In the period, these funds had not yet been released to Manches LLP (In Administration), therefore are not included above The balance shown relates to a business rates refund in respect of the Oxford office premises, and *the funds received from the Purchaser to cover the Aldwych office* premises exit costs.
2) December quarter rent and service charge returned by the Oxford landlord and funds in respect of legal fees, returned in error by CMS Cameron McKenna
3) Includes expenses and pre-appointment costs of £7,153 incurred in respect of Manches Services Limited, to be refunded if and when realisations are made for the benefit of that company
4) The balance of cash in hand is held in an interest-bearing account

4. Statement of expenses incurred from 14 October 2013 to 13 April 2014

	£
Paid expenses	
Rent costs	716,753
Statutory advertising	226
Insurance	661
Printing & postage	5,316
Agents' fees	12,125
Legal fees / disbursements	32,910
Solicitor Manager fees / disbursements	16,655
Administrators' remuneration	123,453
Administrators' category 1 disbursements	2,332
Administrators' category 2 disbursements	77
Bank charges	135
Sub total	910,643
Unpaid expenses	
Insurance premiums	238
Legal fees	44,419
Administrators' unbilled time costs	306,957
Sub total	351,614
Overall total	1,262,257

Footnote:
The above amounts are shown net of VAT, which the Administrators expect to recover in full

5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 14 October 2013 to 13 April 2014

Time costs summary for the period 14 October 2013 to 13 April 2014

Aspect of assignment	Partner		Director		Senior Manager		Manager		Senior Associate		Associate/Support Staff		Total	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)
Strategy & Planning	2 00	1,156	4 60	2,307	33 25	12,593	4 10	1,359	40 75	11,084	19 95	3,890	104 65	32,390
Statutory and compliance	16 00	9,248	24 45	12,262	74 30	28,141	4 20	1,392	101 10	27,499	46 50	9,068	266 55	87,610
Secured creditors	-	-	4 00	2,006	17 60	6,666	-	-	20 50	5,576	-	-	42 10	14,248
Asset recovery	15 00	8,670	29 50	14,794	44 90	17,006	396 30	131,373	146 90	39,957	41 85	8,161	674 45	219,961
Investigations	0 50	289	0 25	125	1 40	530	-	-	9 70	2,638	20 05	3,910	31 90	7,493
Creditors	-	-	-	-	20 35	7,708	-	-	36 80	10,010	19 60	3,822	76 75	21,539
Accounting and treasury	-	-	-	-	47 85	18,123	-	-	34 70	9,438	38 40	7,488	120 95	35,050
Tax & VAT	-	-	-	-	6 40	3,847	0 20	66	11 60	3,471	10 80	1,690	29 00	9,074
Employees & pensions	-	-	-	-	0 50	189	2 30	762	7 70	2,094	-	-	10 50	3,046
Total	33 50	19,363	62 80	31,494	246 55	94,804	407 10	134,954	409 75	111,768	197 15	38,028	1,356 85	430,410

Set out below are the relevant charge-out rates per hour worked for the grades of the Administrators' 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

	Maximum charge out rate applicable	
Grade	**London based (£)**	**All other UK (£)**
Partner	578 00	408.00
Director	501 50	340 00
Senior Manager	378 75	297 50
Manager	331 50	233 75
Senior Associate	272 00	178 50
Associate	195 50	131.75

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

5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 14 October 2013 to 13 April 2014

Grade	Maximum charge out rate From 1 July 2013 (£)
Partner	1075
Director	990
Senior Manager	755
Manager	545
Senior Associate	410
Associate	210
Support	120

Narrative of work carried out for the period 14 October 2013 to 13 April 2014

The key areas of work have been -

1. Strategy and planning

- Agree initial administration strategy;
- Conducting team meetings to review progress against strategy and discuss key issues;
- Discussions with internal professionals regarding work required and timings, and
- Preparing time cost budget variance reports and ongoing monitoring of costs

2. Statutory and Compliance

- Undertaking various procedures in compliance with legal requirements, professional regulations and internal risk management policies,
- Drafting, review and consult in respect of SIP16, including internal compliance input to drafting,
- Initial information collection and liaison with management for initial statutory notifications, including section 216 notifications to clients,
- Prepared, reviewed and circulated initial statutory notifications, letters and advertisements,
- Liaison with brokers regarding insurance cover for the Company's assets,
- Liaison with legal advisers for clarification of obligations regarding members,
- Draft and review of Administrators' Proposals for the administration,
- Liaise with Purchaser and Solicitor Manager regarding proposed wording,

- Circulate Proposals once finalised and file with Registrar, and
- Liaise with Solicitor Manager and Solicitors Regulation Authority following circulation of Proposals

3. Secured creditors

- Updating LBG on administration appointment and initial matters;
- Liaison with LBG and draft documentation to facilitate funds transfers;
- Liaison with LBG regarding client interest shortfall calculations and proposals to resolve;
- Clarifying reporting requirements and EOS format,
- Liaison with LBG regarding distribution timings,
- Correspondence with LBG regarding client disbursement payments;
- Prepare, review and circulate periodic updates to LBG,
- Meetings with LBG to update on administration progress and ongoing matters,
- Discussions with LBG to agree distribution quantum and timing, and
- Initial exchanges with LBG regarding requirement for remuneration approval

4. Asset recovery

- Liaison with Purchaser regarding leasehold property intentions,
- Liaison with utilities suppliers and councils regarding responsibility for payment post-administration,
- Negotiations with landlords of leasehold premises regarding impact of appointment and licence to occupy terms,
- Liaison with legal advisers regarding notification of administration and negotiation with landlords,
- Liaison with Solicitor Manager and Purchaser regarding transfers of client monies;
- Instructions to professional valuers to review assets and identify any potential asset recoveries;
- Liaison with Purchaser regarding artwork/antiques not previously identified and negotiating potential settlement,
- Liaison with Purchaser and legal advisers regarding out of hours access to facilitate exit and lease surrenders,
- Ongoing monitoring and reconciliation of book debt collections by Purchaser and liaison with Purchaser;
- Preparing and reviewing book debt collection progress reports;
- Continued liaison with Solicitor Manager regarding client monies/disbursements,
- Initial discussions with rates appeal agents regarding potential recoveries available;
- Instructing rates appeal agents to undertake rates appeals in respect of leasehold premises, and
- Liaison with vehicle leasing provider regarding potential recovery to the estate and possible onflow of funds to Purchaser

5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 14 October 2013 to 13 April 2014

5. Investigations

- Initial discussions with management regarding pre-appointment history and key issues,
- Liaison with members regarding questionnaire completion and return;
- Review matters highlighted in questionnaires received;
- Investigate matters in line with statutory requirements; and
- Summarise findings and file relevant documents with the Insolvency Service

6. Creditors

- Recording claims received and dealing with general creditor enquiries;
- Liaison with former management to update ledgers and creditor balances,
- Identify split of creditors between Manches LLP and Manches Services Limited,
- Dealing with legal disbursement creditor queries and clarify collections/payment process,
- Liaise with Solicitor Manager regarding legal disbursements queries;
- Liaise with suppliers and Purchaser regarding return of leased assets or assignment of agreements, and
- Liaison with pre-appointment insurers and administrators' insurance brokers regarding payment of excess on notified claims

7. *Accounting and treasury*

- Setting up administration bank accounts;
- Liaison with various banks, including LBG, regarding transfer of funds from Manches client accounts,
- Drafting written authority to transfers and obtaining signatures,
- Preparation and processing of receipts and payments to/from administration account, and updating accounting system, and
- Regular reconciliations of the Administration bank accounts

8. Tax and VAT

- Initial discussions with Tax and VAT specialists to plan compliance requirements,
- Draft initial notifications to HMRC Tax inspectors to clarify responsibility in respect of Tax matters,
- Plan VAT timetable and information/data requirements;
- Liaise with former management regarding pre-appointment Tax and VAT information availability
- Liaise with HMRC regarding filing requirements, and
- Collect details of employee deductions for P11Ds and liaison with HMRC regarding any claim

5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 14 October 2013 to 13 April 2014

9. Employees and pensions

- Prepare initial communications to staff/members upon appointment and consultation with Purchaser and specialist staff on wording,
- Notifications to member/staff life cover providers following appointment,
- Liaison with policy providers to arrange scheme cessation and credits,
- Liaise with Purchaser regarding information required to finalise schemes,
- Instructions to pensions specialist regarding scheme and employee benefit schemes,
- Initial liaison with brokers and pension scheme providers and collect information,
- Prepare and file statutory notices in respect of administration appointment; and
- Review queries raised by pension annuitants following cessation of payments and liaison with Purchaser regarding intentions

Category 2 disbursements for the period 14 October 2013 to 13 April 2014

Photocopying charges of £77.26 plus VAT

Summary of legal and other professional firms instructed in the period 14 October 2013 to 13 April 2014

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	CMS Cameron McKenna	Industry knowledge	Time costs
Solicitor Manager	Pinsent Masons LLP	Industry expertise	Time costs
Valuation advice – fixtures and fittings	Hilco Valuations Services	Specialist knowledge	Fixed fee
Valuation advice – artwork and antiques	Hector Paterson & Co	Specialist knowledge	Fixed fee

6. Approval of pre-Administration costs

The following costs which were incurred prior to the appointment of the Administrators, but with a view to the Company entering Administration were approved for payment on 11 March 2014 This includes £4,344 of legal fees paid on behalf of MSL, to be reimbursed by the Company when realisations are made.

	Amount (£)
Pre-appointment fees charged by the Administrators' firm, PricewaterhouseCoopers LLP	**76,547.48**
Pre-appointment expenses incurred by the Administrators' firm, PricewaterhouseCoopers LLP	**166.48**
Legal expenses incurred	**108,197.39**
Solicitor Manager fees incurred	**26,132.20**
Total	**211,043.55**

7. Statement of creditors' rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses The relevant provisions are as follows -

Rule 2.48A Creditors' request for further information

(1) If–

- (a) within 21 days of receipt of a progress report under Rule 2 47–
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either–

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that–
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,

  giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of–

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

7. Statement of creditors' rights

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any *unsecured creditor with either the concurrence of* at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

(a) *the remuneration charged by the administrator*,
(b) the basis fixed for the administrator's remuneration under Rule 2.106, or
(c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business]days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,
(b) an order fixing the basis of remuneration at a reduced rate or amount,
(c) an order changing the basis of remuneration,
(d) an order that some or all of the remuneration or expenses in question be treated as not being *expenses of the administration*,
(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

8. List of members of Manches LLP

Forename	Surname
Patrick	Baddeley
Rachael	Barber
Jonathan	Bartley
Julie	Bond
Anna	Burnside
James	Butcher
Rebecca	Carlyon
Richard	Cooke
Jane	Craig
Kuruneruge	De Silva
John	Doherty
Joanne	Edwards
Richard	Eldridge
Alexander	Fox
Kerry	Fretwell
Stephen	Goldstraw
Lesley	Hall
Robert	Hayes
Ruth	James
Sarah	Johnson
Siobhan	Jones
James	Kinnier Wilson
Simon	Knott
Alison	Lewis
Louis	Manches
Richard	Marshall
Matthew	Martin
Jane	Mitchell
John	Morrison
Sally	Nesbitt
Christopher	Owen
Melvin	Pedro
David	Pritchard
Joanna	Richardson
Kerry	Sharp
Christopher	Shelley
Richard	Smith
Jonathan	Snade
Justin	Starling
James	Stewart
David	Tighe
Nicola	Wager
Tom	Walker
Eugene	Wojciechowski
Anna	Worwood
Colin	Russell