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 (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 Mr 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

(b) Insert dates

from (b) 1 Ocober 2014 to (b) 22 April 2015

Signed ____________
Joint/ Administrator(s)

Dated 28 APRIL 2015

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

Osman Khan	
7 More London Riverside London SE1 2RT	
	Tel
DX Number	DX Exchange

SATURDAY

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A15 09/05/2015 #146
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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 LLP – in Liquidation and formerly in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 7093 of 2013

The former Joint Administrators' final progress report

28 April 2015

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1. Former Joint Administrators' final progress report

Introduction

The former Joint Administrators ("the Administrators") previously reported on 8 October 2014 and are pleased to provide their final progress report on the Administration of Manches LLP ("LLP") pursuant to Rules 2 47 and 2 110 of the Insolvency Rules 1986 ("IR86")

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1) IR86, which is shown in Section 2 of this report The Administrators are also required to provide a summary of their proposals, which is shown at Section 3

In accordance with the proposals approved by creditors, LLP entered into Creditors' Voluntary Liquidation ("CVL") on 22 April 2015 There having been no alternate nominations, David Baxendale and Zelf Hussain were appointed as Joint Liquidators (the Liquidators")

Moving LLP from Administration to CVL was deemed the most cost effective exit route available This will allow the Liquidators to resolve the ongoing issues and take steps to agree and declare a prescribed part dividend to the ordinary unsecured creditors without seeking the Court approval required by an administrator

Details of the steps taken during the Administration, asset realisations and ongoing issues are set out below

Background information

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

Steps taken during the Administration

Following their appointment the Administrators concluded that a sale of the business and some of its assets was the most appropriate strategy for realising maximum value to creditors. A lengthy post-appointment sales process would have led to a diminution in value and probable SRA intervention

On 14 October 2013, LLP, acting by the Administrators, sold its business and certain assets 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

The book debts of LLP were retained by the Administrators 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 used to settle outstanding billed professional disbursements, as defined in the SRA Accounts Rules 2011

A portion of net receipts from such debts were 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. The realisation of these assets has been the principal activity in the Administration

Realisation of assets

Book Debts

The book value of debts as at the date of the Administrators' appointment was £6,172,689 from 913 client matters, which, as detailed in my previous report, were to be collected by the Purchaser acting as agent for LLP

A stringent debt collection process was conducted, initially leveraging the relationships between the former fee earners of LLP and their clients However should payment not be forthcoming, legal letters and asset searches were used and, where deemed appropriate, legal proceedings issued

As at 31 March 2015, the Purchaser had recovered £3,487,789 Of this, £2,267,252 has been received by LLP after deductions for professional disbursements and payments to the former members' reserve The balance on the ledger of £2,487,532 is deemed uncollectible due to ongoing disputes and insolvencies

Remaining debts of £188,305 have been assigned to the Purchaser for consideration of £6,591 These debtors are on long term payment plans and there may be a small chance of some recovery over a long period of time It is not considered cost effective for the Liquidators to pursue these balances

Due to the level of uncollectible balances on the ledger, the Liquidators will submit a VAT Bad Debt Relief claim, which may release further monies into the liquidation, or at the very least reduce HM Revenue & Customs' claim

Conditional Fee Arrangement monies

Prior to the Administrators' appointment, LLP entered into various Conditional Fee Agreements ("CFAs") with their clients of LLP and counsel in relation to various ongoing matters The book value of the work in progress on these cases as at 6 December 2013 was £375,516

The Administrators assigned any right, title and interest in the CFAs to the Purchaser, whereby the Purchaser will recover any costs incurred by LLP up to the date of the assignment of the CFAs Of this, £56,835 has been recovered for the benefit of LLP estate

Rates appeals

The Administrators instructed agents specialised in this field to pursue appeals of the rateable values applied to LLP's three office premises

Three appeals were submitted, of which two have been unsuccessful and one is ongoing In the event of any award, the net recovery will be recovered by the Liquidators

Leasehold properties

The Administrators surrendered leases to the London and Oxford offices The lease to the Reading office was assigned to the Purchaser This has helped mitigate possible claims from the landlords

Residual utilities charges have been recovered from the Oxford sub-tenants and a balance of £10,240 is to be remitted to the Purchaser

Regulatory matters

Jonathan Jeffries has acted as Solicitor Manager in respect of LLP during the Administration period The Solicitor Manager role was a specific requirement of the Solicitor Regulatory Authority ("SRA") to ensure that all LLP client matters and monies were handled according to SRA rules

Following the successful handover of client matters to the Purchaser and subject to obtaining comfort that insurance cover is in place for client matters, the Solicitor Manager will now take steps to stand down

Receipts and payments account

An account of the receipts and payments in the Administration showing movements for the period from 1 October 2014 to 21 April 2015 is set out in Section 4 of this report

Expenses statement

A statement of the expenses incurred and paid by the Administrators for the period from 1 October 2014 to 21 April 2015 is included at Section 5 of this report Certain of the payments shown relate to expenses incurred in the previous period

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

To date, the Administrators have incurred total time costs of £710,165 (plus VAT) and drawn £423,453 (plus VAT) with LBG approval. The balance, and future costs, will be subject to further approval and will be met by the Liquidation estate

In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of the Administrators' final time costs and Category 1 disbursements for the period 1 October 2014 to 21 April 2015 is provided in Section 6, together with details of the professional firms instructed by the Administrators

Creditors' rights

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

1. Former Joint Administrators' final progress report

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 certain assets (including the current book debt recoveries) LBG has received interim distributions totalling £1 185m

LBG will suffer a shortfall under its security

Preferential creditors

LLP has no preferential creditors as it had no employees

Unsecured creditors

There will be a Prescribed Part to distribute to unsecured creditors The Administrators calculate that approximately £516,000 will become available however the final amount will depend on settlement of remaining collection expenses incurred by the Purchaser

The precise amount of the dividend payable will not be known until creditor claims have been established However, based on a Prescribed Part of £516,000, and estimated creditor claims of £4 2m, a dividend of approximately 12p in the £ is possible Due to the ongoing uncertainties this estimate is subject to change

Exit from Administration

In accordance with the Administrators' proposals approved by the creditors, the Company entered into CVL on 22 April 2015 There having been no alternative nominations, Zelf Hussain and David Baxendale were appointed as Liquidators

The Administrators' reasons for concluding that CVL was the most appropriate strategy and in the best interests of all creditors is that the majority of assets are now realised, with minimal potential tax exposure arising on those that remain to be collected

A further extension of the Administration, and permission to make a distribution to unsecured creditors, would have necessitated an application to Court, which would have resulted in higher costs As discussed in previous reports a compulsory liquidation was not considered an appropriate exit route due to the high statutory costs involved

If you have not already submitted your claim, please do so using the form enclosed with this report.

Timing of the Administrators' discharge from liability

In accordance with Paragraph 98(1) and (2) of Schedule B1 to the Insolvency Act 1986, the Administrators are to be discharged from liability in respect of any action of theirs as Administrators at a time specified by the court An application has been submitted to court for the timing of their discharge to be determined and a hearing date is awaited Should any creditors wish to object to this application, they should inform the Liquidators as soon as possible and, in any event, within 30 days of the date of this report

Next report

The next report to creditors will be made available by the Liquidators within two months after the first anniversary of the liquidation

David Baxendale
Joint Administrator
Manches LLP

David Baxendale and Zelf Hussain have been appointed as Joint Liquidators of Manches LLP The Joint Liquidators 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 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

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 7
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	6 months to 22 April 2015
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:	Creditors' Voluntary Liquidation, followed by dissolution of the LLP
Estimated dividend for unsecured creditors:	Currently estimated to be 12p in the £
Estimated values of the prescribed part and the company's net property:	Prescribed part and net property currently estimated to be £516,000 and £2,566,000, respectively
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 the main proceedings

3. Summary of the former Joint Administrators' proposals

Proposals for achieving the purpose of the Administration

The following proposals for achieving the purpose of administration were deemed approved in accordance with Rule 2 33(5) of Para 52(1) Sch B1 IA86

i) The Administrators will continue to manage and finance Manches LLP's business, affairs and property from asset realisations or in such other manner as they consider expedient with a view to achieving a better result for Manches LLP's creditors as a whole than would be likely if Manches LLP were wound up (without first being in Administration)

ii) The Administrators may investigate and, if appropriate, pursue any claims that Manches LLP 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 Manches LLP 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 out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)

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) At an appropriate time, the Administrators will place Manches LLP into creditors' voluntary liquidation In these circumstances, it is proposed that David 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,

(b) At an appropriate time, 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 Manches LLP will be dissolved three months later If permission is not granted the Administrators will place Manches LLP into creditors' voluntary liquidation or otherwise act in accordance with any order of the court,

(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 Manches LLP will be dissolved three months later

3. Summary of the former Joint Administrators' proposals

vi) In the circumstances of this case it will be for the secured creditors to approve the payment of the unpaid pre-Administration costs 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 the Administrators have stated that they think that Manches LLP has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of Section 176A IA86, and because there are no preferential creditors, it will be for the secured creditor to determine these instead

4. Receipts and payments account

	Notes	Total to 30 09 14	Period 1 10 14 to 21 04 15	Total to 21 04 15	Estimated to realise as per Statement of affairs
Receipts					
Assets subject to the bank's fixed charge		-	-	-	-
Assets subject to the bank's floating charge					
Work in progress		500,000		500,000	500,000
Fixtures and fittings		1		1	1
Debts and other pre-payments	1)	2,240,368	255,581	2,495,949	4,386,351
Former members tax refund from terminal loss relief		185,469		185,469	-
Recovery of pre-paid rent		277,582	-	277,582	
Other receipts					
Licence fee for occupying property		942,794	-	942,794	-
Third party funds	2)	40,621	4,646	45,267	-
Recovery of expenses	3)		5,679	5,679	
Interest received gross		3,737	4,402	8,139	-
Balance at bank		4,018	-	4,018	-
Total receipts		4,194,590	270,308	4,464,898	4,886,352
Payments					
Rent paid	4)	923,225	651	923,876	
Third party funds	5)	410	38,121	38,531	
Insurance		1,611	-	1,611	
Statutory advertising	6)	226		226	
Printing & postage	6)	6,452	971	7,423	
Pre-appointment legal fees/disbursements	6)	75,759		75,759	
Post-appointment legal fees/disbursements		66,528	24,276	90,804	
Solicitor Manager fees/disbursements		42,788	11,058	53,846	
Agents fees		12,125		12,125	
PwC pre-appointment fees		76,714	-	76,714	
Administrators' remuneration		223,453	200,000	423,453	
Administrators' category 1 disbursements		2,332	893	3,225	
Administrators category 2 disbursements		77	-	77	
Bank charges		195	7,717	7,912	
Net VAT receivable / (payable)		(4,371)	45,224	40,853	
Sub-total		1,427,524	328,911	1,756,435	
Distribution to Secured Creditor		935,469	250,000	1,185,469	
Total payments		2,362,993	578,911	2,941,904	
Cash in hand	7)	1,831,597		1,522,994	

Footnotes.

1) Pursuant to the business and asset sale agreement the Purchaser has collected £3 487,789 from Manches LLP's debtor ledger as at 31 March 2015 of which £2,267,252 is for the benefit of Manches LLP after payment of professional disbursements and to the former members reserve The remaining balance relates to business rates refunds in respect of the London and Oxford office premises employee benefit pre-payments and other miscellaneous pre-payment receipts
2) Third party funds held include £38 121 received from the Purchaser in respect of former employee travel loan recoveries which has been paid to Manches Services Limited, a subsidiary of LLP a balance remaining of £2 500 received from the Purchaser to cover London office exit costs and £4 646 received from Oxford sub tenants and due to the Purchaser
3) Refund from Manches Services Limited of expenses and pre-appointment costs incurred on its behalf
4) Refunds to Oxford sub-tenants in respect of utilities recharge overpayments
5) Paid to Manches Services Limited in respect of former employee travel loan recoveries
6) Includes expenses and pre-appointment costs of £5 679 incurred in respect of Manches Services Limited, which have now been refunded see 3) above
7) The balance of cash in hand is held in interest-bearing accounts

5. Statement of expenses incurred in the period

Paid expenses	**£**
Printing & postage	971
Legal fees / disbursements	24,276
Solicitor Manager fees / disbursements	11,058
Administrators' remuneration	200,000
Administrators' category 1 disbursements	893
Administrators' category 2 disbursements	-
Bank charges	7,717
Sub total	244,915
Unpaid expenses	
Solicitor Manager fees	1,935
Legal fees	7,000
Administrators' unbilled time costs	147,689
Printing & postage	1,200
Sub total	157,824
Overall total	402,739

Footnote

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

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 1 October 2014 to 21 April 2015

Time costs summary for the period 1 October 2014 to 21 April 2015

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 (£)
Accounting and treasury	-	-	-	-	2 10	795	1 60	530	12 50	3,400	29 65	5,782	45 85	10,507
Asset recovery	-	-	8 45	4,238	0 20	76	211 10	69,980	20 90	5,685	1 20	234	241 85	80,213
Closure/exit routes	-	-	-	-	-		-	-	34 10	9,275	1 30	254	35 40	9,529
Creditors		-	-	-	-		-	-	10 90	2,965	11 15	2,174	22 05	5,139
Insurance	-	-	0 10	50	0 30	114	-	-	9 80	2,666	-	-	10 20	2,830
Property (Management)	-	-	-	-	0 20	76	-	-	19 70	5,358	6 85	1,336	26 75	6,770
Secured creditor	-	-	1 75	878	-	-	-	-	12 80	3,482	-	-	14 55	4,360
Statutory and compliance	2 00	1,156	1 00	502	4 25	1,610	-	-	33 90	9,221	36 60	7,137	77 75	19,626
Strategy & Planning	-	-	1 50	752	-	-	-	-	3 20	870	-	-	4 70	1,622
Tax/VAT	-		-	-	1 90	1,824	1 20	756	12 10	3,291	6 90	1,222	22 10	7,093
Total	2 00	1,156	12 80	6,420	8 95	4,495	213 90	71,266	169 90	46,213	93 65	18,139	501 20	147,689

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

Grade	Maximum charge out rate applicable	
	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.

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 1 October 2014 to 21 April 2015

Grade	Maximum charge out rate From 1 July 2014 (£)
Partner	1,130
Director	1,040
Senior Manager	875
Manager	630
Senior Associate	465
Associate	225
Support	130

Narrative of work carried out for the period 1 October 2014 to 21 April 2015

The key areas of work have been -

1. **Accounting and treasury**

- 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

2. **Asset recovery**

- Frequent 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,
- Obtaining progress on rates appeals in respect of leasehold premises from rates appeal agents,
- Liaising with Purchaser and secured creditor to arrange transfers of book debt recovery funds from office to Administration accounts, and
- Finalising the book debt collection process and arranging the assignment of outstanding debtors to Purchaser, in preparation for move to CVL

3. **Closure/exit routes**

- Internal discussions regarding timing and mechanics of any potential distributions to creditors,
- Considering of appropriate exit routes from administration and consultation with advisers and Administrators,

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 1 October 2014 to 21 April 2015

- Consultation with Solicitor Manager regarding impact of exit/extension,
- Liaising with legal advisers regarding discharge from liability application to Court and arranging filing of the same,
- Discussions with Purchaser and secured creditor to agree the assignment of debts ahead of the move to CVL, and
- Making steps to closure, in accordance with regulatory requirements.

4. Creditors

- Recording claims received and dealing with general creditor enquiries,
- Liaising with suppliers to clarify allocation of bills between the estate and the Purchaser,
- Dealing with legal disbursement creditor queries and clarifying collections/payment process, and
- Liaise with Solicitor Manager regarding legal disbursements queries and complaints

5. Insurance

- Ongoing liaison with insurers regarding existing claims handling,
- Liaison with Solicitor Manager regarding any gaps in insurance cover in terms of potential creditor claims,
- Liaison with Purchaser regarding honouring future claims arising, and
- Confirming any outstanding matters with insurer ahead of closure

6. Property (Management)

- Liaison with utilities suppliers and councils to clarify matters on bills and rates,
- Reconciliation of funds flow with Purchaser, in respect of business rates, bills and expenses,
- Liaison with Purchaser regarding transferred client matters/complaints, and
- Dealing with queries and pursuing payment from sub-tenants of Oxford property regarding bills and business rates

7. Secured creditor

- Liaison with LBG and draft documentation to facilitate funds transfers,
- Liaison with LBG regarding distribution timings and quantum,
- Preparing and reviewing update on administration progress and ongoing matters,
- Discussions with LBG regarding extension/exit options,
- Preparing supporting documentation to support extension request, and
- Update to secured creditor on timing of move to CVL and future distribution prospects

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 1 October 2014 to 21 April 2015

8. Statutory and Compliance

- Undertaking various procedures in compliance with legal requirements, professional regulations and internal risk management policies,
- Preparing, reviewing and circulating statutory notifications and letters,
- Review, update and sign-off case prompts to record progress and decisions;
- Planning extension of the administration and drafting supporting documentation,
- Drafting, reviewing and finalising progress report to support extension request,
- Arranging circulation of reports and filing with Registrar and Court
- Seeking confirmation of ethical, AML and Relationship check requirements in preparation for a move from Administration to CVL, and
- Drafting the Administrators' final progress report

9. Strategy and planning

- Conducting team meetings to review progress against strategy and discuss key issues,
- Discussions with internal professionals regarding work required and timings, and

10. Tax and VAT

- Ongoing review of tax and VAT positions and ensuring adherence to compliance requirements,
- Preparation and filing of VAT returns,
- Discussions with tax specialists regarding implications of moving to CVL and responsibilities for tax affairs, and
- Discussions with Purchaser regarding terminal loss relief calculation adjustments and impact on funds received by the Administration estate

Category 1 disbursements for the period 1 October 2014 to 21 April 2015

Courier charges and travel expenses of £861 76 plus VAT

Summary of legal and other professional firms instructed in the period 14 April 2014 to 21 April 2015

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

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

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
Siobhan	Bradshaw (nee Jones)
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
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
Colin	Russell
Kerry	Sharp
Christopher	Shelley
Richard	Smith
Johnathan	Snade
Louise	Spitz
Justin	Starling
James	Stewart
David	Tighe
Nicola	Wager
Tom	Walker
Eugene	Wojciechowski
Anna	Worwood