

The Insolvency Act 1986

Administrator's progress report

Name of Partnership
Chipatso & Co Solicitors LLP

Partnership number
OC344710

In the High Court of Justice, Chancery Division
Manchester District Registry

Court case number
573 / 2010

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

I (a) Michael Leslie Reeves, consultant of Robson Scott Associates Limited, 49 Duke
Street, Darlington, County Durham, DL3 7SD

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

(b) Insert dates

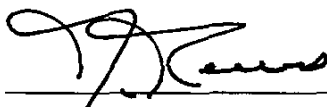
from

to

(b) 12 September 2011

(b) 11 March 2012

Signed



Administrator

Dated

11 / 04 / 12.

MONDAY



A35

A17GV3L6

23/04/2012

#190

COMPANIES HOUSE

Chipatso & Co Solicitors LLP – In Administration
Administrator's Progress Report

CHIPATISO & CO SOLICITORS LLP - IN ADMINISTRATION

ADMINISTRATOR'S PROGRESS REPORT

COVERING THE PERIOD FROM 12 SEPTEMBER 2011 TO 11 MARCH 2012

**Robson Scott Associates Limited
47/49 Duke Street
County Durham
DL3 7SD**

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1. Details of Appointment

Date of Appointment 12 March 2010

Court Reference High Court of Justice, Chancery Division
Manchester District Registry No 573 of 2010

Administrator Michael Leslie Reeves
Robson Scott Associates Limited
47/49 Duke Street, Darlington,
County Durham, DL3 7SD

The partnership entered into administration on 12 March 2012 and Daryl Warwick was duly appointed Administrator. In accordance with a court order made in the High Court, Manchester District Registry, case number 2297, and dated 20 December 2011, Mr Warwick was removed from office with effect from 20 December 2011 and Michael Leslie Reeves was appointed as Administrator in substitution with effect from the same date

Authorising Body Insolvency Service

Appointed by The appointment was made on the application of the partnership's partners pursuant to Paragraph 22(2) of Schedule B1 of the Insolvency Act 1986

The EC Regulations on Insolvency Proceedings apply to this report and that these proceedings will be main proceedings as defined in article 3 (1) of the EC Regulations.

2. Statutory Information

The period of the Administration has previously been extended by a period of 6 months however an application was made to court in January 2012 for a further extension and the court subsequently made an order extending the period of the administration up until 12 June 2012

The statutory details of the Company are attached at Appendix 1

3. Purpose of the Administration

Following my appointment as Administrator, I took control of the business and assets of the Partnership with a view to establishing a strategy to meet the prioritised objectives of the proposed Administration as follows

a Rescue the Partnership as a going concern, or

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- b Achieve a better result for the Partnership's Creditors as a whole than would be likely if the Partnership were to be wound up (without first being in Administration), or
- c Realise property in order to make a distribution to one or more secured or preferential creditors

It was, however, concluded that the Partnership was not able to be rescued as a going concern

When considering b), it was decided to market the assets and these were advertised for sale from January to March 2010. Two expressions of interest were received, however no offers were subsequently received

4. Conduct of the Administration

Upon appointment, the decision was taken not to trade and, shortly after appointment, an offer to purchase the office equipment, work in progress and goodwill for £190,000 was received from Chipatiso Associates LLP, a business consisting of some of the former management of the Partnership.

As the offer for the business exceeded the valuations carried out by independent agents, the offer was accepted and the sale completed on 24 March 2010. The sale agreement stipulated that the consideration was payable in 35 equal instalments from 1 April 2010. It has also been secured by way of a debenture over the purchasing LLP together with a personal guarantee from Babatunde Abiloye

However, following on from my previous reports, the position of the LSC to assess the claim of the partnership at nil has not changed and therefore the necessary funds to repay the agreed funds has not become available.

Legal action has, however, commenced in order to enforce the personal guarantee given in relation to the sale agreement. To date, an interim charging order has been obtained on a property owned by the guarantor and the hearing to consider whether this order should be made final is expected to be heard at the end of April

5. Administrator's Receipts & Payments

A summary of the Administrator's receipts and payments for the period to date is attached at Appendix 3

As no funds have been received during the course of the Administration, no payments have been made.

6. Prescribed Part

As the Partnership has no outstanding liabilities to its debenture holder, Section 176 (A) of the Insolvency Act 1986, as amended, does not apply in this matter.

7. Creditors' Claims & Dividend Prospects

Unsecured creditor claims are currently estimated at £325,139. Where formal claims have not been submitted by creditors an estimate has been used. No claims were received from former employees whose employments were taken over by the successor company.

It is, at present, unclear if creditors are likely to receive a distribution. If the full consideration from the sale of the assets of the partnership is received as originally anticipated it is estimated that unsecured creditors will receive a dividend of approximately 24 p/£. However, the prospect of realising these funds in full is uncertain.

8. Future Conduct of the Administration

The Administrator will continue to manage the affairs, business and property of the Partnership to achieve the purpose of the Administration. This will also include, but not be limited to

- Realising any other assets that come to light
- Finalising and making payment of any Administration liabilities
- Agreeing preferential and unsecured creditor claims
- Dealing with statutory reporting and compliance obligations

9. Administrator's Remuneration & Disbursements

A Creditors' Guide to Administrator's Fees has not been appended to this report but is available from the following website: www.r3.org.uk. If however you do not have access to the internet and require a hard copy to be posted to you, please contact my office.

At a meeting held on 26 May 2010 creditors approved my proposals to draw fees on a time cost basis.

I have drawn no fees to date for acting as Administrator against post Administration time costs of £39,086. Attached at Appendix 4 is a time analysis of these costs in accordance with SIP 9.

Details of the disbursements incurred to date but not yet paid are as follows;

Postage	£17.20
Specific Bond	£264.00

Details of the rates at which disbursements are charged are attached at Appendix 5.

In addition, solicitor's time costs incurred but not yet invoiced amount to approximately £30,000 plus VAT.

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or

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expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Administrator's remuneration, the remuneration charged or the expenses incurred by the Administrator as set out in this progress report are excessive

10. Transfer of Administrator

Pursuant to a court order made in the High Court, Manchester District Registry, case number 2297, and dated 20 December 2011, Daryl Warwick was replaced by Michael Leslie Reeves as Administrator with effect from 20 December 2011

The transfer of the Administrator has taken place due to an internal restructuring of Robson Scott Associates' operations however the ongoing day to day operation of the above case will continue as it previously has done

The Administration accounts have been fully reconciled up to the date of the transfer and the Receipts and Payments Account at Appendix 3 of this report covers the period up to 19 December 2011. In addition, a receipts and payments account covering the period from 20 December 2011 to date is also provided

In accordance with the terms of the order, any creditor or member may make an application to court to vary or discharge the order within 28 days from receipt of notice that the order has been made

The sealed order has not been appended to this report, however, if you require a copy or the order or have a request for any further information please contact my office in the first instance.

Please note, however, that the costs of complying with any requests for further information, unless good reasons to the contrary are stated, will be paid as a cost of the Administration.

11. Ending the Administration

At the meeting held on 26 May 2010, creditors approved the following resolution,

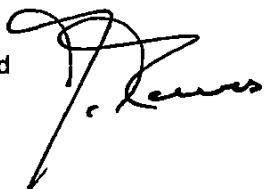
'Once the purpose(s) of the Administration have been achieved the Administrator will apply to the court for leave to agree creditors' claims and distribute any available funds accordingly. Thereafter the partnership will be dissolved.

In the unlikely event that, once all assets have been realised, there are no funds available to enable a distribution to the unsecured creditors, I propose filing a notice at court for the dissolution of the partnership.'

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12. Next Report

The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

Signed  Dated:

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**APPENDIX 1
STATUTORY INFORMATION & SECURITY**

Partnership Number:	OC344710
Date of Incorporation	6 April 2009
Registered Office and trading address	612/614 Romford Road, Manor Park, London, E12 5AF
Principal Activity	Solicitors
Partners:	Pamela Mazvita Chipatiso Alexander Oladapo Abiloye (deceased) Babatunde Abiloye
Members Capital	£1 Pamela Mazvita Chipatiso £1 Alexander Oladapo Abiloye (deceased)
Registered Charges	None

Security
As shown above in Registered Charges.

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APPENDIX 2
ESTIMATED OUTCOME STATEMENT

	To Date	Future	Total
<i>Realisations</i>			
Office Equipment	0.00	10,000 00	10,000 00
Goodwill	0.00	10,000.00	10,000.00
Work in Progress	0.00	170,000.00	170,000.00
	<hr/> 0.00	<hr/> 190,000.00	<hr/> 190,000.00
<i>Less Costs</i>			
Administrator's Fees	0 00	58,000 00	58,000.00
Legal Fees	0.00	40,000.00	40,000.00
Agents/Valuers Fees	0 00	9,000.00	9,000.00
Sundry costs & disbursements	0 00	4,500 00	4,500.00
	<hr/> 0.00	<hr/> 111,500 00	<hr/> 111,500.00
 Available for distribution to non-preferential unsecured creditors			78,500.00
 Trade creditors			(168,056.00)
HM Revenue & Customs			<hr/> (157,083.00)
 Total unsecured creditors			<hr/> (325,139 00)
 Shortfall to creditors			<hr/>(246,639.00)

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APPENDIX 3
ADMINISTRATOR'S RECEIPTS & PAYMENTS

	12/03/2010 to 19/12/2011	20/12/2011 to 11/03/2012	Totals	
RECEIPTS	<u>0 00</u>	<u>0 00</u>	<u>0 00</u>	
				0.00
PAYMENTS	<u>0 00</u>	<u>0 00</u>	<u>0 00</u>	
				0 00
REPRESENTED BY				
Bank 1 Current	<u>0 00</u>	<u>0 00</u>	<u>0 00</u>	
				<u>0 00</u>

APPENDIX 4
TIME ANALYSIS OF COSTS

Details of the basis of the Administrator's remuneration and disbursements charged in accordance with SIP 9

Classification Of Work Function	Other Director	Insol. Practit.	Senior Manager	Manager	Admin	Junior Admin	Cashier	Hours	Average Hourly Rate £	Total Cost £
Administration/ Planning	9.4	4.0	18.0	4.6	1.7	0.0	0.3	38.0	£208.81	£7,934.80
Investigations	7.6	0.0	0.0	4.8	0.0	0.0	0.0	12.4	£211.65	£2,624.40
Realisations/ Contributions	48.1	8.3	8.1	10.5	0.0	0.0	0.0	75.0	£230.00	£17,250.30
Statutory	12.3	7.5	15.0	7.2	0.0	0.0	0.0	42.0	£218.63	£9,182.40
Creditors	3.8	0.0	2.5	0.0	6.2	0.0	0.0	12.5	£167.55	£2,094.40
Total	81.2	19.8	43.6	27.1	7.9	0.0	0.3	176.9	£207.33	£39,086.30

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APPENDIX 5 DISBURSEMENT POLICY AND CHARGE OUT RATE

This policy applies where a licensed Insolvency Practitioner in this firm is seeking appointment, or is currently acting, as an office holder of an insolvent estate and a resolution will be proposed or has been approved authorising fees to be drawn from the estate

Chargeout Rates		Robson Scott Associates Limited 47-49 Duke Street Darlington County Durham DL3 7SD
Grade	(£ per hour)	
Insolvency Practitioner	280	Time costs are calculated using 6 minute units In the event that the fee agreement does not provide for fees on a time cost basis, this information is produced for information only and fees will be drawn on the basis agreed
Director	250	
Senior Manager	207	
Supervisor/Senior Administrator	168	
Case Administrator	112	
Cashier	84	
Junior Administrator	84	

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements can be drawn without prior approval although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made. If an office holder has obtained approval for the basis of category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval on the basis of remuneration is not required, or where the office holder is replaced.

Category 2 disbursements are proposed to be recovered as follows.

Mileage	55 pence per mile
Photocopying	15 pence per sheet
File set up	£15 per file
Meeting room hire (when not rechargeable at Cat 1)	£50 per statutory meeting
Compulsory Winding Up/ Bankruptcy Petition drafting	£1,250 plus VAT per petition drafted
Storage of books and records	£10 per box per month

For further information, the publication, A Creditors' Guide to fees is available to view via the following website, www.r3.org.uk. If, however, you do not have access to the internet and require a hard copy, please contact the office and one will be posted to you.

Please note that chargeout rates and disbursements are reviewed annually and may be subject to change.