Rule 4 49C

Form 4 68

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03204961

Name of Company

Lehmann Communications Plc

I / We

Christopher James Farrington, 1 Woodborough Road, Nottingham, NG1 3FG

Nicholas Guy Edwards, PO Box 810, 66 Shoe Lane, London, EC4A 3WA

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 25/11/2014 to 24/11/2015

Signed ____________

Date 22/1/16

Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Ref LEHM00B/HPS/DLM/SF

Deloitte.

Company Number 03204961

Lehmann Communications Plc (in liquidation) ("the Company")

Registered Office: c/o Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ

Progress report to creditors and members for the 12 month period to 24 November 2015 pursuant to Section 104A of the Insolvency Act 1986 (as amended) ("the Act") and Rules 4.49B and 4.49C of the Insolvency Rules 1986 (as amended) ("the Rules").

Christopher Farrington and Nicholas Edwards ("the Joint Liquidators") were appointed Joint Liquidators of Lehmann Communications Plc by the general meeting of creditors on 25 November 2014 All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

For the purposes of Section 231 of the Act the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

22 January 2016

Contacts

Joint Liquidators of the Company

Christopher Farrington

1 Woodborough Road

Nottingham, NG1 3FG

Nicholas Edwards

Athene Place

66 Show Lane

London, EC4A 3WA

Contact details

Email hsavage@deloitte co uk

Website

www deloitte com/uk/lehmanncommunication

Tel 0121 696 8838

Key messages

	Commentary
Progress of the liquidation during the report period	• Trading ceased prior to the liquidation • Investigations into the directors and shareholders of the Company continue
Costs	• The basis of our remuneration has been fixed by reference to time costs • We have incurred time costs of £86,808 during the report period • We have not drawn any fees • Further detail on our remuneration is on page 8
Outstanding matters	• Investigations into the directors and shareholders need to be finalised and depending on the outcome of this any actions commenced
Dividend prospects	• Secured creditors – we are not aware of any debt being due to the secured creditor • Preferential creditors – we are not aware of any preferential creditors • Unsecured creditors – will not be paid in full, dividend prospects are currently unknown and will depend on asset realisations

Progress of the liquidation

Progress of the liquidation
Summary

Progress of the liquidation and work done during the report period

Investigations

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to the Insolvency Service on 20 May 2015

We are in the process of reviewing the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company

This review and the additional actions we are undertaking are currently confidential Details of these investigations will be shared with the creditors when possible

If you have any information that you feel we should be aware of, please contact us in writing using the contact details on Page 1 above

Creditor correspondence

Adhoc queries received from various Company creditors have been dealt with by the liquidators staff

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature

- case set-up and management
- appointment notifications
- correspondence
- case reviews
- cashiering functions
- filing

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors

Case specific matters

The Company was de-registered for VAT and a nil corporation tax return is currently being prepared

Estimated future realisations

Realisations will depend upon investigation work

Cost of the work done during the report period

Gateley LLP, solicitors have been instructed on a no win no fee basis to assist with the review of potential claims in the liquidation

Details of the Liquidators' costs are provided on page 8

Receipts and Payment Account

There have been no receipts or payments during the period of the liquidation

Joint Liquidators' receipts and payments account 25 November 2014 to 24 November 2015

£	To date
Receipts	Nil
Payments	Nil

Information for creditors

Information for creditors
Outcome

Secured creditors

Barclays Bank Plc provided security on 28 October 2011 by way of fixed and floating charges over the whole of the Company's assets At the date of appointment no money was owed to the Bank, having been paid in full by a guarantee provided by a Shareholder

Preferential creditors

The Liquidators have not been made aware of any preferential claims against the Company, which is in line with the information provided in the Statement of Affairs which showed preferential creditors at nil

Prescribed Part

As there is no secured debt there is no Prescribed Part

Unsecured creditors

Dividend prospects are uncertain and will depend on asset realisations

Claims process

Unsecured creditors are invited to submit their claims to us by completing a proof of debt form which is available on the liquidation website and which should be sent to the address on page 1, marked for the attention of Holly Savage

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received

Remuneration and disbursements

Remuneration and disbursements
Joint Liquidators' remuneration

Joint Liquidators' remuneration

"A Creditors' *Guide* to Remuneration" is available for download at www deloitte co uk/lehmanncommunications

Should you require a paper copy, please send your request in writing to the Joint Liquidators at the address on the front of this report and this will be provided to you at no cost

Basis of remuneration

The basis of our remuneration was fixed by creditors at a creditors meeting held on 20 January 2015

Fees – work undertaken – time costs

Our time costs for the period are £86,808 8 made up of 187 20 hours at an average charge out rate of £463 72 per hour across all grades of staff

To date we have not drawn any remuneration

A detailed breakdown of these time costs together with details of our charge rates are shown on the following pages Please note that time is charged in six minute increments

Remuneration and disbursements - Joint Liquidators' time costs for the period 25 November 2014 to 24 November 2015

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0 10	50 00	0 70	306 00	2 80	961 50	1 40	346 50	5 00	1 664 00	332 80
Case Management and Closure	-	-	0 60	292 50	3 00	1 249 00	24 95	7 747 25	7 65	1 657 00	36 20	10 945 75	302 37
Initial Actions	-	-	5 40	3 510 00	12 10	4 961 00	-	-	6 90	1 368 00	24 40	9 839 00	403 24
	-	-	6.10	3,852.50	15 80	6,516 00	27 75	8 708 75	15 95	3 371 50	65 60	22,448.75	342.21
Investigations													
Investigations	5 70	3 762 00	59 90	38 935 00	2 40	984 00	30 10	9 654 00	3 30	657 50	101 40	53 992 50	532 47
Reports on Directors' Conduct	3 00	1 980 00	2 80	1 820 00	4 30	1 763 00	-	-	-	-	10 10	5 563 00	550 79
	8 70	5,742.00	62.70	40,755.00	6 70	2,747 00	30 10	9,654 00	3 30	657 50	111 50	59,555.50	534.13
Creditors													
Shareholders	-	-	-	-	-	-	-	-	0 30	58 50	0 30	58 50	195 00
Unsecured	-	-	4 50	2 925 00	2 80	1 148 00	0 10	31 00	0 90	177 00	8 30	4 281 00	515 78
	-	-	4 50	2,925 00	2.80	1 148 00	0 10	31 00	1 20	235 50	8 60	4,339 50	504 59
Case Specific Matters													
VAT	-	-	-	-	-	-	1 50	465 00	-	-	1 50	465 00	310 00
	-	-		-	-	-	1 50	465 00	-	-	1 50	465.00	310 00
TOTAL HOURS & COST	8 70	5,742.00	73 30	47,532.50	25 30	10,411 00	59 45	18,858 75	20 45	4,264 50	187 20	86,808.75	463 72
AVERAGE RATE/HOUR PER GRADE		£ 660 00		£ 648.47		£ 411 50		£ 317 22		£ 208 53			

Remuneration and disbursements

Detailed information

Charge out rates

The average charge - out rates applicable to this case are provided below

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2014	From 1 Sept 2015
Partners & Directors	615 - 970	645 - 1,020
Assistant Directors	475 - 735	500 - 770
Managers	410 - 660	430 - 695
Assistant Managers	310 - 525	325 - 550
Assistants & Support	50 - 310	80 - 325

The above bands are specific to the Restructuring Services department partners and staff In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Financial Advisory or Deloitte Real Estate may be required on the case These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands

Charge out rates increased on 1 September 2015

Remuneration and disbursements

Detailed information

Disbursements

Category 1

These are payments made by us direct to third parties and for which no approval is required

Category 2

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs These may also include shared or allocated costs Specific approval is required before these costs and expenses can to be drawn from the liquidation estate and was given by creditors on 20 January 2015

Details of disbursements incurred in the report period is provided below, these have not yet been recovered

Category 1 disbursements

£ (net)	Total cost for the period of the appointment
Record Storage	1,723
Advertising	254
Case Insurance	20
Postage/Couriers	173
Total disbursements	**2,170**

Category 2 disbursements

£ (net)	Total cost for the period of the appointment
Website set up	500
Total disbursements	**500**

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report Such requests must be made within 21 days of receipt of this report, in accordance with Rule 4 49E of the Rules

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 4 131 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 4 131 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

Deloitte.