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The Insolvency Act 1986

Administrator's progress report

Name of Company
Buss Murton LLP

Company number
OC301808

In the High Court of Justice, Chancery Division, Companies Court (full name of court)
--

Court case number 15197 of 2009

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

I/We (a)
Nicholas Hugh O'Reilly
FRP Advisory LLP
PO Box 2653
66 Wigmore Street
London
W1A 3RT

Philip Lewis Armstrong
FRP Advisory LLP
PO Box 2653
66 Wigmore Street
London
W1A 3RT

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

(b) Insert date

From
(b) 19 June 2010

To
(b) 18 December 2010

Signed


 Joint / Administrator(s)

Dated

10 January 2011

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

Nicholas Hugh O'Reilly
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Buss Murton LLP (In Administration)

Report to the High Court pursuant to
Rule 2.47 of the Insolvency Rules 1986

10 January 2011

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1. Glossary and disclaimers

The LLP	Buss Murton LLP (In Administration)
The Joint Administrators	Nicholas Hugh O'Reilly licensed by the Insolvency Practitioners Association & Philip Lewis Armstrong licensed by the Institute of Chartered Accountants in England & Wales of FRP Advisory LLP, 66 Wigmore Street, London, W1U 2SB
The Bank	Barclays Commercial Bank, 4 th Floor, Elstree House, Elstree Way, Borehamwood, Herts WD6 1RY,
The Purchaser	Buss Murton Law LLP, Wellington Gate, 7-9 Church Road, Tunbridge Wells, Kent, TN1 1HT

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986 ("IA 86"), Schedule B1 of the Insolvency Act 1986 ("Sch B1") and the Insolvency Rules 1986 ("IR 86").

The Joint Administrators act as agents of the company and without personal liability.

The affairs, business and property of the company are being managed by Nicholas Hugh O'Reilly and Philip Lewis Armstrong who were appointed Joint Administrators on 19 June 2009.

2. Introduction

I write further to my appointment as Joint Administrator of the LLP, with Phil Armstrong, to report on the progress of the administration under Rule 2.47 of the Insolvency Rules 1986.

In accordance with Paragraph 100(2) Sch B1 IA86 the appointment of the Joint Administrators included a declaration that during the period of the administration they may act jointly or concurrently as the administrators of the company.

This report should be read in conjunction with my previous communications in this matter

Statutory information about the LLP and the Administrators is attached as Appendix A.

3. The Administrators' Proposals

The objective(s) of the administration were:-

- 1 To rescue the LLP as a going concern; or
2. To achieve a better result for the LLP's creditors as a whole than would be likely if the LLP were wound up (without first being in administration), or
- 3 To realise property in order to make a distribution to one or more secured or preferential creditors.

As no meeting of creditors was called the proposals were deemed accepted by creditors.

A copy of the Administrators' proposals is attached at appendix B

4. Progress of the Administration

I attach at Appendix C an abstract of my receipts and payments for the period from 19 June 2010 to 18 December 2010, together with a receipts and payments account for the full period of the administration

As anticipated asset realisations could not be completed within the 12 month statutory timeframe of the administration, the period of the administration was extended by a further six months with the consent of the Bank.

As a result of ongoing litigation being managed by the LLP's public liability insurer the Court agreed to a further six month extension of the administration period to 15 June 2011. The extension is to allow the LLP's public liability insurer to manage the litigation. It will not impact on the likelihood of a dividend to any creditors.

4.1 Sale of Business and Assets

As advised in my previous reports, the sale of the business and certain assets as a going concern to Buss Murton Law LLP (a related party, under the control of some of the members of the Partnership) for £540,000 completed on 19 June 2009 with the first payment of £100,000 being paid to the administrators' solicitors upon completion. All subsequent instalments have been received with the final instalment being received on 17 August 2010

4.2 Members' Loan accounts

The members' outstanding loan accounts were not sold to the Purchaser and were available as an asset in the administration. According to the Statement of Affairs provided by the members, Corinne Browne was indebted to the LLP in the sum of £830,300. Demand has been made for repayment of this amount. However, she was made personally bankrupt on 7 December 2009 on the application of ING. No realisation is anticipated

According to the Statement of Affairs provided by the members, Robert Sedgwick was indebted to the LLP in the sum of £879,700. An Individual Voluntary Arrangement ("IVA") was agreed between Mr Sedgwick and his creditors on 17 August 2010. A first and final dividend of £57,620.35 was received on 19 November 2010

I do not anticipate any further asset realisations.

5 Creditors

5.1 Estimated Outcome for Secured Creditors

As at the date of administration, the LLP was indebted to the Bank in the sum of £504,000. This was secured by a debenture over the LLP created on 30 July 2003 and registered on 15 August 2003 containing fixed and floating charges over the LLP's assets.

To date the Bank has been paid distributions totalling £39,050 under its fixed charge and £487,000 under its floating charge

Once interest and charges were applied to the Bank's debt it has suffered a small shortfall. The Bank has indicated an intention to recover any shortfall against the members who have personally guaranteed the debts of the LLP.

5.2 Estimated Outcome for Preferential Creditors

Preferential creditors consist of employees' arrears for wages, within certain prescribed limits and holiday pay.

The business of LLP was sold as a going concern. As a result, all employees of the LLP and their respective liabilities were taken on by the Purchaser. Accordingly, there are no expected preferential claims in this administration

5.3 Estimated Outcome for Unsecured Creditors

The statement of affairs indicates that a dividend may be available to unsecured creditors. However once administrators' fees and other administration costs are considered it is unlikely there would be sufficient assets available for a dividend to be paid.

The Administrators have further considered the possibility of a prescribed part for unsecured creditors under S176A of the Insolvency Act 1986. A prescribed part is not appropriate because it only applies where there is a floating charge dated after 15 September 2003. The floating charge held by the Bank is dated before this, on 15 August 2003.

6 Statutory matters

6.1 Administrators' Remuneration

As the administrators made a statement under Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 they were not required to hold a meeting of creditors. As there is no creditors' committee and there was no fee resolution passed at a meeting of creditors the basis of the administrators' remuneration is to be agreed in accordance with Rule 2.106(5A) IR1986. The basis of the administrators' remuneration falls to be agreed by the Bank only as there is no prospect of a dividend to the preferential and unsecured creditors

234 hours have been spent on this case to date, giving a total of £62,315 charged to the administration. Remuneration of £34,624 at the Bank's agreed rates has been drawn to date with agreement from the Bank. An analysis of the time charged, showing different grades of staff and the type of work undertaken, is attached at Appendix D

Buss Murton LLP (In Administration)
Report to creditors pursuant to Rule 2.47 of the Insolvency Rules 1986

If you have any queries about this report or the progress of the administration, please do not hesitate to contact Marcus McMillan at this office.



Nick O'Reilly

Joint Administrator

Licensed by the Insolvency Practitioners Association

Buss Murton LLP

Appendix A

Statutory Information

Court in which administration proceedings were brought:	High Court of Justice, Chancery Division, Companies Court
Court reference number	15197 of 2009
Date of incorporation:	26 March 2002
Partnership number:	OC301808
Registered office	66 Wigmore Street, London, W1U 2SB
Business address:	Wellington Gate, 7-9 Church Road, Tunbridge Wells, Kent, TN1 1HT
Members	Corrine Laraine Browne Robert Mannering Sedgwick Graham Edwards Daldeep Singh Jaswal John Christopher Kings Andrew James Churchill Linton Alan Hugh Williams

Extracts from the financial statements available are summarised below:-

Period Ended	Turnover	Gross Profit	Net Profit/ (Loss)	Members Remuneration
	£'000	£'000	£'000	£,000
31/03/09	3,419	658	(670)	(233)
31/03/08	3,594	373	(565)	(577)
31/03/07	3,660	247	(283)	(93)

THE INSOLVENCY ACT 1986

**STATEMENT OF THE PROPOSALS OF THE JOINT ADMINISTRATORS
OF BUSS MURTON LLP (IN ADMINISTRATION)**

PURSUANT TO PARAGRAPH 49(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

1. These are the proposals of Nicholas Hugh O'Reilly and Philip Lewis Armstrong, the Joint Administrators of Buss Murton LLP pursuant to paragraph 49(1) of schedule B1 to the Insolvency Act 1986.
2. The Joint Administrators think that objective (a) of the administration, as detailed in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, will not be achieved as the Partnership can not be rescued as a going concern. Objective (b) will not be achieved as a better result for creditors as a whole can not be achieved than had the Partnership been wound up. Consequently objective (c) will be able to be achieved in that property will be realised to make a distribution to one or more secured creditors
3. The Joint Administrators propose that
 - a) they will continue to deal with the administration of the Partnership.
 - b) that if they think the Partnership has sufficient property to permit a distribution to its unsecured creditors, they will send notice to the Registrar of Companies in accordance with paragraph 83 of schedule B1 to the Insolvency Act 1986 for the Partnership to be placed into Creditors Voluntary Liquidation. The proposed liquidators are to be Nicholas Hugh O'Reilly and Philip Lewis Armstrong.
 - c) if they think the Partnership has no property which might permit a distribution to its unsecured creditors, they will send a notice to the Registrar of Companies in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the Partnership will be deemed to be dissolved having given due consideration to point (a) above
 - d) the Joint Administrators' fees be agreed and drawn on a time cost basis in accordance with their charge out rates applicable from time to time plus disbursements.
 - e) The Joint Administrators be granted their discharge from liability in accordance with Paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, 21 days after ceasing to act.

Dated this 11th day of August 2009


Nick O'Reilly
Joint Administrator
Licensed by the Insolvency Practitioners Association

The Joint Administrators act as agents of the Partnership and without personal liability.

The affairs, business and property of the Partnership are being managed by Hugh O'Reilly and Philip Lewis Armstrong who were appointed Joint Administrators on 19 June 2009.

Buss Murton LLP
(In Administration)

Summary Of Receipts And Payments
18 June 2009 to 18 December 2010

Statement of Affairs	For the Period 19 June 2010 to 18 December 2010				For the Period 19 June 2009 to 18 December 2010			
	Fixed Charge £	Floating Charge £	Total £		Fixed Charge £	Floating Charge £	Total £	
RECEIPTS								
1,001 Goodwill	204		204		1,001		1,001	
37,999 Freehold Property	7,741		7,741		37,999		37,999	
Bank Interest	7	202	209		65	326	392	
1 Plant & Equipment						1	1	
1,000 Pre-payments		204	204			1,000	1,000	
260,000 Work in Progress		52,963	52,963			260,000	260,000	
239,999 Book Debts		48,889	48,889			239,999	239,999	
Cash at Bank						9	9	
Rent Received						34,677	34,677	
Rental Service Charge						16,083	16,083	
Land Registry Fees Refund						100	100	
Rates Refund		774	774			774	774	
Members Loan Accounts		57,620				57,620	57,620	
VAT Payable						7,614	7,614	
VAT Control Account		7,614	7,614			18,257	18,257	
	7,952	168,266	176,218		39,065	636,460	675,525	
PAYMENTS								
Bardays Commercial Bank	14,550	261,500	276,050		39,050	487,000	526,050	
Administrators' Remuneration		4,924	4,924			34,624	34,624	
Administrators' Disbursements		20	20			692	692	
Legal Fees						29,882	29,882	
Advertising						135	135	
Rent Payable						34,677	34,677	
Rental Service Charge		15	15		15	16,083	16,083	
Bank Charges		865	865			30	45	
VAT Receivable						30,724	30,724	
	14,550	267,324	281,874		39,065	633,847	672,912	
Balances in Hand	(6,598)	(99,058)	(105,656)		-	2,613	2,613	
	7,952	168,266	176,218		-	2,613	2,613	

BUSS MURTON LLP (In Administration)
Analysis of time costs
for the period 19 June 2009 to 18 December 2010

<u>Time costs</u>							
Classification of work	Partner	Manager	Other senior professionals	Assistants & support staff	Total hours	Time cost	Total average cost
Admin & Planning	12 80	25 85	116 25	10 59	165 49	42,186 05	254 92
Investigations	-	3 85	4 40	-	8 25	2,175 00	263 64
Realisation of Assets	4 50	2 35	14 80	-	21 65	6,235 50	288 01
Trading	-	-	-	-	-	-	-
Creditors	5 00	10 65	17 90	-	33 55	9,686 00	288 70
Case Specific Matters	3 75	-	0 80	-	4 55	2,032 25	446 65
Total	26 05	42 70	154 15	10 59	233 49	62,314 80	
Total fees claimed						34,624 00	

Disbursements

Category 1 691 60

Charge out rates with effect from 1/05/08

Grade	£/h
Partner	360-445
Manager	260-310
Other senior professionals	160-210
Assistants and support staff	140-163

Charge out rates with effect from 1/11/08

Grade	£/h
Partner	395-495
Manager	295-350
Other senior professionals	160-250
Assistants and support staff	140-250

Examples of work

Admin & Planning

Case planning
Administrative Set-up
Appointment Notification
Maintenance of records
Statutory reporting

Investigations

SIP 2 - A Liquidator's Investigation into the affairs of an insolvent company
Company Directors Disqualification Act 1986
Antecedent transactions

Realisation of Assets

Identifying, insuring and securing assets
Retention of title
Property Business and asset sales
Debt collection

Trading

Management of operations
Accounting for trading
Ongoing employee issues

Creditors

Communication with creditors
Creditors claims (including employees and other preferential creditors)

Case Specific Matters