

The Insolvency Act 1986

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company
McClure Naismith LLP

Company number
SO301685

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

I/We (a)
Thomas Campbell MacLennan
FRP Advisory LLP
Apex 3
95 Haymarket Terrace
Edinburgh
EH12 5HD

Alexander Iain Fraser
FRP Advisory LLP
Suite 2B, Johnstone House
52-54 Rose Street
Aberdeen
AB10 1UD

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

from

to

(b) Insert date(s)

(b) 28 February 2019

(b) 27 August 2019

Signed

Joint Administrator(s)

Dated

Contact Details:

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Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

Cc

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COMPANIES HOUSE

McClure Naismith LLP (In Administration)

The Administrator's Progress Report for the period 28 February 2019 to 27 August 2019

Issued: 13 September 2019

Contents and abbreviations

Section	Content	The following abbreviations may be used in this report:	
1.	Progress of the Administration in the period	FRP	FRP Advisory LLP
2.	Estimated Outcome for the creditors	The Company	McClure Naismith LLP (In Administration)
3.	Administrators' remuneration, disbursements and pre-appointment costs	The Administrators	Thomas Campbell MacLennan and Alexander Iain Fraser of FRP Advisory LLP
		The Period	The reporting period 28/2/19 – 27/8/19
Appendix	Content	CVL	Creditors' Voluntary Liquidation
A.	Statutory information regarding the Company and the appointment of the Administrators	SIP	Statement of Insolvency Practice
B.	Details of the Administrators' time costs and disbursements for the Period and cumulatively	QFCH	Qualifying floating charge holder
		HMRC	HM Revenue & Customs
C.	Receipts and payments account for the period and cumulative		
D.	Form 2.20B (Scot) – Administrators' Progress Report		
E.	Form 2.22B (Scot) – Notice of extension of period of administration		

1. Progress of the Administration

Work undertaken during the period

During the period work continued to ingather outstanding book debts of the LLP.

In conjunction with the former partners the identification and transfer of client funds continued during the period. A significant value of client funds is still held in trust and these will be transferred to other legal firms or returned to the client. Any amounts which cannot be allocated in this manner will be consigned.

Attached at **Appendix C** is a receipts and payments account detailing both transactions for the period of this report and also cumulatively since my appointment as Administrator.

Extension to the initial period of appointment

The initial 12 month period of the administration ended on 27 August 2016. The period was extended for a period of 12 months with the consent of the creditors to 27 August 2017. Further extensions have since been granted by the Court of Session with the current automatic end date being 28 August 2019.

As stated in previous progress reports, there remains a considerable amount of funds to return to clients and that this process would not be completed by the automatic end date of 28 August 2019 and as such a further extension was to be sought from the court.

This extension was granted on 23 August 2019 and the new automatic end date is now 28 August 2020.

Anticipated exit strategy

It is anticipated that at the conclusion of the administration it will be brought to a close by moving the LLP to dissolution.

2. Estimated Outcome for the creditors

Estimated outcome for the creditors

As a result of the additional time and increased legal costs incurred dealing with the fragmentation of the LLP and the transfer of clients and client files to firms not party to sale agreements, together with the lower than anticipated realisations from debtors and work in progress as outlined above, it is unlikely that there will be a distribution to any class of creditor.

3. Administrators' remuneration, disbursements and pre-appointment costs

Administrators' remuneration

The approved proposals set out that the Administrators' remuneration should be calculated on a time cost basis.

A breakdown of our time costs incurred during the period of this report is attached at **Appendix B**. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

To date, post appointment remuneration of £517,518.50 has been approved by the secured lender. To date £491,793.80 has been drawn. Actual time costs for the post appointment period to the date of this report are £783,722.50 plus VAT and outlays of £409.58 plus VAT. Fees drawn will be limited to funds in hand.

Charge out rates are reviewed at least annually. Details of FRP's charge out rates are included at **Appendix B**.

The Administrators' remuneration is approved by the secured creditor.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix B**.

Administrators' pre-appointment costs

As outlined in the Administrators' Proposals pre appointment time of £218,080.25 plus VAT and disbursements of £1,440.70 plus VAT was incurred and this has been approved by the secured creditor and fully drawn.

Legal fees relating to the pre appointment period of £59,709.00 plus VAT were also incurred and paid following approval from the secured creditor.

Appendix A

Statutory Information



MCCLURE NAISMITH LLP (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names:	None
Company number:	SO301685
Registered office:	Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD
Previous registered office:	292 St. Vincent Street, Glasgow, G2 5TQ
Business address:	292 St. Vincent Street, Glasgow, G2 5TQ

ADMINISTRATION DETAILS:

Administrator(s):	Thomas Campbell MacLennan & Alexander Iain Fraser
Address of Administrator(s):	FRP Advisory LLP Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD
Date of appointment of Administrator(s):	28/08/2015
Court in which administration proceedings were brought:	Court of Session
Court reference number:	n/a
Appointor details:	The members of the LLP
Previous office holders, if any:	None

Appendix B

Details of the Administrators' time costs and disbursements for the period and cumulative

FRP**Naismith LLP (In Administration)**

Time charged for the period 28 February 2019 to 27 August 2019

	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £ Average Hrrly Rate £
Administration and planning	2.10	1.05	6.30	9.45	1,564.00
Creditors	7.40			7.40	2,738.00
Investigation	0.50			0.50	140.00
Statutory Compliance	12.40			12.40	4,030.00
Total Hours	22.40	1.05	6.30	29.75	8,472.00
					284.77

FRP Charge out rates

Grade	From 1st July 2013	1st May 2016	1st May 2019
Appointment taker / Partner	370-400	370-450	370-495
Managers / Directors	270-370	280-370	280-370
Other Professional	160-225	165-230	165-230
Junior Professional & Support	70-105	80-110	80-110

**Disbursements for the period
28 February 2019 to 27 August 2019**

	Value £
Category 1	
Parking	6.25
Postage	323.24
Prof. Services	49.93
Storage	244.59
Category 2	
Car/Mileage Recharge	21.60
Grand Total	645.61

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

Appendix C

Receipts and payments account for the period and cumulative

McClure Naismith LLP
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 28/02/2019 To 27/08/2019 £	From 28/08/2015 To 27/08/2019 £
ASSET REALISATIONS		
Furniture & Equipment	NIL	1,500.00
WIP	NIL	141,382.69
Book Debts	195.54	734,311.23
Rent	NIL	(3,164.79)
Petty Cash	NIL	423.81
Bank Interest Gross	132.64	609.20
Trading Surplus/(Deficit)	NIL	4,399.81
Other refunds	NIL	14,875.29
	328.18	894,337.24
COST OF REALISATIONS		
Specific Bond	NIL	420.00
Office Holders Fees	NIL	711,314.75
Office Holders Expenses	NIL	1,440.70
Agents/Valuers Fees (1)	NIL	4,192.50
Legal & Professional fees	NIL	143,927.40
Transportation	NIL	320.00
Storage Costs	403.31	16,977.08
Re-Direction of Mail	NIL	240.00
Statutory Advertising	NIL	75.00
Insurance of Assets	NIL	635.16
Bank Charges - Floating	NIL	155.00
	(403.31)	(881,697.59)
	(75.13)	12,639.65
REPRESENTED BY		
Vat Recoverable - Floating		95.41
Bank 1 Current		2,433.65
Bank 2 Current		11,721.45
Funds retained for Third Parties		31,152.66
Post Administration Client Funds		475,047.72
Trade Creditors		338.35
Client funds		(474,706.50)
Funds retained for third parties		(33,443.09)
		12,639.65

Tom
Thomas Campbell MacLennan
Joint Administrator

Appendix D

Form 2.20B (Scot) – Administrators' Progress Report

Rule 2.38

The Insolvency Act 1986

Form 2.20B(Scot)

Administrator's progress report

R2.38

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

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from to

(b) Insert date(s)

(b) 28 February 2019 (b) 27 August 2019

Signed

Joint Administrator(s)

Dated

13/9/19

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Companies House receipt date barcode

Thomas Campbell MacLennan FRP Advisory LLP Apex 3 95 Haymarket Terrace Edinburgh EH12 5HD DX Number	+44 (0)330 055 5455 DX Exchange
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DXED236 Edinburgh 1 / LP-4 Edinburgh 2

Appendix E

Form 2.22B (Scot) – Notice of extension of period of administration

Notice of extension of period of administration

R2.44

Pursuant to paragraph 77(2) or 78(5) of Schedule B1 to the Insolvency Act 1986 and Rule 2.44 of the Insolvency (Scotland) Rules 1986

Name of Company	Company number
McClure NalSmith LLP	SC301685

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

administrator(s)

I/We (a) Thomas Campbell MacLennan
FRP Advisory LLP
Apex 3
95 Haymarket Terrace
Edinburgh, EH12 5HD

Alexander Iain Fraser
FRP Advisory LLP
Suite 2B, Johnstone House
52-54 Rose Street
Aberdeen, AB10 1UD

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) McClure NalSmith LLP
Apex 3 95 Haymarket Terrace Edinburgh EH12 5HD (the company)

(c) Insert date of appointment

on (c) 28 August, 2016
by (d) Bank of Scotland plc

(d) Insert name of appointor/applicant

hereby give notice that the administration has been extended:

(e) Insert date by order of the court until (e) 28 August 2020

Signed

Joint / Administrator(s)

Dated

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P760/19 Note: McClure NalSmith LLP to extend admin
Addleshaw Goddard

23 August 2019

Lord Bannatyne

The Lord Ordinary, having considered the note and in respect that the noters intimated to the creditors by letter dated 31 July 2019, number 17/3 of process, that they would apply for an extension of the administration, and provided the creditors with a reasonable date by which any objections to such an extension were to be received and no objections have been received, and that the secured creditors have confirmed their consent thereto by letter, no.17/5 of process:

1. dispenses with service, intimation and advertisement of the Import of the note;
2. orders that the term in office of the noters as the joint administrators of McClure NalSmith LLP (in administration) (company number SC301685) shall be extended up to and including 28 August 2020, in terms of paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986;
3. finds the expenses of, and incidental to, this note to be expenses in the administration and decerns.

**McClure Naismith LLP
(In Administration)
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