Rule 2.38 **Form 2.20B(Scot)**

The Insolvency Act 1986

Administrator's progress report

R2.38

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

Name of Company	Company number
McClure Naismith LLP	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

(b) Insert date(s)

from	to
(b) 28 August 2017	(b) 27 February 2018

Signed Tom

Joint / Administrator(s)

Dated 27/3/18

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

Thomas Campbell MacLennan
FRP Advisory LLP
Apex 3
95 Haymarket Terrace
Edinburgh
EH12 5HD

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THURSDAY

S72Q8EUX

SCT 29/03/2018 #232

COMPANIES HOUSE

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

FRP Advisory

McClure Naismith LLP (In Administration)

The Administrator's Progress Report for the period 28 August 2017 to 27 February 2018

Issued: 27 March 2018

Contents and abbreviations

FRP Advisory

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company	McClure Naismith LLP (In Administration)
The Administrators	Thomas Campbell MacLennan and Alexander Iain Fraser of FRP Advisory LLP
The Period	The reporting period 28/8/17 – 27/2/18
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs

1. Progress of the Administration

FRP Advisory

Work undertaken during the period

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

In conjunction with the former partners the identification and transfer of client funds continued during the period. Some client funds are 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 D** 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 which 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. A further extension to 28 August 2018 was granted by the Court of Session on 22 August 2018.

Client funds will continue to be distributed. It is unlikely that this process will be completed by the automatic end date of 27 August 2018 and it is therefore very likely that the administration will need to be extended for a period of at least 6 months and it would be my intention to seek the approval of the court to do so.

Any creditor who wishes to object to this should do so to me in writing.

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 C**. 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 and disbursements of £39,721.38 has been approved by the secured lender. To date £493,234.50 has been drawn. Actual time costs for the post appointment period to the date of this report are £726,588.50. Fees drawn will be limited to funds in hand. All amounts exclude VAT.

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

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 C.**

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

FRP Advisory

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

Form 2.20B SCOT - Formal Notice of the Progress Report

FRP
Advisory

Rule 2.38

Form 2.20B(Scot)

The Insolvency Act 1986

Administrator's progress report

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

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

I/We (a)

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Signed

Joint / Administrator(s)

Dated 27/3/18

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Companies House receipt date barcode

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DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

Appendix C

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

FRP
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FRP

McClure Naismith LLP (In Administration)

Time charged for the period 28 August 2017 to 27 February 2018

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Plan	15.30	4,024.50	263.04
Asset Realisation	1.50	528.00	352.00
Creditors	15.90	5,927.00	372.77
Statutory Compliance	2.00	704.00	352.00
Grand Total	34.70	11,183.50	322.29

Time charged from the start of the case to 27 February 2018

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	646.20	166,803.75	258.13
Asset Realisation	1,036.90	300,019.25	289.34
Creditors	340.80	98,958.50	290.37
Investigation	87.30	12,490.50	143.08
Statutory Compliance	132.40	40,504.50	305.93
Trading	309.90	107,277.00	346.17
Unknown	5.00	535.00	107.00
Grand Total	2,558.50	726,588.50	283.99

Disbursements for the period
28 August 2017 to 27 February 2018

	Value £
⊟Category 1	
Storage	222.54
Bonding	13.50
Computer Consumables	6,760.60
Grand Total	6,996.64

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

FRP Charge out rates From

Grade	1st July 2013	1st May 2016
Appointment taker/Partner	325-425	370-450
Managers/Directors	240-375	280-370
Other Professional	125-200	165-230
Junior Professional & Support	105	80-110

Appendix D

Receipts and payments account for the period and cumulative

FRP Advisory

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

Statement of Affairs £		From 28/08/2017 To 27/02/2018 £	From 28/08/2015 To 27/02/2018 £
	ASSET REALISATIONS		
	Furniture & Equipment	NIL	1,500.00
	WIP	NIL	141,382.69
	Book Debts	4,208.42	730,375.41
	Rent	NIL	(3,164.79)
	Petty Cash	NIL	423.81
	Bank Interest Gross	64.98	224.15
	Trading Surplus/(Deficit)	633.00	4,399.81
	Other refunds	NIL	14,857.29
		4,906.40	889,998.37
	COST OF REALISATIONS		
	Specific Bond	NIL	420.00
	Office Holders Fees	NIL	711,314.75
	Office Holders Expenses	NIL	1,440.70
	Registration fees	(15.00)	NIL
	Agents/Valuers Fees (1)	NIL	4,192.50
	Legal & Professional fees	2,930.17	142,412.40
	Transportation	NIL	320.00
	Storage Costs	2,100.32	15,274.80
	Re-Direction of Mail	NIL	240.00
	Statutory Advertising	NIL	75.00
	Insurance of Assets	NIL	635.16
	Bank Charges - Floating	35.00	155.00
		(5,050.49)	(876,480.31)
		(144.09)	13,518.06
	REPRESENTED BY		
	Vat Recoverable - Floating		1,848.23
	Bank 1 Current		706.82
	Bank 2 Current		18,351.18
	Funds retained for Third Parties		31,129.87
	Post Administration Client Funds		474,702.10
	Trade Creditors		338.35
	Vat Control Account		(5,408.90)
	Client funds		(474,706.50)
	Funds retained for third parties		(33,443.09)
			13,518.06

Thomas Campbell MacLennan
Joint Administrator