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# Solo Capital Partners LLP - in Special Administration

5 April 2018

High Court of Justice, Chancery Division,  
Companies Court

Case Number 5975 of 2016

Joint Special Administrators' progress report for the  
period 22 March 2017 to 21 March 2018

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Special Administrators	Douglas Nigel Rackham and Michael John Andrew Jervis
SCP	Solo Capital Partners LLP
SGH	Solo Group (Holdings) Limited
SGS	Solo Group Services Limited
OPL	Old Park Lane Capital Limited
WPD	West Point Derivatives Limited
TML	Telesto Markets LLP
Group	SCP, SGH, SGS, OPL, WPD and TML
Regulated Entities	SCP, TML, WPD and OPL
Rules	Investment Bank Special Administration (England and Wales) Rules 2011
Regulations	Investment Bank Special Administration Regulations 2011
Objectives	Special Administration Objectives
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
FCA	Financial Conduct Authority
Authorities	FCA, HMRC and the Bank of England
FSCS	Financial Services Compensation Scheme
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86

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preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential

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# Key messages

## *Why we've sent you this report*

We're writing to update you on the progress of the Special Administration of SCP in the 12 months since our initial report.

Over the last 12 months, we have been in contact with the investigating authorities in respect of a number of matters relevant to the Special Administration. Whilst some progress has been made, it has become apparent that certain key issues affecting the progress of the Special Administration will not be able to be clarified or progressed in the near future.

With this in mind, and in order to continue to work towards achieving the objectives of the Special Administration and the administrations, we made applications to the High Court to extend the administrations of SGS, SGH, OPL, WPD and TML by three years to 22 September 2020. It was not necessary to apply to extend the Special Administration but at the same Court hearing, given that reporting progress in the work of the Special Administration is limited due to confidentiality and other restrictions, we applied for and were granted orders amending the frequency of our reporting to every 12 months (as opposed to every six months). The orders were granted on 11 September 2017.

Notwithstanding the above, we are continuing to deal with many more queries and requests for information from a wider variety of stakeholders and investigating authorities than was envisaged at the outset of the Special Administration. This has been, and will continue to be, reflected in the costs of managing the Special Administration.

This report has been prepared to comply with our statutory duties in accordance with the Rules. We have focused on all three statutory Objectives set out in the Regulations.

## *How much clients and/or creditors may receive*

The following table summarises the possible outcomes for creditors and clients, based on what we currently know.

<b>Class of creditor</b>	<b>Current estimate</b>	<b>Previous estimate as set out in Remuneration Reports</b>
Secured and preferential creditors	N/A	N/A
Unsecured creditors	Uncertain	Uncertain
Clients	Uncertain	Uncertain

### *Secured and preferential creditors*

We are not aware of any secured or preferential creditors.

### *Unsecured creditors and clients*

At this time, we are not able to provide a reliable estimate of the level of the distribution to creditors, if any, nor the prospects of a return of client monies or other client assets should it transpire there are any. These will be dependent on the final level of asset recoveries as well as the total amounts owed to creditors and clients.

As there are no floating charges over SCP's assets, any distribution to unsecured creditors will not be by virtue of the prescribed part.

## *What you need to do*

If you haven't already done so, please send your claim to us so that it may be considered in due course. A claim form can be downloaded from our website at [www.pwc.co.uk/solo](http://www.pwc.co.uk/solo) or you can get one by telephoning Stephen Ingle on +44 (0) 20 7212 6111.

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# *Progress since our appointment*

## *Background to our appointment*

You'll remember from our proposals for achieving the purpose of the Special Administration that when we were appointed, the position was as follows:

- SCP was set up as part of a wider group which additionally comprises SGS, SGH, OPL, WPD and TML, each of which are in Administration, as well as other companies which are not in an insolvency process. Between 2011 and 2015, the Regulated Entities provided investment services to their clients. SGS was a service company to the rest of the Group and SGH was a holding company within the Group.
- around one year prior to our appointment, the Group became subject to criminal and regulatory investigations, both in the UK and abroad. Subsequently, the Group began a process of running off its business and operations. These investigations are ongoing.
- the Group began to experience difficulty in paying its debts as and when they fell due and as a result, some creditors took steps to protect their positions.
- in light of the financial and investigatory pressure on the Group, Michael Jervis and I were appointed as Joint Special Administrators of SCP on 22 September 2016.

We remain bound by confidentiality restrictions in respect of the aforementioned investigations. These restrictions greatly limit the level of information we are able to provide concerning both SCP's background and actions that we have taken since we were appointed.

## *Realisation of assets and work still to be done*

Asset realisations in the period are shown in the receipts and payment account at Appendix A to this report.

We continue to explore the most appropriate steps to establish ultimate entitlement to SCP's assets, largely comprising cash balances held in various bank accounts, with a view to there being sufficient recoveries, net of costs, to enable distributions to creditors and a return of funds to clients.

## *Connected party transactions*

The Special Administrators are not aware of any historical acquisitions of SCP's assets by its members.

## *Approval of our proposals*

On 14 November 2016, we sent to all known clients and creditors our proposals for achieving the purpose of the Special Administration.

The creditors and clients approved our proposals without modification at a meeting by correspondence on 1 December 2016. A creditors' committee was not formed.

A copy of our proposals is available to view at [www.pwc.co.uk/solo](http://www.pwc.co.uk/solo).

## *Special Administration objectives and strategy*

Pursuant to Regulation 10(1) of the Regulations, the purpose of a Special Administration is to achieve each of the following Objectives:

- Objective 1 is to ensure the return of client assets as soon as is reasonably practicable;

- Objective 2 is to ensure timely engagement with market infrastructure bodies and the Authorities pursuant to Regulation 13 of the Regulations; and
- Objective 3 is to either-
  - i) Rescue the investment bank (SCP) as a going concern, or
  - ii) Wind it up in the best interests of the creditors.

There is no priority to the order of the Objectives and as such we continue to pursue all three Objectives equally. In respect of Objective 3, as there was no reasonable prospect of rescuing SCP as a going concern, we are pursuing Objective 3 (ii) to wind up SCP in the best interests of the creditors.

## *Investigations and actions*

The Special Administrators continue to consider their duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2. This includes investigating pre-Special Administration transactions with a view to identifying whether there are any potential recoveries.

In respect of the aforementioned external criminal and regulatory investigations, we continue to liaise with the Authorities and other relevant bodies, both domestic and foreign, as appropriate.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments from 22 March 2017 to 21 March 2018.

## *Our expenses*

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as Special Administration expenses in due course, because currently any such amounts are unknown.

## *Our fees*

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

At a meeting by correspondence held on 27 October 2017, the creditors and clients voted to allow us to draw fees in excess of the initial estimate of £676,286.

The estimate for total Special Administrators' fees has increased because (as indicated above) the work that has so far been required in connection with queries and requests for information from various stakeholders and investigating authorities, and will be required in future in order to properly execute our duties and responsibilities as administrators, has exceeded our initial expectations.

## *Pre-Special Administration costs*

You can find in Appendix D information about the approval and payment of pre-Special Administration costs previously detailed in our proposals.

## *Creditors' and clients' rights*

Creditors and clients are advised that, within 21 days of receipt of this report, a creditor or a client may request additional information about the Special Administrators' remuneration and expenses as set out in this report. A request must be made in writing, and may be made by a creditor with the concurrence of at least 5% in value of creditors, by a client with the concurrence of at least 5% in value of the client assets, or with the permission of the court, in accordance with rule 201 of the Rules.



In addition, under rule 202 of the Rules, any creditor or any client with either the concurrence of at least 10% in value of creditors or clients respectively, or with the permission of the court, may apply to the court to challenge the quantum of remuneration charged, the basis of remuneration or the expenses incurred by the Special Administrators. Any such application must be made no later than eight weeks after receipt of this report.

The full text of rules 201 and 202 of the Rules can be provided on request by contacting Stephen Ingle on +44 (0) 20 7212 6111.

## *Regulatory matters*

The FCA did not object to our appointment as Special Administrators and consent was obtained from the Bank of England. We continue to liaise with the FCA and will continue to co-operate with the FCA in all matters where it is necessary or desirable for the purposes of the Special Administration.

## *Next steps*

In our previous report we said that we were considering the best strategy for continuing or ending the Special Administration, taking into account expected future costs, our role in assisting the relevant bodies and investigating authorities with their investigations and how to achieve the best outcome for creditors and clients as a whole. It is our current belief that the interests of creditors and clients are best served by SCP remaining in Special Administration, allowing further time for liaison with the relevant bodies and investigating authorities with a view to achieving the objectives of the Special Administration. As stated earlier in the report, on 11 September 2017 the High Court granted orders extending the administrations of the other Group companies until 22 September 2020. As SCP is in Special Administration, no extension application was required.

We expect to send our next report to creditors and clients in around 12 months' time or upon the completion of the Special Administration if this is sooner.

If you've got any questions, please get in touch with Stephen Ingle, on +44 (0) 20 7212 6111 or by email at [solo.queries@uk.pwc.com](mailto:solo.queries@uk.pwc.com).

Yours faithfully  
For and on behalf of Solo Capital Partners LLP



Nigel Rackham  
Joint Administrator

*Michael John Andrew Jervis and Douglas Nigel Rackham have been appointed as Joint Special Administrators of Solo Capital Partners LLP to manage its affairs, business and property as its agents and act without personal liability.*

*Michael John Andrew Jervis and Douglas Nigel Rackham are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Special Administrators are bound by the Insolvency Code of Ethics which can be found at: [www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics](http://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics).*

*The Joint Special Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Special Administration*

# Appendix A: Receipts and payments

## *Solo Capital Partners LLP – House estate*

Solo Capital Partners LLP

Receipts and payments account to 21 March 2018

	Notes	As at 21 Mar 18 £	Movements in the year to 21 Mar 18 £	As at 21 Mar 17 £
<b>Receipts</b>				
Sundry debts and refunds		32,861	9,374	23,487
Insurance claims		50,000	50,000	-
Interest		659	423	236
Pre-appointment cash balance		1,278,888	0	1,278,888
<b>Total receipts</b>		<b>1,362,408</b>	<b>59,797</b>	<b>1,302,611</b>
<b>Payments</b>				
Office holders' remuneration		739,753	374,803	364,950
Office holders' expenses		2,477	60	2,417
Office holders' pre-administration costs		3,740	3,740	-
Legal fees and expenses		221,546	168,530	53,016
IT and data storage		6,270	-	6,270
Insurance premiums		29,644	29,644	-
Office costs, stationery and postage		8,605	4,617	3,988
Statutory advertising		143	-	143
VAT receivable / (payable)	1	195,664	112,073	83,591
<b>Total payments</b>		<b>1,207,842</b>	<b>693,467</b>	<b>514,375</b>
<b>Cash held at bank</b>	2	<b>154,566</b>	<b>-633,670</b>	<b>788,236</b>

### Notes

1. It is expected that VAT recovery will be significantly below 100%
2. Funds held in an interest bearing account

## *Solo Capital Partners LLP – Client estate*

There have been no receipts or payments.

# Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Special Administrators from the estate and includes our fees, but excludes distributions to creditors and any return of funds to clients. The table excludes any potential tax liabilities that we may need to pay as Special Administration expenses, because currently any such amounts are unknown.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date. None of these expenses were incurred in relation to the pursuit of Objective 1.

The Joint Administrators' costs incurred to 28 February 2018 **do not reflect fees actually billed or drawn.**

SCP

	Notes	Incurred to 21.03.17 £	Incurred in the year to 21.03.18* £	Cumulative incurred £	Current estimated future £	Current total estimate £	Initial estimate £	Variance £
Legal fees and expenses		60,257.20	109,368.00	169,625.20	90,616.65	260,241.85	260,241.85	-
Office holders' expenses	1	2,846.66	124.00	2,970.66	864.34	3,835.00	3,835.00	-
Statutory advertising	2	143.22	-	143.22	292.00	435.22	386.21	49.01
Storage costs		-	-	-	2,000.00	2,000.00	2,000.00	-
IT and data storage	2	6,270.00	7,290.00	13,560.00	-	13,560.00	-	13,560.00
Printing and postage	2	3,988.00	4,616.00	8,604.00	9,000.00	17,604.00	1,781.20	15,822.80
Insurance premiums	2	-	29,644.00	29,644.00	-	29,644.00	-	29,644.00
Pre-Administration costs		3,739.50	-	3,739.50	-	3,739.50	3,739.50	-
Joint Administrators' time costs	2	458,613.00	357,519.00	816,132.00	819,313.00	1,635,445.00	676,286.31	959,158.69
<b>Total</b>		<b>535,857.58</b>	<b>508,561.00</b>	<b>1,044,418.58</b>	<b>922,085.99</b>	<b>1,966,504.57</b>	<b>948,270.07</b>	<b>1,018,234.50</b>

## Notes

1 Office holders' disbursements includes Royal Mail redirection costs of £425.

2 Actual costs exceeded original estimates.

\* Joint Administrators' time costs are as at 28.02.18

# Appendix C: Remuneration update

Creditors and clients passed a resolution at a meeting by correspondence on 21 February 2017 fixing the basis of the Special Administrators' remuneration, in accordance with rule 196 of the Rules, by reference to time properly given by them and their staff in attending to matters arising in the Special Administration.

At a meeting by correspondence held on 27 October 2017, the creditors and clients voted to allow us to draw fees in excess of the initial estimate of £676,286.

To date, we have drawn £739,753 in fees, as shown on the receipts and payments account, in line with approval received from creditors and clients. Those fees relate to the pursuit of Objectives 2 and 3. At this stage we have not sought approval to draw any fees in relation to the pursuit of Objective 1.

The time costs incurred in the period covered by this report in respect of the pursuit of all three objectives totals £357,519, all of which relates to Objectives 2 and 3. This amount does not necessarily reflect how much we may eventually draw as fees for this period.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

## Our hours and average rates

As required by Statement of Insolvency Practice 9, our time costs for the period from 22 March 2017 to 28 February 2018 by grade and work type are set out below.

Classification of work	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Total		Average hourly rate for activity	Cumulative total	Initial estimate	Current estimate	Future cost
	(£)	(£)	(£)	(£)	(£)	(£)	Hours	(£)	(£/Hour)	(£)	(£)	(£)	(£)
Administration	-	6,284	2,661	52,418	18,993	7,815	202.62	88,171	435	198,749	115,187	330,556	131,807
Assets	-	7,666	9,506	14,909	1,751	1,382	67.65	35,214	521	75,425	78,520	154,385	78,960
Creditor and clients	-	1,710	1,718	5,910	1,752	1,385	27.10	12,475	460	36,881	33,542	74,179	37,298
Employees	-	-	-	3,366	-	-	6.80	3,366	495	3,366	-	5,032	1,666
Investigations	-	11,506	16,672	53,147	20,200	1,347	234.10	102,872	439	206,653	187,563	514,217	307,564
Pensions	-	17,104	168	1,527	-	-	16.60	18,799	1,132	64,555	68,173	96,022	31,467
Reporting	-	740	13,730	3,234	449	6,717	59.10	24,870	421	59,240	56,002	115,006	55,766
Statutory and compliance	3,435	988	9,425	27,623	8,563	3,147	111.15	53,181	478	132,428	84,459	251,680	119,252
Tax	-	-	459	1,822	1,273	1,654	15.20	5,208	343	21,012	31,527	36,579	15,567
VAT	-	-	-	8,175	4,819	373	26.45	13,367	505	17,827	21,314	57,789	39,962
<b>Total</b>	<b>3,435</b>	<b>45,998</b>	<b>54,339</b>	<b>172,131</b>	<b>57,800</b>	<b>23,820</b>	<b>766.77</b>	<b>357,523</b>	<b>466</b>	<b>816,136</b>	<b>676,287</b>	<b>1,635,445</b>	<b>819,309</b>

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the Special Administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the Special Administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. The minimum time chargeable is three minute units (i.e. 0.05 hours). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the Special Administration. Additionally, we call on colleagues in our Tax, VAT, Real Estate

and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the maximum rates by grade per hour are also included below.

<b>With effect from 1 July 2017</b>	<b>Maximum rate per hour</b>	<b>Specialist maximum rate per hour</b>
<b>Grade</b>	<b>(£)</b>	<b>(£)</b>
Partner	865	1,315
Director	760	1,210
Senior manager	575	1,020
Manager	495	735
Senior associate – qualified	412	545
Senior associate – unqualified	304	310
Associate	258	270
Support staff	129	160

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

### *Payments to associates*

We have not made any payments to associates in the period covered by this report.

## Our work in the period and work we propose to undertake

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is ongoing (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was/is necessary</i>	<i>What, if any, financial benefit the work provided/will provide to creditors OR whether it was/is required by statute</i>
<b>Assets</b>	Assets	<ul style="list-style-type: none"> <li>• Requesting copies of bank statements to identify the movement of client monies ✓</li> <li>• Identifying movement of client monies and identifying location of assets □</li> <li>• Instructing and liaising with solicitors regarding criminal and regulatory investigations □</li> <li>• Liaising with and assisting regulatory bodies and key investigating authorities □</li> <li>• Liaising with insurers regarding claims for recovery of professional fees. Received £20k (net of premiums) in the period. □</li> </ul>	<ul style="list-style-type: none"> <li>• To identify assets and details of ownership, including the allocation of assets to the house and client estates</li> <li>• To comply with regulatory requirements or statute</li> <li>• Realisation of assets</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for the benefit of creditors and clients as a whole</li> </ul>
<b>Creditors and clients</b>	Creditor and client enquiries	<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries via telephone, email and post □</li> <li>• Updating website with reports and information for creditors and clients □</li> <li>• Reviewing and preparing correspondence to creditors, clients and their representatives □</li> <li>• Receipting and filing proofs of debt □</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with regulatory requirements or statute</li> <li>• To respond to queries from various stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or regulatory requirement</li> </ul>
<b>Investigations</b>	Conducting	<ul style="list-style-type: none"> <li>• Reviewing books and records □</li> </ul>	<ul style="list-style-type: none"> <li>• Duty to take custody of company</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or</li> </ul>

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<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was/is necessary</i>	<i>What, if any, financial benefit the work provided/will provide to creditors OR whether it was/is required by statute</i>
	investigations	<ul style="list-style-type: none"> <li>• Reviewing specific transactions and liaising with members regarding certain transactions <input type="checkbox"/></li> <li>• Liaising with providers to gain access to electronic records <input type="checkbox"/></li> <li>• Reviewing records and databases <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• books and records</li> <li>• To comply with regulatory requirements or statute</li> <li>• To identify potential assets</li> </ul>	regulatory requirement
<b>Statutory and compliance</b>	Case reviews	<ul style="list-style-type: none"> <li>• Conducting a case review every six months <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or regulatory requirement</li> </ul>
	Application to Court	<ul style="list-style-type: none"> <li>• Prepare and lodge an application to Court for an order allowing the Special Administrators to report every 12 months instead of every 6 months ✓</li> </ul>	<ul style="list-style-type: none"> <li>• To save costs in the Special Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Cost savings improve outcomes for creditors.</li> </ul>
	Books and records	<ul style="list-style-type: none"> <li>• Dealing with records in storage <input type="checkbox"/></li> <li>• Identifying and dealing with third party IT providers <input type="checkbox"/></li> <li>• Sending job files to storage →</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with regulatory requirements or statute</li> <li>• To maintain proper books and records</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or regulatory requirement</li> </ul>
	Other statutory and compliance	<ul style="list-style-type: none"> <li>• Filing of documents <input type="checkbox"/></li> <li>• Updating checklists and diary management system <input type="checkbox"/></li> <li>• Liaising with regulatory bodies <input type="checkbox"/></li> <li>• Liaising with investigating authorities <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or regulatory requirement</li> </ul>
<b>Tax &amp; VAT</b>	Tax	<ul style="list-style-type: none"> <li>• Preparing tax computations <input type="checkbox"/></li> <li>• Liaising with HMRC <input type="checkbox"/></li> <li>• Submitting corporation tax returns →</li> </ul>	<ul style="list-style-type: none"> <li>• In compliance with duties as proper officers for tax</li> </ul>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• To ensure tax accounting is accurate for benefit of creditors as a whole</li> </ul>

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was/is necessary</i>	<i>What, if any, financial benefit the work provided/will provide to creditors OR whether it was/is required by statute</i>
	VAT	<ul style="list-style-type: none"> <li>Gathering information for the initial VAT review ✓</li> <li>Carrying out VAT review and subsequent enquiries <input type="checkbox"/></li> <li>Preparing and submitting VAT returns/reclaims <input type="checkbox"/></li> <li>Liaising with HMRC <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>In compliance with duties as proper officers for tax</li> </ul>	<ul style="list-style-type: none"> <li>Governance</li> <li>To ensure tax accounting is accurate for benefit of creditors as a whole</li> </ul>
<b>Administration</b>	Strategy and planning	<ul style="list-style-type: none"> <li>Preparing fee budgets &amp; monitoring costs <input type="checkbox"/></li> <li>Holding regular team meetings and discussions regarding strategy <input type="checkbox"/></li> <li>Project management/email and document filing <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>To resolve outstanding matters in line with the purpose of the Administration</li> <li>Case progression</li> </ul>	<ul style="list-style-type: none"> <li>The Special Administrators are required by statute to perform their functions as quickly and efficiently as possible</li> </ul>
	Accounting and treasury	<ul style="list-style-type: none"> <li>Dealing with receipts, payments and journals <input type="checkbox"/></li> <li>Corresponding with banks regarding specific transfers ✓</li> <li>Carrying out bank reconciliations and managing investment of funds <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>To pay administration expenses</li> <li>Maintain the accounts and records of the insolvent estate</li> </ul>	<ul style="list-style-type: none"> <li>Statutory duties to: <ul style="list-style-type: none"> <li>manage the affairs, business and property of the company</li> <li>settle expenses in the prescribed order of priority</li> </ul> </li> <li>keep proper books and records</li> </ul>
	Closure procedures	<ul style="list-style-type: none"> <li>Withdrawing undertakings and obtaining clearances from third parties →</li> <li>Completing checklists and diary management system →</li> <li>Closing down internal systems →</li> <li>Discharge from liability →</li> </ul>	<ul style="list-style-type: none"> <li>To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> </ul>



<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was/is necessary</i>	<i>What, if any, financial benefit the work provided/will provide to creditors OR whether it was/is required by statute</i>
<b>Reporting</b>	Remuneration report	<ul style="list-style-type: none"> <li>Preparing and circulating to creditors and clients a report giving details of the work we expect to carry out during the case, our revised fee estimate and the expenses that are likely to be incurred ✓</li> <li>Convening meetings for resolutions to be considered at meetings of creditors and clients ✓</li> </ul>	<ul style="list-style-type: none"> <li>To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> </ul>
	Progress reports and extensions	<ul style="list-style-type: none"> <li>Preparing and issuing the first progress report to creditors, clients and the Registrar ✓</li> <li>Preparing and issuing subsequent progress reports to creditors, clients and the Registrar ☐</li> </ul>	<ul style="list-style-type: none"> <li>To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> </ul>
<b>Distributions</b>	Creditor and client claims	<ul style="list-style-type: none"> <li>Dealing with proofs of debt for dividend purposes ☐</li> <li>Corresponding with potential creditors and clients inviting lodgement of proofs of debt ☐</li> <li>Receiving proofs of debt and maintaining register ☐</li> <li>Adjudicating claims, including requesting further information from claimants →</li> <li>Preparing correspondence to claimants advising outcome of adjudication and advising of intention to declare dividend →</li> <li>Advertising intention to declare dividend →</li> <li>Calculating dividend rate and preparing dividend file →</li> <li>Preparing correspondence to creditors and clients announcing declaration of dividend →</li> <li>Preparing and paying distribution →</li> </ul>	<ul style="list-style-type: none"> <li>To facilitate the agreement of claims and any distribution to creditors and clients in an expeditious manner</li> <li>To comply with regulatory requirements or statute</li> <li>To maintain the books and records of the insolvency estates</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> <li>The Special Administrators have a duty to act in the best interests of creditors and clients as a whole and to maintain proper records</li> </ul>
<b>Pensions</b>	Pensions	<ul style="list-style-type: none"> <li>Dealing with pension scheme matters and liaising with the Pension Regulator ☐</li> <li>Liaising with the Pension Regulator to oversee the appointment of a new independent trustee of the</li> </ul>	<ul style="list-style-type: none"> <li>To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> </ul>

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was/is necessary</i>	<i>What, if any, financial benefit the work provided/will provide to creditors OR whether it was/is required by statute</i>
		<p>pension scheme ✓</p> <ul style="list-style-type: none"> <li>Dealing with queries from the trustee and pension scheme members □</li> </ul>		
<b>Employees</b>	Communications with employees	<ul style="list-style-type: none"> <li>Advising employees in respect of their entitlements and options available □</li> <li>Reviewing employee files and company's books and records in respect of any employee claims □</li> <li>Receiving and following up employees' enquiries via telephone, post and email □</li> <li>Dealing with requests for employee references □</li> </ul>	<ul style="list-style-type: none"> <li>To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> </ul>
	Redundancy related work	<ul style="list-style-type: none"> <li>Liaising with RPS and external agencies where necessary □</li> </ul>	<ul style="list-style-type: none"> <li>To comply with regulatory requirements or statute</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or regulatory requirement</li> </ul>

## Disbursements

We don't need to get approval to draw certain expenses. These are known as "Category 1" disbursements.

Expenses which are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities are known as "Category 2" disbursements and do require approval by the same body that approves our fees. They must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

Our expenses policy allows for all properly incurred expenses to be recharged to the Special Administration and our expenses have been approved by creditors where required.

The following disbursements arose in the period of this report.

Category Policy		SCP Costs incurred £
2	Printing - at 12 pence per sheet copied, only charged for circulars to creditors and other bulk copying	13.00
1	Reimbursed at cost (including postage, statutory advertising and insurance)	111.00
Total		124.00

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the Special Administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

No work, which we or our staff would normally do, has been done by subcontractors during the period of this report.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice to the Special Administrators including in respect of the recovery of assets.	Reed Smith LLP & Cooley LLP	<ul style="list-style-type: none"><li>• Industry knowledge</li><li>• Insolvency expertise</li><li>• Knowledge of SCP</li></ul>	Time costs and disbursements

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered.

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## ***Appendix D: Pre-Special Administration costs***

During the period covered by the last report, approval was sought and received for payment of the unpaid pre-appointment costs of the Group detailed in our proposals of £22,437 (£3,739.50 in respect of SCP's share) plus VAT. These costs were split equally across the Group, and payment of SCP's share was made in the period covered by this report.

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## *Appendix E: Other information*

<b>Court details for the Special Administration:</b>	High Court of Justice, Chancery Division, Companies Court - Court Case 5975 of 2016
<b>Full name:</b>	Solo Capital Partners LLP
<b>Trading name:</b>	Solo Capital Partners LLP and Callisto Advisors (per the FCA register)
<b>Registered number:</b>	OC367979
<b>Registered address:</b>	7 More London Riverside London SE1 2RT
<b>Company designated member(s):</b>	Solo Group (Holdings) Limited
<b>Company secretary:</b>	None
<b>Shareholdings held by the designated members and secretary:</b>	Solo Group (Holdings) Limited is the sole member of Solo Capital Partners LLP
<b>Date of the Special Administration appointment:</b>	22 September 2016
<b>Special Administrators' names and addresses:</b>	Douglas Nigel Rackham and Michael John Andrew Jervis, 7 More London Riverside, London SE1 2RT
<b>Appointor's / applicant's name and address:</b>	Solo Capital Partners LLP, address above.
<b>Objectives being pursued by the Special Administrators:</b>	1, 2 and 3(ii) of Regulation 10(1), The Regulations.
<b>Division of the Special Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Special Administration is in force any act required or authorised under any enactment to be done by either or both of the Special Administrators may be done by all or any one or more of the persons for the time being holding that office.
<b>Proposed end of the Special Administration:</b>	Paragraph 79 Sch.B1 IA86, or CVA or Scheme followed by dissolution
<b>Estimated dividend for unsecured creditors:</b>	Unknown
<b>Estimated values of the prescribed part and the net property:</b>	Not applicable
<b>Whether and why the Special Administrators intend to apply to court under section 176A(5) IA86:</b>	Not applicable, as there is no qualifying floating charge holder