
Solo Capital Partners LLP - in Special Administration

High Court of Justice, Chancery Division,
Companies Court

Case Number 5975 of 2016

19 April 2024

Joint Special Administrators' progress report for the
period 22 March 2023 to 21 March 2024

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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
Authorities	FCA, HMRC and the Bank of England
CPS	Crown Prosecution Service
FCA	Financial Conduct Authority
Group	SCP, SGH, SGS, OPL, WPD and TML
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
Objectives	Special Administration Objectives
OPL	Old Park Lane Capital Limited
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
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
Regulated Entities	SCP, TML, WPD and OPL
Regulations	Investment Bank Special Administration Regulations 2011
Rules	Investment Bank Special Administration (England and Wales) Rules 2011
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
SCP	Solo Capital Partners LLP
secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
SGH	Solo Group (Holdings) Limited
SGS	Solo Group Services Limited
SKAT	Skatteforvaltningen, the Danish Tax Agency
Special Administrators	Douglas Nigel Rackham and David James Kelly
TML	Telesto Markets LLP
unsecured creditors	Creditors who are neither secured nor preferential
website	www.pwc.co.uk/solo
WPD	West Point Derivatives Limited

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 previous report.

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 outcome for creditors and clients, based on what we currently know.

Class of creditor	Current estimate	Previous estimate as set out in Remuneration Reports
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 or you can get one by emailing us at uk_solo_enquiries@pwc.com.

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 were 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.
- 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, the late Michael Jervis and I were appointed as Joint Special Administrators of SCP on 22 September 2016.

Progress in the reporting period

In order to ensure the continued progression of the Special Administration, an application was made to the High Court to appoint David James Kelly as a replacement joint Special Administrator. David James Kelly is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The order was made on the 9th March 2023 and so David James Kelly replaced Michael John Andrew Jervis as Special Administrator with effect from 23 March 2023. In accordance with the terms of the High Court order, the order was advertised in the London Gazette on 30 March 2023.

We remain bound by confidentiality restrictions in respect of the regulatory and criminal 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.

Over the last 12 months, we have continued to liaise with the investigating authorities and other key stakeholders in respect of a number of matters relevant to the Special Administration. This has included significant work in relation to litigation (particularly disclosure of documents and data), both in the UK High Court and overseas.

As previously reported, given that our expectation is that certain key issues relating to the Special Administration and the Administrations will not be able to be progressed in the near future, we made a further application to the High Court to extend the Administrations of SGS, SGH, OPL, WPD and TML. At the application hearing held on 19 July 2023, the Administrations were extended by the High Court for a further 3 year period until 22 September 2026.

Creditors should get in touch with us if they have any comments in this respect. As SCP is in Special Administration, no extension application was required.

We are continuing to deal with 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.

Whilst further progress has been made overall, it remains likely that certain key issues affecting the progress of the Special Administration will not be able to be clarified or progressed in the near future.

Realisation of assets and work still to be done

Asset realisations in the period are shown in the receipts and payments 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/or 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 or other connected parties.

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.

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.

The FCA has not given any direction under the Regulations to prioritise one or more of the Objectives. There is otherwise no priority to the order of the Objectives, and as such we continue to pursue all three Objectives equally. A bar date has not been set in respect of Objective 1. 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

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

As mentioned in previous reports civil proceedings have been commenced by SKAT in England against the Regulated Entities and more than fifty other respondents. The hearing of the litigation has just begun and is expected to take a year; thereafter the judge will need to write his judgement.

Proceedings have been commenced by SKAT in Malaysia against various defendants that traded in the offshore financial centre of Labuan. As part of those proceedings the Special Administrators were requested to confirm the authenticity of documents disclosed in the UK proceedings brought by SKAT. SKAT agreed to meet the costs incurred by the Regulated Entities relating to the Labuan Litigation meaning that none of the estates' assets have been depleted in that regard.

In addition to the English and Malaysian proceedings, actions have been commenced in other jurisdictions including the US and Dubai which have necessitated giving disclosure of documents and data.

Prior to our appointment the majority of SCP's assets were subject to freezing orders. We have been liaising with the banks who hold assets subject to the current freezing orders in relation to interest earned on the frozen funds. A proportion of the funds held are invested in interest bearing current accounts and we will be seeking permission from the CPS and the Danish prosecutor for all other accounts to be transferred to interest bearing accounts.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments from 22 March 2023 to 21 March 2024.

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 Regulated Entities are party to an agreement under which PwC supplies certain electronic discovery services for the benefit of SKAT. Under the arrangement PwC's costs are settled directly by SKAT. As these costs will not be met from the insolvent estate in any circumstances details are not included in the expenses table below.

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 and other related matters in this case.

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 by any creditor with the permission of the High 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 High Court, may apply to the High 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, unless this period has been extended by the High Court.

The full text of rules 201 and 202 of the Rules can be provided on request by emailing us at uk_solo_enquiries@pwc.com.

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

It remains our 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, the Administrations of the other Group entities have been extended to 22 September 2026. As such, we have provided an updated estimate for our expenses and time costs to that date, which can be found in Appendices B and C respectively.

We will shortly be writing to the CPS and the Danish prosecutor for authorisation to draw down further funds from the frozen accounts in line with our latest cost estimates to 22 September 2026.

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 us by email at uk_solo_enquiries@pwc.com

Yours faithfully
For and on behalf of Solo Capital Partners LLP



Nigel Rackham
Joint Special Administrator

Douglas Nigel Rackham and David James Kelly 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.

Douglas Nigel Rackham and David James Kelly 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.

The Joint Special Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

Appendix A: Receipts and payments

Solo Capital Partners LLP – House estate

Solo Capital Partners LLP

Receipts and payments account to 21 March 2024

		As at 21 Mar 24	Movements in the year to 21 Mar 24	As at 21 Mar 23
	Notes	£	£	£
Receipts				
Recovery of cash balances		2,668,000		2,668,000
Sundry debts and refunds*		32,861		32,861
Insurance claims		50,000		50,000
Interest		81,042	47,764	33,278
VAT refund		240,059	16,370	223,689
Pre-appointment cash balance		1,278,888		1,278,888
Cost recovery		81,848	81,848	-
Refund of legal fees*		-		-
Total receipts		4,432,696	145,981	4,286,716
Payments				
Office holders' remuneration		2,075,745	333,904	1,741,841
Office holders' expenses		4,812		4,812
Office holders' pre-administration costs		3,740		3,740
Legal fees and expenses*		729,333	168,066	561,266
IT and data storage		6,270		6,270
Insurance premiums		29,644		29,644
Office costs, stationery and postage		21,177	1,029	20,149
Statutory advertising		143		143
VAT paid	1	562,179	100,148	462,032
Finance costs		69		69
Total payments		3,433,113	603,147	2,829,966
Cash held at bank	2	999,584	-457,166	1,456,749

* 21 March 2023 brought forward balances have been updated to reflect the double counting of a legal fee refund, this has a net nil impact

Notes:

1. A VAT recovery rate of 49.59% has been agreed with HMRC.
2. Funds held in an interest bearing account.
3. No Statement of Affairs was provided at the start of the Special Administration.
4. As explained further in Appendix C below, our fees are based on time costs. The receipts and payments account shows the amount paid in the period and total to date.
5. All assets in the estate are uncharged.

Solo Capital Partners LLP – Client estate

There have been no receipts or payments to date.

Solo Capital Partners LLP - Joint Special Administrators' progress report for the period 22 March 2023 to 21 March 2024

Appendix B: Expenses

Expenses are amounts properly payable by us as Special Administrators from the estate, but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties, but we need approval from the same body that approves our fees before drawing Category 2 expenses.

The following table provides a breakdown for the period of the report of the Category 2 expenses which have been incurred by us as Special Administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case. We will seek approval for Category 2 expenses from creditors as part of our fee estimate increase:

Category	Policy	SCP Costs incurred £
2	Website updates	99
1	Reimbursed at cost – storage costs	4,207
1	Bonding Charges	10
	Total	4,316

The table below provides details of our expenses. The table includes our fees but excludes distributions to creditors and any return of funds to clients. The table also excludes any potential tax liabilities that we may need to pay as Special Administration expenses, because amounts becoming due will depend on the position at the end of the tax accounting period.

This 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 Special Administrators' costs incurred to 21 March 2024 do not reflect fees actually billed or drawn.

Please note that current total estimates in the table below have been updated for this report to reflect the extension to the Administrations of SGS, SGH, OPL, WPD and TML to 22 September 2026. Our initial expenses estimate has been exceeded due to the fact the Special Administration term has been extended beyond the term we originally anticipated.

SCP

Notes	Incurring to 21.03.23 £	Incurring in the year to 21.03.24* £	Cumulative incurred £	Current estimated future £	Current total estimate £	Initial estimate £	Variance £
Legal fees and expenses	710,145.63	81,642.83	791,788.46	267,670.04	1,059,458.50	260,241.85	799,216.65
Office holders' expenses	3,794.84	109.00	3,903.84	1,864.50	5,768.34	3,835.00	1,933.34
Statutory advertising	143.22	-	143.22	292.00	435.22	386.21	49.01
Storage costs	7,409.60	4,207.00	11,616.60	8,414.00	20,030.60	2,000.00	18,030.60
IT and data storage	13,560.00	-	13,560.00	-	13,560.00	-	13,560.00
Printing and postage	19,997.47	-	19,997.47	3,421.16	23,418.63	1,781.20	21,637.43
Insurance premiums	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	1,925,296.00	177,375.00	2,102,671.00	607,809.00	2,710,480.00	676,286.31	2,034,193.69
Total	2,713,730.26	263,333.83	2,977,064.09	889,470.69	3,866,534.78	948,270.07	2,918,264.71

* Joint Administrators' time costs are as at 29.02.24

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 £2,075,745 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 £177,375, 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, 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 1 March 2023 to 29 February 2024 by grade and work type are set out below.

Please note that as with Appendix B above, and as stated earlier in the report, the current total estimates in the table below, have been revised in line with the extensions to the Administrations for the other entities in the Group, granted by the High Court until 22 September 2026.

Solo Capital Partners LLP - SIP 9 report for the period 01.03.23 - 28.02.24

Classification of work	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Offshore Professionals	Total		Average hourly rate for activity	Cumulative total	Updated estimate	Future cost
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	Hours	(£)	(£/Hour)	(£)	(£)	(£)
Administration	-	5,209	-	20,322	16,999	1,490	6,926	89.05	50,946	572	549,357	701,045	151,688
Assets	-	-	-	13,031	-	-	-	17.85	13,031	-	127,839	167,325	39,486
Creditor and clients	-	-	-	-	-	-	-	-	-	-	93,525	141,439	47,914
Employees	-	-	-	-	-	-	-	-	-	-	8,377	13,198	4,821
Investigations	-	29,280	-	22,271	6,700	-	-	74.00	58,251	787	721,897	872,538	150,641
Pensions	-	-	-	-	-	-	-	-	-	-	69,787	87,958	18,171
Reporting	493	3,168	-	7,775	5,410	-	8,981	48.15	25,827	536	141,973	219,638	77,665
Statutory and compliance	-	-	-	2,190	1,288	-	4,314	16.50	7,792	472	240,869	283,870	43,001
Tax	13,050	-	-	1,744	2,507	3,741	158	26.05	21,200	814	119,149	182,773	63,624
VAT	-	-	328	-	-	-	-	0.25	328	-	29,898	40,697	10,799
Total	13,543	37,657	328	67,333	32,904	5,231	20,379	271.85	177,375	652	2,102,671	2,710,480	607,809

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. 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.

Grade	Maximum rate per hour (£)		Specialist maximum rate per hour (£)	
	Up to 30 June 2023	From 1 July 2023	Up to 30 June 2023	From 1 July 2023
	Partner	980	995	1,810
Managing Director	915	960	1,660	1,745
Director	915	915	1,660	1,745
Senior manager	860	860	1,310	1,410
Manager	730	730	950	1,025
Senior associate	515	540	690	725
Associate	375	395	375	395

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

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Assets	Assets	<ul style="list-style-type: none"> Instructing and liaising with solicitors regarding civil, criminal and regulatory investigations. Liaising with and assisting regulatory bodies and key investigating authorities. Liaising with the banks who hold assets subject to the current freezing orders. 	<ul style="list-style-type: none"> To identify assets and details of ownership, including the allocation of assets to the house and client estates. To comply with regulatory requirements or statute. Realisation of assets. 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors and clients as a whole.
Creditors and clients	Creditor and client enquiries	<ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post. Updating our website with reports and information for creditors and clients. Reviewing and preparing correspondence to creditors, clients and their representatives. Receipting and filing proofs of debt. 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute. To respond to queries from various stakeholders. 	<ul style="list-style-type: none"> Required by statute or regulatory requirement.
Investigations	Conducting investigations	<ul style="list-style-type: none"> Labuan Litigation support as requested by SKAT (SKAT agreed to meet the costs incurred by the Regulated Entities). Instructing and liaising with solicitors regarding civil, criminal and regulatory investigations. Liaising with and assisting regulatory bodies and key investigating authorities. Reviewing books, records and databases. 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute. To identify potential assets. 	<ul style="list-style-type: none"> Required by statute or regulatory requirement.
Statutory and compliance	Case reviews	<ul style="list-style-type: none"> Conducting a case review every six months. 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute. 	<ul style="list-style-type: none"> Required by statute or regulatory requirement.

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
	Books and records	<ul style="list-style-type: none"> Dealing with records in storage. 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute. To maintain proper books and records. 	<ul style="list-style-type: none"> Required by statute or regulatory requirement.
	Other statutory and compliance	<ul style="list-style-type: none"> Filing of documents. Updating checklists and diary management systems. Liaising with regulatory bodies. Liaising with investigating authorities. 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute. 	<ul style="list-style-type: none"> Required by statute or regulatory requirement.
Tax & VAT	Tax	<ul style="list-style-type: none"> Preparing tax computations. Liaising with HMRC. Submitting corporation tax returns. 	<ul style="list-style-type: none"> In compliance with duties as proper officers for tax. 	<ul style="list-style-type: none"> Governance. To ensure tax accounting is accurate for the benefit of creditors as a whole.
	VAT	<ul style="list-style-type: none"> Preparing and submitting VAT returns/reclaims. Liaising with HMRC. 	<ul style="list-style-type: none"> In compliance with duties as proper officers for tax. 	<ul style="list-style-type: none"> Governance. To ensure tax accounting is accurate for the benefit of creditors as a whole.
Administration	Strategy and planning	<ul style="list-style-type: none"> Preparing updated fee budgets Monitoring costs against budget. Holding regular team meetings and discussions regarding strategy. Project management/email and document filing. 	<ul style="list-style-type: none"> To resolve outstanding matters in line with the purpose of the Special Administration. Case progression. 	<ul style="list-style-type: none"> The Special Administrators are required by statute to perform their functions as quickly and efficiently as possible.

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
	Accounting and treasury	<ul style="list-style-type: none"> • Dealing with receipts, payments and journals. • Carrying out bank reconciliations and managing investment of funds. • Monitoring assets under investment, including any required credit, operational, settlement and contractual risk management tasks. 	<ul style="list-style-type: none"> • To pay Special Administration expenses. • Maintain the accounts and records of the insolvent estate. 	<ul style="list-style-type: none"> • Statutory duties to: <ul style="list-style-type: none"> ○ manage the affairs, business and property of the company; and ○ settle expenses in the prescribed order of priority. • Keep proper books and records.
Reporting	Progress reports	<ul style="list-style-type: none"> • Preparing and issuing progress reports to creditors, clients and the Registrar. 	<ul style="list-style-type: none"> • To comply with regulatory requirements or statute. 	<ul style="list-style-type: none"> • Required by statute or regulatory requirement.
Distributions	Creditor and client claims	<ul style="list-style-type: none"> • Corresponding with potential creditors and clients inviting lodgement of proofs of debt. • Receiving proofs of debt and maintaining a register. 	<ul style="list-style-type: none"> • To facilitate the agreement of claims and any distribution to creditors and clients in an expeditious manner. • To comply with regulatory requirements or statute. • To maintain the books and records of the insolvency estates. 	<ul style="list-style-type: none"> • Required by statute or regulatory requirement. • The Special Administrators have a duty to act in the best interests of creditors and clients as a whole and to maintain proper records.

Our future work

The following table provides details of the work we propose to do in addition to the continuation of the work detailed above in the ‘Our work in the period’ section. It provides a brief summary for each category rather than an exhaustive list of all possible tasks.

Category of work	General description	Work to be undertaken	Why the work is necessary	What, if any, financial benefit the work will provide to creditors OR whether it is required by statute
Statutory and compliance	Books and records	<ul style="list-style-type: none"> • Sending job files to storage. 	<ul style="list-style-type: none"> • To comply with regulatory requirements or statute. • To maintain proper books and records. 	<ul style="list-style-type: none"> • Required by statute or regulatory requirement.
Administration	Closure procedures	<ul style="list-style-type: none"> • Withdrawing undertakings and obtaining clearances from third parties. • Completing checklists and diary management system. • Closing down internal systems. • Discharge from liability. 	<ul style="list-style-type: none"> • To comply with regulatory requirements or statute. 	<ul style="list-style-type: none"> • Required by statute or regulatory requirement.
Distributions	Creditor and client claims	<ul style="list-style-type: none"> • Dealing with proofs of debt for dividend purposes. • Adjudicating claims, including requesting further information from claimants. • Preparing correspondence to claimants advising outcome of adjudication and advising of intention to declare dividend. • Advertising intention to declare dividend. • Calculating dividend rate and preparing dividend file. • Preparing correspondence to creditors and clients announcing declaration of dividend. • Preparing and paying distribution. 	<ul style="list-style-type: none"> • To facilitate the agreement of claims and any distribution to creditors and clients in an expeditious manner. • To comply with regulatory requirements or statute. • To maintain the books and records of the insolvency estates. 	<ul style="list-style-type: none"> • Required by statute or regulatory requirement. • The Special Administrators have a duty to act in the best interests of creditors and clients as a whole and to maintain proper records.

<i>Category of work</i>	<i>General description</i>	<i>Work to be undertaken</i>	<i>Why the work is necessary</i>	<i>What, if any, financial benefit the work will provide to creditors OR whether it is required by statute</i>
Tax & VAT	Tax	<ul style="list-style-type: none"> • Preparing final tax computations. • Liaising with HMRC and submitting final corporation tax returns. 	<ul style="list-style-type: none"> • In compliance with duties as proper officers for tax. 	<ul style="list-style-type: none"> • Governance. • To ensure tax accounting is accurate for the benefit of creditors as a whole.
	VAT	<ul style="list-style-type: none"> • Preparing and submitting final VAT returns/reclaims. 	<ul style="list-style-type: none"> • In compliance with duties as proper officers for tax. 	<ul style="list-style-type: none"> • Governance. • To ensure tax accounting is accurate for the benefit of creditors as a whole.
Reporting	Progress reports	<ul style="list-style-type: none"> • Preparing and issuing further and final progress reports to creditors, clients and the Registrar. 	<ul style="list-style-type: none"> • To comply with regulatory requirements or statute. 	<ul style="list-style-type: none"> • Required by statute or regulatory requirement.

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.	McCarthy Denning Limited	<ul style="list-style-type: none">• Industry knowledge• Insolvency expertise• Knowledge of SCP	Time costs and disbursements.

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

Appendix D: Other information

Court details for the Special Administration:	High Court of Justice, Chancery Division, Companies Court - Court Case 5975 of 2016.
Full name:	Solo Capital Partners LLP
Trading name:	Solo Capital Partners LLP and Callisto Advisors (per the FCA register).
Registered number:	OC367979
Registered address:	7 More London Riverside London SE1 2RT
Company designated member(s):	Solo Group (Holdings) Limited
Company secretary:	None
Shareholdings held by the designated members and secretary:	Solo Group (Holdings) Limited is the sole member of Solo Capital Partners LLP.
Date of the Special Administration appointment:	22 September 2016
Special Administrators' names and addresses:	Douglas Nigel Rackham and David James Kelly, 7 More London Riverside, London SE1 2RT.
Appointor's / applicant's name and address:	Solo Capital Partners LLP, address above.
Objectives being pursued by the Special Administrators:	1, 2 and 3(ii) of Regulation 10(1), The Regulations.
Division of the Special Administrators' responsibilities:	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.
Proposed end of the Special Administration:	Paragraph 79 Sch.B1 IA86, or CVA or Scheme followed by dissolution.
Estimated dividend for unsecured creditors:	Unknown
Estimated values of the prescribed part and the net property:	Not applicable
Whether and why the Special Administrators intend to apply to court under section 176A(5) IA86:	Not applicable, as there is no qualifying floating charge holder.