

**POLLECOFF SOLICITORS LIMITED (IN COMPULSORY LIQUIDATION)**

**LIQUIDATOR'S PROGRESS REPORT PURSUANT TO  
RULE 4.49B OF THE INSOLVENCY RULES 1986**

**FOR THE PERIOD 30 JANUARY 2014 TO 29 JANUARY 2015**

**27 MARCH 2015**

WEDNESDAY



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**POLLECOFF SOLICITORS LTD (IN COMPULSORY LIQUIDATION) ("the Company")**

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## SUMMARY INFORMATION

Type of insolvency procedure	Compulsory Liquidation
Court Reference	High Court of Justice No 10068 of 2011
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Registered number	04650833
Former trading address	41 Tabernacle Street London EC2A 4AA
Principal activity	Solicitors
Liquidator's name and address	Simon James Underwood Menzies Business Recovery LLP Lynton House 7-12 Tavistock Square London WC1H 9LT
Date of Liquidator's appointment	30 January 2012
Date of liquidation	30 January 2012
Details of any changes in office holder	None
Contact details	020 7465 1336 cokeefe@menziesbr.co.uk

## **1      *Introduction***

- 1 1      I was appointed Liquidator of the Company on 30 January 2012. I now present my progress report for the second year of the liquidation, pursuant to Rule 4.49b of the Insolvency Rules 1986 ('the Rules')
- 1 2      I attach at Appendix I a receipts and payments account for the period ended 29 January 2015. Details of progress during the period are set out in sections 2 to 4 below
- 1 3      This report should be read in conjunction with my previous report issued to creditors on 28 March 2014

## **2      *Asset realisations***

### *Company Cases*

- 2 1      As previously reported the Company undertook legal work financed by the Legal Aid Agency ("LAA") (formerly the Legal Services Commission). The value in the work in progress ("WIP") at the date of liquidation represents the Company's major asset
- 2 2      The cases undertaken by the Company have been separated into two categories as follows
  - 1      Legal Aid Agency funded cases
  - 2      Transferred cases

### *LAA funded cases*

- 2 3      T M Costings Limited ("TMC") continue to assist me with the recovery of monies due on completed cases. During the period covered by this report a further £15,350 has been recovered and paid directly into the liquidation account. Further, during the period, TMC have reduced the sum owed to the LAA to circa £97,000.
- 2 4      The contact at the LAA has been on absent for a prolonged period of time but is returning in April 2015. A meeting is being arranged on his return to review the remaining cases and determine a strategy to finalise the claims. This will include Court applications to have the costs incurred by the Company assessed and potential legal action to recover costs direct from the losing party

### *Transferred Cases*

- 2 7      As previously reported a number of cases were transferred to the Company's former solicitors who left and found alternative employment. Those firms now have conduct of the cases and the LAA funding certificate has been transferred accordingly
- 2 8      The contact at the LAA has been making internal enquiries to ascertain what payments and to which solicitors have been made under the funding certificates. Once this information is obtained we shall be seeking payment of the costs to the Company

*Other realisations*

- 2 9 Bank interest of £80 has been received during the period

**3 Creditors' claims**

*Secured creditor*

- 3 1 The Company granted Barclays Bank PLC ("Barclays") a debenture on 21 January 2004. This debenture provided both fixed and floating charges over the assets of the Company.
- 3 2 The amount due to Barclays was £104,500 and they have received a distribution of £30,000. No distribution has been paid in the current reporting period.
- 3 3 Further distributions will be dependent on future realisations.

*Unsecured Preferential creditors*

- 3 4 Unsecured preferential creditor claims totalled £8,300. A dividend of 100 pence in the pound was declared and paid to this class of creditor on 10 December 2012.

*Unsecured non-preferential creditors*

- 3 5 Unsecured non-preferential creditor claims received total c£450,000.
- 3 6 No creditor claim received has been adjudicated or agreed for dividend purposes. This task will be undertaken once I am in a position to declare and pay a first dividend to creditors.

**4 Unsecured Non-Preferential Dividend Prospects**

- 4 1 Pursuant to section 176A of the Insolvency Act 1986, where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to the unsecured creditors. The ring fenced proportion of funds is known as the "prescribed part".

The prescribed part is calculated as a percentage of net property, as follows

Net property less than £10,000	50%
Net property over £10,000	20% up to a maximum of £600,000

- 4 2 Based on current anticipated recoveries the net property is estimated to be c£30,000 which will provide a prescribed part of £9,000.
- 4 3 When I am in a position to declare a dividend, creditors will be invited to submit their claims, if they have not already done so.

## **5      *Investigations***

- 5 1      My investigations have not revealed any other assets of the Company or potential recovery actions that could be pursued
- 5 2      For the avoidance of doubt, the Official Receiver was responsible for the reporting obligations under Section 7(3) of the Company Directors Disqualification Act 1986

## **6      *Liquidator's remuneration, disbursements and expenses***

### *Liquidator's remuneration*

- 6 1      No resolution for remuneration has been passed by the unsecured preferential/non-preferential creditors
- 6 2      Given the size and technical nature of the liquidation, much of the work described in the sections above was undertaken by me and senior administrators. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6 minute units.
- 6 3      In addition to the work described in sections 2 to 4 above, the following was also undertaken
- i      Preparation and circulation of reports to creditors
  - ii     Filing of forms and returns with the Registrar of Companies
  - iii    Maintenance of bank accounts, sundry administrative matters and compliance generally with Insolvency legislation
  - iv    Preparation and submission of tax returns
- 6 4      I attach at Appendix II a breakdown of my time costs by work category. The remuneration charged during the period was £15,000 and has been drawn with the approval and authority of Barclays.
- 6 5      Full details of the charge out rates are as follows

	<i>From 01 10 14</i>	<i>From 1 9 12</i>	<i>Up to 31 8 12</i>
	<i>Rate per hour</i>	<i>Up to 30 09 14</i>	<i>Rate per hour</i>
	<i>£</i>	<i>Rate per hour</i>	<i>Rate per hour</i>
		<i>£</i>	<i>£</i>
Partner/Director	350-395	315-370	300-350
Manager	250	200	195-250
Administrator	100-150	85-125	120
Assistant & support	75	50-85	50-100

*Liquidator's disbursements*

- 6 6 In relation to disbursements, where my firm has incurred a cost that is directly referable to this matter and payment was made to a third party, these costs have been reimbursed. These disbursements are shown at Appendix II.
- 6 7 No disbursements have or will be claimed which, while directly referable to this matter, did not involve a payment to a third party. Neither will any cost be reimbursed which included an element of shared or allocated cost (e.g. photocopying).

*Professionals, sub-contractors and other expenses*

- 6 8 Where appropriate, I have employed professionals to advise me in relation to certain specialist matters.
- 6 9 TMC were instructed to assist with the realisation of the Company's WIP and were chosen on the basis of their experience and knowledge of the area on which they were advising, taking into account the complexity of the assignment. They are to be remunerated on a percentage basis (5%) of the gross WIP recovered. In the reporting period TMC have been paid £4,532.

*Creditors' right to request information*

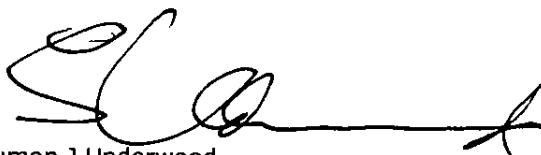
- 6 13 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with Rule 4.49E of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

*Creditors' right to challenge remuneration and/or expenses*

- 6 14 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 4.131(4) of the Rules. In accordance with Rule 4.131, such applications must be made within eight weeks of receipt of this report.

**Concluding remarks**

- 7 1 I shall be continuing my administration and shall report to you further in due course.
- 7 2 Please do not hesitate to contact Craig O'Keefe of this office should you require any further information.

A handwritten signature in black ink, appearing to read 'Simon J Underwood', with a long horizontal stroke extending to the right.

Simon J Underwood  
Liquidator

**Pollecoff Solicitors Limited**  
(In Liquidation)

**Liquidator's Abstract of Receipts & Payments**

	Statement of Affairs (£)	From 30/01/2012 To 29/01/2014 (£)	30/01/2014 To 29/01/2015 (£)	Total (£)
<b>RECEIPTS</b>				
Work in progress	150,000 00	132,784 04	15,350 00	148,134 04
Cash at bank	2,000 00	0 00	0 00	0 00
Bank interest gross	-	358 53	80 76	439 29
Deposit on petition	-	1,165 00	0 00	1,165 00
		<b>134,307 57</b>	<b>15,430 76</b>	<b>149,738 33</b>
<b>PAYMENTS</b>				
DTI BACS fees		0 60	0 45	1 05
DTI cheque fees		18 45	0 00	18 45
Secretary of State fees		25,727 54	2,400 34	28,127 88
Specific Bond		96 00	0 00	96 00
Liquidator's remuneration		35,000 00	15,000 00	50,000 00
Tax on interest		71 70	16 15	87 85
Court fees		290 00	0 00	290 00
Accountancy/Bookkeeping costs		1,500 00	0 00	1,500 00
Agents fees		225 00	4,531 90	4,756 90
Courier		0 00	34 94	34 94
Legal fees		973 35	0 00	973 35
LSC disbursements		362 00	0 00	362 00
Storage costs		9,384 42	1,279 68	10,664 10
I T Data Storage Materials		0 00	6 99	6 99
Companies House search		0 00	1 00	1 00
Re-Direction of mail		123 28	0 00	123 28
Statutory advertising		76 50	0 00	76 50
Redundancy Payments Service		4,681 39	0 00	4,681 39
Employee arrears/hol pay		3,668 63	0 00	3,668 63
Floating charge creditor		30,000 00	0 00	30,000 00
		<b>112,198 86</b>	<b>23,271 45</b>	<b>135,470.31</b>
<b>Net Receipts/(Payments)</b>		<b>22,108.71</b>	<b>(7,840 69)</b>	<b>14,268.02</b>
<b>MADE UP AS FOLLOWS</b>				
VAT receivable		3,126.38	4,170 90	7,297 28
Insolvency Service Account		21,969 48	(12,011 59)	9,957 89
VAT payable		(2,987 15)	0 00	(2,987 15)
		<b>22,108 71</b>	<b>(7,840.69)</b>	<b>14,268.02</b>



**Pollecoff Solicitors Limited (In Liquidation)**

**Analysis of Liquidator's Time Costs  
30 January 2014 to 29 January 2015**

Classification of Work Function	Hours				Total Hours	Time Cost £	Average hourly Rate £
	Partner	Manager	Senior	Cashier			
b/f period ended 29 January Administration and Planning	0 90	12 50	-	4 90	666 05	119,340 75	122 48
Realisation of Assets	-	5 70	-	-	58 17	7,124 50	122 48
Total Hours in period	0 90	18 20	0 00	4 90	64 47	1,288 00	204 44
Total Cost £ in period	338 00	3,513 50	0 00	245 00		8,412 50	

**Total time costs**

	730 52	127,753 25
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**Summary of Disbursements Incurred & Paid**

	Incurred 30 January 2012 to 29 January 2013 (£)		Paid 30 January 2012 to 29 January 2013 (£)		Incurred 30 January 2013 to 29 January 2014 £		Paid 30 January 2013 to 29 January 2014 £		Incurred 30 January 2014 to 29 January 2015 £		Paid 30 January 2014 to 29 January 2015 £		Total incurred & paid £
Specific Bond	96 00		96 00		-		-		-		-		96 00
Court fees	290 00		290 00		-		-		-		-		290 00
Statutory Advertising	76 50		76 50		-		-		-		-		76 50
Re-direction of mail	123 28		123 28		-		-		-		-		123 28
Companies House	-		-		-		-		1 00		1 00		1 00
Courier	-		-		-		-		34 94		34 94		34 94
IT Data Storage	-		-		-		-		6 99		6 99		6 99
Total	585 78		585 78		0 00		0 00		42 93		42 93		628 71