

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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02/06/2017

#119

COMPANIES HOUSE

1 Company details

Company number 0 5 9 6 4 6 9 2

Company name in full PCJ Solicitors Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew

Surname Poxon

3 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 B Z

Country

4 Administrator's name

Full forename(s) Julien

Surname Irving

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 B Z

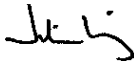
Country

② Other administrator

Use this section to tell us about
another administrator.

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Notice of administrator's progress report

6	Period of progress report									
From date	^d 0	^d 3	^m 1	^m 1	^y 2	^y 0	^y 1	^y 6		
To date	^d 0	^d 2	^m 0	^m 5	^y 2	^y 0	^y 1	^y 7		
7	Progress report									
<input checked="" type="checkbox"/> I attach a copy of the progress report										
8	Sign and date									
Administrator's signature	Signature X  X									
Signature date	^d 3	^d 1	^m 0	^m 5	^y 2	^y 0	^y 1	^y 7		

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Rochelle Schofield**

Company name **Leonard Curtis**

Address **Tower 12, 18/22 Bridge Street**

Spinningfields

Manchester

Post town

County/Region

Postcode **M 3 3 B Z**

Country

DX

Telephone **0161 831 9999**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**PCJ SOLICITORS LIMITED
(IN ADMINISTRATION)**

**Registered Number: 05964692
Court Ref: 3191 of 2015
Manchester District Registry of the High Court**

**Joint Administrators' third progress report in accordance
with Rule 18.3 of the Insolvency Rules 2016**

**Report period
3 November 2016 to 2 May 2017**

31 May 2017

**Leonard Curtis
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ
Tel: 0161 831 9999 Fax: 0161 831 9090
recovery@leonardcurtis.co.uk
Ref: M/35/R3/NP818K/1010**

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**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency Rules 2016 to provide creditors with an update on the progress of the Administration of PCJ Solicitors Limited ("the Company") for the period from 3 November 2016 to 2 May 2017. This is the Joint Administrators' third progress report to creditors.
- 1.2 Much of the information contained in this report encompasses the whole period of the Administration. Please be aware, however, that where reference is made to "the period of this report", this specifically means 3 November 2016 to 2 May 2017, being the period of 6 months since the last progress report.

2 STATUTORY INFORMATION

- 2.1 Kevin Murphy and Julien Irving were appointed as Joint Administrators of PCJ Solicitors Limited ("the Company") in the jurisdiction of Manchester District Registry of the High Court, number 3191 of 2015 on 19 November 2015. The administration appointment was made by the Directors. Mr Murphy and Mr Irving are licensed in the UK by the Institute of Chartered Accountants in England and Wales.
- 2.2 Please note that K G Murphy left Leonard Curtis Business Solutions Group ("LCBSG") on 31 December 2016 and agreed to transfer the management of his insolvency caseload to another appropriate insolvency practitioner within LCBSG. In accordance with Rules 7.10A-D of the Insolvency Rules 1986 (as amended) therefore, an application was made to Court for an Order to remove Mr Murphy as Insolvency Practitioner on each of his cases and replace him with another insolvency practitioner of LCBSG. The Order was granted by the Court on 31 January 2017. Accordingly, Mr Murphy ceased to act as Joint Administrator of this case on 31 January 2017, and Andrew Poxon was appointed in his place. Mr Poxon is licensed in the UK by the Institute of Chartered Accountants in England and Wales.
- 2.3 Any creditor may apply to vary or discharge this Order within 28 days of the date of this communication.
- 2.4 The fee resolution already agreed on this case will remain in place.
- 2.5 The administration is being handled by the Manchester office of Leonard Curtis, which is situated at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ.
- 2.6 The principal trading address of the Company was 2 Moorfields, Liverpool, L2 2BS. The business traded under its registered name.
- 2.7 The registered office address of the Company at the date of the appointment of Administrators was Il Palazzo, Water Street, Liverpool, L2 0RD. Following the appointment, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. The registered number of the Company is 05964692.
- 2.8 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.

- 2.9 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 *Attached at Appendix A is a summary of the Joint Administrators' proposals for achieving one of the three statutory purposes of Administration.*
- 3.2 The Proposals have not yet been formally approved as a request was received from a creditor for a meeting of creditors to take place, prior to the date for deemed approval. No deposit for the costs of convening the meeting has yet been received and we are in correspondence with the creditors' legal advisor to agree the position such that the proposals can be deemed approved in due course or a formal meeting of creditors convened.
- 3.3 The objective of the administration is to realise property in order to make a distribution to one or more secured or preferential creditors.
- 3.4 This objective is likely to be achieved as it is anticipated that, subject to the security being validated, the secured creditors, Jason Lee ("JL") and Dominic Lloyd ("DL") will receive distributions under their floating charges and that preferential creditors will be repaid in full.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 19 November 2015 to 2 May 2017.

4.2 Profit Costs from Work in Progress

As detailed in our previous report, approximately 2,000 cases were transferred to a number of legal practices, with the vast majority being transferred to one practice ("the Primary Purchaser"), in April 2015 made up of the following:

- c1,500 low level cases with estimated fees of c£40 per case payable to the Company; and
- c500 high value cases where fees should be c£1k or above.

To date, the sum of £283,345.48 has been received by the Joint Administrators.

It should also be noted that, as detailed, at paragraph 4.4 below, a sum of £35,274.17 has also been received, which may form part of work in progress realisations. The Joint Administrators are currently awaiting information before allocating these sums to the appropriate nominal accounts.

The Joint Administrators, with the assistance of management, are continuing to monitor the realisation of the work in progress, however, the final level of collections are uncertain at this time. Further updates will be provided in later reports.

4.3 Balance at Bank

The Company held a number of accounts with HSBC Bank plc ("HSBC").

As at the date of Administration, there was a credit balance of £11,163.20 in the Company's office account and this sum has subsequently been forwarded to the Joint Administrators. This differs slightly from the figure detailed in the Joint Administrators' Proposals report due to a payment out of the account not previously accounted for.

4.4 Unallocated Funds

The Joint Administrators are currently holding the sum of £35,274.17 which represents £4,024 forwarded from HSBC and £31,250.17 received directly by the Joint Administrators from a number of insurance companies in respect of settled cases.

The Joint Administrators are currently awaiting information from the directors before allocating these sums to the appropriate nominal accounts.

4.5 HMRC Refund

As detailed in our previous report, a winding up petition had been issued against the Company by HMRC related to unpaid tax totalling c£493k.

The Company had submitted a terminal loss relief claim for c£397k which resulted in all liabilities owed to HMRC save for an unpaid VAT debt of c£96k being extinguished. The Company also had a corporation tax credit of c£266k from the 2012 and 2013 accounting periods. Once the VAT debt was deducted from the corporation tax credit, a refund in the sum of c£170k was due to the Company.

It is understood that payment has been made by HMRC to a director, prior to the date of Administration on behalf of the Company, as the Company's bank account was frozen as a result of the HMRC petition. We have sought clarification of the position from HMRC and will report further in our next report.

4.6 Monies received in error

A sum of £37,897 has been received as part of the monies transferred by HSBC however these funds are understood to relate to unrepresented cheques in client account at the date of our appointment. These funds will therefore be paid to the respective disbursement creditors in due course.

4.7 Disbursements recovered

A sum of £10,618.40 has been recovered in respect of disbursements previously paid for by the Company.

4.8 Disbursements to pay out

A sum totalling £81,291.61 has been received from case settlements that relates to disbursements recovered which need to be paid to the disbursement creditors for fees including barristers fees, medical reports, court fees and similar. We are in ongoing correspondence in this respect with the disbursement creditors and our legal advisors, given an order made prior to administration.

4.9 Electricity Refund

A refund in the sum of £532.14 has been received in respect of electricity paid for in advance.

4.10 Office Furniture and Equipment

A sum of £186.66 has been received following the sale of office furniture and equipment by auction.

4.11 Cash from Till

A sum of £2.32 has been received in respect of cash held at the premises.

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

4.12 Bank Interest

A sum of £190.32 has been received to date.

5 ASSETS STILL TO BE REALISED

- 5.1 The assets still to be realised in this matter are future profit cost realisations detailed at 4.2 and the outcome of the HMRC refund position detailed at 4.5, and the potential for additional receipts and disbursements recovered on cases.

6 INVESTIGATIONS

- 6.1 As previously reported, following their initial assessment, no detailed investigations were considered to be required by the Administrators. Nothing further has been brought to the attention of the Administrators in the period of this report.

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 7.1 On 28 January 2016 the secured creditors consented to the following pre-administration costs and expenses being paid as an expense of the administration:

Charged by	Services provided	Total amount charged £
Leonard Curtis	Financial Assessment, Reviewing security documentation and Insolvency Advice	13,831
Bermans	Reviewing security documentation, preparing appointment documentation, corresponding with Accident Exchange's solicitors	3,690
TOTAL		17,521

A sum of £10,000 has been paid in respect of Leonard Curtis' costs. Bermans' costs are still outstanding. The remaining costs will be paid in due course.

Joint Administrators' Remuneration

- 7.2 On 28 January 2016, the secured creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not initially exceeding £85,607.
- 7.3 The time charged by the Joint Administrators for the period of this report amounts to £29,641.50. This represents 90.8 hours at an average rate of £326.45 per hour. A summary of time costs incurred in the period is attached at Appendix C.
- 7.4 In addition, provided at Appendix D is a detailed description of work undertaken attributable to each category of time costs and an explanation of why it was necessary for that work to be performed.
- 7.5 A summary incorporating a comparison with time costs as set out in the Joint Administrators' original fee estimate is attached at Appendix E. You will note that time costs incurred during the period of the Administration exceed the time as set out in the Fees Estimate. In particular, the area where significant variance has occurred relates to liabilities, general administration and time spent by our Legal Services Department.

- 7.6 Time posted to Liabilities has exceeded the fees estimate by £14,871, however as advised the Joint Administrators' Initial Fees Estimate does not include time in respect of agreeing unsecured claims and distributing prescribed part funds accordingly. Of the time incurred to 30 April 2017, £10,340 is in respect of the prescribed part. In addition, it was not envisaged that the Administration would be required to be extended, therefore the fees estimate does not include the further statutory reports required to be produced and the time spent requesting the extension.
- 7.7 The time incurred during the Administration for general administration is greater than the time on the fee estimate by £21,463.50 due to underestimating the time required. Time spent on this category is general work completed that cannot be attributed to any other category. This includes sending out letters, emails and dealing with Company records. 265 boxes of books and records were collected and significant time was spent producing an inventory of the records. Time was also spent renewing the mail re-directions previously put into place to ensure that cheques, in respect of costs and disbursements, sent in the post were received. Further time has been spent distributing certain items of post which were required by third parties.
- 7.8 Time in the sum of £67,490 has also been incurred by our Legal Services Department, which was a category not provided in our fee estimate. Using our in house legal team to deal with the injunction has led to the reduction of external legal fees being incurred. It was not possible to have foreseen the extent of the work required to ensure that the Company could comply with the terms of the injunction, when drafting the Joint Administrators' Report and Statement of Proposals, this level of work was therefore not anticipated when preparing the Joint Administrators Statement of Likely Expenses.
- 7.9 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred in dealing with this matter. The Joint Administrators will revert for further approval from the secured creditors in due course. With the assistance of the Legal Services department, the Joint Administrators are currently in dialogue with the party with the benefit of the injunction with a view to reaching a position where funds presently frozen by the injunction can be released.
- 7.10 Creditors can access further information on Administrators' Fees in "A Creditors' Guide to Administrators' Fees" which may be downloaded from:
- <http://www.leonardcurtis.co.uk/resources/Creditorguides>.
- 7.11 If you would prefer this to be sent to you in hard copy please contact Rochelle Schofield of this office on 0161 831 9999.
- 7.12 The Joint Administrators have not drawn any fees in the period of this report.

Joint Administrators' Statement of Likely Expenses

- 7.13 Creditors will recall that the Joint Administrators' have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) **Standard Expenses:** this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) **Case Specific Expenses:** this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs).

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

These are known as "Category 2 disbursements" and are subject to the approval of the secured creditors. On 28 January 2016, secured creditor approval was also received to draw Category 2 disbursements as detailed at Appendix D.

- 7.14 A copy of the Joint Administrators initial Statement of Likely Expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix F.
- 7.15 Attached at Appendix G is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.
- 7.16 Unsecured Creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre administration costs) by submitting their written requests before 23 June 2017.
- 7.17 In addition, unsecured Creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report.

8 ESTIMATED OUTCOME FOR CREDITORS

8.1 Secured Creditors

JL and DL

JL holds security by way of an all assets debenture incorporating a fixed and floating charge over the Company's assets created on 16 November 2010. DL holds security by way of an all assets debenture incorporating a fixed and floating charge over the Company's assets created on 16 November 2010.

According to the Company's records, the sums of £285,382 and £444,857 remained outstanding to JL and DL respectively at the date of Administration.

It is anticipated that JL and DL will receive a distribution under their floating charges although the level of distribution is subject to the security being validated, and receipt of future profit costs from WIP realisations, discharge of the costs of the Administration and preferential creditor claims, and setting aside the prescribed part for unsecured creditors.

8.2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages up to £800 and accrued holiday pay.

Preferential claims are estimated to total £8,466 which should be discharged in full. This represents one former employee's unpaid wages claim of £800 and accrued holiday entitlement totalling £7,666.

8.3 Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The method of calculating the prescribed part is given below:

Where the net property does not exceed £10,000
50% of that property

Where the net property exceeds £10,000
50% of the first £10,000, plus 20% of the property which exceeds £10,000, up to a maximum prescribed part of £600,000.

Based upon the information currently available, it is estimated that there will be a prescribed part fund available in this case. In instances where there will be no dividend to unsecured creditors, other than via the prescribed part, as is the case here, the prescribed part fund will be distributed at the appropriate time by the Joint Administrators.

8.4 Unsecured Non-Preferential Claims

At present, it is considered unlikely that there will be sufficient funds available to enable a distribution to unsecured creditors, other than via the prescribed part. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act.

If you have not already done so, please submit details of your claim to my office. A statement of claim form is attached at Appendix H.

9 EXTENSIONS TO THE ADMINISTRATION

- 9.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 9.2 In certain circumstances it becomes necessary to extend the Administrators' term of office. An extension was required in this instance in order to progress the collections from the WIP, allocate correctly the unallocated funds, recover the HMRC refund if appropriate, pay disbursement creditors, make a distribution to the secured creditors, make a distribution to preferential creditors and set aside a prescribed part for the benefit of unsecured creditors.
- 9.3 In the circumstances of this case, consent to a twelve-month extension of the administration was requested from each secured creditor of the Company.
- 9.4 I can confirm that the secured creditors have approved the request, and the administration was extended for a period of twelve months to 18 November 2017.
- 9.5 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

10 NEXT REPORT

- 10.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

If you wish to discuss the issues raised in this report or require any additional information please contact this office.

for and on behalf of
PCJ SOLICITORS LIMITED



JULIEN IRVING
JOINT ADMINISTRATOR

Julien Irving and Andrew Poxon are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 13092 and 6620, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that K G Murphy and/or J Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that K G Murphy and/or J Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
19 NOVEMBER 2015 TO 2 MAY 2017**

	Estimated to realise £	Transactions Previously reported £	Transactions This period £	Cumulative £
RECEIPTS				
Cash at Bank	11,163.20	11,163.20	-	11,163.20
Profit Costs/Work in Progress	560,000.00	220,058.87	63,286.61	283,345.48
Tax Refund	170,000.00	-	-	-
Unallocated Funds	-	24,254.67	11,019.50	35,274.17
Disbursements Recovered	-	10,479.80	138.60	10,618.40
Electricity Refund	-	532.14	-	532.14
Bank Interest	-	190.32	-	190.32
Disbursements to pay out	-	61,117.43	20,174.18	81,291.61
Monies received in error	-	37,896.72	-	37,896.72
Office Furniture & Equipment	-	186.66	-	186.66
Cash from Till	-	2.32	-	2.32
TOTAL	741,163.20	365,882.13	94,618.89	460,501.02
PAYMENTS				
Administrators' pre-appointment fee		(10,000.00)	-	(10,000.00)
Disbursements paid		(150.00)	-	(150.00)
Mail redirection		(595.00)	-	(595.00)
Other professional fees		(86.80)	-	(86.80)
Category 1 disbursements		(778.09)	-	(778.09)
Category 2 disbursements		(101.70)	-	(101.70)
Bank interest & charges		(208.80)	-	(208.80)
Auction Commissions		(35.47)	-	(35.47)
TOTAL		(11,955.86)	-	(11,955.86)
BALANCE IN HAND		353,926.27	94,618.89	448,545.16

Note: Please note that the figures for Profit Costs/ Work in Progress, Disbursements Recovered, Disbursements to Pay Out, Office Furniture and Equipment, Cash from Till and Auction Commissions were previously reported incorrect in the second progress report and have been amended accordingly.

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 3 NOVEMBER 2016 TO 30 APRIL 2017

	Units	Cost £	Average hourly rate £
Statutory and review	No		
	50	1,612.00	322.40
Receipts and payments	36	936.00	260.00
Assets	228	5,928.00	260.00
Liabilities	32	685.50	214.22
Debenture Holder	5	130.00	260.00
General Administration	35	740.00	211.43
Legal Services – Preparation	388	14,404.00	371.24
Legal Services – Attendance	47	2,115.00	450.00
Legal Services – Research	5	75.00	150.00
Legal Services – Drafting documents	12	180.00	150.00
Legal Services – Letter – In	2	82.00	410.00
Legal Services – Letter – Out	13	475.00	365.38
Legal Services – Telephone Call	36	1,604.00	445.56
Legal Services – Email Out	19	675.00	355.26
	908	29,641.50	326.45

APPENDIX D

DETAILED NARRATIVE OF WORK PERFORMED BY THE JOINT ADMINISTRATORS AND THEIR STAFF IN THE PERIOD FROM 3 NOVEMBER 2016 TO 31 MARCH 2017

Statutory and Review

Time was spent by the Joint Administrators' staff carrying out regular views to ensure all matters were being progressed.

Receipts and Payments

Time has been spent posting up the various receipts.

Assets

A large portion of time has been spent allocating the funds received on the system and reviewing any third party costs which may be payable from funds received by the estate for disbursements.

Time has been spent liaising with the Primary Purchaser and reviewing monthly reports forwarded by them and allocating the funds received.

Liabilities

A portion of time was spent producing the Joint Administrators Second Progress Report, sent to all creditors following approval from the secured creditors to the extension.

This further includes liaising with numerous creditors by way of email, telephone conversations and letters. Time was spent logging claims and advising creditors of the Administration.

Debenture Holder

Time has been spent meeting with the debenture holders to discuss the case generally.

General Administration

Time was spent renewing the mail re-directions previously put into place to ensure that cheques, in respect of costs and disbursements, sent in the post were received. Further time has been spent distributing certain items of post which were required by third parties.

Legal Services – Preparation

Time was incurred by our in house solicitor reviewing the papers in relation to the injunction and claim from Accident Exchange and liaising with AE's legal advisors. Time was also spent liaising with the directors, reviewing and preparing emails and preparing for conference calls. Time was also spent advising on the position in relation to profit costs received, disbursements outstanding and liaising with the costs draftsman.

Legal Services – Attendance

This involved meetings by our in house solicitor with the joint administrator, and other legal advisors, to advise on the position in relation to the injunction order issued by AE and the required steps and other issues raised by AE's legal advisors. General advice was also given on correspondence received from lawyers in relation to specific matters and costs.

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Legal Services – Research

Time was spent by out in house legal department reviewing emails.

Legal Services – Drafting Documents

Time was spent by out in house legal department drafting letters.

Legal Services – Letter – In

Time was spent by out in house legal department dealing with letters received.

Legal Services – Letter – Out

Time was spent by out in house legal department sending correspondence to various parties.

Legal Services – Telephone Call

Time was spent by out in house legal department making telephone and conference calls.

Legal Services – Email Out

Time was spent by out in house legal department sending emails.

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 19 NOVEMBER 2015 TO 30 APRIL 2017
INCORPORATING A COMPARISON WITH THE JOINT ADMINISTRATORS INITIAL FEES ESTIMATE**

	FEES ESTIMATE			INCURRED TO 30 APRIL 2017			VARIANCE
	Units	Cost £	Average hourly rate £	Units	Cost £	Average hourly rate £	
	No			No			Cost £
Statutory and review	212	6,663.50	314.32	220	6,417.00	291.68	(246.50)
Receipts and payments	137	3,655.50	266.82	85	2,149.00	252.82	(1,506.50)
Insurance	109	4,087.50	375.00	54	1,884.00	348.89	(2,203.50)
Assets	990	35,171.00	355.26	1,093	36,446.00	333.45	1,275.00
Liabilities	439	13,026.00	296.72	873	27,897.00	319.55	14,871.00
Landlords	17	565.00	332.35	5	160.00	320.00	(405.00)
Debenture Holder	118	4,349.50	368.60	133	5,760.00	433.08	1,410.50
General Administration	203	5,863.50	288.84	1,552	27,327.00	176.08	21,463.50
Appointment	80	2,375.00	296.88	22	795.00	361.36	(1,580.00)
Planning & Strategy	24	796.00	331.67	109	4,164.00	382.02	3,368.00
Post Appointment Creditors Meeting	171	5,212.50	304.82	173	6,478.00	374.45	1,265.50
Investigations	120	3,842.00	320.17	52	2,060.00	396.15	(1,782.00)
Case Specific	-	-	-	64	1,590.00	248.44	1,590.00
LEGAL SERVICES – Preparation	-	-	-	1,188	48,082.00	404.73	48,082.00
LEGAL SERVICES – Attendance	-	-	-	234	10,530.00	450.00	10,530.00
LEGAL SERVICES – Research	-	-	-	5	75.00	150.00	75.00
LEGAL SERVICES – Drafting documents	-	-	-	27	405.00	150.00	405.00
LEGAL SERVICES – Travel	-	-	-	80	3,600.00	450.00	3,600.00
LEGAL SERVICES – Letter – In	-	-	-	4	112.00	280.00	112.00
LEGAL SERVICES – Letter – Out	-	-	-	36	1,288.00	357.78	1,288.00
LEGAL SERVICES – Telephone Call	-	-	-	52	2,288.00	440.00	2,288.00
LEGAL SERVICES – Email – In	-	-	-	1	15.00	150.00	15.00
LEGAL SERVICES – Email – Out	-	-	-	39	1,095.00	280.77	1,095.00
	2,620	85,607.00	326.74	6,101	190,617.00	312.44	105,010.00

It should be noted that this table does not include proposed Administrators' Fees in respect of future time that will be incurred agreeing unsecured claims and distributing prescribed part funds accordingly.

**SUMMARY OF JOINT ADMINISTRATORS EXPENSES FOR THE PERIOD FROM
19 NOVEMBER 2015 TO 30 APRIL 2017
INCORPORATING A COMPARISON WITH THE
JOINT ADMINISTRATORS STATEMENT OF LIKELY EXPENSES**

Standard Expenses

Type	Description	Estimated Amount £	Amount Incurred to date £	Amount Paid £	Amount Unpaid £
AML Checks (CAT 1)	Electronic client verification	10.00	10.00	10.00	-
Bond Fee (CAT 1)	Insurance bond	260.00	312.00	260.00	52.00
Company Searches (CAT 1)	Extraction of company information from Companies House	10.00	-	-	-
Document Hosting (CAT 1)	Hosting of documents for creditors	100.00	42.00	14.00	28.00
Software Licence Fee (CAT 1)	Case management system licence fee	87.00	87.00	87.00	-
Statutory Advertising (CAT 1)	Advertising	169.20	89.23	78.75	10.48
Storage Costs (CAT 1)	Storage of books and records	500.00	1,893.48	-	1,893.48
Post redirection	Redirection of post	320.00	915.00	915.00	-
	Total standard expenses	1,456.20	3,348.71	1,364.75	1,983.96

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

Details of who the standard expenses were charged by are detailed below:

Type	Charged By	Amount incurred / paid by LC in this period £	Total amount incurred to date / paid by LC £	Amount paid / recovered from case £	Amount paid / still to be recovered from case £
AML Checks (CAT 1)	Business Tax Centre	-	10.00	10.00	-
Bond Fee (CAT 1)	AUA Insolvency Risk Services	52.00	312.00	260.00	52.00
Document Hosting (CAT 1)	Pelstar Computing	14.00	42.00	14.00	28.00
Software Licence Fee (CAT 1)	Pelstar Computing	-	87.00	87.00	-
Statutory Advertising (CAT 1)	Courts Advertising	10.48	89.23	78.75	10.48
Storage Costs (CAT 1)	Aucuts Limited	671.60	1,893.48	-	1,893.48
Post redirection (CAT 1)	Royal Mail	-	320.00	320.00	-
Post Redirection	Royal Mail	-	595.00	595.00	-
	Total standard expenses	748.08	3,348.71	1,364.75	1,983.96

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

Case Specific Expenses:

Type	Description	Estimated Amount £	Amount Incurred to Date £	Amount Paid £	Amount Unpaid £
Agents' Fees & Disbursements	Costs of collecting records, realising assets and arranging the return of third party assets	1,000.00	4,795.00	-	4,795.00
Accountancy Fees	Preparation of Statement of Affairs and Reconciliation of Directors' Loan Accounts	4,000.00	-	-	-
Legal Fees	Costs of appointed solicitors / barristers	7,500.00	12,010.00	-	12,010.00
Staff Mileage (Cat 2)	Category 2 disbursement requiring specific creditor / committee approval	250.00	151.55	101.70	49.85
Professional Fees	Employment law advice and claims processing	-	50.00	50.00	-
Professional Fees	Cost Draftsmen Fees	-	36.80	36.80	-
Staff Parking (Cat 1)	Parking Charges	-	35.64	8.34	27.30
Legal Fees (Cat 1)	Legal fees in respect of block transfer	-	87.12	-	87.12
Court Fee (Cat 1)	Court fees in respect of block transfer	-	2.40	-	2.40
Postage Costs (Cat 1)	LC legal postage costs	-	2.46	-	2.46
	Total case specific expenses	12,750.00	17,170.97	196.84	17,974.13

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

Details of who the case specific expenses were charged by are detailed below:

Type	Charged By	Amount incurred / paid by LC in this period £	Total amount incurred to date / paid by LC £	Amount paid / recovered from case £	Amount paid / still to be recovered from case £
Agents Fees & Disbursements	Cerberus Asset Management	-	4,795.00	-	4,795.00
Legal Fees	Bermans	-	6,510.00	-	6,510.00
Legal Fees (Cat 1)	DWF LLP	500.00	500.00	-	500.00
Legal Fees	Kings Chambers	5,000.00	5,000.00	-	5,000.00
Staff Mileage (Cat 2)	LC Staff	30.60	151.55	101.70	49.85
Professional Fees	EK Employment Law Consultants	-	50.00	50.00	-
Professional Fees	MRN Solicitors	-	36.80	-	36.80
Staff Parking (Cat 1)	LC Staff	-	35.64	8.34	27.30
Legal Fees (Cat 1)	Solicitor	87.12	87.12	-	87.12
Court Fee (Cat 1)	Manchester District Registry	2.40	2.40	-	2.40
Postage Costs (Cat 1)	LC legal	2.46	2.46	-	2.46
	Total case specific expenses	5,622.58	17,170.97	160.04	17,010.93

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors:

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

With effect from 6 Jan 2014	Standard £
Director	450
Senior Manager	410
Manager 1	365
Manager 2	320
Administrator 1	260
Administrator 2	230
Administrator 3	210
Administrator 4	150
Support	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

STATEMENT OF CLAIM FORM

Date of administration order: 19 November 2015

Name of creditor: _____

Address of creditor: _____

Gross amount of claim:
(ie including VAT) _____

Amount of VAT _____

Details of any document by
reference to which the debt can be
substantiated:
(eg invoices) _____

Particulars of how and when debt
incurred: _____

Particulars of any security held, the
value of the security and the date it
was given: _____

Signature of creditor or person
authorised to act on his behalf: _____

Name in BLOCK CAPITALS: _____

Position with or relation to creditor: _____