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In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

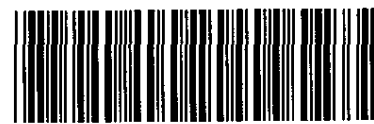
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Notice of administrator's progress report



Companies House

FRIDAY



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24/11/2017

#120

COMPANIES HOUSE

1 Company details

Company number 0 5 9 6 4 6 9 2

Company name in full PCJ Solicitors Limited

→ Filing 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.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 3	^m 0	^m 5	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 2	^m 1	^m 1	^y 2	^y 0	^y 1	^y 7

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 2	^d 3	^m 1	^m 1	^y 2	^y 0	^y 1	^y 7
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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' fourth progress report in accordance
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

Report period
3 May 2017 to 2 November 2017

23 November 2017

Julien Irving and Andrew Poxon - Joint Administrators
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/RS/NP818K/1010

CONTENTS

- 1 Introduction
- 2 Statutory Information
- 3 Joint Administrators' Proposals
- 4 Progress of the Administration
- 5 Investigations
- 6 Joint Administrators' Remuneration and Disbursements
- 7 Estimated Outcome for Creditors
- 8 Matters Still to be Dealt With
- 9 Extensions to the Administration
- 10 Next Report

APPENDICES

- A Summary of Joint Administrators' Approved Proposals
- B Summary of Joint Administrators' Receipts and Payments Account for the Period from 3 May 2017 to 2 November 2017
- C Summary of Joint Administrators' Time Costs for the Period from 3 May 2017 to 2 November 2017
- D Summary of Joint Administrators' Time Costs for the Period from 19 November 2015 to 2 November 2017 Incorporating a Comparison of the Joint Administrators' Initial Fee Estimate
- E Summary of Joint Administrators' Expenses from 19 November 2015 to 2 November 2017 Incorporating a Comparison of the Joint Administrators' Statement of Likely Expenses
- F Estimated Outcome Statement
- G Leonard Curtis Policy regarding Fees, Expenses and Disbursements
- H Proof of Debt – General Form

**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 (England and Wales) Rules 2016 (“the Rules”) to provide creditors with an update on the progress of the Administration of PCJ Solicitors Limited (“the Company”) for the period from 3 May 2017 to 2 November 2017. This is the Joint Administrators’ fourth 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 May 2017 to 2 November 2017 being the period 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 The fee resolution already agreed on this case will remain in place.

2.4 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.

2.5 The principal trading address of the Company was 2 Moorfields, Liverpool, L2 2BS. The business traded under its registered name.

2.6 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.

2.7 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 Joint Administrators may be exercised by all or any of the persons holding that office.

2.8 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' approved proposals for achieving one of the three statutory purposes of Administration.

3.2 The Proposals were deemed approved following the period of this report on 3 November 2017.

3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration.

3.4 The objective of the administration is to realise property in order to make a distribution to one or more secured or preferential creditors.

3.5 This objective is likely to be achieved as it is anticipated that, 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 3 May 2017 to 2 November 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 £340,584.84 plus VAT has been received by the Joint Administrators.

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 Unallocated Funds

As detailed in previous reports, the Joint Administrators were holding the sum of £35,274.17 which represented £4,024.16 forwarded from HSBC and £31,250.01 received directly by the Joint Administrators from a number of insurance companies in respect of settled cases.

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

These funds have now been allocated to the following categories; Profit Costs (£16,315.84 plus £3,263.17 VAT), Disbursements Recovered (£5,803.00), Balance at Bank (£4,024.16) and Disbursements to Pay Out (£5,868.00).

4.4 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 are currently in discussions with the director with regards to the sums received and will report further in our next report.

4.5 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 unpresented cheques in client account at the date of our appointment. These funds will therefore be paid to the respective disbursement creditors in due course.

4.6 Disbursements recovered

A sum of £16,327.92 has been recovered in respect of disbursements previously paid for by the Company.

4.7 Disbursements to pay out

A sum totalling £114,938.69 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.

As detailed in previous reports, an injunction was in place which prohibited the payment of these disbursements. The injunction has now been discharged by consent.

These sums are anticipated to be paid to the relevant parties shortly.

5 INVESTIGATIONS

5.1 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.

6 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

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

PCJ SOLICITORS LIMITED – IN 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

6.2 On 28 January 2016, the secured and preferential 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.

6.3 The Joint Administrators' time costs are summarised below:

	Hours No.	Rate / hr £	Total value of time £
Time previously reported	610.1	312.44	190,617.00
Time incurred in the period of this report	155.6	347.72	54,104.50
Total Administrators' time costs	7,657	319.60	244,721.50

6.4 The time charged by the Joint Administrators for the period of this report amounts to £54,104.50. This represents 155.6 hours at an average rate of £347.72 per hour. A summary of time costs incurred in the period is attached at Appendix C. 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 is also provided at Appendix C.

6.5 In addition, a summary of the Joint Administrators' time costs encompassing the whole of the Administration incorporating a comparison with time costs as set out in the Joint Administrators' Fees Estimate, is attached at Appendix D.

6.6 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 assets, liabilities, general administration, planning & strategy and time spent by our Legal Services Department.

6.7 The time incurred during the Administration posed to assets is greater than the time on the fee estimate by £12,762.00 due to underestimating the time required to allocate the funds received.

6.8 Time posted to Liabilities has exceeded the fees estimate by £22,653.00, 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 3 November 2017, £11,478.50 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.

6.9 The time incurred during the Administration for general administration is greater than the time on the fee estimate by £24,830.50 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

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

- 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.
- 6.10 Time posted to planning & strategy has exceeded the fees estimate by £4,225.50. This is as a result of significant time being spent planning for various meetings held which were not envisaged when the fees estimate was produced.
- 6.11 Time in the sum of £93,021 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 and any other legal matters has led to the reduction of external legal fees being incurred. As the Joint Administrators were not aware of the injunction, when drafting the Joint Administrators' Report and Statement of Proposals, this level of work was not anticipated when preparing the Joint Administrators' Statement of Likely Expenses. In addition, it was not envisaged that an extension by court application would be required. Of the time incurred to 2 November 2017, £7,759 is in respect of the extending the administration by court application.
- 6.12 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 have reverted to the secured and preferential creditors for further approval since the period of this report and further details will be provided in future reports.
- 6.13 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from:
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
- 6.14 If you would prefer this to be sent to you in hard copy please contact Rochelle Schofield of this office on 0161 831 9999.
- 6.15 The Joint Administrators have not drawn any fees in the period of this report.

Joint Administrators' Statement of Likely Expenses

- 6.16 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).

These are known as "Category 2 disbursements" and are subject to the approval of the secured creditors. On 28 January 2016, the secured and preferential creditors also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix G.

- 6.17 A copy of the Joint Administrators' 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 E.
- 6.18 You will note that, in general, the nature and value of expenses incurred to date fall higher than those anticipated within the original statement of expenses.
- 6.19 Storage costs are higher than anticipated due to underestimating the number of records that were uplifted from the Company premises.

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

- 6.20 Agents' Fees are higher than anticipated due to underestimating the time that would be spent by our agent realising the assets and arranging the return of third party assets.
- 6.21 Additional Legal Fees and Court Fees have been incurred as a result of the injunction which we were not aware of when estimating the level of expenses.
- 6.22 In addition, additional Category 1 Disbursements in respect of a Bond Fee, Legal Fees and Court Fees have been incurred as a result of the Block Transfer detailed at 2.2 which were not anticipated.
- 6.23 Additional Category 1 Disbursements in respect of Staff Parking and Staff Travel Costs have been incurred attending meetings which were not envisaged at the outset.
- 6.24 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.
- 6.25 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.
- 6.26 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 6.27 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 6.28 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.

7 ESTIMATED OUTCOME FOR CREDITORS

- 7.1 From April 2017, the Joint Administrators have had the discretion to admit claims from creditors with claims under £1,000 without receiving a proof of debt. The Joint Administrators confirm that, to date, no claims have been admitted under the small claims provisions.

7.2 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 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.

7.3 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.

The Redundancy Payments Office has submitted a preferential claim in the sum of £1,966.97 and a residual preferential claim has been calculated by our employment consultant to be £3,369.01. This represents one former employee's unpaid wages claim of £800 and accrued holiday entitlement totalling £4,535.98.

The total preferential claim in the sum of £5,335.98 will be paid in full shortly.

7.4 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 to 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.

7.5 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 proof of debt form is attached at Appendix H for your ease of use.

8 MATTERS STILL TO BE DEALT WITH

8.1 Matters still to be dealt with before conclusion of the Administration include the following:

- The realisation of the remaining assets, being the future profit cost realisations detailed at 4.2, the outcome of the HMRC refund position detailed at 4.4 and the potential for additional receipts and disbursements recovered on cases;
- A distribution to the secured and preferential creditors;
- The formal agreement of creditor claims;
- The distribution of the prescribed part fund; and
- The unpaid remuneration and expenses will need to be defrayed.

9 EXTENSIONS TO THE ADMINISTRATION

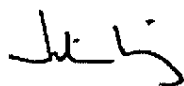
- 9.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 9.2 In certain circumstances it becomes necessary to extend the Administrators' term of office. An extension is required in this instance in order to progress the collections from the WIP, 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 has previously been obtained from the secured and preferential creditors.
- 9.4 A further extension was required from the Court in accordance with Paragraph 107 of Schedule B1 to the Insolvency Act 1986 as there are remaining assets which are yet to be realised.
- 9.5 The Joint Administrators duly requested that the Court granted an order to extend the Administration by a period of 12 months to 18 November 2018 which was heard and granted on 3 November 2017.
- 9.6 Should no extension have been granted, as there are insufficient funds to enable a distribution to creditors, other than via a prescribed part, the Joint Administrators would have been required to place the Company in Compulsory Liquidation, resulting in higher costs. The Joint Administrators consider that these ongoing realisations are in accordance with the Proposals summarised at Appendix A.
- 9.7 The exit route from Administration is likely to be by way of dissolution, as it is unlikely that there will be sufficient funds to enable a distribution to be made to the unsecured non preferential creditors, other than via the prescribed part, in this instance.
- 9.8 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 which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

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

Yours faithfully
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 8620, 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' APPROVED 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
3 MAY 2017 TO 2 NOVEMBER 2017**

	Estimated to realise £	Transactions Previously reported £	Transactions This period £	Cumulative £
RECEIPTS				
Cash at Bank	11,163.20	15,187.36	-	15,187.36
Profit Costs/Work in Progress	560,000.00	296,629.53	43,955.31	340,584.84
Tax Refund	170,000.00	-	-	-
Disbursements Recovered	-	16,141.92	186.00	16,327.92
Electricity Refund	-	532.14	-	532.14
Bank Interest	-	190.32	-	190.32
Disbursements to pay out	-	99,112.19	15,826.50	114,938.69
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	<u>741,163.20</u>	<u>465,879.16</u>	<u>59,967.81</u>	<u>525,846.97</u>
PAYMENTS				
Administrators' pre-appointment fee		(10,000.00)	-	(10,000.00)
Disbursements paid		(180.00)	(26,662.41)	(26,842.41)
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)	(7.50)	(216.30)
Auction Commissions		(35.47)	-	(35.47)
Solicitors' Fees and Expenses		-	(5,000.00)	(5,000.00)
TOTAL		<u>(11,955.86)</u>	<u>(31,669.91)</u>	<u>(43,655.77)</u>
BALANCE IN HAND		<u>453,893.30</u>	<u>28,297.90</u>	<u>482,191.20</u>

Notes: In the previous report, £35,274.17 had been posted to unallocated funds. These funds have now been allocated to the following categories; Profit Costs (£16,315.84 plus £3,263.17 VAT), Disbursements Recovered (£5,803.00), Balance at Bank (£4,024.16) and Disbursements to Pay Out (£5,868.00). Therefore, the total for these categories detailed in transactions previously reported, is different to the Joint Administrators' Third Progress Report by the sums detailed above.

In addition, following a review of the files, some postings in respect of Profit Costs, Disbursements Recovered and Disbursements to pay out were posted incorrectly and the above indicates the correct position.

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 3 MAY 2017 TO 2 NOVEMBER 2017**

	Units	Cost £	Average hourly rate £
Statutory and review	No		
Receipts and payments	36	1,620.00	450.00
Assets	37	1,118.00	302.16
Liabilities	362	11,487.00	317.32
Debenture Holder	282	7,782.00	275.96
General Administration	52	1,622.00	311.92
Planning & Strategy	83	3,367.00	405.66
Investigations	20	857.50	428.75
Legal Services – Preparation	16	720.00	450.00
Legal Services – Attendance	429	16,430.00	382.98
Legal Services – Research	98	4,334.00	442.24
Legal Services – Drafting documents	14	210.00	150.00
Legal Services – Travel	3	78.00	260.00
Legal Services – Letter – Out	30	1,350.00	450.00
Legal Services – Telephone Call	20	476.00	238.00
Legal Services – Email Out	56	1,903.00	339.82
	18	750.00	416.67
	1,556	54,104.50	347.72

DESCRIPTION OF TIME SPENT BY CATEGORY

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 and making various payments.

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' Third Progress Report, sent to all creditors. Time has also been spent drafting, reviewing and completing the Joint Administrators Fourth Progress report which was sent to court requesting an extension to the administration.

This further includes liaising with numerous creditors by way of email, telephone conversations and letters. Time has also been spent meeting with a major creditor. Time was spent logging claims and advising creditors of the Administration.

Debenture Holder

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

General Administration

Time has been sent sending general correspondence and holding meetings to discuss general administration matters.

Planning & Strategy

Time has been spent planning for various meetings held.

Investigations

Time has been spent investigating the position with regards to the HMRC refund.

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

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

profit costs received, disbursements outstanding and liaising with the costs draftsman. Significant time has also been spent drafting the application to court to extend the administration.

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. Time was also spent meeting with AE and their legal advisors. General advice was also given on correspondence received from lawyers in relation to specific matters and costs.

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 – Travel

Time was spent by out in house legal department travelling to external meetings.

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 calls.

Legal Services – Email Out

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

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 19 NOVEMBER 2015 TO 2 NOVEMBER 2017
INCORPORATING A COMPARISON WITH THE JOINT ADMINISTRATORS INITIAL FEES ESTIMATE

	FEES ESTIMATE		INCURRED TO 2 NOVEMBER 2017		VARIANCE
	Units	Cost £	Units No	Cost £	
Statutory and review	212	6,663.50	256	8,037.00	1,373.50
Receipts and payments	137	3,655.50	122	3,267.00	(388.50)
Insurance	109	4,087.50	54	1,884.00	(2,203.50)
Assets	990	35,171.00	1,455	47,933.00	12,762.00
Liabilities	439	13,026.00	1,155	35,679.00	22,653.00
Landlords	17	565.00	5	160.00	(405.00)
Debenture Holder	118	4,349.50	185	7,382.00	3,032.50
General Administration	203	5,863.50	1,635	30,694.00	24,830.50
Appointment	80	2,375.00	22	795.00	(1,580.00)
Planning & Strategy	24	796.00	129	5,021.50	4,225.50
Post Appointment Creditors Meeting	171	5,212.50	173	6,478.00	1,265.50
Investigations	120	3,842.00	68	2,780.00	(1,062.00)
Case Specific	-	-	64	1,590.00	1,590.00
LEGAL SERVICES – Preparation	-	-	1,617	64,512.00	64,512.00
LEGAL SERVICES - Attendance	-	-	332	14,864.00	14,864.00
LEGAL SERVICES – Research	-	-	19	285.00	285.00
LEGAL SERVICES – Drafting documents	-	-	30	483.00	483.00
LEGAL SERVICES – Travel	-	-	110	4,950.00	4,950.00
LEGAL SERVICES – Letter – In	-	-	4	112.00	112.00
LEGAL SERVICES – Letter - Out	-	-	56	1,764.00	1,764.00
LEGAL SERVICES – Telephone Call	-	-	108	4,191.00	4,191.00
LEGAL SERVICES – Email – In	-	-	1	15.00	15.00
LEGAL SERVICES – Email – Out	-	-	57	1,845.00	1,845.00
Total	2,620	85,607.00	7,657	244,721.50	159,114.50

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
FROM 3 MAY 2017 TO 2 NOVEMBER 2017
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'
STATEMENT OF LIKELY EXPENSES**

Standard Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks (CAT 1)	Business Tax Centre	Electronic client verification	10.00	10.00	-	10.00	-
Bond Fee (CAT 1)	AUA Insolvency Risk Services	Insurance bond	260.00	312.00	-	260.00	52.00
Company Searches	-	Extraction of company information from Companies House	10.00	-	-	-	-
Document Hosting (CAT 1)	Pelstar Computing	Hosting of documents for creditors	100.00	56.00	14.00	14.00	42.00
Software Licence Fee (CAT 1)	Pelstar Computing	Case management system licence fee	87.00	87.00	-	87.00	-
Statutory Advertising (CAT1)	Courts Advertising	Advertising	169.20	89.23	-	78.75	10.48
Storage Costs (CAT 1)	Auctus Limited	Storage of books and records	500.00	2,451.27	557.79	-	2,451.27
Post Redirection	Royal Mail	Redirection of Post	-	595.00	-	595.00	-
Post Redirection (CAT 1)	Royal Mail	Redirection of Post	320.00	320.00	-	320.00	-
		Total standard expenses	1,456.20	3,920.50	571.79	1,364.75	2,555.75

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Agents' Fees & Disbursements	Cerberus Asset Management	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	Bermans	Costs of appointed solicitors / barristers	7,500.00	6,510.00	-	-	6,510.00
Legal Fees (Cat 1)	DWF LLP	Costs of appointed solicitors / barristers	-	500.00	-	-	500.00
Legal Fees	Kings Chambers	Costs of appointed solicitors / barristers	-	5,000.00	-	5,000.00	-
Staff Mileage (Cat 2)	LC Staff	Category 2 disbursement requiring specific creditor / committee approval	250.00	151.55	-	101.70	49.85
Professional Fees	EK Employment Law Consultants	Employment law advice and claims processing	-	50.00	-	50.00	-
Professional Fees	MRN Solicitors	Cost Draftsmen Fees	-	36.80	-	36.80	-
Staff Parking (Cat 1)	LC Staff	Parking Charges	-	35.64	-	8.34	27.30
Legal Fees (Cat 1)	Solicitor	Legal fees in respect of block transfer	-	87.12	-	-	87.12
Court Fee (Cat 1)	Manchester District Registry	Court fees in respect of block transfer	-	2.40	-	-	2.40
Postage Costs (Cat 1)	LC legal	LC legal postage costs	-	2.46	-	-	2.46
Staff Travel Costs (Cat 1)	LC Staff	Cost of train tickets	-	329.50	329.50	-	329.50
Court Fee (Cat 1)	HMCTS	Court fee in respect of injunction	-	150.00	150.00	-	150.00
Court Fee (Cat 1)	HMCTS	Court fee in respect of extension	-	50.00	50.00	-	50.00
		Total case specific expenses	12,750.00	17,700.47	529.50	5,196.84	12,503.63

APPENDIX F

ESTIMATED OUTCOME STATEMENT

	Secured	Preferential	Unsecured
	£'000	£'000	£'000
Amount available to class of creditor	127	168	36
Amount due to creditor per Estimated Financial Position	(730)	(5)	(533)
Estimated dividend rate (as a %)	17.40%	100%	6.75%

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

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

Staff Allocation and Charge Out Rates

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 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 as set out in a fees estimate, 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:

6 Jan 2014 onwards	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

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

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.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual

PCJ SOLICITORS LIMITED – IN ADMINISTRATION

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case		
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service		
Document hosting	Hosting of documents for creditors/shareholders	Type		
		ADM	£14.00	£1.40
		CVL	£7.00	£0.70
		MVL	£7.00	£0.70
		CPL	£7.00	£0.70
		CVA	£10.00	£1.00
		BKY	£10.00	£1.00
IVA	£10 p.a. or £25 for life of case			
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00		
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case		
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication		
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges		

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 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 (excl. mileage), 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)	£81.25 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.

Proof of Debt – General Form
Relevant date: 19 November 2015

Name of Company in Administration:

PCJ Solicitors Limited

Company registered number:

05964692

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.