

AM10

Notice of administrator's progress report



Companies House

TUESDAY



A97SU0JC

A03

23/06/2020

#80

COMPANIES HOUSE

1 Company details

Company number 0 4 5 3 7 6 1 5

Company name in full XJC Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) David

Surname Smithson

3 Administrator's address

Building name/number Leonard Curtis

Street 2nd Floor

40 Queen Square

Post town Bristol

County/Region

Postcode B S 1 4 Q P

Country

4 Administrator's name ①

Full forename(s) Andrew

Surname Beckingham

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Leonard Curtis

Street 2nd Floor

40 Queen Square

Post town Bristol

County/Region

Postcode B S 1 4 Q P

Country

② Other administrator
Use this section to tell us about
another administrator.

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6 Period of progress report

From date	d	0	d	2	m	1	m	2	y	2	y	0	y	1	y	9
To date	d	0	d	1	m	0	m	6	y	2	y	0	y	2	y	0

7 Progress report

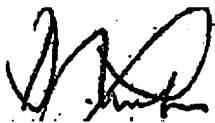
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	2	d	3	m	0	m	6	y	2	y	0	y	2	y	0
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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	Jordan Hammersley
Company name	Leonard Curtis
Address	2nd Floor
	40 Queen Square
	Bristol
Post town	
County/Region	
Postcode	B S 1 4 Q P
Country	
DX	
Telephone	0117 929 4900



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

XJC LIMITED
(IN ADMINISTRATION)

Registered Number: 04537615

Court Ref: CR-2019-008069

High Court of Justice, Business and Property Courts of England and Wales

**Joint Administrators' first progress report in accordance
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

Report period
2 December 2019 to 1 June 2020

23 June 2020

David Smithson and Andrew Beckingham - Joint Administrators
Leonard Curtis
2nd Floor, 40 Queen Square, Bristol BS1 4QP
Tel: 0117 929 4900 Fax: 0117 927 0000
General email: recovery@leonardcurtis.co.uk
Ref: S/46/JHA/X011B/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 (England and Wales) Rules 2016 ("the Rules") to provide creditors with an update on the progress of the Administration of XJC Limited ("the Company") for the period from 2 December 2019 to 1 June 2020. This is the Joint Administrators' first progress report to creditors.

2 STATUTORY INFORMATION

- 2.1 David Smithson and Andrew Beckingham were appointed as Joint Administrators of the Company in the jurisdiction of High Court of Justice, Business and Property Courts of England and Wales, number CR-2019-008069 on 2 December 2019. The Administration appointment was made by the Directors. The Joint Administrators can confirm that there has been no change in office-holder since the date of Administration.
- 2.2 The Administration is being handled by the Bristol office of Leonard Curtis, which is situated at 2nd Floor, 40 Queen Square, Bristol BS1 4QP.
- 2.3 The principal trading address of the Company was 16-18 Barnes Wallis Road, Segensworth, Fareham, Hampshire PO15 5TT. The business traded under its registered name.
- 2.4 The registered office address of the Company at the date of the appointment of the Joint Administrators was Larch House Parklands Business Park, Denmead, Waterlooville, Hampshire PO7 6XP. Following the appointment, this was changed to 2nd Floor, 40 Queen Square, Bristol BS1 4QP. The registered number of the Company is 04537615.
- 2.5 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.
- 2.6 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 approved by General body of creditors by creditors on 7 February 2020.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.
- 3.4 The objective of the Administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration).

- 3.5 In the opinion of the Joint Administrators, this objective is still likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors which would not have been the case if the Company had been wound up without first being in administration.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 2 December 2019 to 1 June 2020.

Office Equipment

- 4.2 Our agents advised that the value of the Office equipment held at the premises was approximately £4,000. An offer of £3,000 was received from a connected party and accepted following our agents' recommendation. These funds have been received in full.

Cash at Bank

- 4.3 At the date of our appointment we were aware of multiple Company bank accounts which operated using various currencies. Since our appointment an amount of £114,845 has been received from Barclays Bank plc and funds of £1,607.27 have also been received from Pleo Technologies A/S.

Motor Vehicles

- 4.4 At the date of our appointment the Company owned one motor vehicle. Our agents advised that the vehicle had a current value of approximately £50,000. An offer of £44,500 was received from a connected party and following advice from our agents, this offer was subsequently accepted by the Joint Administrators and payment of this sum has been received in full.

Debtors

- 4.5 As at the date of administration the gross value of the outstanding debtors ledger as stated on the Company's accounting system was £652,122.35. However, the majority of these debts were for flights which had been booked in advance and subsequently cancelled due to the Administration. As the flights had not taken place these debts were not actually due and therefore, following a review of the ledger, the revised sum of £215,095 appeared to be owed to the Company. We were also advised by the Directors that some of these debts may be disputed or offset against outstanding customer accounts and therefore for the purpose of the estimated financial position, it was estimated that the realisable value would be approximately £125,000.
- 4.6 HJA Business Solutions Ltd ("HJA") have been engaged in order to assist with the collection of the Company's debtor ledger due to their experience and expertise in dealing with debt collection in insolvency situations. The ledger had to be reconciled and reviewed, and the collection of these debts would have otherwise proved to be a time-consuming task, which would have substantially increased the Joint Administrators' fees. We have agreed fees with HJA based on 5% of the first £50,000 of realisations and the 10% of anything in excess of £50,000. They have not yet received payment of any fees but are currently owed £1,269.01 based on collections made to date.
- 4.7 Since the date of our appointment HJA have collected debts of £25,380.24 which have been received into the Administration account. We understand that a further debtor has paid the sum of £6,700.00 into the old Company account and we are awaiting for confirmation of this and receipt of the funds from the Company's bankers. HJA are continuing to pursue debts of c. £182k which are currently in dispute. A number of those debts are currently the subject of legal proceedings and our solicitors, Lester Aldridge are assisting in this regard. It is not currently clear whether any further realisations will be possible.

US Waiver Immigration Bond

- 4.8 We have been advised by the Directors that the sum of \$75,000 (GBP c. £57,437) is held in America as part of standard US flight regulations. We have also been advised that the amount of this bond should become refundable and due to the Company. However, we are currently uncertain of the timeframe in this regard.
- 4.9 It should be noted that the Joint Administrators are not currently aware of any pre-appointment issues regarding the US Waiver Immigration Bond; it should also be noted that the Company ceased trading immediately upon the Administration appointment. However, should we become aware of any issues or difficulties in the realisation of this bond, the Joint Administrators are prepared to re-sell the interest in this asset at a discounted price. A provision has therefore been made in the Statement of Affairs and creditors will note that a discounted amount of £25,000 has therefore been included.

Sundry Refunds

- 4.10 A refund of £116.25 has been received from the DVLA.

Interest on Deposit

- 4.11 Interest of £134.04 has been received on funds held on deposit.

5 ASSETS STILL TO BE REALISED

There are no other assets remaining to be realised other than those referred to in section 4 above being the remainder of the debtors and the US Waiver Immigration Bond.

6 INVESTIGATIONS

- 6.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 6.2 That assessment did not identify any possible further realisations. In addition, the Joint Administrators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given at the front of this report.

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 7.1 On 7 February 2020, the general body of 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 £	Total amount paid £	Total amount unpaid £
Leonard Curtis Recovery	Assessing the financial position of the Company, providing advice and preparing documents in order to assist the Director with placing the Company into Administration.	5,137.50	5,137.50	Nil

These costs have now been paid and are detailed in the receipts and payments account attached at Appendix B.

Joint Administrators' Remuneration

- 7.2 On 7 February 2020, the general body of creditors agreed that the basis of the Joint Administrators' remuneration be fixed as a set amount of £40,000.
- 7.3 The time charged by the Joint Administrators for the period of this report amounts to £66,154.00. This represents 190.4 hours at an average rate of £347.45 per hour. A summary of time costs incurred in the period is set out at Appendix C, together with a detailed description of work undertaken in the period, attributable to each category of time costs, and an explanation of why it was necessary for that work to be performed.
- 7.4 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred in dealing with this matter. However, the remuneration drawn by the Joint Administrators will not exceed £40,000 without further creditor approval and consequently any excess time costs incurred are likely to be written off. The Joint Administrators currently anticipate writing-off at least £35,000 in time costs which represents over 50% of their total time costs incurred to date. This therefore highlights that the agreed set amount of £40,000 represents fair and reasonable value for creditors. However should information come to light during the course of the Administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fixed Fee was agreed, it may be necessary for the Joint Administrators to revert to the general body of creditors for further approval.
- 7.5 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" (Version 4 – April 2017) which may be downloaded from:
- <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>
- 7.6 If you would prefer this to be sent to you in hard copy please contact Karen Over of this office on 0117 929 4900.
- 7.7 The remuneration drawn by the Joint Administrators to date totals £40,000 plus VAT.

8 JOINT ADMINISTRATORS' EXPENSES

- 8.1 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 creditors. On 7 February 2020, the General body of creditors also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix E.

- 8.2 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 D.

8.3 You will note that, in general, the nature and value of expenses incurred to date fall within those anticipated within the original statement of expenses.

8.4 During the Administration, the following professional advisors and / or subcontractors have been used:

Name of Professional Advisor	Service Provided	Basis of Fees
Lester Aldridge LLP	Legal advice and assistance	Time costs
SIA Group	Asset valuation advice and sale	Time costs
HJA Business Solutions Ltd	Assisting with debt collections	Percentage of collections
Evolve IS Ltd	Handling of employee claims	Time costs

8.6 Attached at Appendix E 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. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.

8.7 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.

8.8 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.

8.9 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.

8.10 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.

9 ESTIMATED OUTCOME FOR CREDITORS

9.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix F.

Secured Creditors

9.2 Barclays Bank Plc have a fixed charge over the US Waiver Immigration Bond which is discussed in further detail in section 4 above. It is not currently clear whether Barclays are owed any money in relation to his bond or what the likely realisable value may be.

Preferential Claims

9.3 Preferential creditor claims are estimated to be £82,517. It is anticipated that preferential creditors will be paid in full.

Prescribed Part

- 9.4 As the Company has no unsatisfied post-Enterprise Act Floating charges, there will be no requirement to set aside a prescribed part in this case.

Unsecured Non-Preferential Claims

- 9.5 The estimated statement of affairs listed 255 unsecured creditors with anticipated claims of c. £4,524k. To date claims have been received from 59 creditors in the total sum of c. £2,482k. These claims have yet to be agreed.
- 9.6 Based upon the information currently available, it is still anticipated that there will be sufficient funds available to allow a dividend to be paid to unsecured creditors. Subject to the future asset realisations detailed in section 4 above and the ultimate level of claims, we currently anticipate that any dividend may be in the region of 1-2 pence in the pound. This may be paid in the administration with the consent of the court or by a subsequently appointed Liquidator, should liquidation be the appropriate exit route from the administration process.
- 9.7 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.
- 9.8 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 G for your ease of use.

10 MATTERS STILL TO BE DEALT WITH

- 10.1 Matters still to be dealt with before conclusion of the Administration include the following:
- The realisation of the remaining assets, as detailed in sections 4 and 5;
 - Completion of outstanding tax matters
 - Any unpaid expenses will need to be defrayed.
 - Agreement of the claims of preferential creditors and payment of a distribution to this class of creditor;
 - The formal agreement of unsecured creditor claims and the possible payment of a distributions to this class of creditor (although this may be dealt with in a subsequent liquidation);

11 EXTENSIONS TO THE ADMINISTRATION

- 11.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 11.2 In certain circumstances it may be necessary to extend the administrators' term of office. In the context of this case, this may be done for a specified period not exceeding twelve months as follows:
- with the consent of each secured creditor of the Company; and
 - a decision of the unsecured creditors in a decision procedure.
- 11.3 We currently anticipate that there will be a dividend payable to unsecured creditors and this may be paid in the administration, with the consent of the court, or by a subsequently appointed Liquidator, should liquidation be the appropriate exit route from the administration process. It is not yet clear which of these options will be preferred.
- 11.4 The appropriate body of creditors will be contacted in due course should an extension be required.

12 NEXT REPORT

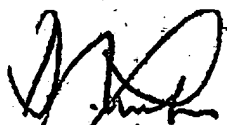
- 12.1 The Joint Administrators are required to provide a progress report which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

13 DATA PROTECTION

- 13.1 Finally, when submitting details of your claim in the administration, you may disclose personal data to the Joint Administrators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The Joint Administrators act as Data Controllers in respect of personal data they obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. The Joint Administrators' privacy notice, which is attached to this report at Appendix H, explains how they process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

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
XJC LIMITED



DAVID SMITHSON
JOINT ADMINISTRATOR

David Smithson and Andrew Beckingham are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 9317 and 8683, 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 ("CVL"). It is further proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators 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 David Smithson and/or Andrew Beckingham 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
2 DECEMBER 2019 TO 1 JUNE 2020**

	Estimated to realise £	Actual realisations £
RECEIPTS		
Office Equipment	3,000	3,000.00
Cash at Bank	116,452	116,452.27
Motor Vehicles	44,500	44,500.00
Debtors	125,000	25,380.24
US Waiver Immigration Bond	25,000	Nil
Sundry Refunds	Nil	116.25
Interest on Deposit	Nil	134.04
	<u>313,952</u>	<u>189,582.80</u>
PAYMENTS		
Joint Administrators' Remuneration		40,000.00
Legal Fees		9,215.00
Agents' Fees and disbursement		7,063.40
Pre-administration costs		5,137.50
Other Professional Fees		120.00
Employment Consultants Fees		2,025.00
Insurance		964.41
Bank Interest and Charges		5.00
		<u>64,530.31</u>
DISTRIBUTIONS		
Amounts Paid to Debenture Holders		Nil
Amounts Paid to Preferential Creditors		Nil
Amounts Paid to Unsecured Creditors Under the Prescribed Part		Nil
Amounts paid to Unsecured Creditors		Nil
		<u>64,530.31</u>
		<u>125,052.49</u>
Represented by:		
Balance at Bank		121,850.31
Recoverable VAT		3,202.18
		<u>125,052.49</u>

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 2 DECEMBER 2019 TO 1 JUNE 2020**

	Units	Average Hourly Rate £	Cost £
Statutory and review	106	206.04	2,184.00
Receipts and payments	74	186.76	1,382.00
Insurance, bonding and pensions	70	265.86	1,861.00
Assets	200	478.90	9,578.00
Liabilities	750	315.76	23,682.00
General Administration	419	473.23	19,828.50
Appointment	60	274.17	1,645.00
Planning & Strategy	25	381.00	952.50
Post Appointment Creditors Meeting	131	165.00	2,161.50
Investigations	69	417.32	2,879.50
	1,904	347.45	66,154.00

DESCRIPTION OF TIME SPENT BY CATEGORY**Statutory and Review**

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned. We anticipate that the case will require three to five periodic six-month reviews in the event of an extension, and also requires a month 1 review from our compliance team. Team meetings were held once every week for the first 4 weeks following our appointment for planning purposes and in order to manage and prioritize tasks.
- Allocation of staff, management of staff, case resourcing and budgeting
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports for the Paragraph 49 report and subsequent Progress Reports, of which we currently estimate that at least three will be required;
- Accurately recording and posting receipts;
- Timely completion of all post appointment tax and VAT returns; and
- Management of estate expenses.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the

fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;

- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.
- Liaising with Pension Company by email and telephone to request details of pension scheme and arrange winding-up of the scheme. Details have not been provided by the pension company thus far, but the relevant authorities have been notified of the Administration.

Assets

- Agreeing strategy for realisation of Company assets;
- Instruction of, and correspondence with debt collection agents to assist the Joint Administrators with reviewing and collecting the Company's debts as shown on the ledger;
- Review of the Company's fixed asset register;
- Dealing with the Company's intangible assets including its website and the like, as well as dealing with any closing balances held at bank;
- Instruction of, and correspondence with asset valuation agents in order to appraise and value the Company's tangible assets;
- Liaising with Company's bankers re pre-appointment bank accounts;
- Review of pre-appointment bank statements;
- Identification and return of third party assets including identification of all Aircraft, liaising with the Civil Aviation Authority.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors. We are currently aware of 255 unsecured creditors and we are in the process of liaising with creditors through multiple communication channels and recording all submitted claims to our systems.
- Processing of claims from the Company's employees – there are 31 employees and we have appointed agents Evolve IS to assist with employee claims. This work category therefore includes liaising with our agents, liaising with employees, and communications with the redundancy payments office.
- Preparation, review and submission of pre-appointment tax and VAT returns – We are aware of a pre-appointment VAT return outstanding and we understand that this liability is included in HMRC's claim. The Administrators have a duty to notify HMRC of each return that will or will not be submitted and as we anticipate a dividend to be payable to unsecured creditors, pre-appointment returns will therefore need to be completed for HMRC's and the Company's records.
- Preparation and submission of periodic progress reports to creditors – The standard length for Administration is 12 months and we currently anticipate that an extension may be likely in order to deal with all outstanding matters. Progress reports must be submitted by the Joint Administrators every six months and we would currently estimate the case to be ongoing for over eighteen months and would therefore mean that three to five progress reports would need to be completed.

Non-statutory

- Dealing with enquiries from the Company's creditors – assistance and explanation of the Administration procedure, creditors' position, how to submit claims, and initial notifications via post and email to creditors.
- Dealing with enquiries from the Company's employees. This has been dealt with by our agents from our appointment to date.

Landlords

- Review of current lease in respect of Company premises,
- Liaising with landlords in respect of premises

General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the administrators' records;
- Arranging collection and storage of company records. This includes physical and electronic records.
- Dealing with general correspondence and communicating with directors and shareholders.
- Case meetings to share and consolidate gathered information.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks are completed in order to ensure the administration is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Post Appointment Creditors' Decisions

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of report to agree fee basis and Statement of Expenses in accordance with Insolvency legislation;
- Convening a decision by correspondence to agree fees with appropriate body of creditors;
- Reporting on outcome of voting.

Investigations

- Collecting and reviewing the Company's records;
- Review of the Company's electronic records including Xero accounts, digital bank statements, fixed asset register, sales documentation and purchases documentation;
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

APPENDIX D

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES
FROM 2 DECEMBER 2019 TO 1 JUNE 2020
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		Electronic client verification	15.00	20.00	20.00	Nil	20.00
Bond Fee		Insurance bond	400.00	400.00	400.00	Nil	400.00
Document Hosting		Hosting of documents for creditors	28.00	123.20	123.20	Nil	123.20
Software Licence Fee		Case management system licence fee	87.00	87.00	87.00	Nil	87.00
Statutory Advertising		Advertising	85.85	85.95	85.95	Nil	85.95
		Total standard expenses	615.85	716.15	716.15	Nil	716.15

Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Professional Fees		Agents Valuation fees	5,476.08	7,063.40	7,063.40	7,063.40	Nil
Professional Fees		Debt collection fees	7,549.00	1,269.01	1,269.01	Nil	1,269.01
Professional Fees		Employment Consultant fees	1,914.00	2,145.00	2,145.00	2,145.00	Nil
Legal Fees		Costs of appointed solicitors	10,000.00	9,215.00	9,215.00	9,215.00	Nil
Insurance		Insurance of the freehold property, plant and machinery and motor vehicles	964.41	964.41	964.41	964.41	Nil
Xero Subscription		Access to Company software	105.00	90.46	90.46	Nil	90.46
		Total case specific expenses	26,008.49	20,747.28	20,747.28	19,387.81	1,359.47

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. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	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:

- 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:

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Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search																								
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. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p.a. or £25 for life of case</td><td></td></tr> </table>	Type	First 100	Every addtl 10	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	
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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 £204.00 3-6 months £303.00 6-12 months £490.00																								
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	£91.80 - £102.00 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

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Storage of office files (6 years)
Business mileage

£81.25 per box
45p per mile

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

ESTIMATED OUTCOME STATEMENT

	Secured	Preferential	Unsecured
	£'000	£'000	£'000
Amount available to class of creditor	U/K	83	40-80
Amount due to creditor per Estimated Financial Position	U/K	83	4,524
Estimated dividend rate (as a %)	U/K	100%	1-2%

Proof of Debt – General Form
Relevant date: 2 December 2019

Please e-mail completed form to:

recovery@leonardcurtis.co.uk quoting ref: X011B/JHA/PROOF

Name of Company in Administration:

XJC Limited

Company registered number:

04537615

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

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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.
3. Please e-mail completed form to:

recovery@leonardcurtis.co.uk quoting ref: X011B/JHA/PROOF

PRIVACY NOTICE

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

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If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5th Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS