

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number

Company name in full

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement ^①

☒ I attach a copy of the qualifying report☐ I attach a statement of disposal

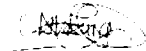
^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X**X**

Signature date

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AM03

Notice of Administrator's Proposals



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

Jamie Balding

Company name

Quantuma Advisory Limited

Address

3rd Floor

37 Frederick Place

Post town

Brighton

County/Region

Sussex

Postcode

B N 1 4 E A

Country

DX

Telephone

01273 322400



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



Important information

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Where to send

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



Further information

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High Street Solicitors Limited (In Administration)
The Joint Administrators' Statement of Proposals

**In the Business and Property Courts in England & Wales Reference No.
2928 of 2023**

High Street Solicitors Limited (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

**Andrew Hosking and Sean Bucknall
Joint Administrators**

Quantuma Advisory Limited

3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA

01273 322400

Disclaimer Notice

- This Statement of Proposals has been prepared by Andrew Hosking and Sean Bucknall, the Joint Administrators of High Street Solicitors Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for High Street Solicitors Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma Advisory Limited does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

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High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

1. Executive Summary

- 1.1 This Statement of Proposals is being delivered to creditors on 26 July 2023.
- 1.2 It was not possible to issue the Statement of Proposals at the same time as the previously circulated SIP 16 Statement due to the significant level of creditor information needing to be collated in order to accurately prepare the Administrators' proposals.
- 1.3 On 5 June 2023, Andrew Hosking and Sean Bucknall of Quantuma Advisory Limited were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by Archover Limited, in its capacity as the hold of a qualifying floating charge.
- 1.4 The Joint Administrators are currently pursuing the third statutory objective of realising property in order to make a distribution to one of more secured or preferential creditors.
- 1.5 A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date	Anticipated future realisations	Total anticipated realisations
Cash at Bank	£4,606	Nil	£4,606
Book Debts	£24	£6,622	£6,646
Goodwill	£1	Nil	£1
Software	£1	Nil	£1
Office Equipment	£1	Nil	£1
Client Contracts	£1	Nil	£1
Work in Progress	£9,998	£440,002	£450,000
Unpaid Disbursements	£9,998	£19,002	£200,000

Expenses

Expense	Expense incurred to date	Anticipated further expense	Total anticipated expense
Office Holders' Fees (Pre-Appt)	£48,000	Nil	£48,000
Legal Fees (Pre-Appt)	£43,110	Nil	£43,110
Solicitor Manager Fees (Pre-Appt)	£11,574	Nil	£11,574
Office Holders' Fees (Post-Appt)	£26,054	£68,926	£94,980
Office Holders' Disbs (Post-Appt)	£140	£542	£682
Legal Fees (Post-Appt)	£4,756	£20,244	£25,000
Solicitor Manager Fees (Post-Appt)	£15,570	£9,430	£25,000

Dividend prospects

Creditor class	Distribution dividend paid to date	Anticipated distribution dividend
Secured creditor (fixed charge)	Nil	<0.01p/£
Secured creditor (floating charge)	Nil	Nil
Preferential creditors	Nil	100.0p/£
Secondary preferential creditors	Nil	27.5p/£
Unsecured creditors	Nil	Nil

- 1.6 The main work remaining to be done to conclude the Administration is to collect the deferred consideration due following the sale of the business and assets, and seek

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

regular updates from the acquiring firm as regards the conclusion of the transferred files.

1.7 The Administration is expected to be concluded in circa 12 months by exiting to dissolution.

1.8 Definitions of the terms used in this Proposal are provided in Appendix I.

2. Background to the Company

2.1 The Company was incorporated in September 2009 and traded as a law firm from a leasehold premises at 3rd Floor, No 1 Tithebarn, Tithebarn Street, Liverpool, L2 2NZ.

2.2 Further details regarding the trading history and the background to the circumstances that have resulted in the Company's insolvency can be found in the Administrators' SIP16 statement at Appendix IV.

2.3 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Quantuma Advisory Limited.

3. Events leading to the Administration

3.1 As detailed above, the business traded as a law. The firm specialised in the following case types;

- Financial mis-selling
- Housing disrepair
- SIPP
- Japanese Knotweed

3.2 The market generally in respect of these case types has struggled in recent times. These claims are typically low value and any increase in overheads can significantly impact the profitability of the files.

3.3 The Company has received a number of adverse costs awards in the last few years and as a result its professional indemnity insurance ("PII") premiums have increased significantly.

3.4 These increased premiums had placed pressure on the cash flow of the business and the Company subsequently fell into arrears with HMRC. In addition, the Company looked to alternative funding arrangements in order to maintain critical payments.

3.5 In early 2023, the directors were conscious that the PII was due to be renewed in April 2023 and therefore they entered into discussions with the insurer in order to secure renewed terms that were favourable to the business.

3.6 During the period of these discussions, the Company fell into further arrears with various creditors which resulted in a petition being issued against the Company from a former employee. This petition obtained support from a large creditor and the Company was not in a position to settle these liabilities.

3.7 The director therefore approached Quantuma Advisory Limited to obtain advice on the options available to the Company in May 2023 and subsequently formally instructed Quantuma Advisory shortly thereafter.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

- 3.8** No Moratorium under Part A1 of the Act has been in force for the Company at any time within the period of 2 years ending with the day on which it entered Administration.
- 3.9** Attached at Appendix III is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.
- 3.10** These proceedings are COMI proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.
- 3.11** In compliance with the data protection legislation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notice>.

Ethical Considerations

- 3.12** Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken. A potential threat to the compliance with the Code of Ethics was identified, relating to the possibility that a conflict-of-interest would arise. The conflict may arise as a result of the status of Affiniti Finance Limited (in Administration) ("AFL") being a creditor of the Company.
- 3.13** Sean Bucknall, Andrew Hosking and Paul Zalkin of Quantuma Advisory were appointed Joint Administrators of AFL on 4 November 2021. AFL provided disbursement funding to the Company historically which "attaches" to the files managed by the business. In the event that recoveries are not made to discharge AFL's funding, the Company provided an indemnity to AFL that it would settle any liability.
- 3.14** As a result, AFL may have a unsecured claim in the Administration. The Administrators have confirmed therefore that, in the event the formal adjudication of any claim of AFL is required, an independent third party will be instructed to do so. This safeguard has been reviewed and will effectively manage the threat identified. No other threats to compliance with the Code of Ethics have arisen to date.

4. The Objective of the Administration

4.1 Administrators must perform their functions with the objective of:

- rescuing the company as a going concern;
- or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
- or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 The Joint Administrators would comment that the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement ("CVA"). As part of any CVA, the preferential and secondary preferential creditors would be required to be paid in full. Given the level of arrears to HMRC that will rank as secondary preferential, it was considered unlikely that sufficient funds could be raised to settle HMRC's claim in full.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

- 4.3** Further, given the regulated nature of the business, the Solicitors Regulation Authority ("SRA") would likely have significant concerns that client interests were not being sufficiently managed if the Company entered into a CVA.
- 4.4** The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in Liquidation. While the swift steps taken by the Joint Administrators have enhanced realisation prospects, the Joint Administrators do not believe that the dividend to unsecured creditors will be improved over that which could have been achieved via a Liquidation alone. Accordingly, the Joint Administrators do not consider it likely that the second objective will be achieved.
- 4.5** The Joint Administrators would comment that the third objective will be achieved, as they expect to pay a distribution to the Company's preferential and secondary preferential creditors.
- 4.6** A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events since the Joint Administrators' Appointment

- 5.1** Immediately upon appointment, the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

The sale of the Company's business and assets

- 5.2** The Joint Administrators concluded a pre-pack sale of the Company's business and assets. Information relating to this sale is attached at Appendix IV. Of the total sale consideration of at least £340,000, £20,000 has been received to date and the remaining £320,000+ will be collected as and when it falls due for payment.

Sales to connected parties

- 5.3** In accordance with the requirements of SIP13, details of the sales of assets to parties connected with the Company since the Joint Administrators' appointment are as follows:
- 5.4** Prior to appointment, Angelus Law Limited ("AL") expressed an interest in purchasing the Company's business and assets. AL is connected with the Company by way of mutual directors and shareholders.
- 5.5** Full details regarding the sale to AL can be found at Appendix IV.
- 5.6** Consequently, the Company's business and assets was sold to AL on 5 June 2023 for at least £340,000. It was agreed that initial consideration of £20,000 would be paid immediately with deferred consideration of at least £320,000 being paid over a period of 12 months.
- 5.7** While the initial consideration has been received, it is currently being held in the Administrators' solicitors' client account and therefore does not appear on the receipts and payments account at Appendix VI.
- 5.8** The deferred consideration provided for a payment of £100,000 to be made on 27 June and £20,000 to be made on 30 June. Neither payment was made by AL. Conscious that a further £20,000 falls due on 31 July, the Administrators have written

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

to AL for its proposals to discharge the arrears due under the deferred consideration to ensure that the payments are brought up to date as soon as possible.

Other steps taken as regards assets

- 5.9** The Joint Administrators made immediate contact with the Company's bankers in order to freeze the Company's bank account (excluding the client account) and to request the transfer of any credit balances to the Joint Administrators' control. A total of £4,606 has been received in respect of the balance at the Company's bank account.
- 5.10** The balance of the client account was transferred by the appointed Solicitor Manager to AL, in its capacity as the defined successor practice of the Company, as per the SRA Rules.

Debtors

- 5.11** The Company's management accounts to February 2023 show trade debtors with a book value of £13,292. To date, the Administrators have received payments totalling £24.

Prepayments

- 5.12** No recoveries are anticipated in respect of prepayments recorded in the February 2023 management accounts as any contra charges incurred as a result of the Company's insolvency are expected to exceed the value of any credit.

Steps taken as regards creditors

- 5.13** Immediately following the appointment of the Joint Administrators, members of the Joint Administrators' staff advised employees of the Joint Administrators' appointment. Staff were briefed with regards to the Administration and informed that as a result of the Administration, their employment contracts were terminated and that they had been made redundant.
- 5.14** Creditors should note that the SIP16 statement at Appendix IV stated that eighteen staff transferred to AL as part of the sale of the business and assets, however this was incorrect as the staff were in fact made redundant as confirmed above.
- 5.15** The Joint Administrators' staff have been assisting the Company's former employees to submit claims to the Redundancy Payments Service ("RPS").
- 5.16** Additionally the Joint Administrators' staff have undertaken a review of the Company's pension arrangements and have made the statutory notifications required to The Pensions Regulator and The Pension Protection Fund. Steps have been taken to wind up the scheme and a claim for unpaid contributions will be submitted to the RPS on the behalf of the employees once sufficient information as regards the unpaid contributions has been received.
- 5.17** The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.

Instruction of specialists

- 5.18** When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

5.19 The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with matters arising in the Administration.

5.20 As the Company is regulated by the SRA, the Administrators have instructed Samantha Palmer of Pinsent Masons LLP ("PMLLP") to be the appointed Solicitor Manager, in order to, in conjunction with the Administrators:

- have direct control of client monies and ensuring that client monies are dealt at all times in strict accordance with the Solicitors' Accounts Rules;
- advise the Administrators in respect of the duties and obligations of the Company under the SRA Code of Conduct 2011 and the Solicitors' Accounts Rules in order to ensure that: (a) clients' interests are protected; (b) the Company is managed in compliance with such regulations and rules; and
- assist the Administrators in preparing their reports to the SRA regarding the progress of the Administration.

5.21 PMLLP have also been instructed to provide legal advice in respect of the sale to AL, the immediate post-appointment statutory filing requirements, and any other legal advice that the Administrators may require during the course of the Administration.

5.22 The basis upon which the professional fees above have been agreed is outlined in the Explanatory Notes to the Joint Administrators' Expenses Estimate at Appendix VIII. All charges will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's affairs prior to the Administration

5.23 The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

5.24 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcomes for Creditors

6.1 To date, the directors have not submitted a signed Statement of Affairs, although they have provided the Administrators with sufficient information to enable an Estimated Financial Position to be prepared. The Estimated Financial Position of the Company, together with a list of creditors, is attached at Appendix V. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given. The Joint Administrators have not carried out any work of the nature of an audit on the information.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

- 6.3** Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 5 June 2023 to 26 July 2023.
- 6.4** Attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors. It sets out the total anticipated realisations and the financial benefit that the work undertaken by the Joint Administrators is expected to generate for creditors.

Secured creditors

- 6.5** The Company's secured creditor liabilities as at the date of the appointment of the Joint Administrators, and as set out in the Estimated Financial Position, can be summarised as follows:

- Archover Limited - £2,066,000 secured by way of a fixed and floating charge along with specific assignments of WIP and disbursements in respect of cases that have been transferred to Angelus;
- VFS Legal Limited - £6,471,970 secured by way of a fixed and floating charge along with specific assignments of WIP and disbursements in respect of cases that have been transferred to Angelus;
- Claims Finance & Administration Co Limited ("CFCO") - £Uncertain secured by way of a fixed charge assignment.

- 6.6** All of the secured creditors provided specific funding for client files managed by the Company. The director advises however that all CFCO funded files were transferred prior to the appointment of the Administrators and therefore there is no liability to CFCO. CFCO's claim has therefore been registered for £1 in the Estimated Financial Position.

Preferential claims

- 6.7** Preferential claims relating to employee deductions are expected to be paid by the RPS who will have a corresponding preferential claim against the Company. These are likely to be in the region of £1,245.
- 6.8** A claim for unpaid pension contributions is also anticipated and although it is yet to be quantified, it is estimated to be in the region of £13,291.
- 6.9** The Act requires Administrators to make a prescribed part of the Company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.10** In this case, the prescribed part provision is not anticipated to apply, as recoveries will be insufficient to discharge the preferential and secondary preferential claims in full.
- 6.11** The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because it is not anticipated that the prescribed part will apply.
- 6.12** In summary, it is anticipated that there will be sufficient funds to pay a distribution to preferential and/or secondary preferential creditors.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

7. The Joint Administrators' Fees

7.1 The Joint Administrators propose to fix their fees on the following basis:

- (i) That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken, plus a 25% increase on the published charge out rates.

7.2 Attached at Appendix VIII is the Joint Administrators' Fees Estimate together with explanatory notes. Attached at Appendix IX is a breakdown of the time costs incurred in the Administration to 26 July 2023 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix X.

7.3 The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.

7.4 Creditors may access a Guide to Administrators' Remuneration effective from 1 April 2021 at <http://www.quantuma.com/guide/creditors-guide-fees> or a hard copy will be provided on request free of charge.

8. The Joint Administrators' Expenses

8.1 Attached at Appendix VIII are details of the expenses that the Joint Administrators expect to incur in the Administration.

9. The Joint Administrators' Discharge

9.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

10. Approval Process

Approval of the Statement of Proposals

10.1 Attached at Appendix XI is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out in detail what further work the Joint Administrators propose to undertake.

10.2 The Joint Administrators think that neither of the first two Administration objectives can be achieved. Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

10.3 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.

10.4 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Other Decisions

10.5 The Joint Administrators are inviting creditors to decide on the following matters:

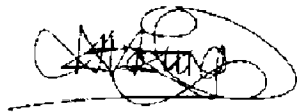
- Whether to establish a creditors' committee;
- The timing of the Joint Administrators' discharge from liability

10.6 In the event that a creditors' committee is not established:

- The basis on which the Joint Administrators' fees shall be fixed;
- The approval of the unpaid pre-Administration costs;

Should you have any queries in regard to any of the above please do not hesitate to contact Jamie Balding on 01273 322 410 or by e-mail at Jamie.Balding@quantuma.com.

Dated this 26 July 2023

A handwritten signature in black ink, appearing to read 'Andrew Hosking', is written over a horizontal line.

Andrew Hosking
Joint Administrator

Andrew Hosking and Sean Bucknall were appointed Joint Administrators of High Street Solicitors Limited on 5 June 2023. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Andrew Hosking and Sean Bucknall
The Company	High Street Solicitors Limited (in Administration)
The Court	Business and Property Courts in England & Wales
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPS	The Redundancy Payments Service
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

High Street Solicitors Limited (In Administration)**The Joint Administrators' Statement of Proposals****Appendix II: Statutory and Financial Information**

Company name	High Street Solicitors Limited
Previous name(s)	N/A
Trading name(s)	N/A
Proceedings	In Administration
Court	Business and Property Courts in England & Wales
Court reference	002928
Date of appointment	5 June 2023
Appointed by	Archover Limited, 5th Floor, 40 Gracechurch Street, London, EC3V 0BT
Joint Administrators	Andrew Hosking and Sean Bucknall Quantuma Advisory Limited 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them
Registered office	c/o Quantuma Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Company number	07015260
Incorporation date	10 September 2009
Company Secretary at date of appointment	Sarah Kearney
Directors at date of appointment	Thomas Hardwick Sarah Kearney
Directors' / Secretary's shareholdings	Thomas Hardwick – 720 ordinary shares

High Street Solicitors Limited (In Administration)**The Joint Administrators' Statement of Proposals**

Summary Profit and Loss Account

	Draft Management Accounts for 10 months to 28 February 2023	Statutory Accounts for year to 30 April 2022	Statutory Accounts for year to 30 April 2021
Turnover	4,951,923	5,409,995	4,457,743
Cost of Sales	(2,012,925)	(3,009,321)	(1,967,488)
Gross Profit	2,938,998	2,400,674	2,490,255
Gross Margin %	59.4%	44.4%	55.9%
Other Expenses	(2,466,055)	(1,014,799)	(777,793)
(L)/EBIT	472,943	1,385,875	1,712,462

Summary Balance Sheet

	Statutory Accounts for year to 30 April 2022	Statutory Accounts for year to 30 April 2021
Intangible assets	47,680	38,203
Tangible assets	57,076	41,913
Fixed assets	104,756	80,116
Current Assets		
Debtors	19,033,472	15,571,886
Cash at Bank	8,276	1,912
	19,041,748	15,573,798
Liabilities		
Due <1 Year	(6,033,555)	(5,882,826)
Due >1 Year	(8,477,014)	(6,208,132)
Provisions	(10,844)	(7,963)
Total Liabilities	(14,521,413)	(12,098,921)
Net Assets	4,625,091	3,554,993

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix III: Statement of Pre-Administration Costs

Pre-administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered Administration but with a view to its doing so.

This statement outlines those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

On 2 June 2023, the Company agreed with the proposed Joint Administrators that Quantuma Advisory Limited be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing High Street Solicitors Limited into Administration.

Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. In addition, the putative Administrators negotiated with interested parties with a view to agreeing a sale in principle that could be completed shortly after the Joint Administrators' appointment. Solicitors were also engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser. It was felt that this strategy would ensure that the third objective of Administration could be met.

Following this statement is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration.

Included within Appendix X are Quantuma Advisory Limited's charge-out rates and bases of expenses.

The pre-appointment expenses of the Joint Administrators are broken down as follows:

Category 1 Expenses	£
Land Registry Fee	£3
Total	£3

As confirmed above, Pinsent Masons LLP ("PMLLP") were instructed in May 2023 to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a time costs basis and consequently costs of £43,053 were incurred in the pre-Administration period in connection with the advice on the pre-packaged Administration sale, the drafting of the appointment documents and the sale and purchase agreement in respect of the sale.

In addition, PMLLP were instructed to act as Solicitor Manager. The Solicitor Manager role is primarily to manage the relationship between the Company and the SRA during the winding down of the firm. The Solicitor Manager will also ensure all statutory reporting to the SRA is submitted and that client interests are preserved. It was agreed that their services would be provided on a time costs basis and consequently costs of £11,574 were incurred in the pre-Administration period.

PMLLP have incurred expenses of £57 in respect of court filing costs.

No payments have been made to PMLLP to date.

We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

A summary of the total costs incurred together with details of those which were paid pre-Administration and the amounts remaining outstanding, follows below:

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

	Total incurred	cost	Amount already Paid	Identity of party who made payment	Amount Outstanding
		£	£		£
Administrators' pre-administration Remuneration	83,659.80		Nil	N/A	48,000.00
Administrators' pre-administration Expenses:					
Legal costs	54,683.00		Nil	N/A	54,683.00
Administrators' Pre-administration Expenses					
Category 1	3.00		Nil	N/A	3.00
Total Unpaid Pre-Administration Costs Outstanding	138,345.80		Nil		£102,686.00

I am seeking to recover all of the unpaid pre-Administration costs and expenses as an expense of the Administration as per the above table. Creditors will note therefore that the Administrators are proposing to limit their pre-appointment remuneration to £48,000 plus VAT, against accrued time costs of £83,660.

The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act.

Time Entry - Detailed SIP9 Time & Cost Summary

6013939 - High Street Solicitors Limited
To: 05/06/2023
Project Code: PRE

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	4.50	0.00	0.00	4.50	1,835.80	407.96
105 : Case strategy / Review	6.00	1.40	0.00	0.00	7.40	4,282.40	578.70
Admin & Planning	6.00	5.90	0.00	0.00	11.90	6,118.20	514.13
202A : Employees	0.00	0.10	0.00	0.00	0.10	40.60	406.00
Creditors	0.00	0.10	0.00	0.00	0.10	40.60	406.00
651 : Initial Pre Appt CDD & Checks. Issuing LoE	0.00	0.00	1.90	2.90	4.80	1,120.60	233.46
652 : IPS Case Set Up	0.00	0.00	0.10	0.00	0.10	36.90	369.00
653ADM : Initial Advice	4.50	0.00	0.70	0.00	5.20	3,054.60	587.42
654ADM : SIP16 Sale	7.50	22.40	21.30	1.20	52.40	22,007.00	419.98
655ADM : Dealing with creditors/directors/employees	38.80	1.40	0.90	0.00	41.00	24,972.30	609.08
656ADM : Appointment Documentation	7.00	8.60	0.00	0.00	15.60	7,864.20	504.12
657ADM : Other ADM pre appointment activities	29.50	0.20	0.00	0.00	29.70	18,445.40	621.06
Pre Appointment	87.30	32.60	24.80	4.10	148.80	77,501.00	520.84
Total Hours	93.30	38.60	24.80	4.10	160.80	83,659.80	520.27
Total Fees Claimed						0.00	

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix IV: SIP16 Statement

Business and Property Courts in England & Wales Court No. 002928 of 2023

High Street Solicitors Limited
In Administration

PRE PACK SALE DISCLOSURE

Andrew Hosking and Sean Bucknall
Joint Administrators

Quantuma Advisory Limited
3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA

01273 322400

12 June 2023

In accordance with SIP16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

The Company's business and assets have been sold following a pre-packaged sale. The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to realise the Company's property in order to make a distribution to one or more secured or preferential creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an insolvency practitioner's firm is initially engaged by the insolvent company to help its board of directors to consider the company's options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an administration is appropriate, the company may then instruct the insolvency practitioner's firm to assist the company or its directors to issue the statutory notices to commence the process and to assist the company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances.

Once appointed as administrator, the role of the insolvency practitioner is to manage the company's affairs, business and assets with the objective of achieving a statutory purpose of an administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the administration has begun. When either assisting the company before administration or acting as an administrator, the insolvency practitioner's role is not to advise the directors personally or any parties connected with any potential purchaser, who are usually encouraged to take independent advice.

Whilst the Joint Administrators were appointed by a Qualifying Floating Charge Holder, prior to commencement of the Administration, Quantum Advisory Limited acted as advisors to the Board of Directors in relation to the restructuring options available to the Company.

The Joint Administrators appointment was made by Archover Limited, as priority qualifying floating charge holder, by way of a deed of priority with VFS Legal Limited. Archover Limited provided the requisite notice to VFS Legal Limited prior to making the appointment, with VFS providing its consent.

For the avoidance of doubt, neither Quantum Advisory Limited nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Quantum Advisory Limited took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded immediately upon the commencement of administration.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Initial Introductions

Quantuma Advisory Limited was initially approached by the Company's directors on 22 March 2023 to help advise on the options available for the Company, as it was deemed to be insolvent.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered liaising with the various lenders and stakeholders, reviewing the Company's WIP and negotiating and agreeing the sale contract, to be completed following the Joint Administrators' appointment. The fee agreed in respect of my pre-appointment advice was the time costs properly incurred by staff at Quantuma Advisory Limited's standard charge out rates. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the director of the Company on 2 June 2023.

The Company traded as a regulated legal practice from 3rd Floor, No 1 Tithebarn, Tithebarn Street, Liverpool, L2 2NZ.

The directors advised that the Company had become insolvent due to the following factors:-

- Increased overhead costs, particularly in respect of its Professional Indemnity Insurance (PII), which has increased as a result of the Company's claims history;
- Challenging trading conditions within the high volume/low value claims market, driven by case law favouring defendants rendering certain claim types being unsuccessful;
- Significant liabilities accruing as a result of failed claim types and failed cases.
- The Company requiring additional funding above the level available to it by its existing facilities with neither the Company, its directors or its shareholders being in a position to provide or secure any further facilities; and

The Company granted the following security:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Fixed and floating charges	Archover Limited	30 April 2018
Fixed and floating charges	VFS Legal Limited	11 December 2019
Fixed and floating charges	Claims Finance & Administration Co Ltd	11 December 2019

By May 2023, it had become apparent that the Company required funding above the level available to it by its funders and neither the Company nor its investors were in a position to advance the necessary funding required to support working capital over the medium to long-term.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the medium term in order for a purchaser to be found. There were no requests made to potential funders for additional funding given that the Company was in arrears with its current lenders and therefore additional funding would not be forthcoming. It was therefore considered necessary to initiate an insolvency process as soon as possible as the putative administrators were unable to trade a regulated legal practice.

Continuing to trade outside insolvency or through a Moratorium

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

Given the presentation of a petition and the level of liabilities with other creditors, ongoing trading was not a viable option.

Company Voluntary Arrangement ("CVA")

Although a successfully implemented CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

A further issue was the Company's renewal for its professional indemnity insurance PII, set to expire at the end of April 2023. A number of claims had been made under the policy including a significant and on running litigation. The prospects therefore of the Company securing renewed terms were limited and therefore there could be no confidence that a CVA would be successful. The cost of any renewed PII, if secured, would have been significant and Company would have been unable to meet the premium without additional funding or support from stakeholders.

As a result, a CVA was not deemed a viable restructuring option given the limited prospects of implementation and success.

Creditors' Voluntary Liquidation ("CVL")

CVL was not considered a viable option given the presentation of the petition and the requirement for an office holder to effect a sale of the business and assets at short notice.

Compulsory Winding Up ("CWU")

The inherent costs and unavoidable cessation of all trading activities associated with a CWU would likely significantly erode the value of the Company's WIP, worsening the position for creditors. Upon liquidation, the Company would most likely immediately be intervened by the SRA.

It was therefore not considered appropriate to place the Company into CWU.

Pre-packaged Administration Sale

The legal sector is a highly regulated sector, with regulatory oversight provided by the SRA. The SRA was kept fully apprised as to the Company's financial position and the intention of concluding a sale by way of an Administration. It was also advised of the proposed sale and raised no issues in that the sale as structured sought to protect client interests, which is the SRA's main consideration.

Had the actions of the putative Administrator or Administrators following our appointment threatened in any way the protection of client interests, the SRA would have intervened.

Although not currently tested with judicial findings, the SRA's position is that its Statutory Charge, upon intervention, ranks ahead of all other creditors, including secured creditors. Therefore, in circumstances where a legal firm is in distress, the putative Administrators must take into consideration the SRA's role in the protection of client interests in order to avoid intervention. Intervention, if it occurred, would see the erosion of value within the Company's core assets, its WIP, by the intervening agents.

As Administrators are not regulated by the SRA, we are unable to provide reserve legal activities and trade the Company in Administration. It was therefore essential that the sale concluded upon Administration, by way of a pre-packaged sale in conjunction with guidelines that satisfy the SRA.

The benefit of achieving the pre-packaged sale was that the value of the WIP could be preserved, and the maximum value for creditors could be realised. As such, the Joint Administrators consider that a sale of the business and assets of the Company to the purchaser would provide the best opportunity of preserving and realising maximum value for creditors.

The following factors support the decision to enter into Administration and conclude a sale of the Company's business and assets:-

- Immediate pre-packaged sale of the business and assets allowed for client interests to be protected and therefore avoiding the risk of an immediate intervention by the SRA;
- The Administration and immediate sale avoided the winding-up of the Company and therefore an intervention which would have been the case had the winding-up order been made without a sale concluding.
- That the SRA raised no objections to the proposed sale;
- That the sale maximises realisations for the Company and its creditors;
- The agreement of Archover Limited and VFS Legal Limited to the proposed sale, being the first and second ranking secured creditors.
- As the defined successor practice, the purchaser takes on the responsibility of all client files and all the associated legacy archiving and the costs associated with managing this, therefore ensuring that client interests are protected;
- The preservation of employment and mitigation of potential residual employee claims. In a break-up where numerous sales are conducted to multiple acquirers, it is likely that all employees would be made redundant and there would be significant claims, both preferential and unsecured, in the Administration as a result; and
- A Sale of the entire business avoids the significant professional costs and risks associated with overseeing a break-up of the Company.

In accordance with Statement of Insolvency Practice 16, the Joint Administrators are of the opinion that the statutory purpose of Administration will be met, by achieving a dividend to one or more secured or preferential creditors.

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration was not possible as a result of the regulatory restrictions referred to previously and, in addition, a CVA was not considered to be feasible.

The Company's major secured creditors, Archover Limited ("Archover") (being the principle chargeholder by way of a deed of priority) and VFS Legal Limited ("VFS"), were contacted and the Company's circumstances and proposed strategy were explained. Neither Archover nor VFS raised objections to the proposed pre-pack strategy.

To my knowledge, the business and assets sold were not previously purchased from an insolvent company within the past 24 months.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company. They were not aware of any such parties.

The directors were asked to advise of any marketing conducted by the Company prior to approaching Quantuma Advisory Limited for advice and we were advised that none had been undertaken by the Company.

Conducting an "open" marketing campaign of a professional service firm such as this may have attracted the attention of the legal press and may have resulted in clients of the Company requesting the return of their files. Such publicity may have had a significant erosion of the value of the Company's work-in-progress which represents the core value of the business. Publicity may also have changed the

stance adopted by Defendant Insurers and their solicitors in that settlements could have been withheld in an attempt to destabilise the business which may have accelerated an insolvent event. Such publicity may have therefore heightened regulatory oversight and led to the erosion of the value of the business and assets.

The Marketing Strategy

As advised above, no open marketing campaign has been completed in this matter. Indeed, in this particular matter the scope for finding an unconnected purchaser was considered to be remote at best. The reason for this is due to the significantly high number of files (over 95% of the total file list) being funded and therefore pledged to various funders. These cases had been transferred to Angelus Law Ltd at the behest of the funders, leaving minimal unencumbered files remaining in the Company.

The remaining files on their own would not be of a high enough percentage of the total files previously worked on by the Company for any purchaser to be considered a successor practice and, as described above, would not be liable for the costs of archiving as well as other legacy matters. Given the limited scope for realisations in this matter, the administration could not meet the cost of these additional liabilities in the event that there was no successor practice.

The conditions described above meant that no other parties other than Angelus Law Ltd were able to acquire the WIP on the files. Indeed, Angelus Law Ltd's interest in the files also meant that a successor practice could be secured which, for reasons described earlier in this report, is the outcome preferred by the SRA.

Given the above complications, the putative administrators concluded that there would be no other acquirer for the unencumbered WIP. As such, no other parties were contacted about this opportunity in light of the specific circumstances of this matter.

Valuation of the Business and Assets

The Company's core assets consist of the following:

Asset	Estimated Book Value (£)
*Work In Progress (pledged to various funders)	8,273,271
Software	30,562
Unpaid Disbursements	3,135,032
Trade Debtors	13,292
Prepayments	53,792
TOTAL	11,505,949

*Creditors should note that this book value was prepared prior to the reassignment of funded case files to Angelus Law Ltd.

As referred to previously in this report, the value of the Company's WIP would be negligible in the event of an intervention from the SRA, given that the files would therefore be under the control of the intervention agent and any realisations would be caught under the SRA's Statutory Charge.

No further independent valuation was obtained for the WIP and Debtors as the purchaser's offer provided for deferred consideration for these assets and the adoption of the debt due to Archover, VFS and Affiniti Finance Limited in respect of the live files that transferred. In addition, a further clause was put in place to ensure that if the files which were sold perform better than anticipated, the Company will benefit from additional consideration. Further details in this regard can be found below.

All office furniture and equipment were either leased by the Company or sold prior to our engagement.

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 5 June 2023 with Angelus Law Limited.

Tom Hardwick, who was director of the insolvent Company, is a director and shareholder of Angelus Law Limited.

A former shareholder of the Company, Craig Cornick, is also a shareholder of Angelus Law Limited.

The transaction is between the insolvent Company and Angelus Law Limited only and does not impact on any related companies.

A Company director had given a personal guarantee for amounts due from the insolvent Company to a prior financier, Claims Finance & Administration Co Limited, a financier of the purchaser.

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

The sale consideration

The sale consideration totalled at least £340,000 and required £20,000 to be paid on completion, a further £100,000 within four weeks of completion and the remainder to be paid on the dates listed below.

In addition to the above, if the purchaser makes recoveries in excess of £340,000, 25% of the net value of the same will be payable to the Company.

The sale consideration has been allocated to the following asset categories:-

Goodwill (fixed charge)	£1
Business Intellectual Property (fixed charge)	£1
Work in Progress (floating charge)	£169,998
Debtor Receivables (floating charge)	£169,998
Office Equipment (floating charge)	£1
Client contracts (floating charge)	£1

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents.

There were 18 employees who were transferred as part of the Sale.

Sale consideration of £20,000 was received on completion and the remainder is to be received by way of deferred consideration and is payable as follows:-

27 June 2023	£100,000
30 June 23	£20,000
31 July 23	£20,000
31 August 23	£20,000
29 September 23	£20,000
31 October 23	£20,000
30 November 23	£20,000
29 December 23	£20,000
31 January 24	£20,000
29 February 24	£20,000
28 March 24	£20,000
30 April 24	£20,000

The business and assets were secured by obtaining a personal guarantee from the purchaser's shareholder.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

The Sale is not part of a wider transaction.

Connected Person Transactions

Viability statement

A viability statement was not provided by the purchaser.

The ***Evaluator's Report***

Regulations require connected persons who are proposing to purchase all or a substantial part of the business or assets of a company via a pre-pack to obtain a report from an independent party called an evaluator.

I attach a copy of the evaluator's positive report.

OTHER MATTERS

The effect of the Administration is to provide protection to the Company and prevent any creditor taking action against it. During the period of the Administration, the Company cannot be wound up, no Administrative Receiver can be appointed, nor can any creditor enforce security, repossess goods, commence or continue legal action without consent of the Joint Administrators or the permission of the Court.

The Joint Administrators will manage the affairs, business and property of the Company. The Joint Administrators are neither personally adopting any contracts that may have been entered into by the Company, nor are they personally liable in any way in respect of them.

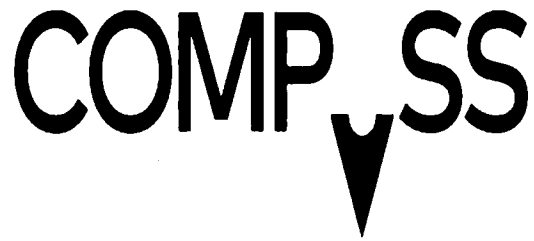
Until it is clear that a dividend will be paid, the Joint Administrators will not take steps to agree creditors' claims and, in order to avoid incurring unnecessary costs, they do not intend to respond to routine queries. However, it would assist with the preparation of an accurate statement of the Company's affairs if you will forward a statement of your account made up to 5 June 2023. If you intend to claim a lien, retention of title or any other form of security, you should advise me of your claim immediately in writing and forward any relevant supporting documents.

As part of our duties as Joint Administrators, we shall be investigating what assets the Company held and what recoveries may be made for the benefit of creditors, as well as the manner in which the Company's business was conducted. These enquiries include the investigation into any potential claims, if any, that may be brought against third parties. Accordingly, should you have any information which may be relevant, please contact me as soon as possible. A short questionnaire has been enclosed, which may assist you in this regard.

VAT Bad Debt relief is now available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue and Customs, which has been outstanding for a period of six months and is written off in the accounts. No further documentation is required.

"A Creditors' Guide to Administrators' Remuneration" effective from 1 April 2021 is available to download at <http://www.quantuma.com/guide/creditors-guide-fees>. Should you require a paper copy, please send your request in writing to the Joint Administrators. A copy will be provided at no cost.

Should you wish to know more about the insolvency process in general, I recommend that you visit www.creditorinsolvencyguide.co.uk.



EVALUATOR'S REPORT

Pursuant to The Administration (Restrictions on Disposal etc. to
Connected Persons) Regulations 2021

High Street Solicitors Ltd

Date of Report: 25 May 2023

Prepared by:
Compass Evaluator Reports Limited
James House, Yew Tree Way
Golborne, Warrington
WA3 3JD

Company Number 13288603

Kevin Murphy
kevin@compassevaluatorreports.co.uk



Proud Member of
Turnaround Management
Association



Contents & Abbreviations

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Appendices

Appendix I	Evaluator Bio
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The following abbreviations or references are used in this report:

The Act:	The Insolvency Act 1986
The Regulations:	The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. Unless otherwise stated, any reference to 'Regulation' within this document is a reference to this legislation.
The Company:	High Street Solicitors Ltd.
Substantial disposal:	This has the meaning given to it in Regulation 3, i.e., a disposal, hiring out or sale to one or more connected persons during the period of 8 weeks beginning with the day on which the company enters administration of what is, in the administrator's opinion, all or a substantial part of the company's business or assets and includes a disposal which is effected by a series of transactions.
Relevant property:	This means the property being disposed of, hired out or sold as part of the substantial disposal as defined in Regulation (See Section 5.)
Connected Person(s):	As defined in paragraph 60A (3) of Schedule B1 of the Act. (See Section 4.)
Proposed Administrators:	Sean Bucknall and Andrew Lawrence Hosking from Quantuma who are licenced Insolvency Practitioners, authorised and regulated by the IPA.
Purchaser:	Angelus Law Ltd.
Secured Creditor:	Archover Limited, VFS Legal Limited and Claims Finance and Administration Co Limited.
TUPE:	Transfer of Undertaking (Protection of Employment) Regulations 2006.
SRA:	Solicitors Regulation Authority

1. INTRODUCTION AND BACKGROUND

- 1.1. I, Kevin Murphy, Managing Director of Compass Evaluator Reports Limited, confirm that I meet the requirements for acting as an Evaluator specified in Part 3 of the Regulations.
- 1.2. This report has been requested by the Purchaser (via Thomas Hardwick as director). The Purchaser is considered a connected person in relation to the substantial disposal of the Company.
- 1.3. I am required to determine whether I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.
- 1.4. The Company operates in the highly regulated legal sector, trading from leased premises and providing legal services in relation to its core service lines to include financial mis-selling, housing disrepair, SIPP and Japanese Knotweed. The Company employs 18 staff with c.500 live files. Additionally, only a small percentage of the live files are unfunded with limited value to a third party buyer.
- 1.5. Increased overhead costs, particularly in respect of PII, which has increased as a result of the Company's claims history. There have been numerous adverse costs awards in recent years which has affected premiums. There are significant arrears with HMRC and other significant creditors. The Company requires additional funding above the level available to it by its existing facilities, which the Company and its Directors are unable to provide.
- 1.6. The Company is currently unable to pay its debts as and when they fall due, evidenced by a recent issuing of a winding up petition which was initially heard on 16 May 2023, and adjourned to 23 May, and at that time the Company was granted a further 2 week adjournment. The directors of the Company have concluded that the Company is no longer able to continue trading as a going concern and the appointment of the Proposed Administrators, by a secured creditor given the outstanding winding up petition, is imminent.
- 1.7. The Proposed Administrators were engaged in March 2023 and have been considering the available options with the directors given the threat of Liquidation, and the risk of SRA intervention. The Proposed Administrators have been seeking to best safeguard the continuity of operations and employment and maximise the funds available to creditors of the Company. As part of their contingency planning, the Proposed Administrators have been in discussions with an interested party - a Connected Person – on a successor practice basis which they consider provides the best outcome for all stakeholders compared to the only realistic alternatives.

2. EXECUTIVE SUMMARY

- 2.1. I have formed the following opinion in this case:

CASE MADE

I **AM SATISFIED** that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

- 2.2. The factors considered in forming this opinion are detailed in full within my report at section 6.

3. THE REQUIREMENTS FOR ACTING AS EVALUATOR

- 3.1. I confirm that I meet the requirements for acting as an Evaluator set out in Part 3 of the Regulations.
- 3.2. I am satisfied that I have the relevant knowledge and experience required to act as Evaluator and I include a summary of my qualifications and experience at Appendix 1.
- 3.3. The Proposed Administrators have not raised any objections to my suitability as an Evaluator.
- 3.4. I confirm that I meet the requirements of independence within Regulation 12, as follows:
- I am not connected with the Company.
 - I am not an associate of the connected person or connected with the connected person.
 - I do not know of or have reason to believe that I have a conflict of interest with respect to the substantial disposal.
 - I have not, at any time during the period of 12 months ending with the date on which this report is made provided advice to, and in respect of, the Company or a connected person in relation to the Company –
 - In connection with, or in anticipation of, the commencement of an insolvency procedure under Parts A1 to 5 of the Act, or
 - In relation to corporate rescue or restructuring.
- 3.5. I am not excluded from acting as an Evaluator for any of the reasons outlined in Regulation 13.
- 3.6. I confirm that I meet the requirements as to insurance specified in Regulation 11.
- 3.7. Details of the professional indemnity insurance for Compass Evaluator Reports Limited are as follows:
- Axa Insurance Plc.
 - Policy number AC SPI 4331301.
 - Expiry date 22 August 2023.
 - Professional indemnity cover limit of £1,000,000 for any one claim.
 - Risks covered: Misc Professional Indemnity breach of professional duty.
 - Exclusions from cover: Misc to include Directors' and Officers' liabilities, deliberate acts and omissions, virus exclusion, dishonesty, and fraud. (Full details available on request.)

4. THE CONNECTED PERSON(S)

- 4.1. Connected persons include the following:

Name of connected person	Nature of the connection
Angelus Law Ltd	Purchaser.
Thomas Hardwick	Director and shareholder of both the Purchaser and the Company.

5. THE RELEVANT PROPERTY

- 5.1. The assets being sold are considered to constitute a substantial disposal.
- 5.2. The Purchaser is acquiring the following assets:

- Any unencumbered files
- Work in Progress
- Debtors

- 5.3. Total consideration is stated to be £340,000, with £20,000 payable upon completion, £100,000 within 4 weeks and 11 further equal consecutive monthly payments.
- 5.4. The deferred consideration has been secured by way of personal guarantees from Craig Cornick, a shareholder of the Company, and Thomas Hardwick, as well as a corporate guarantee from I Quote Limited. Title will remain with the Company until full payment has been received.
- 5.5. In addition to the consideration, where recoveries from the unencumbered files exceeds £340,000, a further payment of 25% of recovered profits will be made. This will only be payable on files where recoveries happen after the threshold is reached.

6. THE EVALUATOR'S DECISION

6.1 In accordance with Regulation 7, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

6.2 My principal reasons for this opinion are as follows:

- 6.2.1 The Proposed Administrators and the Company have been considering available options given the risk of Liquidation and SRA intervention. In the timescale available to the Proposed Administrators, necessitated by the Company's financial position and the need to provide certainty to all stakeholders, it is understood that there have been no better offers for the assets.
- 6.2.2 Whilst the Proposed Administrators have not undertaken a formal marketing process, they have significant experience in acting as Administrators of legal practices.
- 6.2.3 The offer received is considered the best achievable in the circumstances by the Proposed Administrators. The benefits of concluding a sale of the business and assets on a going concern basis are significant and far outweigh the alternative of either a cessation of trading and a Liquidation.
- 6.2.4 The consideration offered for the work in progress, debtors and any unencumbered files is in line with what has been achieved in other comparable matters by the Proposed Administrators, and is significantly in excess of what could be achieved in the only realistic alternative scenario of a cessation of trading, and an immediate intervention by the SRA.
- 6.2.5 The proposed connected party sale therefore provides for better realisations than would be the case on a break-up. Based on a review of the Proposed Administrators Estimated Outcome Statement, the connected party deal provides a better outcome for the preferential creditors, as well as the employees.
- 6.2.6 The 18 employees associated with the business being acquired will transfer under TUPE to the Purchaser, avoiding a claim (est £80K) against the National Insurance Fund.

- 6.2.7 The Secured Creditors support the proposed transaction and will consent to the sale. The SRA has also been advised of the proposed sale and have raised no issues as the sale will protect client interests.
- 6.2.8 In the event that the proposed transaction does not occur, the Company would need to be placed into Liquidation and it is anticipated that there would be an immediate intervention by the SRA as the SRA would be expected to take over conduct of the remaining client files, with the associated costs of such intervention. This would cause significant disruption to clients and would impact upon any potential realisations regarding work in progress and debtors from existing clients. It prevents the ongoing trading of the business. The costs of an intervention by the SRA are usually significant, likely to be in the order of c.£1m and are charged on the assets of the Company and such costs are payable in priority to other creditors.
- 6.2.9 In Administration, the Proposed Administrators can immediately complete a pre-packaged sale of the business, which would allow a streamlined process for the transfer of client files and WIP to a purchaser regulated by the SRA, with minimal disruption to clients. This arrangement is likely to avoid the risk of intervention into the Company by the SRA, with the associated costs, and therefore would achieve a considerably better result for creditors than on a liquidation.
- 6.2.10 The Administrators would be unable to trade the Company in administration for three reasons. Firstly, Administrators are not authorised by the SRA to provide 'Reserved Legal Activities' and as such a law firm cannot be traded by office holders. Secondly, Administrators cannot handle client money. The existing directors (as directors of a Company in administration) will no longer be deemed appropriate by the SRA to handle client money and will be subject to Regulation 3 of the SRA's Practising Regulations 2011. This means that the existing directors would no longer pass the 'Suitability Test' on appointment and as such would be unable to handle client money. Thirdly, Administrators are not authorised persons, approved by the SRA and who have passed the SRA's Suitability Test.
- 6.2.11 The proposed prepack sale therefore provides for the opportunity for significantly better realisations than would be the case on a breakup resulting in an immediate intervention by the SRA. Based on communications with the Proposed Administrators, it is understood that the prepack deal will provide for a significantly better outcome for the Preferential creditors, as well as the employees, than the only realistic alternative, being Liquidation and SRA intervention. There is no prospect of a return to any class of creditor in the event of an Intervention by the SRA.
- 6.2.12 As the defined successor practice, the Purchaser takes on the responsibility of all client files and all the associated legacy archiving and the costs associated with managing this, therefore ensuring that client interests are protected. In addition, any shortfalls on client account and the allocation of client interests are the responsibility of the Purchaser and its own PII as the successor practice. As successor practice, the Company's client account is transferred to the purchaser and therefore the purchaser takes on the responsibility for all and any legacy balances, therefore protecting client interests.
- 6.2.13 The Company has utilised numerous different funding types and therefore a break up of the firm is far less appealing to the funders as they would be required to enter into consent agreements with each of the acquiring firms in a break up and incur further cost in monitoring recoveries across the acquiring firms therefore the funders that have consented/not objected to the proposed pre-pack may object to a break-up.
- 6.2.14 As the consideration is not all payable on completion, I have been provided with projections for the Purchaser which indicates that the Purchaser should be viable and able to meet the deferred

consideration payments. The deferred consideration has also been secured by way of personal guarantees from Craig Cornick, a shareholder of the Company, as well as Thomas Hardwick and a corporate guarantee from I Quote Limited, which is necessary in my view if the Purchaser is not able to meet the deferred consideration payments.

6.2.15 I offer no opinion on the viability of the Purchaser.

7. INFORMATION RELIED UPON

7.1. In forming my opinion, I have relied on my discussions with, and information provided by, the connected persons, the Proposed Administrators, and the valuation agents instructed by the Proposed Administrators. This includes the following:

- Compass Evaluator Reports application/information request form
- Draft sale and Purchase documentation
- Offer
- Company financial information
- Financial information for the Purchaser
- Correspondence with the Proposed Administrators
- Estimated Outcome Statement and Internal Pre Pack Approval note.

7.2. I have also relied on information freely available in the public domain.

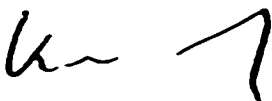
7.3. I have relied upon the accuracy of the information as provided to me in forming my opinion. I have not carried out an audit or other verification of the information received. The Proposed Administrators are licenced Insolvency Practitioners with legal duties and obligations to creditors and their regulatory body, as such the decision whether to enter into the sale is for them to determine. As such, I offer no opinion on the decision to enter into the sale.

7.4. The extent of my work is limited to providing the opinion specified in the Executive Summary.

8. PREVIOUS EVALUATOR REPORTS

8.1 Regulation 8 does not apply, as I am advised that no previous report exists in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

For and on behalf of
Compass Evaluator Reports Limited



Kevin Murphy
Evaluator

Date: 25 May 2023

APPENDIX I

EVALUATOR BIO: KEVIN MURPHY

Before entering the insolvency profession, Kevin trained as a lawyer, undertaking a law degree (achieving a 2:1 classification) and successfully completing the Law Society's Final Exam. Kevin is a licensed Insolvency Practitioner (currently non-appointment-taking), with over 25 years of experience of dealing with a wide range of insolvency matters, including extensive experience of turnaround work, focusing on Company Voluntary Arrangements and Administration.

He has spent much of his career with a national firm of insolvency specialists, where he progressed to Director of Insolvency, heading up the firm's Administration Team in the Manchester Office. Responsible for many complex and challenging matters, Kevin developed practical skills in dealing with cases in an efficient, commercial, and pragmatic manner alongside the technical demands of compliance with regulation and legislation, to achieve the best outcome for stakeholders.

In more recent times, Kevin has utilised the extensive skill set developed because of his experience of turnaround and insolvency work in dealing with solvent acquisitions. Since 2017, Kevin has been an advisor to a buy and build acquisitions group.

Kevin is a member of the Turnaround and Management Association and R3, the Association of Business Recovery Professionals.

For more information, please visit <https://compassevaluatorreports.co.uk/>

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix V: Estimated Financial Position

Insolvency Act 1986

High Street Solicitors Limited
Company Registered Number: 07015260

Estimated Financial Position as at 5 June 2023

	Book Value £	Estimated to Realise £	£
ASSETS			
Goodwill		1.00	
Software	30,562.00	1.00	
Land & Buildings	18,854.00	NIL	
Archover Limited		(2,066,000.00)	
Deficiency c/d		(2,065,998.00)	
VFS Legal Limited		(6,471,969.73)	
Deficiency c/d		(6,471,969.73)	
CFCO Limited		(1.00)	
Deficiency c/d		(1.00)	
Stamp Duty on Lease	17,118.00		NIL
Office Equipment	38,222.00		1.00
Client Contracts			1.00
Unpaid Disbursements	3,135,032.00		200,000.00
WIP	8,273,271.00		450,000.00
Book Debts	13,292.00		6,646.00
Prepayments	53,792.00		NIL
Cash at Bank	4,606.00		4,606.00
			661,254.00
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employee Arrears/Hol Pay (Count=1)		1,245.27	
Pension Schemes		13,290.65	
			14,535.92
			646,718.08
2nd PREFERENTIAL CREDITORS:-			
HMRC VAT/PAYE/NIC (Employees)		1,450,829.92	
			1,450,829.92
			(804,111.84)
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			(804,111.84)
Estimated prescribed part of net property where applicable (to carry forward)			
			NIL
			(804,111.84)
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
Deficiency b/d		8,537,967.73	
			8,537,967.73

Insolvency Act 1986

High Street Solicitors Limited
Company Registered Number: 07015260

Estimated Financial Position as at 5 June 2023

	Book Value £	Estimated to Realise £
		<u>(9,342,079.57)</u>
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u> NIL
Shortfall to preferential creditors/F.C's pre 15 September 2003 (brought down)		804,111.84
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Deficiency b/d		1.00
Trade & Expense Creditors		737,680.21
Employees (Count=19)		77,079.16
Medical / Expert Witness / Counsel		1,359,550.23
Directors		12,594,833.00
Banks/Institutions		8,912,883.36
HMRC - CT/NIC (Employers)		<u>1,549,334.87</u>
		<u>25,231,361.83</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(26,035,473.67)
Shortfall in respect of F.C's post 14 September 2003 (brought down)		<u>8,537,967.73</u> (34,573,441.40)
Issued and called up capital Ordinary Shareholders		1,000.00
		<u>1,000.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u>(34,574,441.40)</u>

Quantuma Advisory Limited
High Street Solicitors Limited
Company Registered Number: 07015260
B - Company Creditors

Key	Name	Address	£
CA00	Arc Costs Limited	4 Bark Street East, Bolton, BL1 2BQ	40,062.88
CA01	Affiniti Finance Limited	C/O Quantuma Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA	2,046,588.00
CA02	Archover Limited	5th Floor, 40 Gracechurch Street, London, EC3V 0BT	2,066,000.00
CA03	Aquacool Limited	Cobra Court, 2 Scholar Green, Stretford, Manchester, M32 0TR	459.08
CA04	Aspire IT Services Ltd	Unit 3a, Parkway Trading Estate, Barton Dock Road, Trafford Park, Manchester, M32 0TL	4,800.00
CA05	Aurora Managed Services	1-2 Castle Lane, Victoria, London, SW1E 6DR	21.18
CB00	Babington Business College Limited	1st Floor, Aspire House, Sitwell Street, Derby, DE1 2JT	720.00
CC02	Connect Telecom Services Ltd	701 Merlin Park, Ringtail Road, Burscough, Lancashire, L40 8JY	5,034.00
CC03	Croner-I Limited t/a HR Inform	17th Floor, 240 Blackfriars Road, London, SE1 8NW	360.00
CC04	Claims Finance & Administration Co Limited	13 Upper Baggot Street, Dublin 4, IRELAND	1.00
CD00	Direct 365 Online Limited	Parkside Place, Oasis Business Park, Skelmersdale, WN8 9RD	50.08
CE00	Exchange Chambers	5th Floor, 201 Deansgate, Manchester, M3 3NW	57,240.00
CF00	Funding Circle Trustee Limited	71 Queen Victoria Street, London, EC4V 4AY	99,845.16
CH00	HM Revenue & Customs	NOTE: CVL NOTIFICATION ONLY, Pre Appointment Notifications Only	1,549,334.87
CH01	HM Revenue & Customs	EIS, Newcastle, BX9 1ZZ	1,450,829.92
CH02	Nationwide Capital Finance Ltd	Nationwide House, Moss Bank Way, Bolton, BL1 8NP	11,349.79
CH03	HCE/Volkswagen Financial Services (UK) Limite	Marine House, 2 Marine Road, Colwyn Bay, LL29 8PH	113,892.09
CI00	iHasco Limited	3 Arlington Square, Downshire Way, Bracknell, Berkshire, RG12 1WA	2,760.00
CI01	Independent Tax & Forensic Services LLP	Suite 9, Derwent View, Brackenholme Business Park, North Yorkshire, YO8 6EL	4,092.00
CJ00	Hugh James	Two Central Square, Central Sqaure, Cardiff, CF10 1FS	217,534.20
CL00	Liverpool City Council	Cunard Building, Water Street, Liverpool, L3 1EH	94,060.00
CL01	Legal Futures Publishing Limited	Kinetic Business Centre, Borehamwood, Herfordshire, WD6 4PJ	354.00
CL02	Lexis Nexis	Lexis House, 30 Farringdon Street, London, EC4A 4HH	6,158.63
CM00	Medicals Made Easy Limited - In Liquidation	c/o Opus Restructuring LLP, 1 Radian Court, Knowlhill, Milton Keynes, Bucks, MK5 8PJ	582,698.26
CM01	Mainframe Computer Services Group Ltd	702 Merlin Business Park, Ringtail Road, Burscough, Lancashire, L40 8JY	11,698.09
CM02	MBL (Seminars) Limited	The Mill House, 6 Worsley Road, Worsley, Manchester, M28 2NL	3,111.00
CN00	Nationwide Capital Finance Limited	Nationwide House, Moss Bank Way, Bolton, BL1 8NP	1.00
CN01	Nationwide Franking Sense Limited	Nationwide House, Moss Bank Way, Bolton, BL1 8NP	204.95
CN02	National Westminster Bank	250 Bishopsgate, London, EC2M 4AA	30,183.82

Signature _____

Quantuma Advisory Limited
 High Street Solicitors Limited
 Company Registered Number: 07015260
 B - Company Creditors

Key	Name	Address	£
CN03	NEST Pensions	Nene Hall, Lynch Wood Business Park, Peterborough, PE2 6FY	13,290.65
CO00	OCL Solicitors/CL Medical Aid Limited	First Floor,, Unit 1 Carolina Court,, Doncaster, DN4 5RA	340,596.24
CO01	Office Groceries Limited	43 Church Street, Billericay, Essex, CM11 2SX	104.04
CP00	Mr Christopher Pare	St Johns Buildings, 24a - 28 St John Street, Manchester, JM3 4DJ	742.50
CP01	Premium Credit Ltd	Ermyrn House, Ermyrn Way, Leatherhead, Surrey, KT22 8UX	3,531.90
CP02	Penkeths Limited	2 Bassendale Road, Croft Business Park, Bromborough, Wirral, CH62 3QL	557.60
CR00	Royal Mail Group Ltd	Credit Management Centre, Stone Hill Road, Farnworth, Bolton, BL4 9XX	38.41
CR01	Reich Insurance	Reich House,, 197-203 Chapel Street, Manchester, M3 5EQ	1.00
CR02	Resolute Legal Services Ltd	6 Poppyfields, Warrington, WA5 1BZ	78,103.94
CS00	Miss Jacqueline Swain	St Johns Buildings, 24a - 28 St John Street, Manchester, M34 DJ	300.00
CS01	Sypher Media Limited	Penny Lane Business Centre, 374 Smithdown Road, Liverpool, England, L15 5AN	34,070.00
CS02	Specialist Lending Limited t/a Duologi	The Sqaure, Basing View, Basingstoke, RG21 4EB	6,570,103.00
CS03	Shell Energy UK Limited	Elder House, 586-592 Elder Gate, Milton Keynes, MK9 1LR	82,614.06
CS04	Shergroup Legal/The Legal Cost Experts (NW)	L20 St Andrews Street, Holborn, London, EC4A 3AG	9,720.66
CT00	The Access Group	The Old School, Stratford St Mary, Colchester, Essex, CO7 6LZ	72,162.33
CT01	Three Graces Legal/Michael Wilson	504-505 The Cotton Exchange, Old Hall Street, Liverpool, L3 9LQ	221,922.80
CV00	VFS Legal Limited	Kingfisher House, 21-23 Elmfield Road, Bromley, BR1 1LT	6,471,969.73
CW00	Wixted & Co Limited	57 Putney Bridge Road, London, SW18 1NP	217,534.20
CW01	Westbury Collections Ltd/John Collinson	Global House, 1 Ashley Avenue, Epsom, KT18 5AD	19,953.96
CY00	Yorkshire Software (Bradford) Ltd	The Old School, 40 Stockhill Road, Bradford, Yorkshire, BD10 9AX	708.00
CY01	Your Legal Costs Limited	4th Floor, 8 Princes Parade, Liverpool, L3 1DL	24,070.95
50 Entries Totalling			22,561,539.97

Signature _____

Quantuma Advisory Limited
High Street Solicitors Limited
Company Registered Number: 07015260
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HC00	Thomas Hardwick		Ordinary	1.00	540	0.00	0.00
HH00	Thomas Hardwick		Ordinary	1.00	280	0.00	0.00
HW00	Michael James Paul Wilson		Ordinary	1.00	180	0.00	0.00
3 Ordinary Entries Totalling					1,000		

Signature _____

High Street Solicitors Limited (In Administration)**The Joint Administrators' Statement of Proposals**

Please find below the relevant schedules in relation to Secured Creditors and Special Creditor Groups.

Schedule of Secured Creditors and Special Creditor Groups**Secured Creditors**

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Archover Limited, 5th Floor, 40 Gracechurch Street, London, EC3V 0BT	£2,066,000	Fixed and floating charges by way of a debenture	30 April 2018	£
VFS Legal Limited, Kingfisher House, 21-23 Elmfield Road, Bromley, BR1 1LT	£6,471,970	Fixed and floating charges by way of a debenture	11 December 2019	Nil
Claims Finance & Administration Co Limited, 13 Upper Baggot Street, Dublin 4, Ireland	£1	Fixed charge assignment of legal claims	5 January 2022, 4 July 2022, 21 September 2022 and 6 March 2023	Nil

Schedule of Special Creditor Groups

Creditor Group	Number of creditors in group	Total amount of claims (estimated)
Employees and former employees	18	78,324

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix VI: Receipts and Payments Account

Note: The estate account is an interest bearing account.

High Street Solicitors Limited
(In Administration)
Joint Administrators' Summary of Receipts and Payments
To 26 July 2023

RECEIPTS	Statement of Affairs (£)	Total (£)
Software	NIL	0.00
Land & Buildings	NIL	0.00
Stamp Duty on Lease	NIL	0.00
Plant & Machinery	NIL	0.00
Book Debts		24.01
Cash at Bank		4,606.00
		<hr/>
		4,630.01
		<hr/>
PAYMENTS		
Archover Limited	(2,066,000.00)	0.00
VFS Legal Limited	(6,471,969.73)	0.00
CFCO Limited	(1.00)	0.00
Employee Arrears/Hol Pay	(1,245.27)	0.00
Pension Schemes	(13,290.65)	0.00
HMRC VAT/PAYE/NIC (Employees)	(1,450,829.92)	0.00
Trade & Expense Creditors	(737,680.21)	0.00
Employees	(77,079.16)	0.00
Medical / Expert Witness / Counsel	(1,359,550.23)	0.00
Directors	(12,594,833.00)	0.00
Banks/Institutions	(8,912,883.36)	0.00
HMRC - CT/NIC (Employers)	(1,549,334.87)	0.00
Ordinary Shareholders	(1,000.00)	0.00
		<hr/>
		0.00
		<hr/>
Net Receipts/(Payments)		4,630.01
		<hr/>

MADE UP AS FOLLOWS

Bank 1 Current	4,630.01
	<hr/>
	4,630.01
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High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix VII: Estimated Outcome Statement

High Street Solicitors Limited - in Administration
Estimated Outcome Statement
as at 26 July 2023

	Book Value	Estimated WORST CASE Outcome ADM	Estimated BEST CASE Outcome ADM
	£	£	£
Assets subject to Fixed Charge			
Goodwill	-	1	1
Software	30,562	1	1
Land & Buildings	18,854	Nil	Nil
Amount due: Archover	(2,066,000)	(2,066,000)	(2,066,000)
Amount due: VFS	(6,471,970)	(6,471,970)	(6,471,970)
Amount due: Claims Finance & Administration Co	(1)	(1)	(1)
Shortfall c/d		(8,537,969)	(8,537,969)
Assets subject to Floating Charge			
Office Equipment	38,222	1	1
Client Contracts	-	1	1
Cash at Bank	-	4,606	4,606
Work in Progress	8,273,271	169,998	450,000
Unpaid Disbursements	3,135,032	169,998	200,000
Trade Debtors	13,292	2,658	6,646
Prepayments	53,792	Nil	Nil
Estimated Recovery		347,262	661,254
Cost of Realisations			
Office Holders' Fees (Pre-Appointment)		(48,000)	(48,000)
Office Holders' Disbursements (Pre-Appointment)		(3)	(3)
Legal Fees (Pre-Appointment)		(43,110)	(43,110)
Solicitor Manager Fees (Pre-Appointment)		(11,574)	(11,574)
Office Holders' Fees (Post-Appointment)		(94,980)	(94,980)
Office Holders' Disbursements (Post-Appointment)		(682)	(682)
Legal Fees (Post-Appointment)		(25,000)	(25,000)
Solicitor Manager Fees (Post-Appointment)		(25,000)	(25,000)
		(248,348)	(248,348)
Estimated total assets available for Preferential Creditors		98,914	412,906
Preferential Creditors		(14,536)	(14,536)
		84,378	398,370
Secondary Preferential Creditors (HMRC)		(1,450,830)	(1,450,830)
Assets subject to the Prescribed Part		Nil	Nil
Prescribed Part c/d		Nil	Nil
Estimated total assets available to Floating Charge Holder		Nil	Nil
Floating Charge Creditors			
Shortfall to Archover b/d		(2,065,998)	(2,065,998)
Shortfall to VFS b/d		(6,471,970)	(6,471,970)
Estimated surplus/(deficiency) to floating charge creditors		(8,537,968)	(8,537,968)
Prescribed part		Nil	Nil
Total assets available for Unsecured Creditors		Nil	Nil
Unsecured Creditors		(25,231,362)	(25,231,362)
Estimated surplus/(deficiency) to Unsecured Creditors		(25,231,362)	(25,231,362)
Estimated deficiency to All Creditors		(35,135,782)	(34,821,790)
Estimated Secured Creditor recovery		<0.01%	<0.01%
Estimated Preferential Creditor recovery		100.0%	100.0%
Estimated Secondary Preferential Creditor recovery		5.8%	27.5%
Estimated Unsecured Creditors recovery		Nil	Nil

Appendix VIII: The Joint Administrators' Fees & Expenses Estimate

• EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' FEES ESTIMATE

The Joint Administrators are seeking to be remunerated on a **time costs basis**. Charge out rates are used appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units.

The Joint Administrators believe this case to be of high complexity and consequently extra responsibilities have fallen on them and their staff. Cases that are considered complex in nature are subject to a 25% increase on the published charge out rates. A full explanation of why the case was considered complex is provided below:

- The Company operated historically in the heavily regulated legal sector. The Administrators and their staff will therefore spend significant time in liaising with the acquiring firm, notifying them of any necessary issues as regards the former client base;
- The Administrators will have regular strategy calls and meeting with the Solicitor Manager to ensure that all necessary SRA reporting is being carried out in accordance with SRA Rules;
- Various funding arrangements (both secured and unregistered) were in place and therefore the Administrators will be required to carry out a detailed review into the historic financial affairs of the Company and understand how each funding arrangement operated with respect of the client files; and
- It will be necessary to seek updates from AL as to the progress of the transferred files. This will include reviewing the breakdown of any awards received by AL as regards the disbursements that AL will discharge in priority to its costs.

Please note that the Fees Estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and therefore it includes the time already incurred, details of which are provided in Appendix IX.

Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for that category of work.

This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the Joint Administrators' current understanding of the case and their knowledge and experience of acting as Joint Administrators in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

The Fees Estimate has therefore been compiled on the following assumptions

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- no claims are brought or issues against any party as a result of the Administrators' investigations;
- no exceptional work will be required to realise the remaining assets and collect in the deferred consideration;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals;
- there will be no need to extend the Administration;
- all further payments due under the deferred consideration are received on time; and
- there is no need for the Administrators to instruct their solicitors to assist with the collection of the deferred consideration.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

This fee estimate covers the life of the case and based on the assumptions above, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate. A full outline and explanation of the fees incurred against the fees that have been estimated below will be provided to creditors with this request.

The hourly charge out rates that it is anticipated will be used on the case are as follows, plus the 25% increase as a result of the case being classed as complex.

	£
CEO/Managing Director	730.00
Appointment Taking Director	616.00
Director	580.00
Senior Manager	505.00
Manager	435.00
Assistant Manager	395.00
Senior Administrator	340.00
Administrator	300.00
Assistant Administrator	230.00
Case Accountant	155.00
Support Staff/Executive Assistant	155.00

Please note that the rates quoted above will be used for each category of work outlined in the estimate and will be subject to periodic increase.

Narrative explanations are given below in relation to each category of work outlined in the estimate. A list of the activities under those categories that it is anticipated will be carried out is also provided.

<u>ADMINISTRATION & PLANNING</u>	
The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.	
Description of work undertaken	Includes
Administration & Planning	
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements Filing statutory notifications with the Pensions Regulator and Pension Protection Fund
Obtaining a specific penalty bond.	
Recovering & Scheduling the company's books and records.	Collection and making an inventory of company books and records
Setting up electronic case files and electronic case details on IPS.	

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

General Administration - Dealing with all routine correspondence and emails relating to the case. Dealing with all matters relating to Data Protection matters.	Dealing with Data Subject Access Requests.
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or unsecured creditors, time will be spent in dealing with creditors' queries, assisting the employees in pursuing their claims via the RPS, and issuing statutory reports to creditors. In addition, as a dividend to preferential creditors is anticipated, time will be spent adjudicating on those creditors' claims to ensure that the funds are distributed in accordance with each creditor's statutory entitlement.

Description of work undertaken	Includes
ERA - completing documentation for submission to the Redundancy Payments Office ("RPO") and liaising with the RPO regarding employee claims	
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims	Assisting employees to pursue claims via the RPO
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator
Final Account	
Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice.	Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC
Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate	Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of proposed distribution
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims	Agreeing allocation of realisations and costs between fixed and floating charges Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of complex claims. Dealing with unclaimed dividends
Dealing with HMRC/RPO claims	
Creditors' Decision Procedures/Meeting	Preparation of notices, proxies/voting forms and advertisements Circulate notices to all known creditors

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

	Collate and examine proofs and proxies/votes to decide on decisions/resolutions Preparation of file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement and draft minutes. Responding to queries and questions following decision procedure/meeting Issuing notice of result.
Secured Creditor Reports/Claims	Seeking solicitors' advice on the validity of secured creditors' claims. Paying distribution to secured creditors and seeking confirmation of discharged claims
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
SIP 16 Disclosure	Drafting the SIP 16 Disclosure Emailing the SIP 16 to IPA/ICAEW
Para 49 Administrators' Proposals	Drafting the Adm Proposals Filing ADM Proposals at RoC
Para 53 Report of Initial Meeting/Deemed Approval Documentation	Drafting post initial meeting/decision procedure documentation.

INVESTIGATIONS

The insolvency legislation gives the Joint Administrators powers to take recovery action in respect of what are known as antecedent transactions e.g. where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The Joint Administrators are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation.

At present, the Joint Administrators' investigations are ongoing and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Description of work undertaken	Includes
Investigations	
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken
CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations

REALISATION OF ASSETS

The receipts and payments account sets out the realisations achieved to date and the Estimated Outcome Statement sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. Work that has already and is anticipated to be carried out in relation to asset realisation is as follows.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Description of work undertaken	Includes
Realisation of Assets	
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers
Sale of Business	Pursuing deferred sale consideration Liaising with purchaser as regards post-sale obligations Correspondence with solicitors in respect of terms in the sale agreement
Cash at Bank	Contacting the bank to arrange closure of the account and payment of the funds to the estate

CASHIERING

The Joint Administrators must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

Description of work undertaken	Includes
Opening, maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House

CLOSING PROCEDURES

The Joint Administrators are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that final reports are filed at Companies House and Court and appropriate notifications are provided to creditors.

Description of work undertaken	Includes
Filing final statutory returns at Companies House/Court	

• **EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' EXPENSES ESTIMATE**

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and therefore it includes expenses already incurred, details of which are provided elsewhere in this document.

Category 1 Expenses	Basis	Estimate of total
Legal costs – Pinsent Masons LLP : providing general legal advice to the Administrators relating to the post-appointment filings, and the sale to AL	Time-costs	£25,000.00
Legal costs – Pinsent Masons LLP : all legal costs incurred in their role as Solicitor Manager	Time-costs	£25,000.00

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Advertising	At Cost	£297.00
Printing & Postage costs of external provider	At Cost	£250.00
Bond premium	At Cost	£135.00
Total		£50,682.00

Estimate of Fees and Expenses for
High Street Solicitors Limited (In Administration)
To 05/06/2024 or the life of the case

Summary

	Total Hours	Avg Hourly Rate £	Time Cost £	Expenses £
Classification of Work Function				
Admin & Planning	30.50	411.97	12,565.00	
Cashiering	16.50	351.21	5,795.00	
Closing Procedures	11.50	359.13	4,130.00	
Creditors	64.00	440.39	28,185.00	
Investigations	24.00	454.38	10,905.00	
Realisation of Assets	75.00	445.33	33,400.00	
	<u>221.50</u>	<u>428.80</u>	<u>94,980.00</u>	
Expenses				
Category 1 Expenses				50,682.00
Category 2 Expenses				0.00
				<u>50,682.00</u>
Totals	<u>221.50</u>	<u>428.80</u>	<u>94,980.00</u>	<u>50,682.00</u>

Estimates Chargeable Time	94,980.00
Total Expenses	50,682.00
Assets by Percentage (See Note 6)	0.00
Total Fees and Expenses	<u>145,662.00</u>

Details of estimated expenses that will be paid during the period of this estimate.

Category 1 Expenses	
Legal costs	50,000.00
Postage	250.00
Specific Bond	135.00
Statutory Advertising	297.00
	<u>50,682.00</u>

Notes:

1. Category 1 expenses are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses, Agents Fees etc.
2. Category 2 expenses are costs directly referable to the appointment e.g. Postage, Printing & Stationery, Mileage but as they are not to an independent third party they require approval in the same manner as the fee
3. Further approval will be sought from the creditors' committee or creditors if the circumstances of the case indicate that the above fee estimate is likely to be exceeded
4. The above estimates are all exclusive of VAT
5. Where applicable, the Assets by Percentage are itemised in the section headed Asset Realisations on a Percentage Basis

Estimate of Fees and Expenses for
High Street Solicitors Limited (In Administration)

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix IX: Breakdown of the Joint Administrators' Time Costs

Time Entry - Detailed SIP9 Time & Cost Summary

6013939 - High Street Solicitors Limited
From: 05/06/2023 To: 26/07/2023
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	7.00	0.00	0.20	7.20	3,194.00	443.61
100A : Initial Notification(s) & Filing	0.00	0.50	0.00	0.70	1.20	379.00	315.83
103 : IPS Case / File set up/ Filing	0.00	0.30	0.00	0.10	0.40	157.00	392.50
104 : General Administration	1.70	0.40	0.90	2.40	5.40	2,221.50	411.39
105 : Case strategy / Review	0.00	0.90	1.20	2.10	4.20	1,353.00	322.14
106 : VAT & CT matters and returns	0.00	0.30	0.50	0.00	0.80	345.00	431.25
506 : Tax / VAT	0.00	0.10	0.00	0.50	0.60	155.00	258.33
Admin & Planning	1.70	9.50	2.60	6.00	19.80	7,804.50	394.17
600 : Cashiering	0.00	0.20	0.00	2.60	2.80	480.00	171.43
Cashiering	0.00	0.20	0.00	2.60	2.80	480.00	171.43
201 : Creditors	0.00	0.90	0.00	0.40	1.30	493.00	379.23
202 : ERA	0.00	1.70	0.00	0.00	1.70	765.00	450.00
202A : Employees	0.00	0.00	0.70	9.50	10.20	1,708.50	167.50
203 : Creditor correspondence / Call	2.10	2.40	6.60	0.00	11.10	5,181.00	466.76
214 : SIP 16 Disclosure	4.00	5.90	0.90	0.00	10.80	5,739.50	531.44
215 : Para 49 Administrators' Proposals	0.00	0.00	5.50	0.00	5.50	2,227.50	405.00
Creditors	6.10	10.90	13.70	9.90	40.60	16,114.50	396.91
300 : Investigations	0.00	0.10	0.00	0.00	0.10	45.00	450.00
Investigations	0.00	0.10	0.00	0.00	0.10	45.00	450.00
400 : Realisation of Assets	0.10	1.80	0.00	0.00	1.90	878.00	462.11
405 : Debtors	0.00	0.00	0.60	0.00	0.60	165.00	275.00
406 : Sale of Business	0.00	0.00	1.40	0.00	1.40	567.00	405.00
Realisation of Assets	0.10	1.80	2.00	0.00	3.90	1,610.00	412.82
Total Hours	7.90	22.50	18.30	18.50	67.20	26,054.00	387.71
Total Fees Claimed						0.00	

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix X: Charge-out Rates and Expenses Policy

Quantuma Advisory Limited

Schedule of Current Charge Out Rates and Chargeable Expenses



CHARGE OUT RATES

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active CEO/Managing Director's 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. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Quantuma Advisory Limited, exclusive of VAT.

Grade of Staff	Rate from 1 June 2023	
	Regional Offices	London Offices
CEO/Managing Director	£545.00	£730.00
Appointment Taking Director	£495.00	£616.00
Director	£450.00	£580.00
Senior Manager	£400.00	£505.00
Manager	£360.00	£435.00
Assistant Manager	£325.00	£395.00
Senior Administrator	£275.00	£340.00
Administrator	£220.00	£300.00
Assistant Administrator	£175.00	£230.00
Case Accountant	£120.00	£155.00
Support Staff/Executive Assistant	£120.00	£155.00

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Cases that are considered complex in nature are subject to a 25% increase on the published rates above. A full explanation of why a case is considered to be complex will be provided to creditors at the point fee approval is requested.

Time spent on casework is recording directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is recorded under the following categories:

- Administration & Planning
- Creditors
- Investigations
- Realisation of Assets
- Trading
- Cashiering
- Closing Procedures

On occasion it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures. Rates are likely to be subject to periodic increase.

The time of support staff and executive assistants is not charged to a case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

Details of historic charge out rates are available to review [here](#) or will be provided upon request.

Quantuma Advisory Limited. Registered in England & Wales. Registered Office: High Holborn House, 52-54 High Holborn, London, WC1V 6RL. Registration Number: 12743937. VAT Number: 365 7393 60. Both prior to and during an appointment, our Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. A list of our CEO/Managing Directors and their respective licensing bodies is available from our website at <https://www.quantuma.com/people>. Details of Quantuma Advisory Limited's Privacy Notices can be found at <https://www.quantuma.com/legal-information>. The CEO/Managing Directors and Staff act and advise without personal liability

Quantuma Advisory Limited

Schedule of Current Charge Out Rates and Chargeable Expenses



Subcontractors

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

EXPENSES

Expenses are any payments from the insolvency estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2). The following details are effective from 1 April 2021. Details of historic disbursement charges are available to review [here](#) or will be provided upon request.

Category 1 Expenses:

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Examples of these expenses include, but are not limited to, the following:

Category 1 Expense – effective from 1 April 2021	Basis of Charge
Professional Advice e.g. costs of solicitors, agents & valuers, pensions advisors, employment specialists etc	Typically on a timecosts or fixed fee basis – the basis of charge will be agreed by the office holder so as to represent best value and will be provided in reports to creditors. 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.
Subsistence e.g. accommodation, meals, parking and/or congestion charges, tolls or business telephone calls, incurred by case staff as a direct result of working on an insolvency case	Reimbursed at cost incurred
Statutory & other Advertising	At cost incurred.
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Record Listing, Storage & Retrieval	At cost incurred
Printing & Postage costs of external provider.	At cost incurred
Virtual Meeting Platform (from 6/4/17)	At cost incurred

Category 2 Expenses

These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration.



Quantuma Advisory Limited

Schedule of Current Charge Out Rates and Chargeable Expenses

The term associate is defined in the insolvency legislation. Additionally SIP 9 directs that where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate, notwithstanding the nature of the association may not meet the definition in the legislation.

Examples of Category 2 expenses include, but are not limited to, the following:

Category 2 Expense – effective from 1 April 2021	Cost £
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	£0.45
Professional Services provided by non-insolvency service lines within Quantuma Advisory Limited or by associated Companies within the Corporate Group structure of Quantuma Advisory Limited	As advised to creditors on a case by case basis.

The schedule is available for creditors to review at <http://www.quantuma.com/guide/creditors-guide-fees>.

VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and expenses invoiced to the insolvency estate will be subject to VAT at the prevailing rate.

Creditors' Rights

Information about Creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at <https://www.quantuma.com/guide/creditors-guide-fees>. Alternatively hard copies of these documents may be requested free of charge from Quantuma's registered office.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix XI: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they collect the deferred sale consideration in relation to the sale of the Company's business and assets;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (i) in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Andrew Hosking and Sean Bucknall will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
 - (ii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Andrew Hosking and Sean Bucknall may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator; or
 - (iii) in the highly unlikely event that the Joint Administrators think that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act.

High Street Solicitors Limited (In Administration)

The Joint Administrators' Statement of Proposals

Appendix XII: Decision Process Documents

NOTICE OF DECISION PROCEDURE

Company Name: High Street Solicitors Limited (In Administration) ("the Company")

Company Number: 07015260

In the High Court of Justice - Business and Property Courts No. 2928 of 2023

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Sean Bucknall and Andrew Hosking of 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA, (telephone number 01273 322 410), who were appointed by Archover Limited, in its capacity as a holder of a qualifying floating charge.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The basis of the Joint Administrators' fees
2. The approval of the pre-Administration costs

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: Quantuma Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA

By email to: brightonvoting@quantuma.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 11 August 2023.

If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:	10% in value of the creditors
	10% in number of the creditors
	10 creditors

A creditor may appeal a decision by application to the Court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed: _____

Sean Bucknall
Joint Administrator

Dated: _____

26 July 2023

VOTE BY CORRESPONDENCE

High Street Solicitors Limited (in Administration)

Name of Creditor: _____

Address: _____

Decisions: _____

1	That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken, plus a 25% increase on the published charge out rates	*For / Against
2	That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.	*For / Against

*** Please delete as applicable to indicate your voting instructions**

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)? Yes / No

NOTE: Once a vote has been cast, it cannot be changed.

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 11 August 2023, by:

Post: Quantuma Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA

Email: please scan in a signed copy of this form and attach it as a pdf to brightonvoting@quantuma.com

NOTICE SEEKING DEEMED CONSENT

Company Name: High Street Solicitors Limited (In Administration) ("the Company")

Company Number: 07015260

In the High Court of Justice - Business and Property Courts No. 2928 of 2023

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Sean Bucknall and Andrew Hosking of 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA, (telephone number 01273 322 410), who were appointed by Archover Limited, in its capacity as a holder of a qualifying floating charge.

The Joint Administrator proposes that the following decisions be made:

1. That a Creditors' Committee will not be established¹
2. That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time

In respect of each of the decisions proposed above, if less than 10% in value of creditors (who would be entitled to vote if a vote were taken) ("the Threshold") object to it accordance with the procedure set out below, the creditors are to be treated as having made the proposed decision. Otherwise, the creditors are to be treated as not having made such decision and if a decision about that matter is again sought from the creditors, it must be sought using a qualifying decision procedure as defined by the Insolvency Act 1986.

In order to object to one or more of the proposed decisions, you must deliver a notice stating that you so object (and specifying to which one or more of the proposed decisions your objection relates) to the Joint Administrator not later than the time set out below. In addition, you must have also delivered a proof of debt (unless one has already been submitted) by the time set out below, failing which your objection will be disregarded.

It is the Joint Administrators' responsibility to aggregate any objections to see if the Threshold is met for the decision to be taken as not having been made.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by a decision procedure.

All objections and proofs of debt must be submitted in writing to the Joint Administrator by one of the methods set out below:

By post to: Quantuma Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA

By email to: brightonvoting@quantuma.com

Please note that, if you are sending documents by post, you must ensure that you have allowed sufficient time for them to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All objections and proofs of debt must be delivered by the Decision Date: 23.59 on 11 August 2023.

Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to object. A creditor who has opted out from receiving notices may nevertheless object if the creditor also provides a proof by the Decision Date.

¹ Please see the Notice Inviting Creditors to Form a Committee for further instructions.

In addition, creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider any matter.

Statutory thresholds to request a meeting:	10% in value of the creditors
	10% in number of the creditors
	10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Invitation to Form a Committee

Creditors are invited to nominate creditors (which may include themselves) by sending their nominations in writing to the Joint Administrator as set out above.

All nominations must be delivered by: 4:00pm on 7 August 2023

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

Signed: 
Sean Bucknall
Joint Administrator

Dated: 26 July 2023

NOTICE OF OBJECTIONS
High Street Solicitors Limited (In Administration)

On behalf of (name of Creditor): _____

at (address of Creditor): _____

Please indicate whether you agree or object to the following proposed decision(s):

Proposed Decision	Objected to?
That a Creditors' Committee will <u>not</u> be established	Agree/Objected To
That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time	Agree/Objected To

Are you also asking the Joint Administrator to convene a physical meeting of creditors?² Yes / No

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)? Yes / No

If you wish to lodge an objection, you must have delivered it, along with a completed proof of debt, by 23.59 on the Decision Date – 11 August 2023 – by one of the following methods:

Post: Quantuma Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA

Email: please scan in a signed copy of this form and attach it as a pdf to brightonvoting@quantuma.com

NOTE: if you agree with the proposed decisions set out above, you do not need to do anything

² Requests for a meeting must be delivered within 5 business days of the date of delivery of the Notice Seeking Deemed Consent.

PROOF OF DEBT - GENERAL FORM

High Street Solicitors Limited (in Administration)

Date of Administration: 5 June 2023

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.: Account Name: Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO