

# AM03

## Notice of administrator's proposals



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 08216822

Company name in full Legalmatters Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Nicholas

Surname Simmonds

### 3 Administrator's address

Building name/number 1st floor

Street 21 Station Road

Post town Watford

County/Region Herts

Postcode WD17 1AP

Country

### 4 Administrator's name ①

Full forename(s) Sean

Surname Bucknall

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 3rd Floor

Street 37 Frederick Place

Post town Brighton

County/Region Sussex

Postcode BN1 4EA

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 <sup>①</sup>

I attach a copy of the qualifying report

I attach a statement of disposal

<sup>①</sup> 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

<sup>d</sup>

0

<sup>d</sup>

3

<sup>m</sup>

1

<sup>m</sup>

2

<sup>y</sup>

2

<sup>y</sup>

0

<sup>y</sup>

2

<sup>y</sup>

1

# 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	Rupert Curno							
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							



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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



### Important information

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



### Where to send

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

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



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**In the High Court of Justice Reference No. 002225 of 2021**

**Legalmatters Limited (In Administration)**

## **THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

**Nicholas Simmonds 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 Nicholas Simmonds and Sean Bucknall, the Joint Administrators of Legalmatters 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 Legalmatters 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.

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**CONTENTS**

<b>1</b>	<b>Executive Summary</b>
<b>2</b>	<b>Background to the Company</b>
<b>3</b>	<b>Events leading to the Administration</b>
<b>4</b>	<b>The Objective of the Administration</b>
<b>5</b>	<b>Events since the Joint Administrators' Appointment</b>
<b>6</b>	<b>The Statement of Affairs and the Outcomes for Creditors</b>
<b>7</b>	<b>The Joint Administrators' Fees</b>
<b>8</b>	<b>The Joint Administrators' Expenses</b>
<b>9</b>	<b>The Joint Administrators' Discharge</b>
<b>10</b>	<b>Approval Process</b>
<b>Appendix I</b>	<b>Definitions</b>
<b>Appendix II</b>	<b>Statutory and Financial Information</b>
<b>Appendix III</b>	<b>Statement of Pre-Administration Costs</b>
<b>Appendix IV</b>	<b>SIP16 Statement</b>
<b>Appendix V</b>	<b>Estimated Financial Position</b>
<b>Appendix VI</b>	<b>Receipts and Payments Account</b>
<b>Appendix VII</b>	<b>Estimated Outcome Statement</b>
<b>Appendix VIII</b>	<b>The Joint Administrators' Fees &amp; Expenses Estimate</b>
<b>Appendix IX</b>	<b>Breakdown of the Joint Administrators' Time Costs</b>
<b>Appendix X</b>	<b>Charge-out Rates and Expenses Policy</b>
<b>Appendix XI</b>	<b>Summary of the Joint Administrators' Proposals</b>
<b>Appendix XII</b>	<b>Decision Process Documents</b>

## Legal matters Limited (In Administration)

### The Joint Administrators' Statement of Proposals

#### 1. Executive Summary

- 1.1 This Statement of Proposals is being delivered to creditors on 6 December 2021.
- 1.2 On 29 November 2021, Nicholas Simmonds 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 the Directors.
- 1.3 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.
- 1.4 A summary of the current and anticipated future positions are detailed below.

#### Assets

Asset	Realisations to date (£)	Anticipated future realisations (£)	Total anticipated realisations (£)
Goodwill	1.00	Nil	1.00
Business Intellectual Property	15,000.00	Nil	15,000.00
Work in Progress	12,497.00	Nil	12,497.00
Office Equipment & Furniture	6,500.00	Nil	6,500.00
Stock	1.00	Nil	1.00
Debtor Receivables	36,000.00	Nil	36,000.00
Client Contracts and Client Files	1.00	Nil	1.00

#### Expenses

Expense	Expense incurred to date	Anticipated further expense	Total anticipated expense
Pre-Administration Fees	15,000.00	Nil	15,000.00
Pre-appointment Legal Fees	14,004.50	Nil	14,004.50
Pre-appointment Regulatory Legal Fees	20,000.00	Nil	20,000.00
Pre-appointment Legal Disbursements	70.90	Nil	70.90
Joint Administrators' fees	4,132.50	10,867.50	15,000.00
All other expenses	Nil	1,000.00	1,000.00

#### Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	N/A	N/A
Secured creditor (floating charge)	N/A	N/A
Preferential creditors	N/A	N/A
Secondary preferential creditors	Nil	9.3p in the £
Unsecured creditors	Nil	Nil

- 1.5 To conclude the Administration we must first complete our statutory duties and assist the purchaser with their reasonable requests.
- 1.6 The Administration is expected to be concluded in c.12 months by exiting to dissolution.
- 1.7 Definitions of the terms used in this Proposal are provided in Appendix I.

## **2. Background to the Company**

- 2.1** The business was established in September 2012 and the principal activity of the Company was as an Alternative Business Structure ("ABS") regulated by the Solicitors Regulation Authority ("SRA") that specialised in private client work (Wills, Trusts, Powers of Attorney and Probate) plus Residential Conveyancing. It traded from premises at The Byre Hills Barns, Appledram Lane South, Chichester, PO20 7EG.
- 2.2** In 2016 the current management of the business, Lucy Thomas and Martin Langan took over as Directors. The Directors began turning around the business, running off unsustainable commercial arrangements which were in place at the time. The new management began to build up new sources of work, primarily from IFAs and accountants. The Company built up over 40 such referrers, both locally and nationally.
- 2.3** Additional working capital was provided from friends and family of the new management to the value of c. £300,000. These loans were subject to interest only payments at 4.5% above base rate.
- 2.4** Since 2016, the Company has grown in size, however, this rapid growth, combined with the cost of running off the old arrangements has significantly impacted cash flow, which has led to the Company seeking additional borrowings.
- 2.5** In November 2020, in a move to more profitable work, the Company reorganised its workflows moving to new income streams. This move resulted in the loss of a significant number of staff. The staffing issues made it harder to manage the existing portfolio and recruitment proved difficult.
- 2.6** In early 2021 the Company began negotiating a deal with a national accountancy practice to form a new company within their group to provide legal services to their 14,000 plus business clients. The firm was to be the only legal company within the group and would have been backed in growing that part of the business. Despite attempts to consider approaches to finalise this deal, ultimately it was unable to proceed due to the external debt on the Company's balance sheet.
- 2.7** Following the failure to complete this deal the Company concluded that it could not sustain its position without additional capital investment. The Company engaged with a broker to explore interest in firms that may wish to acquire it. Following an extended marketing process one firm expressed interest in acquiring the business as a going concern but, following an extended negotiation the acquisition fell through and the potential buyer ultimately moved to acquire a different firm.
- 2.8** Following a review of the Company's financial position, it was identified that it was unable to make payments as they fell due, which led the Directors to seek advice.
- 2.9** 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.

## **Legal matters Limited (In Administration)**

### **The Joint Administrators' Statement of Proposals**

#### **3. Events leading to the Administration**

- 3.1** As described above, following a review of the Company's financial position, the Company sought advice. Quantuma Advisory Limited were first approached by the Company on 15 September 2021, to provide advice as to the options available to the Company. The Company had previously approached Quantum Advisory Limited on 2 December 2020, but no formal instruction was given.
- 3.2** In the circumstances, it was not possible to continue to trade the Company as continued trading would have required significant funding to enable the Company to meet liabilities as they fell due, and the Board would need to be satisfied that that continuing to trade would not worsen creditors' position.
- 3.3** There was therefore no prospect of additional working capital facilities being provided to allow ongoing trading.
- 3.4** Following an initial meeting, Quantuma Advisory Limited were formally instructed on 11 November 2021, in order to provide advice in respect of the proposed Administration.
- 3.5** Solicitors from Pinsent Masons LLP ("Pinsent Masons") were subsequently engaged in order to handle the appointment of the Joint Administrators and it was confirmed that a Notice of intention to appoint Administrators was not required to be filed as the Company had no creditors secured by a qualified floating charge.
- 3.6** On 29 November 2021, Nicholas Simmonds 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 the Directors.
- 3.7** The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them
- 3.8** Attached at Appendix III is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.
- 3.9** These proceedings are COMI proceedings.
- 3.10** 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-notices>.

#### **Ethical Considerations**

- 3.11** Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment 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;



## **Legal matters Limited (In Administration)**

### **The Joint Administrators' Statement of Proposals**

- 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 due to a lack of working capital, the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

**4.3** 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.

**4.4** While the swift steps taken by the Joint Administrators have enhanced realisation prospects, it is currently uncertain whether this will result in a better return to creditors as a whole due to the costs of the process. Accordingly, the Joint Administrators are uncertain if 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/or 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. The sale consideration of £70,000 has been received in full.

### **Other steps taken as regards assets**

**5.3** The Joint Administrators made immediate contact with the Company's bankers in order to freeze the Company's bank accounts and to request the transfer of any credit balances to the Joint Administrators' control.

**5.4** Further to the above, the sale consideration of £70,000 has been received in full and is currently held by the Pinsent Masons. These funds shall be shortly transferred to the Administration estate, and shall be split out against each asset category as outlined in the table above.

### **Steps taken as regards creditors**

**5.5** Immediately following the appointment of the Joint Administrators, employees were advised of the Joint Administrators' appointment. Staff were briefed with regards to the Administration and informed that a sale of the business and assets had been completed to Axiom DWFM Ltd ("Axiom"). Staff were then informed that their employment had been transferred under TUPE and they were referred to the relevant contact from Axiom.

## **Legal matters Limited (In Administration)**

### **The Joint Administrators' Statement of Proposals**

- 5.6** 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 any unpaid contributions has been submitted to the RPO on the behalf of the employees.
- 5.7** The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.

#### **Instruction of specialists**

- 5.8** 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 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.
- 5.9** To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed Pinsent Masons, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.10** The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and the regulated activities of the Company, they will also be assisting the Joint Administrators with matters arising in the Administration.
- 5.11** 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**

- 5.12** 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.
- 5.13** 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, the Joint Administrators have sent out a formal request for this to be submitted. 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

## **Legal matters 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 29 November 2021 to 3 December 2021.
- 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 has granted no security.

#### **Preferential claims**

- 6.6** There are no anticipated employee preferential claims in the Administration, as the employees were transferred to the purchaser under TUPE.
- 6.7** A claim for unpaid pension contributions is also not anticipated, although this shall be reviewed by the Joint Administrators
- 6.8** Any preferential claims relating to employee deductions that do arise are expected to be paid by the Redundancy Payments Service ("RPS") who will have a corresponding preferential claim against the Company

#### **Secondary preferential claims**

- 6.9** In any insolvency process started from 1 December 2020, HM Revenue & Customs ('HMRC') is a secondary preferential creditor for the following liabilities.

- VAT
- PAYE Income Tax
- Employees' NIC
- CIS deductions
- Student loan deductions

- 6.10** This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the preferential creditors have been paid in full.

- 6.11** HMRC are a secondary preferential creditor for £123,258. The amount shown has been provided by the Director and the Company Accountant, which may not necessarily agree with the final claim submitted by HMRC. HMRC may also be an unsecured creditor in respect of any other liabilities owed to them.

#### **Prescribed Part**

- 6.12** 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.
- 6.13** In this case, the prescribed part provision does not apply, as there is no debt due to any secured creditor.

## **Legalmatters Limited (In Administration)**

### **The Joint Administrators' Statement of Proposals**

**6.14** 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 there will be no prescribed part.

**6.15** In summary, it is anticipated that there will be sufficient funds to pay a distribution to preferential and/or secondary preferential creditors.

## **7. The Joint Administrators' Fees**

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

- (i) The time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma Advisory Limited at the time the work is performed as outlined in the Joint Administrator's Fee Estimate;

**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 3 December 2021 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix X.

**7.3** Creditors will note from the information provided that the estimated realisable value of all assets totals £70,000 and, as described elsewhere, necessary expenses have been incurred payable to independent parties, which will need to be paid in priority to the Joint Administrators' fees. Therefore, it is anticipated that a significant proportion of those fees will not be recovered from the estate.

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

**7.5** 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.

## **Legal matters Limited (In Administration)**

### **The Joint Administrators' Statement of Proposals**

**10.2** The Joint Administrators think that neither of the first two Administration objectives can be achieved.

**10.3** 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.

**10.4** 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.

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

#### **Other Decisions**

**10.6** 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.

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;
- The approval of the basis of Category 2 expenses

**10.7** Attached at Appendix XII are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

Should you have any queries in regard to any of the above please do not hesitate to contact Rupert Curno on 01273 322 411 or by e-mail at [Rupert.Curno@quantuma.com](mailto:Rupert.Curno@quantuma.com).

**Dated this 3 December 2021**



**Sean Bucknall**  
**Joint Administrator**

Nicholas Simmonds and Sean Bucknall were appointed Joint Administrators of Legal matters Limited on . 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.

## **Legalmatters 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	Nicholas Simmonds and Sean Bucknall
The Company	Legalmatters Limited (in Administration)
The Court	The High Court of Justice
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
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

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

Company name	Legalmatters Limited
Previous name(s)	Blackstar Legal Limited
Trading name(s)	Legalmatters
Proceedings	In Administration
Court	The High Court of Justice - Business and Property Courts in England & Wales
Court reference	002225 of 2021
Date of appointment	29 November 2021
Appointed by	The Directors
Joint Administrators	Nicholas Simmonds 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	08216822
Incorporation date	17 September 2012
Company Secretary at date of appointment	None
Directors at date of appointment	Martin Langan Lucy Thomas
Directors' / Secretary's shareholdings	Martin Langan – 87 Ordinary £1 Shares Lucy Thomas – 87 Ordinary £1 Shares

**Legalmatters Limited (In Administration)****The Joint Administrators' Statement of Proposals**

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**Summary Profit and Loss Account**

	<b>Draft Management Accounts for year to 30 June 2021 £</b>	<b>Unaudited Statutory Accounts for year to 30 June 2020 £</b>	<b>Unaudited Statutory Accounts for year to 30 June 2019 £</b>
Turnover	1,230,981	1,255,440	584,635
Cost of Sales	(975,839)	(402,427)	(224,920)
Gross Profit	255,142	853,013	359,715
Admin expenses	(317,348)	(879,529)	(466,046)
Other operating income	-	370,485	-
Operating profit/(loss)	(62,206)	343,969	(106,331)
Interest receivable	-	34,647	8,761
	(62,206)	378,616	(97,570)
Interest payable	-	12,748	2,354
(L)/EBIT	(62,206)	365,868	(99,924)



**Legal matters Limited (In Administration)****The Joint Administrators' Statement of Proposals****Summary Balance Sheet**

	<b>Draft Management Accounts for year to 30 June 2021 £</b>	<b>Unaudited Statutory Accounts for year to 30 June 2020 £</b>	<b>Unaudited Statutory Accounts for year to 30 June 2019 £</b>
Intangible assets	-	-	-
Tangible assets	8,278	6,007	9,772
	<hr/>	<hr/>	<hr/>
Fixed assets	8,278	6,007	9,772
Current Assets			
Debtors	80,761	129,592	156,609
Cash in hand	(26,361)	-	20
	<hr/>	<hr/>	<hr/>
	54,399	129,592	156,629
Liabilities (>1yr)			
Bank loans	(34,871)	(24,001)	(539)
Other loans	(2,729)	(38,441)	(4,731)
Trade creditors	(50,191)	(20,284)	(12,807)
Social security	(20,936)	(9,406)	(5,998)
VAT	(125,733)	(58,995)	(24,187)
Other creditors	(2,729)	(320,283)	(250,749)
Accrued expenses	(514)	(6,241)	(31,450)
Net Salaries	231	-	-
Martin Langan Loan	40,429	-	-
Corporation Tax	2,933	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities (>1yr)	(191,331)	(477,651)	(330,461)
Total assets less current liabilities	(128,654)	(342,042)	(164,060)
Deferred Tax	2,891	-	-
Liabilities (>1yr)	(329,113)	(48,433)	(474,264)
	<hr/>	<hr/>	<hr/>
Net Liabilities	(454,875)	(390,485)	(638,324)
	<hr/>	<hr/>	<hr/>

## Legalmatters 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 11 November 2021 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, estimated at £15,000 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Legalmatters 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, it was considered advantageous to take steps to negotiate with interested parties with a view to agreeing a sale in principle that could be completed shortly after the Joint Administrators' appointment. Solicitors were engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser.

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:

<b>Category 1 Expenses</b>	<b>£</b>
Legal Fees – Pinsent Masons LLP	14,004.50
Legal Fees (Regulatory) – Pinsent Masons LLP	22,017.00
Legal disbursements – Pinsent Masons LLP	70.90
<b>Total</b>	<b>36,092.40</b>

<b>Category 2 Expenses</b>	<b>£</b>
None	-

As confirmed above, Pinsent Masons LLP ("Pinsent Masons") were instructed on 11 November 2021 to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a timecosts basis and consequently costs of £36,021.50 were incurred in the pre administration period in connection with the following activities:

- the appointment of administrators to the Company;
- the sale of the business and certain assets of the Company to Axiom DWFM Limited; and
- notification of the sale by the Company to its PI insurer.
- preparing self-reports to the SRA on behalf of the Firm;
- advising the Firm in relation to their regulatory obligations; and
- preparing relevant documentation for the banks in preparation for the admin.

Pinsent Masons have incurred expenses of £70.90 in relation to the following:

- Court Fee: £50
- Statutory Declaration Fee: £7
- Company Searches: £13.90

## Legalmatters Limited (In Administration)

### The Joint Administrators' Statement of Proposals

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:

	<b>Total cost incurred</b>	<b>Amount already Paid</b>	<b>Identity of party who made payment</b>	<b>Amount Outstanding</b>
	<b>£</b>	<b>£</b>		<b>£</b>
Administrators' pre-administration Remuneration	17,300.50	Nil	N/A	17,300.50
Administrators' pre-administration Expenses:				
Legal fees	14,004.50	Nil	N/A	14,004.50
Regulatory Legal fees	22,017.00	Nil	N/A	22,017.00
Legal disbursements	70.90	Nil	N/A	70.90
<b>Total Unpaid Pre-Administration Costs Outstanding</b>				<b>£53,392.90</b>

While the unpaid pre-Administration costs and expenses total £53,392.90, I am only seeking to recover the following as an expense of the Administration:

Administrators pre-administration fees:	£15,000.00
Pre-appointment Legal Fees:	£14,004.50
Pre-appointment Regulatory Legal Fees:	£20,000.00

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 - SIP9 Time & Cost Summary

6009463 - Legalmatters Limited  
All Pre Appointment Project Codes  
To: 29/11/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.00	0.00	0.00	0.00	3.00	1,440.00	480.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	18.40	3.80	19.90	3.65	45.75	15,860.50	346.68
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>21.40</b>	<b>3.80</b>	<b>19.90</b>	<b>3.65</b>	<b>48.75</b>	<b>17,300.50</b>	<b>354.88</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix IV: SIP16 Statement**

**Legalmatters Limited  
In Administration  
("the Company")**

## **PRE PACK SALE DISCLOSURE**

**Nicholas Simmonds and Sean Bucknall  
Joint Administrators**

**Quantuma Advisory Limited**

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

**01273 322400**

**3 December 2021**

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 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.

In this case, prior to commencement of the Administration, Quantuma Advisory Limited acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Quantuma 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 Quantuma Advisory Limited took their own steps to prepare for their potential appointment as Joint Administrators.

As Administrators are not regulated by the Solicitors Regulation Authority ("SRA"), they are not authorised to carry out reserve legal activities and are therefore unable to continue to trade the business following their appointment as Administrators. As a result, it is essential that a sale of the Company's business and assets is completed immediately upon the appointment of Administrators. Therefore, the insolvency practitioners, with the assistance of their professional advisors, considered that the most effective method of securing a sale and representing the best outcome for creditors as a whole was a pre-packaged sale of the business and assets.

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 approached by the Company's directors on 15 September 2021 to help advise on the options available for the Company, as it was deemed to be insolvent. On 02 December 2020 we were approached to provide similar advice, I did not believe that precluded us acting in this matter.

## **Pre-appointment Matters**

In addition to advising on the Company's options, our advice covered the requirements in respect of negotiating and agreeing the 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, estimated at £15,000. 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 directors of the Company on 11 November 2021.

The Company was authorised and regulated by the Solicitors Regulation Authority ("SRA") and traded as a business from The Byre Hills Barns, Appledram Lane South, Chichester, PO20 7EG. The business offered services in a number of work areas namely:

- Wills
- Trusts
- Powers of Attorney
- Probate
- Residential Conveyancing

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

- Legacy debt carried forward in the business from run off from prior probate referral works on which margins were low, resulting in much of the work being unprofitable. This being further exasperated by staffing issues, and an inability to affordably recruit staff in to the probate referral team;
- Insufficient cash flow to support ongoing trade whilst the management attempted to scale up new business, and move resource over to new sources of profitable estate planning work; and
- Inability to raise further investments or working capital due to historic liabilities on the balance sheet.

The Company has granted no security.

By 11 November 2021, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were in a position to advance the necessary funding in order to pay wages due in December 2021.

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 because as the financial position of the Company meant any such funding would likely require a personal guarantee from the directors, which they were not in a position to give.

The options listed below were considered with the directors.

### *Continuing to trade outside insolvency or through a Moratorium*

Matters to be considered in order for the Company to continue trade outside of any formal insolvency procedure:



- Management would need to be satisfied that the Company could trade profitably and not worsen the position of creditors;
- Management would need to be satisfied that the Company could meet its liabilities as they fall due; and
- Significant additional funding would be required from key stakeholders.

It was evident that these aspects would not be capable of resolution, and therefore this option was not viable.

#### *Company Voluntary Arrangement ("CVA")*

Although a CVA would have given the Company some immediate relief from creditor pressure, it would not resolve the Company's requirement for additional working capital.

A CVA would also require additional funding, and in challenging trading conditions, there is a risk that the Company's assets, could be eroded at the expense of creditors.

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 requirement for an office holder to effect a sale of the business and assets at short notice. The lead time required to appoint a Liquidator via a CVL would not facilitate the execution of a transaction at short notice. It would also immediately draw regulatory attention to the fact that clients' interests may not be sufficiently protected. This would likely trigger regulatory action which would result in the erosion of the value of the Company's primary assets, the WIP and IP. In addition, a moratorium may be required to prevent creditors from taking enforcement action and a CVL would not have provided this protection

#### *Compulsory Winding Up ("CWU")*

The inherent costs and precipitate, unavoidable cessation of all trading activities associated with a CWU would likely significantly erode the value of the Company's assets, worsening the position for creditors. A CWU would also mean that all employees would be made redundant leading to an increase in the level of creditors. 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 advised of 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 had no issues in that the sale 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 is therefore essential that a sale is 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 assets 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 Axiom DWFM Limited ("Axiom") 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;
- That the Sale maximises realisations for the Company and its creditors;
- The Company had been subject to a targeted marketing campaign, and the acquisition could only be achieved via an Administration process;
- As the defined successor practice, Axiom 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 Axiom as the successor practice;
- 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 realising property in order to make a distribution 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 could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's major creditor groups were various connected investor and family loans, as well as a £250,000 Recovery Loan Scheme lend from Funding Circle. Neither of these creditor groups were contacted in respect of the Company's circumstances and the proposed strategy. Though no formal discussion we understand the associated parties who had provided loans to the Company were aware of the process.

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

### **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.

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 Milbourn Ross Limited ("MR"), a specialist independent M&A broking and advisory business for law firms and legal technology companies, were instructed to market the business for sale and issued a teaser document to 14 potentially interested parties that had previously been identified by the director of the Company or who were suitable parties already listed on MR's extensive database.

This marketing exercise took place over a 6 month period and resulted in a total of 8 Non-Disclosure Agreements ("NDAs") being entered into were issued by the agents which resulted in 3 offers being received and considered by the Company.

### ***The Marketing Strategy***

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.

In respect of the interest received, parties either confirmed that they no longer wished to proceed with their interest in the Company, that they were interested in acquiring parts of the business or that they were interested in acquiring all of the business and assets.

Marketing was undertaken by MR for a period of 6 months in order give sufficient time to establish the markets interest in the business and assets. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

MR's marketing led to several parties expressing an interest and negotiations were entered into with 3 parties. A range of offers were received between £1 and £70,000 and MR advised to accept the offer of £70,000 from Axiom DWFM Ltd as it was the best offer received and the purchaser was able to move to the contract stage quickly.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because it has allowed sufficient opportunity for the best offer to be received for the business and assets.

### **Valuation of the Business and Assets**

No valuation was obtained for the business and assets because the Company held negligible tangible assets made up of a small amount of fixtures and computer fittings. The majority of the Company's assets are its client files and WIP, for which the best way to determine its value is by way of a marketing exercise, as outlined above. Nevertheless, I am satisfied with the sale price achieved based on the offers received following this marketing exercise.

### **The Transaction**

#### ***The purchaser and related parties***

A sale of the business and assets was completed on 29 November 2021 with Axiom DWFM Limited, who are regulated by the SRA.

There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates.

The Directors, Martin Langan and Lucy Thomas have confirmed that they are not involved in the management, financing, or ownership of the purchaser or of any other entity to which any of the assets have been transferred. The Directors may be involved in the day to day work of the purchasing company, as employees only.

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

No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier.

### ***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 £70,000 and required the full amount to be paid on completion.

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

Goodwill (unencumbered)	£1
Business Intellectual Property (unencumbered)	£15,000
Work in Progress (unencumbered)	£12,497
Office Equipment and Furniture (unencumbered)	£6,500
Stock (unencumbered)	£1
Debtor Receivables (unencumbered)	£36,000
The benefit (subject to the burden) of the Client Contracts and Client Files (unencumbered)	£1

The following assets were excluded from the Sale:

- Excluded Debts;
- Any stocks, shares, cheques, bills, negotiable instruments or other securities held by the Seller or in which it has any interest;
- The benefit of any contract of insurance(including insurance as to credit risk and claims arising prior to Completion), assurance, indemnity or surety;
- All rights and interest of the Seller in or over any land and buildings;
- Encumbered Assets;
- The benefit of all contacts of the Seller with any person, (other than any Client Contracts, Supplier Contracts and any contracts transferred by operation of law), any right of the Seller to claim any grant or subsidy, to reclaim any tax paid or claim or surrender to any person any credit for or relief against tax (whether or not arising in connection with any Asset);
- The Administrators Records, the Statutory Books and the VAT Records;
- The issued share capital beneficially owned by the Seller of any subsidiaries or associated companies of the Seller and all present and futures monies from time to time owing to the Seller from such subsidiaries or associates companies or to the rights of whatsoever nature the Seller has in such subsidiaries or associated companies together with all investments in any other companies;
- Any other asset of the Seller not expressly referred to as an Asset.

There were 19 employees who were transferred as part of the Sale.

The consideration for the Sale has been received in full.

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***

As the Sale was not to a connected person (as defined by Paragraph 60A (3) of Schedule B1 to the Insolvency Act 1986), an evaluator's report on the proposed sale was not required.

## 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 29 November 2021. 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](http://www.creditorinsolvencyguide.co.uk).

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix V: Estimated Financial Position**

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
<b>Assets subject to floating charge:</b>		
<b>Uncharged assets:</b>		
Goodwill		1.00
Business Intellectual Property		15,000.00
WIP & Debtors	129,592.00	12,497.00
Office Equipment and Furniture	6,007.00	6,500.00
Stock		1.00
Debtor Receivables		36,000.00
Client Contracts and Client Files		1.00
<b>Estimated total assets available for preferential creditors</b>		<b>70,000.00</b>

## A1 - Summary of Liabilities

		Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>		70,000.00
<b>Liabilities</b>		
Preferential Creditors:-		
		NIL
<b>Estimated deficiency/surplus as regards preferential creditors</b>		70,000.00
2nd Preferential Creditors:-		
HMRC PAYE/NIC (Employees)	7,700.00	
HMRC - VAT	115,558.00	
		123,258.00
<b>Estimated deficiency/surplus as regards 2nd preferential creditors</b>		(53,258.00)
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		(53,258.00)
Estimated prescribed part of net property where applicable (to carry forward)		NIL
<b>Estimated total assets available for floating charge holders</b>		(53,258.00)
Debts secured by floating charges post 14 September 2003		
		NIL
<b>Estimated deficiency/surplus of assets after floating charges</b>		(53,258.00)
Estimated prescribed part of net property where applicable (brought down)		NIL
<b>Total assets available to unsecured creditors</b>		(53,258.00)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	248,686.02	
Family & Investor Loans	624,000.00	
Banks/Institutions	309,392.44	
HM Revenue and Customs - PAYE/NIC	3,300.00	
		1,185,378.46
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		(1,238,636.46)
<b>Estimated deficiency/surplus as regards creditors</b>		(1,238,636.46)
Issued and called up capital		
Ordinary Shareholders	200.00	
		200.00
<b>Estimated total deficiency/surplus as regards members</b>		(1,238,836.46)



**Quantuma Advisory Limited**  
**Legalmatters Limited**  
**Company Registered Number: 08216822**  
**B - Company Creditors**

Key	Name	Address	£
CA01	Adobe Systems Software	4-6 Riverwalk, Citywest Business Campus, Saggart Dublin 24., Dublin	42.96
CA03	Advanced Legal Solutions Ltd	Ditton Park, Riding Court Road, Datchet, SL3 9LL	1,710.00
CA04	Amazon	60 Holborn Viaduct, Holborn, London, EC1A 2FD	48.32
CA05	Apogee	Nimbus House, 20/20 Business Park, Maidstone, ME16 0FZ	261.65
CB00	HSBC Plc	Level 16, 8 Canada Square, London, E14 5HQ	50,000.00
CC00	Capital on Tap	7th Floor, The Tea Bldg, 56 Shoreditch High St, London, E1 6JJ	5,642.44
CD00	Direct 365	Oasis Business Park, 1 Prescott Rd, Up Holland, WN8 9RD	0.52
CD02	dpd Local		24.59
CE00	Editor Assist - Solve Legal Ltd	31 Abbey Road, Grimsby, DN32 0HQ	2,100.00
CE01	Estate Search	5 Chancery Lane, London, WC2A 1LG	2,637.66
CF01	FormEvo	City Gate, St James's Boulevard, Newcastle upon Tyne, NE1 4JE	92.40
CF03	Funding Circle	71 Queen Victoria Street, London, EC4V 4AY	250,000.00
CF04	Family Loans		300,000.00
CH00	HM Revenue & Customs	Debt Management - EIS C, HM Revenue & Customs, BX9 1SH	123,258.00
CH02	Hartley Fowler LLP	19 New Rd, Brighton, BN1 1EY	390.00
CH03	HMRC		467.00
CH04	Hoffbrand Consulting	Harben House Harben Parade, Finchley Road, London, NW3 6LH	180.00
CH05	HM Revenue & Customs	Debt Management - EIS C, HM Revenue & Customs, BX9 1SH	3,300.00
CI00	Indeed	20 Farringdon Road, 3rd Floor, London, EC1M 3HE	263.16
CI02	Iron Mountain	Ground Floor, 4 More London Riverside, London, SE1 2AU	8.79
CI03	Investor Loans	C/o Blackstar Holdings SA, PO Box 3175, Road Town, Tortola, British Virgin Islands	324,000.00
CL00	Land Registry	Trafalgar House, 1 Bedford Park, Croydon, CR0 2AQ	18.60
CL01	Legal Workflow	The Hay Loft, Hills Barns, Chichester, PO20 7EG	758.09
CL02	Little Business Loans	75 Harborne Rd, Birmingham, B15 3DH	3,750.00
CM00	Masson Appointments	Spectrum House, Beehive Ring Rd, Crawley, RH6 0PA	2,880.00
CN00	Net Documents	8th Floor South, Reading Bridge House, Reading, RG1 8LS	719.97
CP00	PA Fire Systems	Hill Barn, Appledram Ln, Chichester, PO20 7EG	118.20
CP02	Pitney Bowes	Langlands House, 130 Sandringham Avenue, Harlow, CM19 5QA	865.95
CR00	Royal Mail		10.72

Signature

**Quantuma Advisory Limited**  
**Legalmatters Limited**  
**Company Registered Number: 08216822**  
**B - Company Creditors**

Key	Name	Address	£
CS01	Smart Search	Mayfield House, Lower Railway Rd, Ilkley, LS29 8FL	2,509.20
CT00	The Cashroom	Suite 2, Moss Lane View, Skelmersdale, WN8 9TN	1,080.00
CT01	The Law Society	The Law Society's Hall, 113 Chancery Lane, London , WC2A 1PL	1,180.24
CT04	Trust Inheritance	Crown House, 1 Stafford PI, Weston-super-Mare, BS23 2QZ	230,000.00
CV02	Village Magazine	15 Eastgate Road, Holmes Chapel, Crewe, CW4 7BN	318.00
<b>34 Entries Totalling</b>			<b>1,308,636.46</b>

Signature \_\_\_\_\_

**Quantuma Advisory Limited**  
**Legalmatters Limited**  
**Company Registered Number: 08216822**  
**C - Shareholders**

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HL00	Martin Langan	Stumps Barn, Stumps Lane, Bosham, West Sussex, United Kingdom, PO18 8QJ	Ordinary	1.00	87	0.00	0.00
HL01	Raymond Patrick Langan	The Byre, Hills Barns, Appledram Lane South, Chichester, England, PO20 7EG	Ordinary	1.00	13	0.00	0.00
HL02	Linda Jane Langan		Ordinary	1.00	13	0.00	0.00
HT00	Lucy Alice Thomas		Ordinary	1.00	87	0.00	0.00
4 Ordinary Entries Totalling						200	

Signature \_\_\_\_\_

**Legalmatters 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**

**Secured Creditors**

<b>Secured creditor's name and address</b>	<b>Amount of claim (estimated)</b>	<b>Details of security</b>	<b>Date security was given</b>	<b>Value of security (per Statement of Affairs)</b>
none				

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix VI: Receipts and Payments Account**

**Legalmatters Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 03/12/2021**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>ASSET REALISATIONS</b>		
1.00	Goodwill	NIL	
15,000.00	Business Intellectual Property	NIL	
12,497.00	WIP & Debtors	NIL	
6,500.00	Office Equipment and Furniture	NIL	
1.00	Stock	NIL	
36,000.00	Debtor Receivables	NIL	
1.00	Client Contracts and Client Files	NIL	
			NIL
	<b>SECONDARY PREFERENTIAL CREDITORS</b>		
(7,700.00)	HMRC PAYE/NIC (Employees)	NIL	
(115,558.00)	HMRC - VAT	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(248,686.02)	Trade & Expense Creditors	NIL	
(624,000.00)	Family & Investor Loans	NIL	
(309,392.44)	Banks/Institutions	NIL	
(3,300.00)	HM Revenue and Customs - PAYE/NI	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(200.00)	Ordinary Shareholders	NIL	
			NIL
<b>(1,238,836.46)</b>			<b>NIL</b>
	<b>REPRESENTED BY</b>		<b>NIL</b>

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix VII: Estimated Outcome Statement**

**LEGALMATTERS LIMITED**  
**ESTIMATED OUTCOME STATEMENT AT 29 NOVEMBER 2021**

	Notes	Book Values £	Administration Estimated Outcome
<b>ASSETS</b>			
<b>Assets subject to a floating charge</b>			
Intangible Assets - Website	1	-	-
Fixtures & Fittings	2	5,604	-
Computer Equipment	3	403	-
Sale of business, assets & WIP	4	129,592	70,000
		<b>135,599</b>	<b>70,000</b>
<b>COSTS</b>			
Quantuma Pre-Appointment Fees	5	-	(15,000)
Office Holders Fees	6	-	(15,000)
Office Holders Expenses	7	-	(500)
Pre-appointment Legal Fees	8	-	(14,005)
Pre-appointment Legal Disbs	9	-	(71)
Pre-appointment Regulatory Legal Fees	10	-	(20,000)
Other Agents Fees and Expenses	11	-	(1,000)
		-	<b>4,425</b>
<b>Estimated Balance available for Preferential Creditors</b>		-	<b>4,425</b>
<b>LIABILITIES</b>			
<b>Preferential Creditors</b>			
Pension Contributions	12	-	-
Employees - Arrears/Holiday/Pension	13	-	-
		-	<b>4,425</b>
<b>2nd Preferential Creditors</b>			
HMRC PAYE/Employees NIC	14	-	(7,700)
HMRC - VAT	14	-	(115,558)
<b>Estimated deficiency/surplus regards 2nd preferential creditors</b>		-	<b>(118,833)</b>
Prescribed Part		-	-
<b>Estimated balance available to Floating Charge Holder</b>		-	<b>(118,833)</b>
Debts secured by floating charges post 14 September 2003		-	-
<b>Surplus/(Shortfall) to Unsecured</b>		-	<b>(118,833)</b>
Prescribed Part Balance available to unsecured Creditors		-	-
<b>Balance available for Unsecured Creditors</b>		-	<b>(118,833)</b>
<b>Unsecured Creditors:</b>			
Trade & Expense	15	-	(248,686)
Family & Investor Loans	16	-	(624,000)
Banks/Institutions	17	-	(309,392)
HM Revenue and Customs - PAYE/NIC	14	-	(3,300)
<b>Estimated Surplus/(Deficiency) to Unsecured Creditors</b>		-	<b>(1,304,212)</b>
<b>Issued &amp; Called up Share Capital</b>		-	<b>(200)</b>
Estimated (deficiency)/Surplus as regards members		-	<b>(1,304,412)</b>
<b>Estimated recovery to Preferential Creditors</b>			<b>100.0%</b>
<b>Estimated recovery to 2nd Preferential Creditors</b>			<b>3.6%</b>
<b>Estimated recovery to Unsecured Creditors</b>			<b>0.0%</b>



**LEGALMATTERS LIMITED**  
**NOTES TO ESTIMATED OUTCOME STATEMENT**

- 1 Book value from Unaudited Financial Statemetns for the year ended 30 June 2020
- 2 Book value from Unaudited Financial Statemetns for the year ended 30 June 2020
- 3 Book value from Unaudited Financial Statemetns for the year ended 30 June 2020
- 4 Book value from Debtors shown in Unaudited Financial Statemetns for the year ended 30 June 2020
- 5 Pre-administration fees limited to £15,000
- 6 Estimated fees available to draw from expected asset realisations
- 7 Anticipated post-appointment Administrators Expenses
- 8 Pinsent Mason pre-administration legal fees
- 9 Pinsent Mason pre-administration legal disbursements
- 10 Pinsent Mason pre-administration legal fees in respect of regulatory work
- 11 Other anticipated costs and fees in the post-appointment period
- 12 No anticipated pension claims in Adminsitration
- 13 No antipated employee claims as contracts expected to transfer to purchaser under TUPE
- 14 Estimated HM Revenue and Customs claims for PAYE, VAT & NIC
- 15 Trade and Expense creditors taken from company records
- 16 Investor and family loans figure taken from company records
- 17 Bank and other loan figures taken from company records

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix VIII: The Joint Administrators' Fees & Expenses Estimate**

**Estimate of Fees and Expenses for  
Legalmatters Limited (In Administration)  
To 03/12/2021 or for the life of the case**

**Summary**

	<b>Total Hours</b>	<b>Avg Hourly Rate £</b>	<b>Time Cost £</b>	<b>Disbursements £</b>	<b>Expenses £</b>
<b>Classification of Work Function</b>					
Admin & Planning	30.00	268.67	8,060.00		
Closing Procedures	5.50	304.55	1,675.00		
Creditors	32.00	299.69	9,590.00		
Investigations	30.00	260.50	7,815.00		
Realisation of Assets	4.00	377.50	1,510.00		
	<u>101.50</u>	<u>282.27</u>	<u>28,650.00</u>		
<b>Disbursements</b>					
Category 1 Disbursements				25,523.00	
Category 2 Disbursements				<u>0.00</u>	
				<u>25,523.00</u>	
<b>Expenses (*)</b>					
					<u>0.00</u>
<b>Totals</b>	<u>101.50</u>	<u>282.27</u>	<u>28,650.00</u>	<u>25,523.00</u>	<u>0.00</u>

(\*) Details of the expenses the IP considers will be, or are likely to be, incurred during the period of this estimate.

Estimates Chargeable Time	28,650.00
Total Disbursements	25,523.00
Total Expenses	0.00
Assets by Percentage (See Note 6)	<u>0.00</u>
Total Fees and Expenses	<u>54,173.00</u>

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

**Category 1 Disbursements**

Legal costs	25,000.00
Postage	100.00
Specific Bond	135.00
Statutory Advertising	88.00
Storage Costs	<u>200.00</u>
	<u>25,523.00</u>

**Notes:**

1. Category 1 Disbursements are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses
2. Category 2 Disbursements 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. The figures provided for Expenses are as accurate as possible based on the information available at this time. No prior approval is required for the payments of the expenses as they are regarded as a cost of the administration of the estate
4. 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
5. The above estimates are all exclusive of VAT
6. Where applicable, the Assets by Percentage are itemised in the section headed Asset Realisations on a Percentage Basis

**Estimate of Fees and Expenses for  
Legalmatters Limited (In Administration)**

## **Legalmatters Limited (In Administration)**

### **The Joint Administrators' Statement of Proposals**

#### **• 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.

Please note that this 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 exceptional work will be required to realise the remaining assets;
- 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; and
- the relevant creditors will be asked to approve an extension of the Administration at the appropriate time.

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

	£
<b>Managing Director</b>	530.00
<b>Director</b>	370.00 - £475.00
<b>Senior Manager</b>	340.00 – £415.00
<b>Manager</b>	310.00
<b>Assistant Manager</b>	275.00
<b>Senior Administrator</b>	235.00 – 285.00
<b>Administrator</b>	200.00 – 240.00
<b>Assistant Administrator</b>	135.00 - 160.00
<b>Case Accountant</b>	135.00

## Legal matters Limited (In Administration)

### The Joint Administrators' Statement of Proposals

**Junior Administrator** 100.00 - 115.00

**Support Staff/Executive Assistant** 100.00 – 135.00

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.

#### **ADMINISTRATION & PLANNING**

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.	
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. 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
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

## Legalmatters Limited (In Administration)

### The Joint Administrators' Statement of Proposals

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
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
Dealing with HMRC claims	
Creditors' Decision Procedures/Meeting	Preparation of notices, proxies/voting forms and advertisements Circulate notices to all known creditors 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.
Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
Interim Fee Report to Creditors	
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
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

## Legalmatters Limited (In Administration)

### The Joint Administrators' Statement of Proposals

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
Investigating & Pursuing Antecedent Transactions	

#### **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.

Description of work undertaken	Includes
Sale consideration from SPA	Collecting in consideration for the sale by way of an SPA, currently held with Pinsent Mason
Cash at Bank	Contacting the bank to arrange closure of the account and payment of any credit 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.



**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

<b>Category 1 Expenses</b>	<b>Basis</b>	<b>Estimate of total</b>
<b>Legal costs</b> – Pinsent Mason LLP: providing advice in respect of the appointment, sale of the business, potential rights of action	Time-costs	£15,000.00
<b>Legal costs</b> – Pinsent Mason LLP: acting as Solicitor Manager	Time-costs	£10,000.00
Advertising	At Cost	£88.00
Printing & Postage costs of external provider	At Cost	£100.00
Bond premium	At Cost	£135.00
Record listing, storage & retrieval	At Cost	£200.00
<b>Total</b>		<b>£25,523.00</b>

<b>Category 2 Expenses</b>
No Category 2 Expenses are expected.

**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix IX: Breakdown of the Joint Administrators' Time Costs**

# Time Entry - SIP9 Time & Cost Summary

6009463 - Legalmatters Limited  
All Post Appointment Project Codes  
To: 03/12/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	1.40	1.80	1.10	4.30	1,077.50	250.58
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	4.00	6.60	0.00	10.60	3,055.00	288.21
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.00</b>	<b>5.40</b>	<b>8.40</b>	<b>1.10</b>	<b>14.90</b>	<b>4,132.50</b>	<b>277.35</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

**Legalmatters 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<sup>1</sup> ('Quantuma'), exclusive of VAT.

<b>Grade of Staff</b>	<b>Rate from 15 June 2020</b>
<b>CEO/Managing Director</b>	£480.00 - £580.00
<b>Appointment Taking Director</b>	£400.00 - £500.00
<b>Director</b>	£370.00 - £475.00
<b>Senior Manager</b>	£340.00 – £415.00
<b>Manager</b>	£310.00 - £375.00
<b>Assistant Manager</b>	£275.00 – £335.00
<b>Senior Administrator</b>	£235.00 – £285.00
<b>Administrator</b>	£200.00 – £240.00
<b>Assistant Administrator</b>	£135.00 - £160.00
<b>Case Accountant</b>	£135.00
<b>Junior Administrator</b>	£100.00 - £115.00
<b>Support Staff/Executive Assistant</b>	£100.00 – £135.00

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.

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.

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<sup>1</sup> On 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited.

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 <http://www.quantuma.com/legal-notices>. 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:

<b>Category 1 Expense – effective from 1 April 2021</b>	<b>Basis of Charge</b>
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.
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.

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## 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.

## **Legal matters 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 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
  - (ii) 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
  - (ii) however, 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, Nicholas Simmonds 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
  - (iii) 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, Nicholas Simmonds 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 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.



**Legalmatters Limited (In Administration)**

**The Joint Administrators' Statement of Proposals**

**Appendix XII: Decision Process Documents**

## NOTICE OF DECISION PROCEDURE

**Company Name:** Legalmatters Limited (In Administration) ("the Company")

**Company Number:** 08216822

**In the Business and Property Courts in England & Wales 002225**

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, Nicholas Simmonds and Sean Bucknall, of Quantum Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA (telephone number 01273 322 400), who were appointed by the directors of the Company.

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

1. The establishing of a Creditors' Committee, if sufficient nominations are received by 29 December 2021 and those nominated are willing to be members of a Committee<sup>1</sup>.
2. The basis of the Joint Administrators' fees.
3. The approval of the pre-Administration costs.
4. The timing of the Joint Administrators' discharge.

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

By email to: [Brightonvoting@quantuma.com](mailto: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, 29 December 2021.**

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.

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<sup>1</sup> Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 3, 4, 5 and 6 proposed above may be exercised by the Committee.


### **Invitation to Form a Committee**

Creditors are invited to nominate creditors (which may include themselves) by completing the relevant section on the voting form and returning it to the Joint Administrator.

**All nominations must be delivered by: 4:00pm on 29 December 2021.**

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.

For further information on the role of Creditors' Committees, go to:  
<http://www.quantuma.com/guide/guide-creditors-committee/>

Signed:  Dated: 3 December 2021  
**Sean Bucknall**  
**Joint Administrator**

## VOTE BY CORRESPONDENCE

### Legalmatters Limited (in Administration)

Name of Creditor: \_\_\_\_\_

Address: \_\_\_\_\_

#### **Decisions:**

1	That a Creditors' Committee be established if sufficient nominations are received by 29 December 2021 and those nominated are willing to be members of a Committee. <sup>2</sup>  I nominate the following creditor to be a member of a Creditors' Committee <b><u>and they have confirmed that they are willing to act:</u></b>  _____	*For / Against
2	The time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantum Advisory Limited at the time the work is performed as outlined in the Joint Administrator's Fee Estimate	*For / Against
3	That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.	*For / Against
4	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.	*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 29 December 2021, by:**

**Post: Quantum Advisory Limited, 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA**

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

<sup>2</sup> Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 4, 5, 6 and 7 proposed above may be exercised by the Committee.

**PROOF OF DEBT - GENERAL FORM**

**Legalmatters Limited (in Administration)**

Date of Administration: 29 November 2021

<b>DETAILS OF CLAIM</b>		
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"> <li>For UK companies: its registered number</li> <li>For other companies: the country or territory in which it is incorporated and the number if any under which it is registered</li> <li>The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act</li> </ul>	
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:
<b>AUTHENTICATION</b>		
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