

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 8 2 1 6 8 2 2

Company name in full Legalmatters Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name Business and Property Courts in England & Wales

Court case number 0 0 2 2 2 5 2 0 2 1

3 Administrator's name

Full forename(s) Nicholas

Surname Simmonds

4 Administrator's address

Building name/number 1st floor

Street 21 Station Road

Post town Watford

County/Region Herts

Postcode W D 1 7 1 A P

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5**Administrator's name ①**

Full forename(s)

Sean

Surname

Bucknall

① Other administrator

Use this section to tell us about another administrator.

6**Administrator's address ②**

Building name/number

3rd Floor

Street

37 Frederick Place

Post town

Brighton

County/Region

Sussex

Postcode

B N 1 4 E A

Country

② Other administrator

Use this section to tell us about another administrator.

7**Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Martin Langan

Surname

(Director)

8**Proposed liquidator's name**

Full forename(s)

Sean

Surname

Bucknall

Insolvency practitioner number

1 8 0 3 0

9**Proposed liquidator's address**

Building name/number

3rd Floor

Street

37 Frederick Place

Post town

Brighton

County/Region

Sussex

Postcode

B N 1 4 E A

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)

Nicholas

Surname

Simmonds

Insolvency practitioner
number

9 5 7 0

① Other liquidatorUse this section to tell us about
another liquidator.**11** Proposed liquidator's address^②

Building name/number

3rd Floor

Street

37 Frederick Place

Post town

Brighton

County/Region

Sussex

Postcode

B N 1 4 E A

Country

② Other liquidatorUse this section to tell us about
another liquidator.**12** Period of progress report

From date

^d2 ^d9 ^m0 ^m5 ^y2 ^y0 ^y2 ^y3

To date

^d2 ^d0 ^m1 ^m1 ^y2 ^y0 ^y2 ^y3**13** Final progress report☒ I have attached a copy of the final progress report.**14** Sign and dateAdministrator's
signature

Signature

X



X

Signature date

^d2 ^d0 ^m1 ^m1 ^y2 ^y0 ^y2 ^y3

**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 or email enquiries@companieshouse.gov.uk

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

Legalmatters Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 29/05/2023 To 20/11/2023 £	From 29/11/2021 To 20/11/2023 £
	ASSET REALISATIONS		
1.00	Goodwill	NIL	1.00
15,000.00	Business Intellectual Property	NIL	15,000.00
12,497.00	WIP & Debtors	NIL	12,497.00
6,500.00	Office Equipment and Furniture	NIL	6,500.00
1.00	Stock	NIL	1.00
36,000.00	Debtor Receivables	NIL	36,000.00
1.00	Client Contracts and Client Files	NIL	1.00
	Post Appointment Credits	NIL	1,525.31
	Bank Interest Gross	5.99	11.20
		5.99	71,536.51
	COST OF REALISATIONS		
	Pre-Administration Fees	NIL	15,000.00
	Office Holders Fees	NIL	15,000.00
	Office Holders Disbursements	NIL	2.22
	Pre-appointment Legal Fees	NIL	14,004.50
	Pre-appointment Legal Disbs	NIL	70.90
	Pre-appointment Regulatory Legal Fee	NIL	20,000.00
	Statutory Advertising	NIL	88.00
	Legal Fees	NIL	3,500.00
		NIL	(67,665.62)
	PREFERENTIAL CREDITORS		
	Pension Schemes	NIL	843.71
		NIL	(843.71)
	SECONDARY PREFERENTIAL CREDITORS		
(7,700.00)	HMRC PAYE/NIC (Employees)	NIL	NIL
(115,558.00)	HMRC - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(248,686.02)	Trade & Expense Creditors	NIL	NIL
(624,000.00)	Family & Investor Loans	NIL	NIL
(309,392.44)	Banks/Institutions	NIL	NIL
(3,300.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,238,836.46)		5.99	3,027.18
	REPRESENTED BY		
	Vat Receivable		2,100.44
	Bank 1 Current		981.61
	Susp Acc-Client Deceased Estate Fun		(54.87)
			3,027.18


 Sean Bucknall
 Joint Administrator

IN THE BUSINESS AND PROPERTY COURTS IN ENGLAND & WALES 002225 of 2021

LEGALMATTERS LIMITED
(IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' FINAL ACCOUNT

20 November 2023

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Nicholas Simmonds and Sean Bucknall were appointed Joint Administrators of Legal matters Limited on 29 November 2021. 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.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	Nicholas Simmonds and Sean Bucknall of Quantuma Advisory Limited
The Company	Legalmatters Limited (in Administration)
The Court	Business and Property Courts in England & Wales 002225 of 2021
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 29 May 2023 to 20 November 2023
Whole Period	Period covered by the report from 29 November 2021 to 20 November 2023

INTRODUCTION

This report has been prepared to provide creditors with an update on the progress of the Administration of the Company since our last report dated to 28 May 2023.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

The report has been prepared in accordance with insolvency legislation to provide members and creditors, the Registrar of Companies and the Court with details of the progress made during the Review Period, and with an overview of the conduct of the Administration and summary of the information provided in the progress report(s) that have been issued during the Administration. Copies of these reports are available on request.

The Joint Administrators' proposals were deemed approved. A formal notice confirming this was sent to all creditors on 21 February 2022. Attached at Appendix 2 is a summary of the Joint Administrators Proposals, as approved.

The Administration was scheduled to end on 28 November 2022 but the term of the Administration was originally extended by 12 months with the consent of the relevant creditors on 10 November 2022 and thus the Administration was scheduled to end on 28 November 2023. However, the filing of the Notice of move to Creditors' Voluntary Liquidation will bring the Administration to an end.

Details of the appointment of the Joint Administrators

Nicholas Simmonds and Sean Bucknall of Quantum Advisory Limited were appointed Joint Administrators of the Company on 29 November 2021.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

THE PROGRESS OF THE ADMINISTRATION

The **Joint Administrators'** final receipts and payments account

Attached at Appendix 3 is a receipts and payments account covering the period from 29 May 2023 to 20 November 2023 together with a summary of the transactions in the previous review periods. The Joint Administrators confirm that the account has been reconciled with that held at the bank.

In this section, a summary of main asset realisations during the Review Period and in the Administration as a whole, together with details of the associated costs incurred has been provided. For a detailed list of work undertaken by the Joint Administrators as a whole, please see Appendix 5.

Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Drafting and issuing the progress report to creditors;
- Considering which exit route from Administration is appropriate and drafting this final report;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and

- Completing periodic tax returns.

Realisation of assets

Pre-pack sale of assets

As previously advised, the Joint Administrators instructed Pinsent Masons LLP ("Pinsent Masons") to advise on the pre-pack sale of the business and assets of the Company.

Axiom DWFM Ltd ("Axiom") expressed an interest in purchasing the Company's business and assets. Axiom was not connected with the Company or its Directors.

Axiom was invited to contact Pinsent Masons directly to progress the potential sale. The advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, was weighed against the potential of attracting a better offer albeit that this would involve incurring more costs, and potentially erode the value of the intangible assets. It was concluded that Axiom's offer was very likely to represent the best net realisation for the assets.

Consequently, the Company's business and assets were sold to Axiom by way of a Sale and Purchase Agreement ("SPA") on 29 November 2021 for £70,000, which was received in full on the same date into Pinsent Mason's client account.

Sale Purchase Agreement

A summary of the apportionment of the sale consideration under the SPA, as shown on the enclosed receipts and payments account, is set out in the table below:

Asset Description	Apportionment amount (£)
Goodwill	1.00
Business Intellectual Property	15,000.00
WIP & Debtors	12,497.00
Office Equipment and Furniture	6,500.00
Stock	1.00
Debtor Receivables	36,000.00
Client Contracts and Files	1.00
TOTAL	70,000.00

Post Appointment Credits

As previously advised, funds totalling £1,525,31 were recovered from the Company bank accounts held at HSBC Plc.

Further third-party funds were received from HSBC, totalling £17,692.78, and these funds were confirmed to not be due to the Company and were subsequently repaid to HSBC.

Subsequently further funds totalling £54.87 were received and are held in suspense. These funds shall be reviewed and dealt with as appropriate by the Joint Liquidator.

Bank Interest Gross

Gross bank interest of £5.99 has accrued on the funds held in the Administration estate during the Review Period, bringing total bank interest accrued to £11.20.

Estimated future realisations

Following investigation into the trading of the Company in the period prior to appointment, potential claims were noted and solicitors DMH Stallard LLP were instructed to provide initial advice on these potential claims.

Investigation into these matters remain ongoing and the total value of the identified potential claims is £290,479, as reflected at Appendix 4.

Costs incurred but remaining unpaid

The following table summarises the costs incurred during the Review Period, but which as yet remain unpaid:

Cost Description	Amount (£)
Legal fees	15,484.00
Postage	3.15
TOTAL	15,487.15

These costs are included within the Estimated Outcome Statement at Appendix 3, as they will be discharged from the liquidation estate funds.

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in section 'The Joint Administrators' Fees and Expenses' below.

CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

The Company had granted no security.

Preferential Creditors

Preferential claims relating to pension contributions were not estimated. However, upon appointment the Joint Administrators were made aware of a claim for unpaid pension contributions, which was subsequently progressed with the Redundancy Payments Service ("RPS"), in respect of the Company's NEST pension scheme.

As previously advised, the Joint Administrators agreed these claims at £843.71 and a dividend of 100p in the £ was paid to Preferential Creditors on 15 February 2023.

Secondary Preferential creditors

In any insolvency process started from 1 December 2020, HMRC is a secondary preferential creditor for the following liabilities:

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

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.

Secondary Preferential claims relating to VAT, PAYE and employees' NIC were estimated at £123,258.00 in the Director's Estimated Statement of Affairs. HMRC submitted a claim totalling £141,137.89 in respect of their secondary preferential claim.

Depending on the estimated further recoveries outlined above, it is anticipated that a dividend of 100p in the £ will be paid to secondary preferential creditors during the liquidation

Prescribed Part

The Company had not granted a floating charge to any creditor after 15 September 2003 and consequently there was no prescribed part in this Administration.

Unsecured creditors

Unsecured claims were estimated at £1,185,378.46 in the Director's Estimated Statement of Affairs.

A dividend to unsecured creditors is expected and this will be paid by the Joint Liquidators.

Claims process

Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Rupert Curno.

A Proof of Debt form is attached at Appendix 6.

INVESTIGATIONS

Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 25 February 2022.

Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we reviewed shortly after appointment all the information available to us and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors.

As outlined above, matters were identified that required further investigation, and potential claims were noted following a legal review. These claims may lead to a recovery for creditors as outlined at Appendix 4.

ETHICS

Please also be advised that Joint Administrator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrator is 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.

Other Information

General Data Protection Regulation

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notice>.

Further Information

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally, the Joint Administrators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including our complaints policy and Professional Indemnity Insurance, can be found at <https://www.quantuma.com/legal-information>.

THE JOINT ADMINISTRATORS' FEES AND EXPENSES

The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 29 December 2021 by the resolution of creditors as follows:

1. 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 Administrators' Fees Estimate.

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix 4. A detailed narrative explanation of the time costs during the Review Period is provided at Appendix 5.

The Joint Administrators believed this case generally to be of average complexity and no extraordinary responsibility had to date fallen upon them.

"A Creditors' Guide to Administrators' Remuneration" effective from 1 April 2021 is available for download at <http://www.quantuma.com/guide/creditors-guide-fees> together with Quantuma Advisory Limited's Schedule of Current Charge Out Rates and Chargeable Expenses.

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

Comparison of estimates

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows:

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred for the Whole Period		
	No. of hours	Blended hourly rate £	Total fees £	No. of hours	Average hourly rate £	Total time costs £	No. of hours	Average hourly rate £	Total time costs £
Administration Planning	30.00	268.67	8,060.00	3.20	316.87	1,014.00	46.00	286.16	13,163.50
Creditors	32.00	299.69	9,590.00	6.00	359.83	2,159.00	59.10	298.39	17,635.00
Investigations	30.00	260.50	7,815.00	9.70	355.72	3,450.50	46.30	312.31	14,460.00
Realisation of Assets	4.00	377.50	1,510.00	0.00	0.00	0.00	2.00	278.75	557.50
Cashiering	-	-	-	0.20	120.00	24.00	7.00	151.64	1,061.50
Closing Procedures	5.50	304.55	1,675.00	2.50	325.00	812.50	2.50	325.00	812.50
TOTAL	101.50	282.27	28,650.00	21.60	345.37	7,460.00	162.90	292.76	47,690.00

Joint Administrators' Expenses

The expenses, which include disbursements that have been incurred and paid during the period are detailed below. This also includes a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses exceeded that estimate.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred for the Whole Period £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)

Category 1 expenses				
Legal costs	25,000.00	Nil	15,484.00	
Legal costs	-	-	3,500.00	Not initially estimated
Statutory & other Advertising	88.00	Nil	88.00	
Indemnity Bond	135.00	Nil	135.00	
Printing & Postage costs of external provider.	100.00	3.15	63.81	
Storage costs of external provider.	200.00	Nil	Nil	
TOTAL	25,523.00	3.15	19,270.81	

Category 1 expenses represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment. No Category 1 expenses were paid for in the Review Period. The total amount paid in respect of Category 1 expenses is £3,590.22.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fees estimate has been exceeded; and
- the original expenses estimate is unlikely to be exceeded.

As the total time costs have exceeded the original fee estimate, the Joint Administrators are seeking authority from the Creditors to draw excess fees. The reasons for exceeding the original estimate and the additional time costs that are likely to be incurred are detailed in Appendix 7.

Other professional costs

Solicitors

As previously advised, Pinsent Masons ("Pinsents") were instructed by the Joint Administrators to advise on appropriate legal matters. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. The Solicitors' total timecosts from the date of appointment amount to £15,484 these are yet to be paid.

As previously advised, DMH Stallard LLP ("DMH") were instructed by the Joint Administrators to advise on appropriate legal matters including advice on matters relating to the trading of the Company in the period prior to appointment. Their costs in respect of the advice was agreed on a fixed fee basis of £3,500 plus expenses and VAT and that fee has have been paid in full.

All professional costs were reviewed and analysed before payment was approved.

Information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>>. A copy of 'A Creditors Guide to Administrators Fees' effective from 1 April 2021 together with Quantuma Advisory Limited current and historic charge-out rate and expenses policies may be found at <http://www.quantuma.com/guide/creditors-guide-fees> . A hard copy of both the Creditors' Guide and the charge-out rate and expenses policies may be obtained on request.

Payment of the Joint Administrators' unpaid fees and costs

In accordance with the Insolvency Act 1986, all unpaid fees (subject to any approved fees estimate) and costs, as described in the sections above, are charged on and payable out of the Company's property. Thus, the Joint Liquidators will be responsible for discharging these sums from the assets and funds handed over to them by the Joint Administrators.

Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such

requests must be made within 21 days of receipt of this report.

Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

THE OUTCOME OF THE ADMINISTRATION

Comparison of the outcome with the Joint Administrators' Proposals

Attached at Appendix 2 is a summary of the Joint Administrators' Proposals as approved.

It had been envisaged that the third Administration objective would be achieved, namely that property would be realised in order to make a distribution to one or more secured or preferential creditors. As described above, it can be seen that this Administration objective was achieved.

The balance in the Joint Administrators' account of £981.61, together with control of the remaining assets yet to be realised and claims to be progressed as described above, is being transferred to the Joint Liquidators. An Estimated Outcome Statement as at 20 November 2023 is attached at Appendix 3. This illustrates the anticipated outcome of the subsequent liquidation.

The Joint Administrators are now moving the Company from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors in the event the anticipated further realisations are made. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix 2, the Joint Administrators' approved Proposals included that, absent any alternative nomination, the Joint Administrators would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators will be appointed Joint Liquidators.

If you require any further information please contact Marc Norman on 01273 322 400.



Sean Bucknall
Joint Administrator

STATUTORY INFORMATION

Company Name	Legalmatters Limited
Previous Names	N/A
Proceedings	In Administration
Court	Business and Property Courts in England & Wales
Court Reference	In the Business and Property Courts in England & Wales Reference No. 002225 of 2021
Date of Appointment	29 November 2021
Joint Administrators	Nicholas Simmonds Sean Bucknall Quantuma Advisory Limited 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Registered office Address	c/o Quantuma Advisory Limited 3rd Floor, 37 Frederick Place, Brighton, Sussex, BN1 4EA
Company Number	08216822
Appointment by	The Directors
Changes in Office Holder	N/A

Legalmatters Limited
(IN ADMINISTRATION)

APPENDIX 2

THE JOINT ADMINISTRATORS' PROPOSALS, AS APPROVED

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)

APPENDIX 3

THE JOINT ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT

Legalmatters Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 29/05/2023 To 20/11/2023 £	From 29/11/2021 To 20/11/2023 £
	ASSET REALISATIONS		
1.00	Goodwill	NIL	1.00
15,000.00	Business Intellectual Property	NIL	15,000.00
12,497.00	WIP & Debtors	NIL	12,497.00
6,500.00	Office Equipment and Furniture	NIL	6,500.00
1.00	Stock	NIL	1.00
36,000.00	Debtor Receivables	NIL	36,000.00
1.00	Client Contracts and Client Files	NIL	1.00
	Post Appointment Credits	NIL	1,525.31
	Bank Interest Gross	5.99	11.20
		5.99	71,536.51
	COST OF REALISATIONS		
	Pre-Administration Fees	NIL	15,000.00
	Office Holders Fees	NIL	15,000.00
	Office Holders Disbursements	NIL	2.22
	Pre-appointment Legal Fees	NIL	14,004.50
	Pre-appointment Legal Disbs	NIL	70.90
	Pre-appointment Regulatory Legal Fee	NIL	20,000.00
	Statutory Advertising	NIL	88.00
	Legal Fees	NIL	3,500.00
		NIL	(67,665.62)
	PREFERENTIAL CREDITORS		
	Pension Schemes	NIL	843.71
		NIL	(843.71)
	SECONDARY PREFERENTIAL CREDITORS		
(7,700.00)	HMRC PAYE/NIC (Employees)	NIL	NIL
(115,558.00)	HMRC - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(248,686.02)	Trade & Expense Creditors	NIL	NIL
(624,000.00)	Family & Investor Loans	NIL	NIL
(309,392.44)	Banks/Institutions	NIL	NIL
(3,300.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,238,836.46)		5.99	3,027.18
	REPRESENTED BY		
	Vat Receivable		2,100.44
	Bank 1 Current		981.61
	Susp Acc-Client Deceased Estate Fun		(54.87)
			3,027.18


Sean Bucknall
Joint Administrator

Legalmatters Limited
(IN ADMINISTRATION)

APPENDIX 4

ESTIMATED OUTCOME STATEMENT FOR THE LIQUIDATION

LEGALMATTERS LIMITED - IN ADMINISTRATION
ESTIMATED OUTCOME STATEMENT AT 20 NOVEMBER 2023

	Notes	Book Values £	Estimated Outcome
ASSETS			
Uncharged Assets			
Intangible Assets - Website	1	-	-
Fixtures & Fittings	2	5,604	-
Computer Equipment	3	403	-
Sale of business, assets & WIP	4	129,592	70,000
Post Appointment Credits		-	1,525
Potential Antecedent Claims			290,479
Bank Interest Gross		-	11
		135,599	362,016
COSTS			
Quantuma Pre-Appointment Fees	5	-	(15,000)
Administrators Fees	6	-	(48,553)
Administrators Expenses	7	-	(500)
Pre-appointment Legal Fees	8	-	(14,005)
Pre-appointment Legal Disbs	9	-	(71)
Pre-appointment Regulatory Legal Fees	10	-	(20,000)
Liquidators Fees			(30,000)
Post appointment Legal Fees	11	-	(15,000)
Other Agents Fees and Expenses	11	-	(1,500)
		-	217,388
Estimated Balance available for Preferential Creditors		-	217,388
LIABILITIES			
Preferential Creditors			
Pension Contributions	12	-	(844)
Employees - Arrears/Holiday/Pension	13	-	-
		-	216,544
2nd Preferential Creditors			
HMRC - VAT	14	-	(141,138)
Estimated deficiency/surplus regards 2nd preferential creditors		-	75,406
Prescribed Part		-	-
Estimated balance available to Floating Charge Holder		-	75,406
Debts secured by floating charges post 14 September 2003		-	-
Surplus/(Shortfall) to Unsecured		-	75,406
Prescribed Part Balance available to unsecured Creditors		-	-
Balance available for Unsecured Creditors		-	75,406
Unsecured Creditors:			
Trade & Expense	15	-	(248,686)
Family & Investor Loans	16	-	(624,000)
Banks/Institutions	17	-	(309,392)
HM Revenue and Customs - PAYE/NIC		-	(16,782)
Estimated Surplus/(Deficiency) to Unsecured Creditors		-	(1,123,454)
Issued & Called up Share Capital		-	(200)
Estimated (deficiency)/Surplus as regards members		-	(1,123,654)
Estimated recovery to Preferential Creditors			100.0%
Estimated recovery to 2nd Preferential Creditors			100.0%
Estimated recovery to Unsecured Creditors			6.3%

**LEGALMATTERS LIMITED - IN ADMINISTRATION
NOTES TO ESTIMATED OUTCOME STATEMENT**

- 1 Book value from Unaudited Financial Statements for the year ended 30 June 2020
- 2 Book value from Unaudited Financial Statements for the year ended 30 June 2020
- 3 Book value from Unaudited Financial Statements for the year ended 30 June 2020
- 4 Book value from Debtors shown in Unaudited Financial Statements 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 Pension claims now finalised with RPS
- 13 No anticipated 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)

APPENDIX 5

THE JOINT ADMINISTRATORS' TIME COSTS

Time Entry - SIP9 Time & Cost Summary + Cumulative

6009463 - Legalmatters Limited
All Post Appointment Project Codes
From: 29/05/2023 To: 20/11/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	0.10	0.30	2.40	0.40	3.20	1,014.00	316.87	46.00	13,163.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.20	0.20	24.00	120.00	7.00	1,061.50
Closing Procedures	0.00	0.00	2.50	0.00	2.50	812.50	325.00	2.50	812.50
Creditors	0.30	2.20	3.50	0.00	6.00	2,159.00	359.83	59.10	17,635.00
Investigations	0.70	4.20	3.70	1.10	9.70	3,450.50	355.72	46.30	14,460.00
Pre Appointment	0.00	0.00	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	2.00	557.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	1.10	6.70	12.10	1.70	21.60	7,460.00	345.37	162.90	47,690.00
Total Fees Claimed						15,139.89			
Total Disbursements Claimed						195.66			

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS DURING THE REVIEW PERIOD

Description of work undertaken	Includes
<u>ADMINISTRATION & PLANNING</u>	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
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
<u>CREDITORS</u>	
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
Final Reports	
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors	Preparing a fee estimate for inclusion with the report to creditors.
Interim Fee Report to Creditors	
<u>INVESTIGATIONS</u>	
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
Investigating Antecedent Transactions	
<u>CASHIERING</u>	
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

Description of work undertaken	Includes
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House
<u>CLOSING PROCEDURES</u>	
Filing final statutory returns at Companies House/Court	

Current Charge-out Rates of the staff who have worked on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates may have been subject to periodic increase.

Staff	Charge out rates £
CEO/Managing Directors	545.00
Appointment Taking Director	495.00
Directors	450.00
Senior Manager	400.00
Manager	360.00
Assistant Manager	325.00
Senior Administrator	275.00
Administrator	220.00
Assistant Administrator	175.00
Case Accountant	120.00
Support Staff/Executive Assistant	120.00