

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A8ZU6WS0

A18

29/02/2020

#18

COMPANIES HOUSE

1 Company details

Company number 0 7 1 6 7 0 3 9

Company name in full Kaim Todner Solicitors Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Rob

Surname Adamson

3 Administrator's address

Building name/number Third Floor

Street 10 South Parade

Post town Leeds

County/Region

Postcode L S 1 5 Q S

Country

4 Administrator's name ①

Full forename(s) Mike

Surname Kienlen

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Third Floor

Street 10 South Parade

Post town Leeds

County/Region

Postcode L S 1 5 Q S

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

Sign and date

Administrator's
Signature

Signature
X



X

Signature date

d 2 5 m 0 2 y 2 0 2 0

**Joint Administrators' Report and Statement of
Proposals Pursuant to Paragraph 49 of Schedule
B1**

**Kaim Todner Solicitors Limited – In
Administration (“the Company”)**

25 February 2020

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

CONTENTS

- 1** Introduction and Background
- 2** Administration Strategy and Objective
- 3** Joint Administrators' Receipts and Payments
- 4** Financial Position
- 5** Proposals
- 6** Exit Routes
- 7** Pre-administration Costs
- 8** Joint Administrators' Remuneration
- 9** Estimated Outcome
- 10** Proposals approval and next report

APPENDICES

- A** Statutory Information
- B** Receipts and Payments Account for the Period from 3 January 2020 to 25 February 2020
- C** Summary of the Directors' Statement of Affairs of the Company
- D** Additional Information in Relation to the Administrators' Fees
- E** Estimated Outcome Statement as at 25 February 2020

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

1 Introduction and Background

- 1.1 The Company was incorporated in February 2010 with a board of directors headed by Karen Todner ("KT"). The Company was a law firm and dealt with both criminal and civil cases.
- 1.2 The Company traded from various offices throughout London with its registered office being Temple Chambers, Temple Avenue, London, EC4Y 0HP.
- 1.3 During the CVA, the Company's practice was subsequently acquired by One Legal Services (trading as One Legal) Limited ("OLS") via a share purchase agreement ("SPA") being agreed on 2 March 2016. This saw OLS acquiring the Company's business and assets along with liabilities and staff and which also resulted in the CVA being successfully completed. Once the SPA was completed the Company in effect became dormant. On 31 March 2017 all assets of the Company were transferred to OLS and the Company ceased to trade.
- 1.4 OLS subsequently encountered cash flow difficulties, with the Directors taking the decision to propose its own CVA in February 2019, of which I along with Mike Kienlen of Armstrong Watson LLP were appointed Joint Supervisors. Unfortunately, this CVA failed in December 2019 and the Directors took the decision to place OLS into Administration.
- 1.5 With the Company's parent company, OLS, being placed into Administration, it became clear that the Company was now potentially insolvent, as the only asset remaining in the Company, based on conversations with the Directors, related to an inter-company loan, which would now be no longer realisable, with any liabilities therefore not capable of being paid.
- 1.6 As a result I, Rob Adamson, and Mike Kienlen of Armstrong Watson LLP, Third Floor, 10 South Parade, Leeds, LS1 5QS were appointed Joint Administrators of the Company by its Directors on 3 January 2020. Both myself and Mike Kienlen are licensed to act as insolvency practitioners in the UK by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics.
- 1.7 This firm's Privacy Notice about the way that we will use, and store personal data can be found at <https://www.armstrongwatson.co.uk/privacy-policy>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.8 For purposes of paragraph 100 (2) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators may exercise any powers conferred on them jointly or individually.
- 1.9 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings, as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.10 This report incorporates the Joint Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 27 February 2020.

2 Administration Strategy and Objective

- 2.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

- *Rescuing the Company as a going concern; or*
 - *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*
 - *Realising property in order to make a distribution to one or more secured or preferential creditors.*
- 2.2 Due to the Company becoming dormant following the SPA being completed in 2016, which saw staff and all company assets transferred to OLS, it was not possible to rescue the Company as a going concern. Therefore, the first objective could not be achieved.
- 2.3 By entering Administration it is believed that the value of the Company's sole remaining realisable asset (discussed in further detail below at paragraph 2.12 – 2.17) would be preserved and also affords the Joint Administrators the opportunity to fully review and quantify the value of the asset, and also further review the wider nature of the SPA transaction. Therefore, the second objective is to be pursued in the Administration as any proposed recovery of assets would provide a better result with recovery levels likely to be enhanced once the Joint Administrators have had the opportunity to fully review the SPA.
- 2.4 Accordingly, the Joint Administrators' functions are being carried out with the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration.

Consideration of Proposals by Creditors

- 2.5 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:
- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
 - (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
 - (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved
- then an Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.
- 2.6 In this case, none of the above provisions apply and I am therefore required to seek approval from creditors to my Proposals.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.7 Following my appointment as Joint Administrator, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

This work included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency and liaising with the Company's solicitors regarding the ongoing legal claims (see below).

- 2.8 The Joint Administrators have also dealt with a number of statutory formalities which are required of us under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette.
- 2.9 Other statutory duties performed are outlined in further detail in the fees estimate/fees information which can be found at Appendix D. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Realisation of assets

Inter-Company Loan

- 2.10 The Directors' Statement of Affairs states there is an inter-company loan with a book value of £140,318 but that this balance is not recoverable.
- 2.11 Our investigations are ongoing to determine the composition of this debt however given that OLS is in Administration, it is unlikely that there will be any recoveries for the benefit of creditors in this regard.

Overdrawn Director's Loan Account

- 2.12 Prior to the appointment of Joint Administrators, we were aware of ongoing litigation between OLS and the former owner of the Company, Karen Todner, in relation to a dispute arising following the sale of the Company to OLS. Included within this litigation is a claim against Ms Todner in respect of an overdrawn Director's Loan Account ("ODLA") that was outstanding as at the date of the SPA.
- 2.13 Advice has been sought from both the Company's solicitors, Freeths LLP, in respect of the Company's claim against Ms Todner, with further advice sought from Counsel as to the merits of the ongoing claim. The Joint Administrators instructed Keebles LLP to assist them in determining the strategy for realising this potential asset. Counsel has confirmed that this asset is an asset of the Company and not of OLS.
- 2.14 The ODLA is detailed within the SPA and currently has an estimated balance of £159k plus interest, resulting in a current balance of c£203k.
- 2.15 I am currently in negotiation with Ms Todner and her solicitor regarding the ODLA. In order not to prejudice these negotiations I will make no further comment on the likelihood or otherwise of recoveries from the ODLA.
- 2.16 For completeness, the Statement of Affairs entry of an inter-company loan has been used on my receipts and payments account for the Statement of Affairs comparison.
- 2.17 Further comment will be provided on the recovery position of the ODLA in my next progress report.
- 2.18 The work undertaken by the Joint Administrators and my staff to date in realising the Company's assets have been necessary in order to maximise the likelihood of

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.

- 2.19 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

- 2.20 Barclays are a secured creditor in this matter, but they have confirmed they have no outstanding debt, nor is there a cross guarantee in respect to OLS.
- 2.21 Due to the Company being dormant and its previous liabilities being acquired by OLS, unsecured creditors are minimal. The Directors' Statement of Affairs does not include any unsecured debt.
- 2.22 However, following initial discussions with the Legal Aid Agency ("the LAA") in the Administration of OLS, the Joint Administrators have been advised that the LAA believe they are owed c£120,000 in respect of overpayments made by the LAA to the Company prior to the acquisition of the Company by OLS.
- 2.23 The exact quantum of the amount owed to the LAA by the Company is not known at this time and our enquiries are ongoing to try and determine the amount owed.
- 2.24 The Company ceased trading at the completion of the SPA, and therefore there have not been any claims from landlords, creditors claiming retention of title over stock, nor any companies seeking recovery of leased items.
- 2.25 At present it is anticipated that a dividend to unsecured creditors will only be payable in the Administration should realisations be forthcoming in respect of the ODLA.

Investigations

- 2.26 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.
- 2.27 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 will be submitted in accordance with statutory timescales and will remain confidential.
- 2.28 The Joint Administrators are obliged to consider the conduct of the Directors and any former Directors of the Company under the three years prior to their appointment. If there any matters you wish to bring to our attention, please supply details in writing to our offices as soon as practicably possible.

Case Specific Matters

- 2.29 Prior to the Company ceasing to trade, it was a solicitors' firm regulated by the Solicitors' Regulation Authority ("SRA"). There are a number of actions that are required to be taken by the Joint Administrators to comply with the various rules as set out by the SRA in this scenario. There is no financial benefit to the

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

creditors of the Company however the Joint Administrators are required to comply as far as possible.

- 2.30 Included with these obligations is the repatriation of any outstanding client account monies. This is currently ongoing.

3 Joint Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 25 February 2020 is attached at Appendix B.

4 Financial Position

- 4.1 Attached at Appendix C is a summary of the Directors' Estimated Statement of Affairs of the Company as at the date of the appointment of the Joint Administrators. This was verified by a statement of truth from Trevor Howarth on 3 February 2020 and supported by a Statement of Concurrence dated 11 February 2020, signed by Jason Larney (with the caveat that he was reliant on the information provided to him by the Chief Financial Officer), and is stated before the costs of the Administration procedure are considered.

5 Proposals

- 5.1 It is proposed that the Joint Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 If having realised the assets of the Company, the Joint Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Joint Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 5.3 As there does not appear to be any debt owed to Barclays under its debenture in this matter, if having realised the assets of the Company the Joint Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Joint Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation ("CVL") in order that the distribution can be made. In these circumstances, it is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.4 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.5 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

- 5.6 The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as I consider desirable or expedient to achieve the statutory purpose of the Administration.
- 5.7 If the Joint Administrators consider it necessary to extend the period of the Administration, I will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Joint Administrators' term of office be extended for a specified period determined by it.
- 5.8 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and disbursements and any proposed act on the part of the Joint Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.9 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Joint Administrators and their staff managing the Administration, or
 - As a set amount
- 5.10 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw Category 2 disbursements as and when funds are available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix D.
- 5.11 Where no Creditors' Committee is appointed the remuneration and disbursements of the Joint Administrators shall be fixed by a decision of creditors, or where the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.
- 5.12 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows:
- As a set amount: plus
 - As a percentage of the value of the assets with which the Joint Administrators have to deal with
- 5.13 Further details about the proposed fee basis can be found in Section 8 below and Appendix D.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

- 5.14 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Joint Administrators' term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals, the Joint Administrators do not believe that an extension to the period of Administration will be necessary, however this position will be confirmed to creditors in a subsequent progress report in due course.
- 6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration are set out below.

Creditors Voluntary Liquidation

- 6.4 Further to the advice in section 5 of the report, based on present information, the Joint Administrators think that a dividend may be paid to the unsecured creditors other than by virtue of the Prescribed Part. If a non-Prescribed Part related dividend to unsecured creditors is achievable, the Joint Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease, and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL") to facilitate this distribution. It is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.
- 6.5 Creditors have the right to nominate an alternative Liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved.
- 6.6 Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of the subsequent CVL.

Dissolution of the Company

- 6.7 Based on present information, it does not appear that the Prescribed Part will be applicable and any distribution to creditors in the Administration will need the approval of the Court. If the Joint Administrators obtain a Court order to pay the unsecured creditors in the Administration, this will be distributed in due course within the Administration and a notice will thereafter be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.

Compulsory Liquidation

- 6.8 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Joint Administrators conclude that an exit into Liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Joint Administrators will become the Joint Liquidators in the subsequent Liquidation.

7 Pre-administration Costs

7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Joint Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

7.3 In the pre appointment period advice was provided to the Company's directors with a view to it entering an insolvency process, and subsequently preparing a strategy and dealing with appointment formalities.

7.4 Pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Pre-Administration Costs					
Armstrong Watson LLP	Advice to board of directors with the view of entering the Administration, dealing with appointment formalities and a case strategy.	1,307.50	Nil	N/A	1,307.50
Keebles LLP	Preparation of applications to court to facilitate the Administration appointment.	1,268.00	Nil	N/A	1,268.00
Keebles LLP	Disbursements regarding court costs	50.00	Nil	N/A	50.00

7.5 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrators' proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

8 Joint Administrators' Remuneration

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which our remuneration will be fixed.
- 8.2 In addition to this, where Joint Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, the Joint Administrators are not seeking to determine the basis of their remuneration as time properly spent by the Joint Administrators and their staff in dealing with the affairs of the Company and therefore are not required to provide a fees estimate to creditors. Details of the basis or bases we are proposing, together with information about the work we consider will be necessary in this case and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix D. Further information on the work done since our appointment to the date of this report, can be found in section 2. Appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 8.4 In circumstances where our initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to creditors with our fees estimate for approval.
- 8.5 The Joint Administrators will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.6 Joint Administrators may include details of the remuneration they anticipate will be charged and the expenses they anticipate will be incurred if they become the Joint Liquidators in the subsequent CVL. This can be done when seeking approval to the basis of their remuneration as Joint Administrators, or alternatively their fees estimate for the CVL can be provided once the Company has moved into CVL.
- 8.7 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from: <https://www.r3.org.uk/what-we-do/publications/professional/fees>. If you would prefer this to be sent to you in hard copy please contact Mark Barlow of this office on 0113 2211300.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 17 February 2020 is attached as Appendix E. As can be seen, the asset base is comprised of the ODLA and the level of recovery will dictate the monetary return to unsecured creditors.
- 9.2 It is therefore too early to comment upon the projected return to unsecured creditors in this matter.
- 9.3 The Company granted a floating charge to Barclays on 12 April 2011.


KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

- 9.4 Accordingly, the Joint Administrators are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**).
- 9.5 However, as noted above, Barclays have advised that they do not have any indebtedness to the Company and therefore the Prescribed Part does not apply in this instance.
- 9.6 All staff members were employed by OLS therefore there are no preferential creditors in this matter.
- 9.7 Further updates will be provided in my progress reports in due course.

10 Proposals approval and next report

- 10.1 The Joint Administrators are seeking a decision of creditors on the approval of their proposals by deemed consent. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
Kaim Todner Solicitors Limited



Robert Adamson
Joint Administrator

Rob Adamson and Mike Kienlen were appointed Joint Administrators of Kaim Todner Solicitors Limited ("the Company") on 3 January 2020 and now manage the business, affairs and property of the Company.

The Joint Administrators contract as agents of the Company only and without personal liability.

Rob Adamson and Mike Kienlen are authorised to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association and both are bound by the Insolvency Code of Ethics.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Appendix A

Statutory Information

Company information

Company name	Kaim Todner Solicitors Limited
Trading name(s)	None
Registered number	07167039
Registered office address	C/o Armstrong Watson LLP Third Floor 10 South Parade Leeds LS1 5QS
Former registered office address	12 Eaton Avenue Buckshaw Village Chorley PR7 7NA
Trading address(s)	12 Eaton Avenue Buckshaw Village Chorley PR7 7NA
Court details	High Court of Justice, Business & Property Courts, Leeds, Insolvency & Companies List (ChD)
Court reference number	2019-LDS-001385

Details of the Company's Directors, Secretary and Shareholdings

Director(s)			
Trevor Howarth	2 March 2016	-	-
Jason Lartey	13 October 2017	-	-
One Legal Services (Trading as One Legal) Ltd - In Administration	-	-	1,000 ordinary £1.00 shares
Secretary	-	-	-

Joint Administrators' Details

Name of Administrators	Rob Adamson	Mike Kienlen
Address	Third Floor 10 South Parade Leeds LS1 5QS	Third Floor 10 South Parade Leeds LS1 5QS
Telephone Number	0113 2211300	0113 2211300
Fax Number	0113 2211301	0113 2211301
Administrator's IP Number	9380	9367
Authorising Body	IPA	IPA
Date of Appointment	03/01/2020	03/01/2020

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 3 January 2020 to 25 February 2020

Statement of Affairs		From 03/01/2020 To 25/02/2020	From 03/01/2020 To 25/02/2020
£		£	£
	ASSET REALISATIONS		
NIL	Inter Company Loan	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100,000.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(100,000.00)		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Appendix C

Summary of the Directors' Statement of Affairs of the Company as at 3 February 2020

R3.30 IR 2016

Statement of affairs

Name of Company
Kaim Todner Solicitors Limited

Company number
07167039

In the
High Court of Justice, Business & Property Courts, Leeds,
Insolvency & Companies List (ChD)

Court case number
LDS-001385 2019

(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) KAIM TODNER SOLICITORS LTD, 12
EATON AVENUE, MATRIX BUSINESS PARK, CHORLEY, PR7 7NA

(b) Insert date

on the (b) 3/1 2020 the date that the company entered
administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above-named company as at (b) 3/1/2020 the date
that the company entered administration.

Full name IRVING HOWARD

Signed [Signature]

Dated 3/2/20

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

Uncharged assets:

INTER COMPANY LOAN

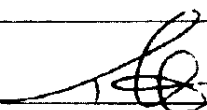
Estimated total assets available for preferential creditors

Signature

Date _____

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities		
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	NIL
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	NIL
Debts secured by floating charges	£	
Estimated deficiency/surplus of assets after floating charges	£	NIL
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	NIL
Shortfall to floating charge holders (brought down)	£	
Estimated deficiency/surplus as regards creditors	£	NIL
Issued and called up capital	£ 100,000	100,000
Estimated total deficiency/surplus as regards members	£	(100,000)

Signature  Date 3/2/20

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £

Signature 

Date

3/2/20

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
ONE LEGAL SERVICES (TRADING AS ONE LEGAL) LTD	c/o ARMSTRONG WATSON LLP	100,000	EACH £1	
TOTALS		100,000	100,000	

Signature 

Date

3/2/20

Appendix D

Additional Information in Relation to Joint Administrators' Fees

Fee Basis

The Joint Administrators are seeking to agree the basis of their remuneration in this case as a set amount plus a percentage of asset realisations. Included within this appendix are details of the work the Joint Administrators propose to undertake and the expenses the Joint Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 2.

The fees estimate is based on information about the Company's affairs available to the Joint Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Joint Administrators' estimate of fees.

In this case, and at this time, I do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

Prior to an insolvency practitioner agreeing the basis of their remuneration as Joint Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Joint Administrator proposes to take all or any part of this remuneration based on the time they and their staff will spend dealing with the affairs of the insolvent company, a fees estimate must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

In this case, I am not proposing to agree the basis of my remuneration as Joint Administrator based on time spent dealing with the Company's affairs, therefore am not required to provide creditors with a fees estimate. I am required to confirm the basis or bases I am seeking in the alternative and details of the work proposed to be done in this case, which can be found below.

Time Analysis for the Pre-Appointment Period

An analysis of my time spent pre appointment by grade of staff member can be found below:

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

		Manager	Other Senior Professional	Assistant and Support Staff	Total	Average Hourly Rate
Admin - Administration	Hrs	0.50		0.70	1.20	227
	Val	150.00		122.50	272.50	
Admin - Forms & Reports	Hrs	0.20	3.80		4.00	229
	Val	60.00	855.00		915.00	
Admin - Planning	Hrs	0.40			0.40	300
	Val	120.00			120.00	
Administration & Reporting	Hrs	1.10	3.80	0.70	5.60	
	Val	330.00	855.00	122.50	1,307.50	
Total	Hrs	1.10	3.80	0.70	5.60	
	Val	330.00	855.00	122.50	1,307.50	

Work anticipated and the likely return to creditors

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Joint Administrators to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, a Joint Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. A Joint Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

Proposed Fee Basis/Bases

In this case, I am proposing the following bases for my remuneration as Joint Administrator:

- A set fee, fixed at £50,000 plus VAT and disbursements plus VAT, in respect of performing the Joint Administrators' statutory compliance and reporting, including the duty to investigate and report on the affairs of the Company and its directors under the Company Directors Disqualification Act; plus
- A percentage of asset realisations of 20%.

Based on previous cases and time spent to date, I anticipate that my equivalent time costs for dealing with the statutory compliance and reporting duties would be in the region of £50,000. I may be required to extend the Administration for a period of time, which would lead to further statutory compliance and reporting duties. Therefore, a fixed fee gives creditors certainty of costs.

In respect of asset realisations work, a percentage of realisations basis shares the risk and reward between the Joint Administrators and the creditors of carrying out speculative and fully contingent asset realisation work.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Overall, I therefore estimate that the fees of the Administration will be as follows:

Set Fee	£50,000
Percentage of Asset Realisations	*£40,600
Total Potential Remuneration	£90,600

*this is for illustrative purposes only and reflects 20% of the gross overdrawn director's loan account, including interest to date. However, it is not known whether this level of recovery will be achievable.

I consider that the above mixed fee basis is expected to produce a fair and reasonable reflection of the work that we anticipate will need to be undertaken.

Please note however, that in circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.

Outline of work to be done by the Joint Administrator

Below are details of the work I propose undertaking in support of the above fee proposal for the Administration:

Administration (including statutory compliance & reporting)

Joint Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be carried out.

This work includes:

- Notifying creditors of the Joint Administrators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices with the Registrar of Companies
- Preparing and issuing the Joint Administrators' statement of proposals for achieving the purpose of the Administration and thereafter providing periodic progress reports to members and creditors (typically every 6 months)
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Joint Administrators' specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Joint Administrators' office where necessary
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities (if a committee is appointed)
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration
- Submitting a statutory report to the Insolvency Service under the CDDA
- Periodic case progression reviews (typically at the end of Month 1, month 3 and every 6 months thereafter)

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

- Opening, maintaining and managing the Administration estate cashbook and bank accounts
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security

Realisation of assets

As outlined in section 2 the Joint Administrators' proposals, since appointment the Joint Administrators and staff have begun the pursuit of the Company's assets.

Negotiations are ongoing between the Joint Administrators and KT's solicitor with a view to recovery of the ODLA.

At present this is the only asset in the Administration and the recovery process remains ongoing. Whilst this is an ongoing matter I do not wish to comment further so as not to prejudice the outcome of my discussion with KT's solicitor.

Work done by the Joint Administrators, their staff and any third parties engaged to assist the Joint Administrators in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company. Further information on the likely outcome of the Administration process will be provided in the Joint Administrators' subsequent progress reports.

Creditors (claims and distributions)

As Joint Administrators, we will deal with all secured, any preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the Directors' estimated Statement of Affairs, after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the Administration process and the related costs and expenses, a distribution may be available to the unsecured creditors. We will either deal with the review and adjudication of creditors' claims in the Administration or if appointed Joint Liquidator, in the subsequent Liquidation, if and when it is determined that a dividend is to be declared to creditors.

It should be noted that the above is based on both the Directors' estimated Statement of Affairs and the projected realisable value of the claim against KT which at this stage is unconfirmed, together with the anticipated costs of the Administration. I will confirm the likely return to creditors in my future progress reports.

Investigations

As Joint Administrator, I am required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

Joint Administrators' Expenses

As also noted, we are required to provide creditors with details of the expenses we consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £
<i>Solicitors costs for providing assistance with the recovery of the ODLA of KT</i>	<i>Keebles LLP</i>	<i>Time Cost</i>	<i>2,646</i>
<i>Assistance with completion of the Company's Statement of Affairs</i>	<i>Bottom Line Corporate Services Ltd – Richard Botting</i>	<i>TBC</i>	<i>TBC</i>
<i>Statutory advertising</i>	<i>Courts Advertising Ltd</i>	<i>Cost = £</i>	<i>87</i>
<i>Specific penalty bond</i>	<i>Aon</i>	<i>Cost = £</i>	<i>150</i>

Staff Allocation and the Use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.

We are not proposing to utilise the services of any sub-contractors in this case.

Joint Administrators' Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would advise that the following Category 2 disbursements are currently charged by this firm: Business mileage at 45p per mile incurred.

Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors.

KAIM TODNER SOLICITORS LIMITED - IN ADMINISTRATION

Appendix E

Estimated Outcome Statement as at 25 February 2020

STATEMENT OF AFFAIRS £	FIXED CHARGE ASSET REALISATIONS	Paid to Date £	Future Costs £	TOTAL £
-		-	-	-
		NIL	NIL	NIL
	FLOATING CHARGE ASSET REALISATIONS			
Nil	Inter-Company Loan Account	NIL	NIL	NIL
Nil	Overdrawn Directors Loan Account	NIL	UNCERTAIN	UNCERTAIN
Nil		NIL	0	0
	COST OF REALISATIONS			
	Specific Bond	(150)	NIL	(150)
	Administrators' Fees (fixed)	NIL	(50,000)	(50,000)
	Administrators' Fee (percentage based)	Nil	Uncertain	Uncertain
	Administrators' Pre Appointment Fees	NIL	(1,308)	(1,308)
	Statement of Affairs Fees	NIL	(600)	(600)
	Legal Fees - Pre Appointment	(1)	Nil	(1)
	Legal Fees - Post Appointment	NIL	(1)	(1)
	Statutory Advertising	(87)	NIL	(87)
		(238)	(51,909)	(52,147)
	TOTAL AVAILABLE FOR FLOATING CHARGE CREDITORS			(52,147)
Nil	Preferential Creditors			NIL
	TOTAL AVAILABLE FOR FLOATING CHARGE CREDITORS			(52,147)
Nil	Floating Charge Creditor (Deficit under fixed charge b/d)			NIL
Uncertain	DEFICIT AFTER FLOATING CHARGE CREDITORS			(52,147)
	UNSECURED CREDITORS			
0	Legal Aid Agency			(120,000)
	Floating Charge Deficit Brought Down			NIL
0				(120,000)
0	DEFICIT TO UNSECURED CREDITORS			(120,000)
	DISTRIBUTIONS			
(100,000)	Ordinary Shareholders			(100,000)
(100,000)				(100,000)
(100,000)	DEFICIT TO MEMBERS			(220,000)
	ESTIMATED DISTRIBUTIONS			P IN THE £
	Fixed Charge Creditors			NIL
	Preferential Creditors			NIL
	Floating Charge Creditors			NIL
	Unsecured Creditors			TBC