

**In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and  
Companies List (ChD) Reference No. CR-2022-002357**

**Hartley Pensions Limited  
The joint administrators' statement of proposals**

**Peter Kubik and Brian Johnson  
Joint administrators**

**UHY Hacker Young LLP  
Quadrant House, 4 Thomas More Square, London E1W 1YW**

**Disclaimer notice**

This statement of proposals has been prepared by Peter Kubik and Brian Johnson, the joint administrators of Hartley Pensions Limited, solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Insolvency Act 1986 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

Any estimated outcomes for creditors included in this statement of proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the joint administrators do not assume any responsibility and will not accept any liability in respect of this statement of proposals.

The joint administrators act as agent for Hartley Pensions Limited and contract without personal liability. The appointment of the joint administrators is personal to them and, to the fullest extent permitted by law, UHY Hacker Young LLP does not assume any responsibility and will not accept any liability to any person in respect of this statement of proposals or the conduct of the administration.

**Document containing the statement of the joint administrators' proposals as required by Rule 3.55(10) of the Insolvency (England and Wales) Rules 2016**

In accordance with paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, the joint administrators are not seeking a decision from creditors on the approval of the Proposals. Section 10 of the attached Statement explains how creditors may request a decision on the Proposals, if they so desire.

Separately, the joint administrators seeking certain creditors' approval of a number of proposed decisions including that the joint administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the administration.

A statement of the pre-administration costs is attached at Appendix 3 to the Proposals. Payment of any unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986.

The affairs, business and property of Hartley Pensions Limited - in administration are managed by the joint administrators, who act as agents of the Company and without personal liability.

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## 1. Executive summary

- 1.1 Brian Johnson and I, Peter Kubik, were appointed joint administrators of Hartley Pensions Limited (“the Company”) on 29 July 2022.
- 1.2 This statement of proposals is being delivered to creditors on 20 September 2022.
- 1.3 The joint administrators are currently pursuing the second statutory objective, 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).
- 1.4 A summary of the current and anticipated future positions are detailed below.

### Assets

Asset	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Fixtures and fittings	-	Uncertain	Uncertain
IT equipment	-	Uncertain	Uncertain
Unlisted investments	-	Uncertain	Uncertain
Trade debtors	-	Uncertain	Uncertain
Amounts due from the Wilton’s group	-	Uncertain	Uncertain
Other debtors	-	Uncertain	Uncertain
Cash at bank	424,045.84	-	424,045.84
Sale of the SIPP/SSAS books	-	Uncertain	Uncertain
<b>Total</b>	<b>424,045.84</b>	<b>Uncertain</b>	<b>424,045.84</b>

### Expenses

Expense	Expense incurred to date £	Anticipated further expense £	Total anticipated expense £
Pre appointment fee – DWF Law LLP	246,163.14	-	246,163.14
Pre appointment fee – UHY Hacker Young	34,471.00	-	34,471.00
Pre appointment fee – Quantuma Advisory Limited	1,111.00	-	1,111.00
Joint administrators’ fees	231,926.00	2,268,074.00	2,500,000.00
Legal fees – post appointment	248,798.00	2,251,202.00	2,500,000.00
Accountancy fee	31,500.00	88,500.00	130,000.00
Pension advisors	-	950.00	950.00
Employee specialists	-	2,500.00	2,500.00
Advertising	94.10	-	94.10
Bonding	1,200.00	-	1,200.00
Creditor Gateway	-	84.00	84.00
Insolvency software	90.00	-	90.00
Storage of records	-	1,000.00	1,000.00
<b>Total</b>	<b>795,353.24</b>	<b>4,612,310.00</b>	<b>5,417,663.24</b>

### Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor	Not applicable	Not applicable
Preferential creditors	-	Uncertain
Secondary preferential creditors	-	Uncertain
Unsecured creditors	-	-

1.5 The main work remaining to be done to conclude the administration includes:

- cash at bank: ensuring all cash balances have been recovered;
- debtors: pursuing payment from the remaining debtor book;
- realisation of assets: agreeing and finalising a sale of the SIPP and SASS books, subject to Financial Conduct Authority (“FCA”) approval;
- trading: ongoing trade of the business to enable an orderly transfer of the SIPP and SSAS books to a purchaser, or if a sale is not completed then an orderly wind down of the remaining books;
- clients: communication with clients regarding their schemes, reconciliation of the client positions, securing and obtaining control over the pension assets;
- creditors: communication with creditors and dealing with claims, specifically in relation to preferential claims and anticipated future dividends; and
- investigation: completing all ongoing investigations and identifying any matters with potential to generate additional recoveries.

1.6 Subject to a sale being completed, the administration is expected to conclude within 12 months and it is proposed the Company exits either via a dissolution, compulsory liquidation or creditors’ voluntary liquidation. In the event that a sale is not achieved, it is uncertain how long the administration may continue.

1.7 It should be noted that for the purpose of this report, it has been prepared on the basis of a sale being completed albeit creditors should be aware that the position may significantly change in the event that a sale cannot be agreed and a wind down plan having to be implemented.

1.8 Definitions of the terms used in this Proposal are provided in Appendix 1.

## 2. Background to the Company

2.1 The Company was incorporated on 4 March 2015 as a FCA regulated firm with FCA registration number 735936 and its principal activity is a personal pension service provider. The Company’s principal trading address is 25 Marsh Street, Bristol BS1 4AQ and its registered office was 26 Grosvenor Street, London W1K 4QW, which has now changed to UHY Hacker Young’s offices at Quadrant House, 4 Thomas More Square, London E1W 1YW. The Company is a wholly owned subsidiary of Wilton UK (Group) Limited.

2.2 The Company operated predominantly in the United Kingdom with offices in Bristol, Blackburn and Lancaster and, prior to the administration, had approximately 60 employees.

2.3 The Company’s sole revenue stream is achieved by charging fixed fees to its clients for providing the schemes. In relation to the pension schemes, the scheme members’ assets are held in trust managed by a trustee, which is governed by a deed of trust between the Company and the trustee.

- 2.4 Between 2018 and 2021, the Company significantly expanded through a series of acquisitions, acquiring five books of business. The number of schemes administered increased from 1,553 in 2018 to more than 20,000 in 2021, administering members' funds in the custody of trustees with a value of approximately £2.3 billion.
- 2.5 Since February 2022, as a result of serious operational and regulatory issues identified at the Company, the FCA imposed a number of requirements over the Company. These included:
- Asset restriction effective from 17 February 2022: the Company must not, without the prior consent of the FCA, in any way dispose of, withdraw, transfer, deal with or diminish the value of any of its own assets (whether in the United Kingdom or elsewhere).
  - Client funds effective from 25 February 2022: the Company must not direct the trustees to transfer any cash held for members under SIPP and SSAS schemes administered by the Company to any person in the Company's group or that is otherwise a connected person of the Company.
  - No new business effective from 4 March 2022: the Company must not, except as expressly authorised by the FCA, accept any new clients or generate a new pipeline of clients, or carry on any work, including all regulated activities, for, or in relation to, any client, unless expressly permitted.
  - Compliance with liquid capital requirements ("LCR") imposed on 1 June 2022: the Company must ensure that it rectifies the deficit in and meets its LCR at all times, based on a calculation by the Company agreed with the FCA. No new contributions effective from 11 July 2022: the Company a) must not, except as expressly authorised in writing by the FCA: i) receive new or ongoing contributions, or pension transfers or switches, from any existing client or ii) process any pipeline SIPP/SSAS business received prior to the date on which this requirement became effective. It also amended the second requirement (regarding client funds) by preventing the Company, except as expressly authorised in writing by the FCA, directing Hartley Pensions Trustees Limited to transfer any SIPP or SSAS to any person or deal with any cash or assets held for members under SIPP and SSAS schemes administered by the Company until 22 July 2022, except this does not prevent the Company from instructing the Trustee to continue paying regular withdrawals to the members. Additionally this requirement stopped applying aspects of the third requirement (no new business). Finally, the Company was required to communicate these requirements to all relevant parties, including clients. The 22 July 2022 deadline has been extended on numerous occasions and whilst the current extension ended on 12 September 2022 a further extension has been requested from the FCA.
- 2.6 Due to the above restrictions being put in place, the director sought professional advice on 14 June 2022 and concluded that the Company will or was likely to become cash flow insolvent.
- 2.7 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix 2. Please note that this information has not been verified by the joint administrators or by UHY Hacker Young LLP.

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

- 3.1 As a consequence of the above, the Company sought advice from insolvency practitioners at Quantuma Advisory Limited and Libertas Associates Limited regarding its position and available options. It was decided that the Company should commence a managed wind down of its business, conduct an accelerated sales and marketing process and place the Company into an

insolvency process with Chris Newell of Quantuma Advisory Limited and Nicholas Barnett of Libertas Associates Limited (“together the Proposed Administrators”) being appointed.

- 3.2 The Company identified five scenarios in which it could effectively be wound down following the imposition of the requirements. The Proposed Administrators advised the Company that their preferred wind down scenario would be a pre-pack sale out of special administration or administration.
- 3.3 The Company instructed the Proposed Administrators to commence an accelerated sales and marketing process (the "Sales Process") to sell the Company's business and assets so as to ensure an orderly transfer of the client book to a purchaser which, in turn, would reduce the risks to clients and minimise potential market disruption. Following initial marketing and the entering into non-disclosure agreements by 30 parties, interested parties were given a deadline of 4pm on 14 July 2022 to make offers. Not all interested parties held the appropriate FCA permissions to establish, operate or wind up personal pension schemes.
- 3.4 Only one offer was made by the deadline of 4pm on 14 July 2022, and the offer presented required further interrogation and verification before being capable of acceptance (or indeed any recommendation by the Proposed Administrators to the Company to accept). Given the lack of credible offers, the director of the Company took steps for it to enter into an administration process.
- 3.5 Whilst the director had initially intended to appoint the Proposed Administrators as joint administrators of the Company, following the lack of offers arising out of the Sales Process, Mr Newell declined to act as joint administrator. Mr Newell advised that he was unwilling to be appointed at a stage when there was no firm offer in place for the sale of the Company's book and assets.
- 3.6 Accordingly, the director of the Company explored the options available in respect of an alternative insolvency practitioner to act as a joint administrator alongside Mr Barnett (who had confirmed his willingness to be appointed despite there being no sale agreed).
- 3.7 During the latter part of the Sales Process, the director wanted to consider alternative options and approached me on 4 July 2022. Following the lack of a credible offer, Mr Newell declined to proceed with his appointment and therefore the director agreed to a joint appointment between Mr Barnett, Brian Johnson and myself.
- 3.8 Following discussions with the FCA, they consented to the appointment of Mr Johnson and I, and following an out of court application we were appointed joint administrators on 29 July 2022.
- 3.9 No moratorium under Part A1 of the Insolvency Act 1986 (“the Act”) has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.
- 3.10 Attached at Appendix 3 is an account of the work undertaken prior to our appointment together with the costs associated with that work and payments made by the Company.
- 3.11 Payment of any unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 (“the Rules”) and



is not part of the statement of proposals subject to approval under paragraph 53 of Schedule B1 of the Act.

3.12 These proceedings are COMI proceedings.

#### **Ethical considerations**

3.13 Prior to our appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

### **4. The objective of the administration**

4.1 Administrators must perform their functions with the objective of:

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

4.2 Due to the cash flow difficulties faced by the Company and the level of its creditors, there was no interest in the purchase of the Company's shares.

4.3 The second objective is normally achieved by means of a sale of the business and assets or a more orderly sales process than in liquidation. As mentioned above, despite initiating a pre-pack sale process, this was ultimately unsuccessful as the only offer received was not viable. Upon our appointment as joint administrators, the sale process was recommenced and whilst deadlines for best and final offers for the various parts of the schemes were set, and offers have been received, discussions regarding the most viable offers are ongoing with the interested parties.

4.4 It is therefore expected that the second objective will be achieved. However in the event that a sale cannot be completed, this objective would still be met as the alternative to administration would have been to place the company into liquidation and immediately ceasing to trade. This would result in all investments having to be liquidated and returned to clients, resulting in the potential removal of the tax benefits to investors and no return being available to any class of creditor.

4.5 A detailed account of how we have sought to achieve the objective of the administration is set out below.

### **5. Events since our appointment**

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

5.2 As mentioned above, prior to the administration the Proposed Administrators commenced a marketing exercise for the sale of the business and assets. As Hilco Global Limited ("Hilco") had

been instructed by the Proposed Administrators, who had already approached a number of parties and set up a data room, Hilco were instructed to continue with the marketing process.

- 5.3 Whilst deadlines were provided for best and final offers of different aspects of the schemes available, discussions regarding a potential sale are ongoing with the interested parties.
- 5.4 There are currently two interested parties considering the purchase of both the SIPP and SSAS schemes. There are three prospected purchasers interested solely in purchasing the SSAS schemes. Conversations and due diligence exercises are continuing and in due course it is envisaged that final proposals will be submitted. Any purchase which includes the SIPP book must be approved by the FCA, and it must be shown to them that the proposed purchaser has the ongoing working capital requirements and resources to facilitate the on-boarding of the business.
- 5.5 Should this not be possible then the only alternative would be to enter into a wind down plan, which may entail either liquidating the schemes or arranging transfers out. This route could take considerably longer than a sale and therefore is likely to be more expensive.

**Other steps taken as regards assets**

- 5.6 Upon appointment, we instructed the Company to cancel all direct debits and made immediate contact with the Company's bankers in order to freeze the Company's bank accounts and to request the transfer of any credit balances into our control.
- 5.7 The Company has no other assets apart from office furniture and IT equipment, which whilst the trading of the business continues are in use, they are expected to have nominal value in any sale.

**Steps taken as regards clients/creditors**

- 5.8 Upon our appointment, a meeting was held with the staff to make them aware of the administration and updates were provided to inform them of our efforts with regard to the sale of the business and assets and subsequent attempts to obtain funding.
- 5.9 In addition, notice was issued to all clients advising of the administration and the impact on their SIPP and SSAS schemes. A frequently asked questions page was set up on UHY Hacker Young's website and a call centre was set up to assist with any queries.
- 5.10 We have handled client and creditors' queries as they have arisen, which has included telephone calls and correspondence by both email and post.
- 5.11 In addition, numerous extensions to the fifth VREQ detailed above were requested and obtained. The last VREQ extension expired on 12 September 2022. Whilst we are requesting a further extension from the FCA, clients are currently permitted to request transfers out. However, we are currently undertaking a full reconciliation of all client positions and until such time as this is completed we will be unable to action any such requests.

**Instruction of specialists**

- 5.12 When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, we are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm regularly reviews 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.

#### **Solicitors**

- 5.13 Our legal advisors, DWF Law LLP, have been instructed to provide advice in respect of all aspects of the administration, including assisting with obtaining extensions in regards to the VREQ, sale process, employee queries and other matters that arise.
- 5.14 DWF Law LLP are a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations. Their fee shall be agreed based on their hourly charge out rates, plus disbursements and VAT.

#### **Agents**

- 5.15 As mentioned above, Hilco were instructed on 15 June 2022 to assist with the pre-pack sale process and the following fee structure was agreed by the Company:

- an upfront fixed fee of £15,000;
- a contingent fee to be calculated as follows:
  - 20% on the first £250,000 of the gross proceeds of sale; plus
  - 10% on proceeds between £250,000 and £500,000; plus
  - 5% on proceeds between £500,000 and £1,000,000; plus
  - 1% on proceeds of sale in excess of £1,000,000.

- 5.16 The upfront fixed fee of £15,000 was paid by the Company prior to the administration.

- 5.17 Following the appointment of administrators, Hilco amended their fee structure as follows:

- an upfront fixed fee of £15,000;
- a contingent fee to be calculated as follows:
  - 20% on the first £250,000 of the gross proceeds of sale; plus
  - 10% on proceeds between £250,000 and £500,000; plus
  - 5% on proceeds between £500,000 and £1,000,000; plus
  - 1% on proceeds of sale in excess of £1,000,000.
- the contingent fee to be subject to a minimum fee based on time costs from the date of Hilco's original appointment by the Company on 15 June 2022. The minimum fee is to be paid regardless of whether a transaction of the business and assets takes place.

- 5.18 Hilco's letter of engagement also states that their engagement shall terminate within 180 days of instruction, unless extended in writing, and on termination an abortive fee is payable which is based on the time costs incurred.

#### **Accountants**

- 5.19 Accountants will need to be instructed in order to assist with the corporation tax return for the trading period and administration as a whole, to ensure previous tax losses can be utilised against any capital gain on the trading. It is intended for quotes to be sought from the Company's previous accountants as well as UHY Hacker Young LLP's corporate tax department.
- 5.20 In addition, UHY Hacker Young LLP's financial services department was instructed to assist with the reconciliation of the members' pension plans, platforms and an overview of the SIPP and

SSAS schemes. They have been instructed on a time costs basis, plus disbursements and VAT. Their time costs are estimated to amount to £120,000 plus VAT.

#### **Pension advisors**

- 5.21 SP Insolvency Limited, a specialist pension and insolvency service, was instructed to assist in respect of the Company's pension, specifically in completing and submitting notification of the administration to The Pension Protection Fund, The Pension Regulator and the pension scheme itself.
- 5.22 Whilst this work could have been carried out by our staff, it was deemed that this should be subcontracted for the following reasons:
- the notices were required to be submitted within 14 days of appointment and it was considered that SP Insolvency Limited would ensure that this was completed without delay and in any event within the 14 day requirement; and
  - the cost of instructing SP Insolvency Limited was considered to be less than the cost of our staff undertaking the work

#### **Investigation into the Company's affairs prior to the administration**

- 5.23 We have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.
- 5.24 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to our attention as soon as they are able.

### **6. The statement of affairs and the outcomes for creditors**

- 6.1 To date, the director has not submitted a signed statement of affairs, although I am advised they are in the process of preparing it. An estimated statement of the financial position of the Company, together with a list of creditors, is attached at Appendix 4. These figures have been extracted from the Company's records and therefore no warranty can be given to their accuracy.
- 6.2 In accordance with the standard format of a statement of affairs, no provision has been made in the estimated financial position for the costs of the administration.

#### **Prospects for creditors**

- 6.3 Attached at Appendix 5 is our receipts and payments account and trading account for the period from 29 July 2022 to 9 September 2022.
- 6.4 Also attached at Appendix 6 is an estimated outcome statement, which illustrates the anticipated outcomes for creditors.
- 6.5 The Act requires administrators to make a prescribed part of the Company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts. In this case, the prescribed part provision does not apply as there is no floating charge creditor.

6.6 As the value of any sale and debtor realisations are currently uncertain, the estimated outcome statement shows that there will be insufficient funds to pay any class of creditor.

## **7. The joint administrators' fees**

7.1 We propose to fix our fees on the basis of the time properly given by us and our staff in attending to matters arising in the administration, such time to be charged at the prevailing hourly charge out rates used by UHY Hacker Young LLP at the time the work is performed.

7.2 Attached at Appendix 7 is our fees estimate. Attached at Appendix 8 is a breakdown of the time costs incurred in the administration for the period 29 July 2022 to 9 September 2022 and UHY Hacker Young LLP's charge-out rates are available at <https://www.uhy-uk.com/sites/default/files/2022-09/London%20office%20turnaround%20and%20recovery%20charge%20out%20rates%20-%20Sep%202022.pdf>. Creditors may access a guide to administrators' Fees at <https://www.uhy-uk.com/sites/default/files/2022-03/Administration-a-guide-for-creditors-on-insolvency-practitioner-fees.pdf>. Hard copies can be provided at no cost on request.

7.3 An estimated outcome statement is at Appendix 6.

## **8. The joint administrators' expenses**

8.1 Attached at Appendix 9 are details of the expenses that we expect to incur in the administration.

8.2 Expenses fall into two categories: category 1 and category 2.

8.3 Category 1 expenses are payments to persons providing the service to which the expense relates who are not associates of us. Administrators may discharge category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.

8.4 Category 2 expenses are payments to associates. Payments may only be made in relation to category 2 expenses after the relevant creditors have approved the bases of their calculation.

8.5 Appendix 9 provides details of the bases of category 2 expenses that we propose to recover from the insolvent estate. These include UHY Hacker Young LLP's tax department.

8.6 The potential instruction of UHY Hacker Young LLP's tax department may be required to assist with the post appointment corporation tax return, however, before any formal instruction is undertaken a quote shall also be sought from the Company's current accountants. Please note that fee approval of £10,000 plus VAT is being sought for this to avoid the additional cost of reverting to creditors at a later stage.

8.7 In addition, UHY Hacker Young LLP's financial services department was instructed to assist with the reconciliation of the members' pension plans, platforms and an overview of the SIPP and SSAS schemes. They have been instructed on a time costs basis, plus disbursements and VAT. Their time costs are estimated to amount to £120,000 plus VAT.

## **9. The joint administrators' discharge**

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

## 10. Approval process

### Approval of the statement of proposals

- 10.1 Attached at Appendix 10 is a summary of our statement of proposals. For further information on how the Company's affairs will continue to be managed, if these proposals are approved, please refer to Appendix 7, which sets out in detail what further work we propose to undertake.
- 10.2 We are seeking creditors' approval of the statement of proposals by means of the process set out in Rule 15.7 of the Rules, deemed consent.

### Other decisions

- 10.3 We are also inviting creditors to decide on the following matters:-
- the timing of our discharge from liability;
  - whether to establish a creditors' committee, but in the event that a creditors' committee is not established:-
  - the basis on which our fees shall be fixed;
  - the approval of the unpaid pre-administration costs; and
  - the approval of the basis of category 2 expenses.
- 10.4 Attached at Appendix 11 are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.
- 10.5 If any creditor has any queries in relation to the above, please do not hesitate to contact either of the joint administrators or Skevi Iacovou, on 020 7216 4600 or by email to s.iacovou@uhy-uk.com.



**Peter Kubik**  
Joint administrator

Peter Kubik and Brian Johnson were appointed joint administrators of Hartley Pensions Limited on 29 July 2022. 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.

## **Appendix 1: definitions**

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The statement of proposals	The statement of the joint administrators' proposals prepared pursuant to paragraph 49(1) of Schedule B1 of the Act
The joint administrators	Peter Kubik and Brian Johnson
The Company	Hartley Pensions Limited - in administration
The Court	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
HMRC	HM Revenue & Customs
ROT	Retention of title
EOS	Estimated outcome statement
PP or Prescribed Part	The prescribed part of the Company's net property subject to section 176A of the Act
QFCH	Qualifying floating charge holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
SIPP	Self-invested personal pension
SSAS	Small self-administered scheme

## Appendix 2: statutory and financial information

Company name	Hartley Pensions Limited
Previous names	Hartley Lifetime Pensions Limited (until 31 January 2016)
Trading names	Hartley Pensions / Hartley
Proceedings	Administration
Court	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference	CR-2022-002357
Date of appointment	29 July 2022
Appointed by	The director, via an out of court application
Joint administrators	Peter Kubik and Brian Johnson, of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW
Statement required by paragraph 100(2) of Schedule B1 of the Act	The joint administrators are authorised to carry out all functions, duties and powers by either one or by both of them
Registered office	c/o UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW
Company number	09469576
Incorporation date	4 March 2015
Company secretary	Wilton Corporate Services Limited
Directors at date of appointment	Michael Anthony Flanagan
Shareholdings	Wilton UK (Group) Limited (company number 04179664) holds all shares in the Company



## Financial information

The statement of comprehensive income and balance sheet detailed below have been taken from the Company's audited accounts filed at Companies House for the year ending 30 April 2021. UHY Hacker Young LLP have therefore not reviewed the figures detailed.

### **HARTLEY PENSIONS LIMITED** **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 30 APRIL 2021**

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	7,460,777	6,604,617
Cost of sales		<u>(152,505)</u>	<u>(152,716)</u>
<b>Gross profit</b>		7,308,272	6,451,901
Administrative expenses		(4,989,584)	(4,404,599)
Other operating income		<u>49,315</u>	<u>-</u>
<b>Operating profit</b>	<b>4</b>	2,368,003	2,047,302
Interest payable and similar expenses	<b>8</b>	<u>(951)</u>	<u>(13,766)</u>
<b>Profit before taxation</b>		2,367,052	2,033,536
Tax on profit	<b>9</b>	<u>(197,681)</u>	<u>-</u>
<b>Profit for the financial year</b>		<u>2,169,371</u>	<u>2,033,536</u>

The profit and loss account has been prepared on the basis that all operations are continuing. There was no other comprehensive income for 2021 (2020: Nil).

# HARTLEY PENSIONS LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2021

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	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10	3,539,153		3,679,241	
Tangible assets	11	91,531		350,632	
Investments	12	39,812		39,812	
			3,670,496		4,069,685
<b>Current assets</b>					
Debtors	13	7,500,884		2,508,238	
Cash at bank and in hand		1,916,089		101,989	
			9,416,973		2,610,227
<b>Creditors: amounts falling due within one year</b>	14	(3,487,320)		(2,709,134)	
<b>Net current assets/(liabilities)</b>			5,929,653		(98,907)
<b>Net assets</b>			9,600,149		3,970,778
<b>Capital and reserves</b>					
Called up share capital	17	3,500,000		40,000	
Profit and loss reserves		6,100,149		3,930,778	
<b>Total equity</b>			9,600,149		3,970,778

The financial statements were approved by the board of directors and authorised for issue on 24 August 2021 and are signed on its behalf by:

### **Appendix 3: statement of pre-administration costs**

As mentioned within the report, Quantuma Advisory Limited (“Quantuma”) and Libertas Associated Limited (“Libertas”) were initially instructed by the Company to assist with the pre-pack sale of the business and assets and place the Company into administration.

Quantuma were instructed by the Company on 14 June 2022 in order to:

- conduct a review of the Company’s financial position;
- liaise with the FCA in relation to the Company’s current position;
- assist in providing a formal wind down report to the FCA outlining the rescue plan and the options if a rescue plan is not feasible;
- assist agents with progressing a sale of the business/Company;
- assist in discussions with creditors;
- liaise with staff to ensure the continuation of the business whilst a solvent sale is sought; and
- other advisory work as required.

Quantuma’s fees were to be based on their time costs plus disbursements and VAT. Quantuma’s time costs totalled £46,289.50 plus VAT, of which £45,178.50 plus VAT was paid and the balance of £1,111.00 plus VAT remained outstanding. Whilst it has not been confirmed, I understand the payments made to Quantuma were paid directly from the Company.

Whilst I have requested details of Libertas’ pre-administration costs, no details have been provided. I am aware that payments have been made to Libertas by the Company, however I have no information regarding the amount.

Hilco were instructed on 15 June 2022 to assist with the pre-pack sale process and the following fee structure was agreed by the Company:

- an upfront fixed fee of £15,000;
- a contingent fee to be calculated as follows:
  - 20% on the first £250,000 of the gross proceeds of sale; plus
  - 10% on proceeds between £250,000 and £500,000; plus
  - 5% on proceeds between £500,000 and £1,000,000; plus
  - 1% on proceeds of sale in excess of £1,000,000.

The upfront fixed fee of £15,000 was paid by the Company prior to the administration.

On 15 July 2022 the Company instructed UHY Hacker Young LLP (“UHY”) in respect of the following work:

- advising the Company on the options available;
- attending meetings with the director;
- review of cash flow forecasts;
- meetings with the finance teams regarding the financial position;
- discussions regarding strategy;
- assisting agents with marketing the business and assets for sale;
- discussions with interested parties;
- negotiations regarding the assets available and sale price;
- discussions with the FCA regarding the proposed appointment;
- discussions with the relevant parties in respect of the restrictions in place and the effect of these on the administration process;

- assisting solicitors with the preparation of the contingency plan; and
- preparing FAQ's, setting up a call centre and communication to clients to be issued upon appointment.

UHY were instructed on a time costs plus disbursements and VAT basis. Time costs totalled £34,471.00 plus VAT and as no payments were received prior to the administration the full amount is outstanding.

Prior to the administration, the Company also instructed DWF Law LLP ("DWF") to assist with various matters including those listed above. DWF were also instructed on a time costs basis plus expenses and VAT. The sum of £246,163.14 plus VAT remains outstanding.

## Appendix 4

### Hartley Pensions Limited - In Administration Estimated financial position as at 29 July 2022

	Book value as at 31/04/2021 £	Estimated to realise as at 29/07/2022 £
<b>Assets</b>		
Software	264,814	-
Customer base costs	3,274,339	-
Fixtures and fittings	69,994	Uncertain
Computers	21,537	Uncertain
Unlisted investments (Platform One)	39,812	Uncertain
Trade debtors	2,986,590	Uncertain
Amounts owed from within the group	4,269,140	Uncertain
Other debtors	84,297	Uncertain
Cash at bank	1,916,089	424,046
Sale of the SIPP/SSAS books	-	Uncertain
<b>Total assets</b>	<b>12,926,612</b>	<b>424,046</b>
<b>Total available for preferential creditors</b>		<b>424,046</b>
<b>Preferential creditors</b>		
Employees - outstanding holiday pay		(30,099)
<b>Deficiency to secondary preferential creditors</b>		393,947
<b>Secondary preferential creditors</b>		
HM Revenue and Customs - PAYE		(300,000)
<b>Deficiency to unsecured creditors</b>		93,947
<b>Unsecured creditors</b>		
Employees' claims - notice/redundancy		(4,307)
Suppliers		(229,894)
Financial Ombudsman - compensation		(269,250)
		(503,451)
<b>Total deficiency to creditors</b>		<b>(409,505)</b>

## Schedule of creditors

<b>Name</b>	<b>Address</b>	<b>Amount (£)</b>
Abbey Telecom Ltd	Logic House, Ordnance Street, Blackburn BB1 3AE	54.85
Alert Fire and Security Limited	Fire House, Mayflower Close, Chandler's Ford S53 4AR	2,247.28
Blackburn With Darwen Borough Council	King William Street, Town Hall, Blackburn BB1 7DY	3,072.50
Bottomline Technologies	115 Chatham Street, Reading RG1 7JX	59.04
Bridgewood Marketing	First Floor, North Wing, Swithland Hall, Main Street, Loughborough LE12 8TJ	36,000.00
Bristol City Council	The Old Council House, Corn Street, Bristol BS1 1JG	43,761.17
Cannon Fire & Security	The Old Church, 113A Gloucester Road North, Filton, Bristol BS34 7PT	252.00
Cardinal Contracts t/a Minster Cleaning Services	Bonville Road, Brislington, Bristol BS4 5QR	2,152.62
Cathedral Leasing Limited	Building 300 Relay Point, Wilnecote, Tamworth B77 5PA	351.00
CBRE Limited	177 Bothwell Street, Glasgow G2 7ER	9,803.35
CF Corporate Finance Ltd	Reading International Business Park, Reading, Berkshire RG2 6AA	815.08
Chambers Townsend Holdings Limited	Corintian House, Landsowne Road, Croydon CR0 2BX	63,020.10
Cyclescheme Limited	PO BOX 3809, Bath BA1 1WX	1,295.00
Fast Key Services Ltd	Unit 3 Pilot Close, Fulmar Way, Wickford SS11 8YW	7.34
Financial Ombudsman service	Exchange Tower, London E14 9SR	269,250.00
Floral Image	Unit 25, Mackley Industrial Estate Henfield Road, Small Dole, Henfield BN5 9XR	67.09
Foot Anstey	Salt Quay House, 4 North East Quay, Sutton Harbour PL4 0BN	1,500.00
Hays Recruitment	Hays House, 40-44 Coomber Road, New Malden KT3 4QF	9,000.00
HM Revenue and Customs	Insolvency Claims Handing Unit, Benton Park View, Longbenton, Newcastle NE98 1ZZ	300,000.00
Hubwise Securities	Waverley Court, Wiltell Road, Lichfield WS14 9ET	8,009.63
ICO	Wycliffe House, Water Lane, Wilmslow SK9 5AF	105.00
ITAS	100 High Street, Mold CH7 1BH	205.20
Lancashire Confidential Shredding Ltd / ECS Limited	L Building, Glenfield Business Park, Philips Road, Blackburn BB1 5PF	36.00
Lexus Financial Services	PO Box 557, Portsmouth PO6 4WL	408.12
Newicon	The Innovation Centre Bristol And Bath Science Park, Emersons Green BS16 7FR	1,608.00
OASIS (UK) Ltd	The Sawmills, Glanusk Park, Crickhowell, Powys NP8 1LP	360.98
Octopus Energy	Uk House, 5th Floor, 164-182 Oxford Street, London W1D 1NN	454.54

Office Groceries	43 Church Street, Billericay, Essex CM11 2SX	264.96
Orchard Computer Services	Melford House, 6 Oaklands Business, Yate, Bristol BS37 5NA	21,830.00
R Garrod Trireme	Generotte House, La Ruelle de la Generotte, Castel, Guernsey GY5 7PG	200.00
Richard Associates	North Lodge, Hawkesyard, Armitage Lane, Rugeley WS15 1PS	321.60
Robert Half	Washington House. International Square, Starley Way, Birmingham B37 7GN	15,868.12
Royal Mail	Royal Mail House, Stone Hill Road, Farnworth BL4 9XX	432.00
Safe Store Ltd	10 Clift House, Ashton Gate, Bristol BS3 1RX	780.34
SAGE IRISH INVESTMENTS TWO LIMITED	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle Upon Tyne NE28 9EJ	419.52
Search Convert Ltd	40 Queens Road, Formby, Liverpool L37 2HQ	1,200.00
Siemens	Pinehurst, 2 Pinehurst Road, Farnborough GU14 7BF	110.02
StoneHouse Logic Ltd C/O Chess ICT Ltd	Bridgford House, Heyes Lane, Alderley Edge SK9 7JP	120.00
Stor-a-File Limited	Unit 5, Wanlip Road Ind Estate, Syston, Leicestershire, LE7 1PD	428.76
The Mailing Room (Previously Mail Serve)	Southerly 7, Waterford Business Park, Bury, Greater Manchester, BL9 7BR	537.82
Trireme Pension Services (Malta) Limited	First Floor, Orange Point, Birkirkara, Malta BKR9037	1,550.00
Virtual Cabinet	Suite 8 The Works, 20 West Street, Unity Campus, Pampisford CB22 3FT	275.40
Waterlogic	Angel House, Shaw Road, Wolverhampton WV10 9LE	909.31
		<b>799,143.74</b>

Appendix 5

Hartley Pensions Limited - In Administration  
 Joint Administrators' Receipts & Payments  
 From 29 July 2022 To 09 September 2022

As per EOS £		From 29/07/22 To 09/09/22	From 29/07/22 To 09/09/22
<b>ASSET REALISATIONS</b>			
Uncertain	Fixtures and Fittings	NIL	NIL
Uncertain	Computers	NIL	NIL
Uncertain	Unlisted Investments (Platform One)	NIL	NIL
Uncertain	Trade Debtors	NIL	NIL
Uncertain	Amounts Owed Within The Group	NIL	NIL
Uncertain	Other Debtors	NIL	NIL
424,046	Cash at Bank	424,045.84	424,045.84
Uncertain	Sale of the SIPP/SSAS Books	NIL	NIL
424,046		424,045.84	424,045.84
<b>COST OF REALISATIONS</b>			
	Specific Bond	(1,200.00)	(1,200.00)
	Statutory Advertising	(94.10)	(94.10)
	INSOLV fee	(90.00)	(90.00)
		(1,384.10)	(1,384.10)
<b>PREFERENTIAL CREDITORS</b>			
(30,099)	Employees – Holiday Pay	NIL	NIL
(30,099)		NIL	NIL
<b>SECONDARY PREFERENTIAL CREDITORS</b>			
(300,000)	HM Revenue & Customs	NIL	NIL
(300,000)		NIL	NIL
<b>UNSECURED CREDITORS</b>			
(4,307)	Employees – Notice/Redundancy Claims	NIL	NIL
(229,894)	Trade Creditors	NIL	NIL
(269,250)	Financial Ombudsman – Compensation	NIL	NIL
(503,451)		NIL	NIL
<b>TRADING</b>			
Uncertain	Trading Profit/(Loss)	258,651.46	258,651.46
		681,313.20	681,313.20
<b>REPRESENTED BY</b>			
	Vat Payable		(86,688.08)
	Vat Receivable		19,561.23
	Interest Bearing Current Account		748,440.05
			681,313.20



**Hartley Pensions Limited - In Administration**  
**Joint Administrators' Trading Account**  
**From 29 July 2022 to 9 September 2022**

<b>Trading Income</b>	
Prepayments	1,000.00
Management Fees	452,390.51
	<u>453,390.51</u>
<b>Trading Expenditure</b>	
Sub Contractors	(14,401.42)
Wages & Salaries	(85,077.33)
Utility Payments	(465.16)
Travel & Accommodation	(17,823.91)
Telephone	(2,275.51)
Insurance	(1,200.00)
Lease/HP Payments	(6,450.66)
Postages	(6,577.33)
PAYE & NI	(36,346.05)
Call Centre	(44,242.96)
Accounting System	(400.00)
Recycling & Disposal Services	(87.09)
IT Services	(14,527.63)
Security Services	(422.60)
Subsistence	(993.33)
Cleaning Services	(488.64)
Subscriptions	(153.00)
	<u>(231,932.62)</u>
<b>Trading Profit/(Loss)</b>	<u><u>221,457.89</u></u>

## Appendix 6

### Estimated outcome statement

	Book value as at 31/04/2021 £	Estimated to realise as at 29/07/2022 £
<b>Assets</b>		
Software	264,814	-
Customer base costs	3,274,339	-
Fixtures and fittings	69,994	Uncertain
Computers	21,537	Uncertain
Unlisted investments (Platform One)	39,812	Uncertain
Trade debtors	2,986,590	Uncertain
Amounts owed from within the group	4,269,140	Uncertain
Other debtors	84,297	Uncertain
Cash at bank	1,916,089	424,046
Sale of the SIPP/SSAS books	-	Uncertain
<b>Total assets</b>	<b>12,926,612</b>	<b>424,046</b>
<b>Trading profit/(loss)</b>		Uncertain
<b>Costs and expenses</b>		
Pre appointment legal fees		(246,163)
Pre appointment fees - Quantuma Advisory Limited		(1,111)
Pre appointment administrators' fees		(34,471)
Accountancy fees		(10,000)
Financial services fees		(120,000)
Employee specialists		(2,500)
Pension specialists		(950)
Storage of books and records		(1,000)
Statutory advertising		(94)
Specific bond		(1,200)
Insolvency software fee		(90)
The Creditor Gateway		(84)
Agent's fees		(120,000)
Joint administrators' remuneration		(2,500,000)
Solicitors and counsel's fees		(2,500,000)
<b>Total costs and expenses</b>		<b>(5,537,663)</b>
<b>Deficiency to preferential creditors</b>		<b>(5,113,617)</b>
<b>Preferential creditors</b>		
Employees - outstanding holiday pay		(30,099)
<b>Deficiency to secondary preferential creditors</b>		<b>(5,143,717)</b>

**Secondary preferential creditors**

HM Revenue and Customs

(300,000)**Deficiency to unsecured creditors**(5,443,717)**Unsecured creditors**

Employees' claims - notice/redundancy

(4,307)

Suppliers

(229,894)

Financial Ombudsman - compensation

(269,250)(503,451)**Total deficiency to creditors****(5,947,168)**

## Appendix 7: The joint administrators' fees estimate

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the administration and thus it includes the time already incurred, details of which are provided in Appendix 9.

The fee estimate has been compiled on the following assumptions:-

- our initial investigations will not identify any matters that require further investigation or pursuit;
- no exceptional work, such as litigation, will be required to realise the remaining assets/debtor book;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered in our proposals; and
- there will be no need to extend the administration.

On these assumptions, the joint administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the fee estimate. However, in the event that the administration does not proceed as envisaged, the joint administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

General description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
<b>Administration (including statutory reporting)</b>				
Statutory/advertising	Filing and advertising of documents to meet statutory requirements	150	500	75,000.00
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists			
Bank account administration	Preparing correspondence opening and closing bank accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments			
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case			

Books and records / storage	Dealing with records in storage Sending case files to storage			
Creditor reports	Preparing proposal, six monthly progress reports, fee authority report to creditors, conversion to CVL (if applicable) and final report			
Creditors' decisions	Preparation of decision notices, voting forms Collate and examine proofs and votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure Issuing notice of result of decision on proposals			
<b>Investigations</b>				
FCA	Correspondence with the FCA re regulatory breaches			
SIP 2 Review	Collection, and making an inventory, of company books and records 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	125	500	62,500.00
Statutory reporting on conduct of director	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations			

Examinations	<p>Preparing brief to solicitor</p> <p>Liaising with solicitor(s) regarding examinations</p> <p>Attendance at examination</p> <p>Reviewing examination transcripts</p> <p>Liaising with solicitor(s) regarding outcome of examinations and further actions available</p>	<p>It is not anticipated that this shall be required and therefore no estimate has been provided.</p>		
Litigation / recoveries	<p>Strategy meeting regarding litigation</p> <p>Seeking funding from creditors</p> <p>Reviewing terms of solicitors' conditional fee agreements</p> <p>Preparing brief to solicitors/counsel</p> <p>Liaising with solicitors regarding recovery actions</p> <p>Dealing with ATE insurers</p> <p>Attending to negotiations</p> <p>Attending to settlement matters</p>	<p>It is not anticipated that this shall be required and therefore no estimate has been provided.</p>		
<b>Realisation of assets</b>				
Sale of the business	<p>Liaising with agents re marketing process</p> <p>Review of data room</p> <p>Discussions with interested parties re data/provision of further information</p> <p>Liaising with agents re timescale for offers</p> <p>Review offers received</p> <p>Discussions with interested parties re offers</p> <p>Review of interested parties business plans/financial information</p> <p>Updating the FCA re interested parties/offers</p> <p>Negotiating and agreeing a sale contract</p> <p>Considering TUPE regulations</p>	750	500	450,000.00
Debtors	<p>Review of the company's debtor ledger</p> <p>Collating supporting documents for each debtor</p> <p>Initial correspondence to debtors for payment</p> <p>If appropriate, obtain legal advice to pursue amounts due</p>			
Cash at bank	<p>Correspondence with the company's various bank providers for the credit balance</p>			

	Review of bank statements to verify the figure			
<b>Trading</b>				
Management of operations	<p>Liaising with suppliers to secure terms</p> <p>Negotiating with ransom creditors</p> <p>Ensuring security of premises, computer system, equipment and stock</p> <p>Arranging health and safety visit</p> <p>Discussions with brokers re insurances required</p> <p>Dealing with client queries including transfer requests, requests to the FCA for consents to transfer, death committee duties, pension sharing orders and reconciliations</p> <p>Communicating with clients regarding the outcome of the sale process and advising re a wind down if appropriate</p> <p>Team meetings</p> <p>Correspondence with the FSCS, FCA, HMRC and RBS</p> <p>Trading strategy review</p>	3,750	500	1,875,000.00
Accounting for trading	<p>Reviewing company's budgets and financial statements</p> <p>Arranging payments to suppliers in relation to ongoing trade</p> <p>Preparing trading budgets</p> <p>Preparing and updating cash flows</p> <p>Collecting monthly management fees</p> <p>Finalising trading profit or loss</p> <p>Tax and VAT returns</p> <p>Arranging payroll and HMRC submissions</p> <p>Concluding payroll and issuing forms P45 when trading ceases</p>			
Ongoing employee issues	<p>Holding employee meetings to provide updates</p> <p>Responding to employee queries</p> <p>Review of staffing requirements for trading period</p> <p>Deciding on and making redundancies where necessary</p>			

<b>Creditors (claims and distribution)</b>				
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the provider of the pension scheme			
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend	75	500	37,500.00
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims			
Distribution procedures	Paying a distribution to preferential creditors Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of notice of intended dividend Preparation of dividend calculation Preparation of correspondence to preferential creditors announcing declaration of dividend Preparation of cheques/BACS to pay dividend Preparation of correspondence enclosing payment of distribution Dealing with unclaimed dividend	Based on the current financial information, we do not anticipate a dividend to be available to any class of creditor. If this position changes, further fee approval may be sought in this respect.		
Creditors' committee	Holding an initial meeting of the Committee Reporting to committee members Seeking the committee's approval on case strategy	No estimate has been provided, as it has been assumed that no Committee will be established		



	Calling and holding meetings of the committee as required and the circumstances of the case dictate			
<b>Total</b>		<b>4,850.00</b>	<b>515.46</b>	<b>2,500,000.00</b>

### **Administration (including statutory reporting)**

The joint administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

### **Investigations**

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

### **Realisation of assets**

The receipts and payments account at Appendix 5 sets out the realisations achieved to date and the estimated outcome statement at Appendix 6 sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. In brief, the following main tasks are yet to be completed:

- sale of assets: agreeing and finalising the sale of the SIPP and SSAS books; and
- debtors: pursuing outstanding debts due from various parties, including connected companies.

### **Trading**

The Company is continuing to trade until a transfer of the SIPP/SSAS books can be completed. The following work is ongoing:

- collecting the monthly management fees;
- correspondence with clients;
- settling all post-appointment accounts with suppliers; and
- submitting all post-appointment tax returns and settling liabilities.

### **Creditors (claims and distributions)**

Irrespective of whether sufficient realisations are achieved to pay a dividend to secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries, such as dealing with the return of third party assets and issuing statutory reports to creditors.

**Appendix 8: breakdown of our time costs for the period 29 July 2022 to 9 September 2022**

Classification of work function	Partner		Snr manager		Snr administrator		Administrator		Junior administrator		Total hours	Total cost £	Avg hourly rate £
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£			
<b>Administration and planning</b>													
Administrative set-up	0.10	62.50	0.00	0.00	0.10	19.50	0.00	0.00	0.00	0.00	0.20	82.00	410.00
Appointment notification	0.00	0.00	2.20	990.00	5.90	1,150.50	0.00	0.00	0.00	0.00	8.10	2,140.50	264.26
Case planning	0.00	0.00	1.30	585.00	0.50	87.50	2.00	300.00	0.00	0.00	3.80	972.50	255.92
Maintenance of records	0.00	0.00	0.30	135.00	11.60	2,262.00	0.00	0.00	11.00	825.00	22.90	3,222.00	140.70
Statutory reporting	0.00	0.00	5.50	2,475.00	0.90	175.50	0.00	0.00	0.00	0.00	6.40	2,650.50	414.14
<b>Realisation of assets</b>													
Debt collection	2.50	1,562.50	3.60	1,620.00	0.00	0.00	0.30	45.00	0.00	0.00	6.40	3,227.50	504.30
Securing and insuring assets	0.00	0.00	0.40	180.00	1.40	273.00	2.30	345.00	0.00	0.00	4.10	798.00	194.63
Property, business and asset sales	17.60	11,000.00	4.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00	21.60	12,800.00	592.59
<b>Creditors</b>													
Creditors' claims	0.00	0.00	0.10	45.00	4.60	897.00	0.00	0.00	4.90	367.50	9.60	1,309.50	136.41
Communication with creditors	0.40	250.00	0.00	0.00	3.00	563.00	0.00	0.00	5.30	396.50	8.70	1,209.50	139.02
<b>Trading</b>													
Accounting for trading	4.70	2,937.50	45.60	16,395.00	0.00	0.00	0.00	0.00	0.00	0.00	50.30	19,332.50	384.34
Management of operations	150.10	93,812.50	198.10	77,795.00	3.10	604.50	14.00	2,100.00	8.50	637.50	373.80	174,949.50	468.03
On-going employee issues	3.50	2,187.50	16.80	6,410.00	1.70	331.50	0.00	0.00	0.00	0.00	22.00	8,929.00	405.86
<b>Investigations</b>													
CDDA report	0.00	0.00	0.00	0.00	0.30	58.50	0.00	0.00	0.00	0.00	0.30	58.50	195.00
Antecedent transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.20	30.00	0.00	0.00	0.20	30.00	150.00
SIP 2 review	0.00	0.00	0.00	0.00	0.00	0.00	1.10	214.50	0.00	0.00	1.10	214.50	195.00
<b>TOTAL HOURS</b>	<b>178.90</b>		<b>277.90</b>		<b>33.10</b>		<b>19.90</b>		<b>29.70</b>		<b>539.50</b>		
<b>TOTAL TIME CHARGED (£)</b>		<b>£111,812.50</b>		<b>£108,430.00</b>		<b>£6,422.50</b>		<b>£3,034.50</b>		<b>£2,226.50</b>			<b>£231,926.00</b>
<b>Average hourly cost (£)</b>		<b>625.00</b>		<b>390.18</b>		<b>194.03</b>		<b>152.49</b>		<b>74.97</b>			<b>429.89</b>
<i>All figures are shown net of VAT</i>													

## Appendix 9: our expenses estimate

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document. Please note the below excludes all trading costs and is exclusive of VAT.

<b>Category 1 expenses</b>	<b>Basis</b>	<b>Estimate of total £</b>
Advertising	£94.10 per advert	94.10
Agent's fees (Hilco)	Fixed fee and contingency fee	120,000.00
Bonding	Based on asset value	1,200.00
Collection and storage of company records	Collection fees plus fixed fee per box	1,000.00
Creditor Gateway	Per report	84.00
Insolvency software	Fixed	90.00
Legal costs – DWF Law LLP have been instructed to advise regarding various matters in the administration	Time costs/expenses	2,500,000.00
Pension specialists – SP Insolvency Limited was instructed to assist with issuing the statutory pension notices required and review the pension scheme to ascertain what, if any, action was required.	Dependent on number of employees and number of schemes	950.00
Employee specialists – may be instructed to assist with preferential claims, including agreeing employee and RPO claims and RTI submissions	Dependent on number of employees	2,500.00
<b>Total</b>		<b>2,625,918.10</b>

<b>Category 2 expenses</b>	<b>Basis</b>	<b>Estimate of total £</b>
UHY Hacker Young LLP*	See note below	130,000.00
<b>Total</b>		<b>130,000.00</b>

\*Please note that a quote shall be obtained from UHY Hacker Young LLP's tax department for any post appointment tax returns that may be required, such as the corporation tax return for the trading period. For the purposes of the approval of the category 2 expenses, this has been estimated to be £10,000.00 plus VAT and is based on the fees incurred in cases previously undertaken of a similar nature. In the event that third party accountants are more cost-effective, UHY Hacker Young LLP shall not be instructed.

In addition, UHY Hacker Young LLP's financial services department was instructed to assist with the reconciliation of the members' pension plans, platforms and an overview of the SIPP and SSAS schemes. They have been instructed on a time costs basis, plus disbursements and VAT. Their time costs are estimated to amount to £120,000.00 plus VAT.

## Appendix 10: summary of our proposals

In order to achieve the purpose of the administration, we formally propose to creditors that:-

- we continue to manage the business, affairs and property of the Company in order to achieve the purpose of the administration, in particular that:-
  - (i) we continue to trade the business to ensure either an orderly transfer to a purchaser or a wind down of the client book;
  - (ii) we investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
  - (iii) we do all such things and generally exercise all our powers as joint administrators as we consider desirable or expedient at our 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.
- We make distributions to any secured or preferential creditors in accordance with paragraph 65 of Schedule B1 of the Act. Further, we 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.
- We 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, we shall file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 of the Act; or
  - (ii) in the event that there is no distribution available to unsecured creditors and that illiquid client assets remain within the Company, an application shall be made to the court to place the Company into compulsory liquidation; or
  - (iii) in the unlikely event that we think that a distribution will be made to unsecured creditors (and we have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in administration), we shall send to the registrar of companies notice to move the Company from administration to creditors' voluntary liquidation. In such circumstances, Peter Kubik and Brian Johnson will be appointed joint liquidators and will be authorised to act either jointly or separately in undertaking their duties as liquidators. 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 above.

## **Appendix 11: decision process documents**

### **Notice seeking deemed consent**

**Company name:** Hartley Pensions Limited - in administration (“the Company”)

**Company number:** 09469576

**In the High Court of Justice, CR-2021-002357**

This notice is given under Rules 3.39 and 15.7 of the Insolvency (England & Wales) Rules 2016 (“the Rules”). It is delivered by the joint administrators of the Company, Peter Kubik and Brian Johnson, of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW (telephone number 020 7216 4600), who were appointed by the director via an out of court application.

The joint administrators proposes that the following decisions be made:-

1. that the joint administrators’ Proposals be approved;
2. that a creditors’ committee will not be established; and
3. that the joint administrators be discharged from liability in respect of any action undertaken by them pursuant to paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of joint administrators ceases to have effect, as defined by the Act, unless the court specifies a time.

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

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

It is the joint administrators’ responsibility to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

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

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

By post to: UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW

By email to: s.iacovou@uhy-uk.com

Please note that whilst our office are open it is recommended that any forms are returned by email to s.iacovou@uhy-uk.com.

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

All objections and proofs of debt must be delivered by 23:59 on the decision date, 5 October 2022.

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

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

Statutory thresholds to request a meeting are 10% in value of the creditors, 10% in number of the creditors or 10 creditors.


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

**Invitation to form a committee**

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

All nominations must be delivered by: 4pm on 4 October 2022

Nominations can only be accepted if the joint administrators are satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules. For further information on the role of Creditors' Committees, go to: <http://thecompliancealliance.co.uk/cglc.pdf>.

Signed: 

**Peter Kubik**  
Joint administrator

Dated: 20 September 2022

## NOTICE OF OBJECTIONS

### Hartley Pensions Limited - in administration

On behalf of (name of creditor): \_\_\_\_\_

at (address of creditor): \_\_\_\_\_

I object to the following proposed decision(s):

Proposed decision	Objected to?
That the joint administrators' proposals be approved.	Objected / Not objected
That a creditors' committee will <u>not</u> be established.	Objected / Not objected
That the joint administrators be discharged from liability in respect of any action undertaken by them pursuant to paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.	Objected / Not objected

Are you also asking the joint administrators to convene a physical meeting of creditors?<sup>1</sup> Yes / No

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

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

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

**If you wish to lodge an objection, you must have delivered it, along with a completed proof of debt, by 23:59 on the decision date – 5 October 2022 – by one of the following methods:**

**Post:** UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW

**Email:** please scan in a signed copy of this form and attach it as a pdf to [s.iacovou@uhy-uk.com](mailto:s.iacovou@uhy-uk.com)

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

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<sup>1</sup> Requests for a meeting must be delivered within 5 business days of the date of delivery of the Notice Seeking Deemed Consent.



## Notice of decision procedure

**Company name:** Hartley Pensions Limited - in administration ("the Company")  
**Company number:** 09469576  
**In the High Court of Justice, CR-2021-002357**

This notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the joint administrators of the Company, Peter Kubik and Brian Johnson, of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW (telephone number 020 7216 4600), who were appointed by the director via an out of court application.

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

1. the basis of the joint administrators' fees;
2. the approval of the joint administrators' category 2 expenses; and
3. the approval of the pre-administration costs.

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

By post to: UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW  
By email to: s.iacovou@uhy-uk.com

Please note that whilst our office is open it is recommended that any forms are returned by email to s.iacovou@uhy-uk.com.

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

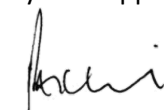
All voting forms and proofs of debt must be delivered by 23:59 on the decision date, 5 October 2022.

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

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

Statutory thresholds to request a meeting are 10% in value of the creditors, 10% in number of the creditors or 10 creditors.

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

Signed: 

**Peter Kubik**  
Joint Administrator

Dated: 20 September 2022

**VOTE BY CORRESPONDENCE**

**Hartley Pensions Limited - in administration**

**Name of creditor:** \_\_\_\_\_

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

**Decisions:**

1	That the joint administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken, estimated to be £2,500,000 plus VAT.	*For / Against
2	That the joint administrators be authorised to recover all category 2 expenses, estimated to be £10,000.00 plus VAT.	*For / Against
3	That the unpaid pre-administration costs set out in the joint administrators' proposal be approved, totalling £281,745.14 plus VAT.	*For / Against

\* Please delete as applicable to indicate your voting instructions

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

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

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

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

**Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23:59 on 5 October 2022, by:**

**Post: UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW**

**Email: please scan in a signed copy of this form and attach it as a pdf to [s.iacovou@uhy-uk.com](mailto:s.iacovou@uhy-uk.com)**

Please note that it is recommended that any forms are returned by email to [s.iacovou@uhy-uk.com](mailto:s.iacovou@uhy-uk.com).

PROOF OF DEBT - GENERAL FORM

**Hartley Pensions Limited – in administration**

Date of administration: 29 July 2022

**DETAILS OF CLAIM**

1.	Name of creditor (if a company, its registered name)	
2.	Address of creditor (i.e. principal place of business)	
3.	If the creditor is a registered company: <ul style="list-style-type: none"> <li>• For UK companies: its registered number</li> <li>• For other companies: the country or territory in which it is incorporated and the number if any under which it is registered</li> <li>• The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act</li> </ul>	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£ ) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under	Category Amount(s) claimed as preferential £

	section 386 of, and schedule 6 to, the Insolvency Act 1986	
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account Number:  Account Name:  Sort code:
<b>AUTHENTICATION</b>		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO