

**In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and
Companies List (ChD), CR-2022-002357**

**Hartley Pensions Limited
In administration**

**The joint administrators' progress report
For the period 29 July 2022 to 28 January 2023**

Peter Kubik and Brian Johnson

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

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

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, who act as agents of the Company and contract without personal liability.

**Hartley Pensions Limited
In administration**

**The joint administrators' progress report
For the period 29 July 2022 to 28 January 2023**

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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 report describes the progress since the commencement of the administration to 28 January 2023 (“the Review Period”) and a summary of key information in this report is detailed below.

Asset realisations

Asset	Estimated to realise per Proposals (£)	Realisations to date (£)	Anticipated future realisations (£)	Total anticipated realisations (£)
Fixtures and fittings	Uncertain	-	Uncertain	Uncertain
IT equipment	Uncertain	-	Uncertain	Uncertain
Unlisted investments	Uncertain	-	Uncertain	Uncertain
Trade debtors	Uncertain	474,460.80	Uncertain	474,460.80
Amount due from the Wilton’s group	Uncertain	-	Uncertain	Uncertain
Other debtors	Uncertain	-	Uncertain	Uncertain
Cash at bank	424,045.84	461,300.25	-	461,300.25
Sale of the SIPP/SSAS book	Uncertain	-	Uncertain	Uncertain
Prepayments	-	1,000.00	-	1,000.00
Bank interest	-	4,957.31	Uncertain	4,957.31

Expenses

Expense	Estimated per the proposals (£)	Expense incurred to date (£)	Anticipated further expense to closure (£)	Total anticipated expense (£)
Pre appointment fees:				
- UHY Hacker Young	39,705.00	39,705.00	-	39,705.00
- DWF Law	213,557.64	213,557.64	-	213,557.64
Joint administrators’ fees	2,500,000.00	945,202.83	3,767,422.17	4,712,625.00
Legal fees and expenses	2,500,000.00	1,572,953.67	4,434,484.33	6,007,438.00
Agents’ fees	120,000.00	-	-	-
Pension specialists	950.00	305.00	645.00	950.00
Employee specialists	2,500.00	-	2,500.00	2,500.00
Advertising	94.10	94.10	-	94.10
Bonding	1,200.00	1,200.00	-	1,200.00
Collection/storage of records	1,000.00	-	1,000.00	1,000.00
Insolvency software fee	90.00	90.00	-	90.00
Creditor Gateway fees	84.00	28.00	56.00	84.00
Category 2 expenses:				
- UHY Hacker Young	130,000.00	85,683.50	44,316.50	130,000.00
- Mileage	-	159.41	Uncertain	159.41

- 1.3 Please note that the receipts and expenses above do not include the trading income or payments.

Dividend prospects

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

Outstanding matters

- 1.4 The key matters outstanding include:

- debtors: pursuing payment from the remaining debtor book;
- realisation of assets: agreeing and finalising a sale of the SSAS book;
- trading: ongoing trade of the business to enable an orderly transfer of the SSAS book to the purchaser and an orderly wind down of the SIPP book;
- client committee: ongoing correspondence and meetings with the client committee and representative respondent;
- clients: ongoing communication with clients regarding their schemes, reconciliation of the client positions, securing and obtaining control over the pension assets; and
- investigation: ongoing investigation into the matters identified to ascertain if recoveries are available.

2. THE PROGRESS OF THE ADMINISTRATION

The joint administrators' receipts and payments account

- 2.1 Attached at Appendix 2 is a receipts and payments account for the Review Period. The rest of this report describes the key developments in the administration over the Review Period. Appendix 4 includes a detailed list of work undertaken.

- 2.2 In this section, we have summarised the main asset realisations during the Review Period and an estimation of those assets yet to be realised, together with details of the associated costs incurred but as yet remaining unpaid.

Administration (including statutory reporting)

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

- 2.4 During the Review Period, primarily these tasks have included:-

- informing all relevant persons of the commencement of the administration, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- issuing our proposals, seeking relevant creditors' approvals and issuing notice of the outcome;
- consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;

- maintaining case files, which must include records to show and explain the administration and any decisions we have made that materially affect the administration;
- monitoring and maintaining an adequate statutory bond;
- conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- completing periodic tax returns.

Trading

2.5 Upon appointment, the Company continued trading in order to either complete a sale of the SIPP and SSAS books or ensure an orderly wind down. The day to day trading of the Company during the Review Period includes the following:

- preparation of cash flow forecasts and regular review/updating of them;
- review of staffing levels, making redundancies for team members which were not deemed essential and seeking consultants/agency staff to assist the team due to high turnover historically;
- attending twice daily team lead meetings and employee meetings;
- liaising with suppliers regarding payment terms, negotiating with ransom creditors, review of invoices and processing payments;
- discussions with the landlord, as the lease for the Bristol premises is not held in the Company's name;
- review of receipts, including adding them to the accounting system and correct VAT allocation;
- preparing of quarterly VAT returns and seeking to remove the Company from its VAT group and re-register it on its own;
- ensuring security of the premises, computer system, equipment and stock, as well as reviewing how the Company's servers can be removed from the Wilton group; and
- arranging suitable insurance was in place as well as a health and safety visit and GDPR review.

2.6 In addition to the day to day trading of the Company, the administration team has undertaken the following:

- client communication, including providing regular updates on UHY Hacker Young's dedicated Hartley Pensions webpage as well as by email and post;
- setting up a call centre to take client queries;
- correspondence with clients regarding transfer requests, requests for transfers out, requests for contributions, death committee duties, pension sharing orders etc;
- notifying the relevant bodies regarding scams we are alerted to as well as notifying relevant clients affected;
- regular updates with the Financial Conduct Authority ("FCA"), Financial Services Compensation Scheme ("FSCS") and HM Revenue and Customs ("HMRC");
- liaising with the Company's director, who is also a director of the various trustee/special purpose vehicles which hold the assets of the SIPP and SSAS clients;
- reconciliation of the asset position, which had not been undertaken by the Company previously;
- review of the various terms and conditions attached to the SIPP and SSAS books;

- undertaking cost modelling using various methods to consider the fairest option for clients;
 - formation of an informal client committee to consider the proposed cost modelling;
 - preparation and review of an application to court to consider and approve the cost model; and
 - discussions with solicitors and counsel regarding various aspects, including specific trading queries, the application itself, removal of the existing trustee, deficiencies in the records held by the Company regarding client terms and conditions, etc.
- 2.7 Whilst a sale of the SIPP book was sought, due to incomplete records held by the Company and the lack of any reconciliation work undertaken historically, no viable offer was received. As such, an orderly wind down of the SIPP book is required. Once the reconciliation process has been completed, which is expected to be by April 2023 and will coincide with the application to court on the cost modelling, the process of transferring SIPP's can be commenced.
- 2.8 It should be noted that the ongoing costs of trading the business to enable an orderly transfer out of the SIPP book is solely for the benefit of the clients. The detailed narrative of work undertaken, available at Appendix 4, provides more information regarding what this entails.

Realisation of assets

Sale of the SIPP/SSAS book

- 2.9 Prior to the administration, discussions had commenced with interested parties for the potential purchase of the SIPP and SSAS books.
- 2.10 In respect of the SSAS book, the interested party undertook further due diligence during the Review Period and we are awaiting details of the queries which subsequently arose. It is hoped that a sale would be completed within the next 2-3 months.
- 2.11 Unfortunately, no viable offer was received in respect of the SIPP book as, following due diligence undertaken by interested parties, it became clear that no reconciliations of the schemes had been undertaken as and when new books were acquired by the Company. Therefore, no interested party was in a position to purchase the books were the unknown risk was unquantifiable. As a result, an orderly wind down of the SIPP book is being progressed with a full reconciliation being undertaken.

Cash at bank

- 2.12 Upon appointment, the Company's pre-administration bank provider was contacted to arrange for all cash balances to be transferred to the administration and the sum of £424,045.84 was received. Following a review of the bank statements, it was ascertained that a further £37,254.41 was held in accounts operated by Hartley and these too were subsequently transferred to the administration estate. The total sum of £461,300.25 was received.

Trade debtors

- 2.13 Prior to the administration, the Company continued to charge clients their annual invoices however a large number of clients had insufficient funds in their schemes to enable these invoices to be paid. The last audited accounts, dated 30 April 2021, showed a book value of £2,986,590, however at the date of the administration these had increased to £5,883,943.94.

2.14 Due to restrictions in place, clients are unable to make new contributions into the scheme and therefore are unable to take advantage of the tax benefits whilst also settling their debtor positions. Whilst further realisations are expected, the amount remains uncertain.

2.15 During the Review Period, the finance team has pursued the outstanding debtors and the sum of £474,460.80 was collected.

Amount due from the Wilton's group

2.16 As per the last audited accounts, dated 30 April 2021, the intercompany position showed a debt due from other members of the Wilton group split as follows, with a total balance of £3,009,898 due to the Company:

- Wilton Group Limited ("WGL") owed the Company £4,164,835;
- Wilton IOM Limited ("IOM") owed the Company £104,304;
- The Company owed Wilton UK (Group) Limited ("WUK") £910,512; and
- The Company owed Wilton Wealth Management Limited ("WWML") £261,457.

2.17 Prior to the administration, the director advised that the intercompany position was a debt due from WUK of £241,921.47 which would be repaid within the first six weeks of the administration.

2.18 Following a request for payment, WUK advised that the Company actually owed WUK over £400,000 and, despite numerous requests to provide an explanation to support this movement in the intercompany position, no documentation has been forthcoming.

2.19 A review into the records held by the Company located a letter from WUK to Hartley dated 25 January 2022 stating the intercompany debtor position was WUK owed the Company £5,216,522, which was repayable on demand within 30 days.

2.20 Again, we have sought to understand the movement between the audited accounts from 2021, the letter dated 25 January 2022, WUK's position in July 2022 prior to the administration and the revised position following the administration, however no meaningful information has been forthcoming.

2.21 Our investigations into the intercompany position are ongoing, albeit we have been notified of a winding up petition against WUK and therefore the estimated to realise value remains uncertain.

Other debtors

2.22 In addition to the intercompany debtor position, the following transactions were identified in the Company's records which we were advised was a loan:

- €230,056.00 (£196,600.72) paid to or on behalf of Wilton & Partners Limited ("W&P") on or around 31 August 2021;
- €1,100,000.00 (£935,776.82) paid to or on behalf of W&P on or around 31 August 2021;
- €174,766.50 (£150,000.00) paid to or on behalf of W&P on or around 30 September 2021;
- €150,000.00 (£125,430.00) received from or on behalf of W&P on or around 30 November 2021.

2.23 W&P is an Irish registered entity within the Wilton group. Upon requesting payment of the loan, we were provided with a loan agreement dated 14 July 2022 between the Company, W&P and Wilton Group Limited; the ultimate parent.

2.24 The loan agreement stated that:

- Clause 4.1 - The Loans would be repaid upon the creation of a Wilton controlled pensions holding company to be known as 'Guinness Mahon', when the loans will be capitalised by new shares in the new pensions holding company.
- Clause 4.2 – In the event that repayment is not made in terms of Clause 4.1 above, the Loans will be repaid from the sale of Bespoke Trustees Limited.
- Clause 4.3 – The Lenders agree that repayment of the Loans cannot be demanded other than in terms contained in this Clause 4.

2.25 It should be noted that the agreement was dated two weeks prior to the Company being placed into administration and, despite requesting documentation to support the above was the intention at the time of loan, no supporting evidence has been provided and no documents have been identified in the Company's records.

2.26 W&P were therefore contacted to advise that the transaction was a transaction at an undervalue and preference in accordance with sections 238 and 239 of the Insolvency Act 1989 and was required to be repaid.

2.27 Following a meeting with the Company's director during the Review Period, who is also a director of W&P, it was agreed that a sale of Bespoke Trustees Limited would be undertaken to allow the loan to be repaid. Whilst this was agreed, we are not aware of any actions having been taken to progress a sale. We are therefore considering whether legal action should be commenced for recovery of the monies.

2.28 Please note that, whilst the loan agreement is not accepted, it does allow for interest of 2% per annum to accrue from the date of drawdown of the loans to the date of repayment in full.

Prepayments

2.29 Prior to the administration, a prepayment had been made to a contractor who was retained for a short period following appointment. The prepayment of £1,000 was utilised against his outstanding invoices.

Fixtures and fittings/IT equipment

2.30 As detailed in the estimated outcome statement to the proposals, the Company owns fixtures and fittings and IT equipment with a book value of £69,994 and £21,537 respectively. It is currently uncertain whether there will be any value in these assets on completion of the trading period and therefore the estimated to realise value remains uncertain.

Unlisted investments

2.31 The Company had accepted shares in Platform One Group Limited in lieu of fees due of £38,812. We are currently looking at the options available to sell these shares and therefore have an uncertain estimated to realise value.

Bank interest

2.32 Bank interest in the sum of £4,957.31 has been earned during the Review Period.

Estimated future realisations

- 2.33 As detailed above, the main assets outstanding are the debtors and unlisted investments. We are currently considering whether legal action shall be commenced to recover the debtors, however further information is required to establish the investment position.

Costs incurred but remaining unpaid

- 2.34 During the Review Period, we have incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in section 5 below.
- 2.35 In addition, as the Company continues to trade it is continuing to incur expenses relating to wages, PAYE, staff benefits, rent, IT software, insurance, etc. These are being funded by the trading income.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured creditors

- 3.1 The Company has not granted any fixed or floating charges.

Preferential creditors

- 3.2 Preferential claims relating to arrears of wages, outstanding holiday pay and unpaid pension contributions. Creditors will recall from the estimated outcome statement in the proposals, that the preferential claim was estimated to total £30,099 and related solely to outstanding holiday pay.
- 3.3 It is uncertain whether there will be sufficient realisations to pay a dividend to preferential creditors at this stage.
- 3.4 Upon appointment, a review of the staffing levels was undertaken and three employees were made redundant. In addition, a number of employees had resigned but had outstanding monies due to them. During the Review Period, significant time was spent assisting these employees with their claims to the Redundancy Payments Office.

Secondary preferential creditors

- 3.5 In any insolvency process commenced from 1 December 2020, HM Revenue and Customs ("HMRC") is a secondary preferential creditor for VAT, PAYE, employees' NIC, CIS deductions and student loan deductions. This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the preferential creditors have been paid in full.
- 3.6 The estimated secondary preferential claim due to HMRC in the proposals was £300,000. To date, HMRC have not submitted a claim.

Unsecured creditors

- 3.7 Unsecured claims were estimated to be £503,451 in the estimated outcome statement in the proposals. Claims of £477,252.09 were received during the Review Period.
- 3.8 Based on current information, it is uncertain whether a dividend will be available to unsecured creditors.

4. INVESTIGATIONS

Investigations

4.1 As part of our statutory duties, an investigation was undertaken into the affairs of the Company and the conduct of the directors. In this regard, a confidential report was submitted to The Insolvency Service on 28 October 2022. Please note that the contents of this report are confidential.

Initial assessment of potential recoveries

4.2 As part of our duties as administrators, we are obliged to review all information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

4.3 This review has been completed and we confirm that we did identify further assets or actions which would lead to a recovery for creditors. These included:

- transactions identified in the bank statements which do not appear to have been for corporate expenses but personal expenditure;
- investigation serious operational and regulatory issues; and
- investigations into the intercompany debtor position movements (as detailed in section 2 above).

4.4 As our investigations are ongoing, and in order to avoid prejudicing any action we make take, we are unable to provide further information at this stage.

5. ETHICS

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

General ethical considerations

5.2 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 over the Review Period.

Specialist advice and services

5.3 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 reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed in Section 6 of this report.

6. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

Pre-administration costs

6.1 Included within our proposals was a statement of pre-administration costs. These costs were approved on 5 October 2022 as detailed below:-

Party instructed	Amount approved (£)
UHY Hacker Young LLP	34,471.00
DWF Law LLP	246,163.14
Hilco Global Limited	Contingent fee as detailed below

6.2 Please note that Hilco were instructed on the following basis and as a sale has not yet been achieved, no payment has been made:

- an upfront fee of £15,000 (paid by the Company prior to the administration);
- a contingent fee 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.

6.3 Payment of UHY Hacker Young and DWF Law's pre appointment fees have been paid in full.

The joint administrators' fees

6.4 The basis of our fees was fixed on 5 October 2022 by resolution of creditors as follows:

"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 the work was undertaken, estimated to be £2,500,000 plus VAT."

6.5 A breakdown of the time costs incurred during the Review Period is provided at Appendix 3 and you will note that our time costs in the Review Period total £945,202.83, representing 2,279.78 hours at an average rate of £414.60. A comparison of the time costs incurred during the Review Period with the fee estimate is at Appendix 5. No time costs have been drawn during the Review Period.

6.6 Having regard for the costs that are likely to be incurred in bringing this administration to a close, we consider that the original fee and expenses estimates have been exceeded for the following reasons. It should be noted that this additional work is required as none of the interested parties made a suitable offer to purchase the SIPP book and therefore the Company shall continue to trade with a view to transfer all schemes to alternative providers, extending the trading period. The original fee estimate was on the basis that a sale would be achieved.

- Whilst we anticipated that a reconciliation of the various schemes would be required, during the Review Period it was established that no reconciliation of any of the schemes purchased had previously been undertaken and, due to the incomplete records held by the Company, this is now being progressed to clarify the client positions and ensure a clean transfer is completed.
- An application to court is being sought to determine the cost modelling options to fund the ongoing trading of the Company and payment of the associated costs. An informal

client committee has been formed to assist with this process, which was not originally anticipated.

- It is currently estimated that the trading period shall continue until December 2024, extending the duration of the administration and therefore requirement to undertake statutory tasks such as six monthly reports.

6.7 Further fee approval shall be sought under separate cover and shall provide a detailed breakdown of the additional work required to be undertaken.

Expenses

6.8 The expenses, which include disbursements, that have been incurred and not yet paid during the period are at Appendix 6. Also at Appendix 6 is a comparison of the expenses likely to be incurred in the administration, together with the original expenses estimate and reasons where any expenses are likely to exceed that estimate.

6.9 The category 1 expenses paid for in the period are detailed on the receipts and payments account at Appendix 2 and represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment.

6.10 The category 2 expenses incurred during the Review Period are:

- UHY Hacker Young'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 were instructed on a time costs basis, plus disbursements and VAT and during the Review Period the sum of £85,683.50 has been incurred and remains outstanding.
- Mileage costs of £159.41 were incurred during the Review Period, charged at 45 pence per mile. As approval of these costs were not previously sought, a request for approval shall be issued under separate cover.

6.11 No category 2 expenses were paid during the Review Period.

6.12 Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'Administration: a creditors' guide to fees' together with the firm's charge-out rate and expenses policy may be found at <https://www.uhy-uk.com/sites/default/files/2022-03/Administration-a-guide-for-creditors-on-insolvency-practitioner-fees.pdf> and <https://www.uhy-uk.com/sites/default/files/2022-09/London%20office%20turnaround%20and%20recovery%20charge%20out%20rates%20-%20Sep%202022.pdf> respectively. A hard copy of both may be obtained on request.

Other professional costs

Legal fees

6.13 DWF Law LLP were instructed as legal advisors in relation to all aspects of the administration including advice regarding pensions, property, employment and specialist insolvency. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT.

6.14 In addition, counsel has been instructed to assist with the application to court and other advice as required. Their costs have been agreed on the basis of their standard hourly charge out rates plus VAT.

6.15 During the Review Period, the total time costs and expenses incurred by DWF and counsel totalled £1,572,953.67 of which £33,125.00 was paid and the balance remains outstanding.

Agents

6.16 Hilco Global Limited (“Hilco”) were instructed prior to the administration to assist with the marketing of the SIPP and SSAS books. During the Review Period, Hilco have continued to assist with the sale process. Their fee was agreed on a contingency basis (as mentioned above) however as a sale has not yet been agreed, no payment is due.

Insolvency pension specialists

6.17 SP Insolvency are specialists in reviewing pension schemes held by a Company that has entered into insolvency proceedings with a view to ascertain what actions, if any, are required by the Company and assisting with submitting any necessary claim to the Redundancy Payments Office.

6.18 The following fees have been incurred, of which £305 was paid during the Review Period and the balance remains outstanding:

- statutory notices to the Pension Protection Fund, the Pension Regulator and Smart Pensions, fee of £85;
- statutory notices to the Pension Protection Fund, the Pension Regulator and Scottish Widows, fee of £85;
- pension report relating to the company’s Smart Pension arrangement, fee of £220; and
- pension report relating to the company’s Scottish Widows arrangement, fee of £220.

6.19 Please note that whilst this work could have been undertaken by the administration team, it was considered that the time costs incurred in doing so would have been significantly higher than the fee of SP Insolvency.

Creditors’ right to request information

6.20 Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors’ right to challenge fees and/or expenses

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

6.22 Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of. Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

7. CONCLUSION

7.1 The administration will continue in order to finalise the following outstanding matters:

- debtors: pursuing payment from the remaining debtor book;
- realisation of assets: agreeing and finalising a sale of the SSAS book;
- trading: ongoing trade of the business to enable an orderly transfer of the SSAS book to the purchaser and an orderly wind down of the SIPP book;
- client committee: ongoing correspondence and meetings with the client committee and representative respondent;
- clients: ongoing communication with clients regarding their schemes, reconciliation of the client positions, securing and obtaining control over the pension assets; and
- investigation: ongoing investigation into the matters identified to ascertain if recoveries are available.

7.2 If you require any further information, please do not hesitate to contact my office.



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, acting as agents of the Company and without personal liability.

Appendix 1
Statutory information

Company name: Hartley Pensions Limited

Company number: 09469576

Previous names: Not applicable

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

Joint administrators: Peter Kubik and Brian Johnson, of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW

Date of appointment: 29 July 2022

Appointment by: the director of the Company

Registered office: c/o UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency (England & Wales) Rules 2016
The joint administrators	Peter Kubik and Brian Johnson of UHY Hacker Young LLP
The Company	Hartley Pensions Limited - in administration
The Court	High Court of Justice
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 29 July 2022 to 28 January 2023
SIPP	Self-invested personal pension
SSAS	Small self-administered scheme

Appendix

Receipts and payments, including trading account, for the period 29 July 2022 to 28 January 2023

	SofA	29/07/22 - 28/01/2023
	£	£
Company account		
Receipts		
Amounts owed from within the group	Uncertain	-
Bank interest	-	1,591.73
Cash at bank	424,046	461,300.25
Computers	Uncertain	-
Fixtures and fittings	Uncertain	-
Other debtors	Uncertain	474,460.80
Sale of the SIPP/SSAS books	Uncertain	-
Trade debtors	Uncertain	-
Unlisted investments (Platform One)	Uncertain	-
	<hr/> 424,046	<hr/> 937,352.78
Payments		
Creditor Gateway fees		28.00
Joint administrators' pre appointment fee		39,705.00
Pension advisors		305.00
Pre appointment legal fees		213,557.64
Software fee		90.00
Specific bond		1,200.00
Statutory advertising		94.10
		<hr/> 254,979.74
Balance held in interest bearing account		682,373.04

Trading account

Receipts	
Management fees	1,829,886.42
Prepayments	1,000.00
	<hr/>
	1,830,886.42

Payments

Accounting system	400.00
Call centre	180,993.48
Cleaning services	7,521.85
Health and safety audit	1,294.50
HR advisors	3,990.00
Insurance	270,908.67
IT services	84,955.55
Lease/HP payments	24,620.06
Legal fees and expenses - trading costs	33,125.00
PAYE/NI	136,926.05
Pension contributions	29,926.49
Postage	20,042.10
Recycling/disposal services	892.75
Rent - Blackburn	5,650.00
Rent - Bristol	131,355.00
Repairs and maintenance	2,727.27
Security services	422.60
Stationery	70.68
Storage costs	571.62
Subcontractors	152,911.75
Subscriptions	1,210.20
Subsistence	6,131.36
Telephone	12,360.22
Travel/accommodation expenses	87,268.32
Utilities	9,275.45
Wages and salaries	428,474.35
Wilton UK (Group) Limited services	116,666.67
	<hr/>
	1,750,691.99

Trading surplus/(loss) 80,194.43

Represented by

VAT receivable/(payable)	2,377.77
Interest bearing account	760,189.70
	<hr/>
	762,567.47

Please note that in addition to the above, the joint administrators are holding £2,692,857.83 which was held by the Company prior to the administration. The joint administrators have not yet been able to reconcile these funds and therefore it is uncertain whether they relate to client funds, company monies or third party funds. Investigations in this respect are ongoing

Appendix 3

The joint administrators' time costs for the period 29 July 2022 to 28 January 2023

Classification of work function	Partner		Snr manager		Snr administrator		Administrator		Junior administrator		Total hours	Total cost £	Avg hourly rate £
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£			
Administration and planning													
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	0.40	220.00	2.20	990.00	5.90	1,150.50	0.00	0.00	0.00	0.00	8.50	2,360.50	277.71
Case planning	1.20	675.00	2.10	954.00	0.50	87.50	2.20	330.00	0.10	7.50	6.10	2,054.00	336.72
Maintenance of records	0.20	125.00	1.10	495.00	14.90	2,963.50	0.30	45.00	11.90	905.00	28.40	4,533.50	159.63
Statutory reporting	0.00	0.00	14.40	6,480.00	1.70	331.50	0.00	0.00	0.20	17.50	16.30	6,829.00	418.96
Realisation of assets													
Debt collection	14.00	8,717.00	14.00	6,336.00	0.00	0.00	0.50	75.00	0.00	0.00	28.50	15,128.00	530.81
Securing and insuring assets	0.00	0.00	0.60	270.00	2.40	508.00	2.30	345.00	0.00	0.00	5.30	1,123.00	211.89
Property, business and asset sales	44.10	26,907.50	8.30	3,765.00	2.60	539.00	0.00	0.00	0.00	0.00	55.00	31,211.50	567.48
Creditors													
Creditors' claims	0.00	0.00	1.20	518.00	27.20	5,752.00	0.00	0.00	7.50	587.50	35.90	6,857.50	191.02
Communication with creditors	1.10	635.00	0.10	48.00	8.80	1,786.00	0.00	0.00	7.50	577.50	17.50	3,046.50	174.09
Trading													
Accounting for trading	63.00	39,490.50	115.90	48,510.00	9.88	2,050.33	0.00	0.00	3.50	280.00	192.28	90,330.83	469.79
Management of operations	522.30	320,792.00	1,069.60	404,407.00	18.90	3,055.50	0.00	0.00	8.50	637.50	1,619.30	728,892.00	450.13
On-going employee issues	10.60	6,744.00	52.40	20,688.00	4.00	872.00	0.00	0.00	0.00	0.00	67.00	28,304.00	422.45
Investigations													
CDDA report	1.10	642.50	1.00	450.00	6.00	1,170.00	0.40	60.00	28.50	2,280.00	37.00	4,602.50	124.39
Antecedent transactions	0.50	275.00	0.60	288.00	12.00	2,756.00	0.20	30.00	16.00	1,280.00	29.30	4,629.00	157.99
SIP 2 review	1.50	937.50	5.70	2,565.00	13.50	2,716.50	0.00	0.00	112.50	9,000.00	133.20	15,219.00	114.26
TOTAL HOURS	660.10		1,289.20		128.38		5.90		196.20		2,279.78		
TOTAL TIME CHARGED (£)		£406,223.50		£496,764.00		£25,757.83		£885.00		£15,572.50		£945,202.83	
Average hourly cost (£)		615.40		385.33		200.64		150.00		79.37			414.60
<i>All figures are shown net of VAT</i>													

Appendix 4
Details of work undertaken

General description	Includes
Administration (including statutory reporting)	
Statutory/advertising	Filing and advertising of documents to meet statutory requirements.
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 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	Requesting delivery of all records. Arranging IT back up of records.
Creditor reports	Preparing proposal and outcome of decision processes.
Investigations	
Financial Conduct Authority	Correspondence with the FCA re pre administration 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.
Statutory reporting on conduct of director	Preparing statutory investigation reports. Liaising with the Insolvency Service. Submission of report to the Insolvency Service. Assisting the Insolvency Service with its investigations.
Ongoing investigations	Correspondence with various parties re transactions identified. Reviewing responses. Reviewing company records and discussions with staff. Liaising with solicitors.
Realisation of assets	
Sale of the business	Liaising with agents re marketing process. Review of data room. Discussions with interested parties re data/provision of further information. Liaising with agents re timescale for offers.

	<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>Considering TUPE regulations.</p>
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>Meetings with director to discuss debtor position.</p> <p>Liaising with the company's former auditors.</p> <p>Seeking legal advice re pursuing the intercompany debt.</p>
Cash at bank	<p>Correspondence with the company's various bank providers for the credit balance.</p> <p>Review of bank statements to verify the figure.</p>
Trading	
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>Reviewing how the Company's servers can be removed from the Wilton group</p> <p>Discussions with the landlord, as the lease for the Bristol premises is not held in the Company's name.</p> <p>Arranging a health and safety visit.</p> <p>Discussions with brokers re insurances required.</p> <p>Client communication, including providing regular updates on UHY Hacker Young's dedicated Hartley Pensions webpage as well as by email and post</p> <p>Setting up a call centre to take client queries.</p> <p>Correspondence with clients regarding transfer requests, requests for transfers out, requests for contributions, death committee duties, pension sharing orders etc.</p> <p>Communicating with SIPP clients regarding the outcome of the sale process and advising re a wind down.</p> <p>Attending twice daily team lead meetings.</p> <p>Reconciliation of the asset position.</p> <p>Liaising with the Company's director, who is also a director of the various trustee/special purpose vehicles which hold the assets of the SIPP and SSAS clients for his replacement.</p> <p>Correspondence with the FSCS, FCA, HMRC and RBS.</p> <p>Trading strategy review.</p> <p>Notifying the relevant bodies regarding scams we are alerted to as well as notifying relevant clients affected.</p> <p>Review of the various terms and conditions attached to the SIPP and SSAS books.</p> <p>Formation of an informal client committee to consider the proposed cost modelling, including regular meetings and correspondence.</p> <p>Preparation and review of the application to court to consider and approve the cost model.</p> <p>Discussions with solicitors and counsel regarding various aspects, including specific trading queries, the application itself, removal of the existing trustee, deficiencies in the records held by the Company regarding client terms and conditions, etc.</p>

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>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>Undertaking cost modelling using various methods to consider the fairest option for clients.</p> <p>Collecting monthly management fees.</p> <p>Preparing of quarterly VAT returns and seeking to remove the Company from its VAT group and re-register it on its own.</p> <p>Arranging payroll and HMRC submissions.</p> <p>Concluding payroll and issuing forms P45 for leavers.</p>
Client committee	<p>Reviewing client schedule to consider potential committee members.</p> <p>Issuing invites to committee members.</p> <p>Preparing initial presentation to the committee members.</p> <p>Holding committee meetings.</p> <p>Ongoing correspondence regarding the cost modelling and application to court.</p> <p>Liaising with the FCA and FSCS on potential compensation options.</p> <p>Liaising with the Official Receiver regarding implications of a compulsory liquidation of the company.</p>
Ceasing trading	<p>Closure of the trading of the business including terminating agreements, ensuring third party property is returned, making redundancies if required, preparing P45's for leavers, returning the premises back to the landlord, ensuring all trading tax liabilities have been settled, ensuring all suppliers have been paid etc.</p>
Creditors (claims and distribution)	
Creditor communication	<p>Receive and follow up creditor enquiries via telephone.</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</p> <p>Assisting employees to pursue claims via the RPO.</p> <p>Instruction to pension specialist to submit s120 notice and review the company pension scheme and ascertain what actions, if any, are required.</p>
Dealing with proofs of debt ('POD')	<p>Receipting and filing POD when not related to a dividend.</p> <p>Corresponding with RPO regarding POD when not related to a dividend.</p>

Appendix 5

Comparison of time costs incurred to date together with the original fee estimate

The joint administrators' time costs incurred to date are compared with the original fee estimate.

Work category	Original fees estimate			Actual time costs incurred during the Review Period		
	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration	150	500	75,000	59.50	266.54	15,859.00
Realisation of assets	750	500	450,000	88.80	534.48	47,462.50
Creditors	75	500	37,500	53.40	185.47	9,904.00
Investigations	125	500	62,500	199.50	122.56	24,450.50
Trading	3,750	500	1,875,000	1,878.58	451.15	847,526.83
Total	4,850	500	2,425,000	2,279.78	414.60	945,202.83

Appendix 6

Comparison of expense incurred to take together with the original expenses estimate

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Legal fees and expenses, including counsel	2,500,000.00	1,572,953.67	1,572,953.67	Please note this is likely to exceed the estimate due to the requirement to conduct an orderly transfer of the SIPP schemes, rather than a sale. The revised estimate is £6,007,438.
Agents' fees	120,000.00	-	-	
Pension specialists	950.00	305.00	305.00	
Employee specialists	2,500.00	-	-	
Advertising	94.10	94.10	94.10	
Bonding	1,200.00	1,200.00	1,200.00	
Collection/storage of records	1,000.00	-	-	
Insolvency software fee	90.00	90.00	90.00	
Creditor Gateway fees	84.00	28.00	28.00	
Category 2 expenses:				
- UHY Hacker Young	130,000.00	85,683.50	85,683.50	
- Mileage	-	159.41	159.41	