

**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 from 29 July 2023 to 28 January 2024**

Peter Kubik and Brian Johnson

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

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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.

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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 from 29 July 2023 to 28 January 2024 (“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 (£)
Amount due from the Wilton’s group	Uncertain	-	Uncertain	Uncertain
Bank interest	-	17,768.59	Uncertain	17,768.59
Cash at bank	424,045.84	461,300.25	-	461,300.25
Rates refund	-	454.49	-	454.49
Bank refund	-	35,072.79	-	35,072.79
IT equipment	Uncertain	-	Uncertain	Uncertain
Fixtures and fittings	Uncertain	-	Uncertain	Uncertain
Other debtors	Uncertain	-	Uncertain	Uncertain
Sale of the SIPP/SSAS book	Uncertain	-	Uncertain	Uncertain
Trade debtors	Uncertain	783,859.20	Uncertain	783,859.20
Unlisted investments	Uncertain	-	Uncertain	Uncertain
Total	424,045.84	1,298,455.32	Uncertain	1,298,455.32

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	246,163.14	246,163.14	-	246,163.14
Joint administrators’ fees	5,091,250.00	3,077,158.83	8,960,194.17	12,037,353.00
Legal fees and expenses (including counsel)	2,500,000.00	4,519,654.15	12,324,829.57	16,844,483.72
Agents’ fees	120,000.00	85,325.00	-	85,325.00
Pension specialists	950.00	610.00	340.00	950.00
Business rates specialist	-	113.62	-	113.62
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
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	70.00	14.00	84.00

Category 2 expenses:				
- UHY financial services	120,000.00	105,700.00	14,300.00	105,700.00
- UHY tax	10,000.00	3,461.25	6,538.75	10,000.00
- Mileage	-	280.48	Uncertain	280.48
Total	8,133,036.24	8,079,625.57	21,309,716.49	29,375,042.06

- 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:

- pursuing payment of the remaining debtor book;
- sale of the small self-administered schemes ("SSAS") book;
- ongoing trading of the business to enable an orderly transfer of the SSAS book and self invested personal pension ("SIPP") book; and
- ongoing investigations into the matters identified to ascertain if recoveries are available.

Extension of the administration

- 1.5 An extension to the period of administration of 12 months was granted by the relevant creditors on 4 July 2023 and thus the administration is now scheduled to end on 28 July 2024.

- 1.6 Due to the outstanding matters, a further extension is expected to be required. An application to court shall be required in this respect and shall be issued in due course.

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 remainder 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 we and our staff have carried out our work to high professional standards.

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

- consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- maintaining case files, which must include records to show and explain the administration and any decisions made 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 included the following:

- updating cash flow forecasts and regular reviews;
- review of staffing levels and seeking consultants/agency staff to assist the existing team;
- attending twice daily team lead meetings and employee meetings;
- discussions with landlords, re-negotiating lease terms for both the Bristol and Blackburn premises;
- liaising with suppliers, review of invoices and processing payments;
- review of receipts, including adding them to the accounting system and correct VAT allocation;
- preparing of quarterly VAT returns;
- preparation of the corporation tax return;
- approving and processing payroll and PAYE/NIC deductions;
- ensuring security of the premises, computer system, equipment, as well as setting up new systems to transfer the Company's servers away from the Wilton group; and
- ongoing health and safety and GDPR reviews.

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;
- correspondence with clients regarding transfer requests, draw downs, assisting with transactions within schemes, requests for new contributions exemptions, death committee duties, vulnerable client queries etc;
- regular updates with the Financial Conduct Authority ("FCA"), Financial Services Compensation Scheme ("FSCS"), the Pensions Regulator ("TPR") and HM Revenue and Customs ("HMRC");
- completing the replacement of the director of the trustee companies/special purpose vehicles, which hold the assets of the SIPP and SSAS clients;
- ongoing reconciliation of the assets under administration, which had not been undertaken by the Company previously;
- review of the various terms and conditions attached to the SIPP and SSAS books, collating additional information regarding the terms and conditions;

- undertaking cost modelling using various methods to consider the fairest option for clients; 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 Clients will be aware of the court application issued to approve a proposed exit and administration charge (“EAC”) in order to fund the ongoing trading of the administration and enable transfers out for the SIPP clients. The EAC is intended to be a single one-off fee which replaces the current management fees.
- 2.8 During the Review Period, various parties came forward to act as representative respondents to the application. Their role was to consider the validity of the EAC and if considered valid to negotiate the level of the EAC. Six clients were selected, who represented different aspect of the book, who subsequently appointed FS Legal to represent them.
- 2.9 During initial discussions with FS Legal, it was agreed that FS Legal would be funded as part of the EAC and the intention was for the court process to be a non-contentious application; meaning the majority of points would be agreed outside of the court process and the court hearing would be used to resolve any disputes. Whilst this was initially agreed, FS Legal subsequently advised they could not be funded as part of the EAC and required funding from clients instead. We are aware that approximately £123,000 was raised from client funding.
- 2.10 In late December 2023 the application was issued with a hearing to formally appointment proposed representative respondents on 22 January 2024 and the substantive hearing on 29 February 2024 and 1 March 2024.
- 2.11 The application was served on FS Legal in early January 2024. FS Legal subsequently issued a witness statement on behalf of their clients advising that they intended to dispute the validity of the EAC, albeit providing no alternative process to enable an orderly transfer out, that they had insufficient funds to defend the application and that they could not provide a timescale in which they could meaningfully engage.
- 2.12 An alternative group of respondents was formed and represented by Spencer West. Spencer West confirmed that on initial review of all documents they confirmed that an EAC could validly be charged, confirmed they were able to negotiate the quantum in the required timescale (i.e. before the hearing on 29 February 2024) and agreed to be funded from the proposed EAC.
- 2.13 We approached FS Legal requesting they withdraw from the process to enable it to proceed with clients who could act in the timescale required however they refused but continued to provide no alternative option to enable transfers out.
- 2.14 The application specifically excluded Ardan International Limited (“Ardan”) and RL360 Insurance Company Limited (“RL360”) as their terms and conditions were significantly different to the rest of the clients. Addleshaw Goddard, on behalf of Ardan and RL360, issued an application to be joined to the proceedings despite their being ongoing discussions to negotiate the proposed EAC with them outside of court proceedings.

- 2.15 Due the various movements between issuing the application and the hearing on 22 January 2024, it was agreed that the time available for the hearing was insufficient to deal with the matters to be considered by the court and this was subsequently adjourned for a date to be agreed during the week commencing 5 February 2024.
- 2.16 On 29 January 2024 the FSCS issued notice on their website that following receipt of new evidence they would provide compensation for the proposed EAC. Outside of the Review Period, discussions have continued with the FSCS to formalise the funding arrangement.
- 2.17 We are in discussions with various operators as to who is able to take on clients whether individually or by bulk transfer. Clients will appreciate that there are differing assets classes which some operators will not consider handing and we are reviewing the options available. Discussions are ongoing and clients will be contacted in due course with further information.

Realisation of assets

Sale of the SSAS book

- 2.18 As previously advised, discussions were ongoing regarding the potential sale of the SSAS book. We were unable to complete any potential sale from the interested parties due to the conditions attached to the offers.
- 2.19 Discussions with interested parties are continuing but on the basis that there are no conditions attached.

Trade debtors

- 2.20 As previously advised, the sum of £5,883,943.94 was outstanding in relation to client fees. The sum of £783,859.20 has been realised during the administration, of which £136,222.67 was received in the Review Period.
- 2.21 As previously mentioned in our previous report the majority of debtors relates to charges against clients who have insufficient assets within their SIPP and are therefore irrecoverable.
- 2.22 The majority of clients have a clause in their contract which allows the Company to disinvest assets to fund any outstanding fees. Hartley's finance team are continuing to pursue outstanding debts, including the disinvestment of assets.

Amount due from the Wilton's group

- 2.23 As previously advised, in 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.
- 2.24 WUK subsequently entered into administration on 3 April 2023 and based on the administrators' proposals no return is available to unsecured creditors. IOM was placed into liquidation on 12 February 2024, however at the time of writing the financial information had not been provided.

2.25 Creditors will recall that we were advised that the intercompany position was amalgamated, which resulted in WUK submitting a proof of debt against the Company for £357,108.79. We have sought to understand how the amalgamation was completed however no meaningful information has been forthcoming.

2.26 With respect of WGL, whilst the amount has been disputed on the basis that the intercompany position was amalgamated, no evidence of this has been provided. Our investigation in this matter is ongoing.

Other debtors

2.27 The Company also had an outstanding debt due in respect of Wilton & Partners Limited ("W&P"), an Irish registered entity within the Wilton group which entered liquidation on 12 June 2023.

2.28 Whilst there have been realisations in the liquidation of circa €323,000, any return to unsecured creditors is currently uncertain.

Fixtures and fittings/IT equipment

2.29 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

2.30 As previously advised, the Company had accepted 38,812 shares in Platform One Group Limited in lieu of fees due of £38,812. We are in discussions with Platform One Group Limited regarding the sale of these shares however we understand that there was a recent rights issue and there are pre-emption rights which make any sale more complex.

Bank interest

2.31 Bank interest in the sum of £9,694.30 has been earned during the Review Period.

Costs incurred but remaining unpaid

2.32 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.

2.33 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 which is separate to the assets mentioned above.

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 relate 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.

Secondary preferential creditors

- 3.4 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.
- 3.5 The estimated secondary preferential claim due to HMRC in the proposals was £300,000. HMRC have submitted a secondary preferential claim for the sum of £102,359.84.

Unsecured creditors

- 3.6 Unsecured claims were estimated to be £503,451 in the estimated outcome statement in the proposals. Claims of £999,111.58 have been received to date.
- 3.7 Any client who believes they have a claim against the Company should submit a proof of debt form, which is available on UHY’s dedicated webpage <https://www.uhy-uk.com/hartley-pensions-limited-administration>.

- 3.8 Based on current information, it is uncertain whether a dividend will be available to unsecured creditors.

4. INVESTIGATIONS

Investigations

- 4.1 As previously advised, following a review of the Company’s records the following matters were identified:
- transactions identified in the bank statements which do not appear to have been for corporate expenses but personal expenditure; and
 - investigation of serious operational and regulatory reviews.
- 4.2 As our investigations are ongoing, and in order to avoid prejudicing any action we may take, we are unable to provide further information at this stage.

5. ETHICS

- 5.1 Please 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 During the Review Period, no threats to compliance with the Insolvency Code of Ethics were identified.

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 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 in Section 6 of this report.

6. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

Pre-administration costs

- 6.1 Previous reports details the pre-administration costs incurred and paid. The only outstanding pre-administration cost relates to Hilco Global Limited, who incurred time costs of £84,800.00 and expenses of £525.00 plus VAT.

The joint administrators' fees

- 6.2 The basis of our fee 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.”

- 6.3 Further fee approval was obtained on 23 March 2023 in accordance with the following resolution:-

“That the basis of the joint administrators' fees be increased to £5,091,250.”

- 6.4 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 £1,083,226.00, representing 2,379.70 hours at an average rate of £455.19.

- 6.5 The total time costs incurred in the administration total £3,077,158.83. The sum of £168,906.50 has been paid of which £46,364.50 was drawn in the Review Period. Please note that the sum drawn does not relate to any trading costs incurred.

- 6.6 A comparison of the time costs incurred during the Review Period with the fee estimate is at Appendix 5.

- 6.7 Having regard for the costs that are likely to be incurred in bringing this administration to a close, we consider that the revised fee estimate may be exceeded and further information shall be provided in future reports with further approval sought at that time.

Expenses

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

- 6.9 The category 1 expenses paid in the Review Period, excluding trading costs, total £1,196.29 and are detailed on the receipts and payments account at Appendix 2. These represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment.

Category 2 expenses

- 6.10 On 23 March 2023, creditors approved a category 2 expense in relation to UHY Hacker Young's financial services department to assist with the reconciliation of the members' pension plans, platforms and an overview of the SIPP and SSAS schemes. The fee was agreed on a time costs basis, estimated to be £120,000. The sum of £105,700.00 has been incurred in the administration, of which £4,950.00 was incurred during the Review Period.
- 6.11 In addition to the above, UHY Hacker Young's tax department was instructed to assist with the various corporation tax returns required during the administration. Their fee was agreed on a time costs basis and creditors approved an estimate of £10,000. The sum of £3,461.25 plus VAT was incurred and paid during the Review Period.
- 6.11 Whilst mileage has also been incurred during the administration period, category 2 approval is required before these can be drawn. A request for approval shall be issued under separate cover. No mileage was incurred in the Review Period.
- 6.12 Information about this insolvency process may be found on the R3 website at www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and expenses policy may be found at www.uhy-uk.com/sites/default/files/2022-03/Administration-a-guide-for-creditors-on-insolvency-practitioner-fees.pdf and www.uhy-uk.com/sites/default/files/2023-05/London%20office%20turnaround%20and%20recovery%20charge%20out%20rates%20-%20May%202023.pdf respectively. A hard copy of both the Creditors' Guide and the firm's charge-out rate and expenses policy 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 insolvency. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. DWF's total time costs and expenses are £4,108,453.31, of which £1,145,754.20 was incurred during the Review Period. The sum of £111,619.27 has been paid, none of which was drawn during the Review Period.
- 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. Counsel's costs in the administration total £411,200.84, of which £314,525.84 was incurred during the Review Period. The sum of £188,459.17 has been paid, of which £147,469.17 was drawn during the Review Period.
- 6.15 As mentioned above, it was agreed with the alternative representative respondents that their legal fees would be paid by the Company. Spencer West LLP and their counsel incurred time costs of £61,141.50 and £53,000.00 respectively during the Review Period. It should be noted that Spencer West and counsel are likely to incur further time costs outside of the Review Period in respect of agreeing the stay in the proceedings, however they have agreed to cap their fees to a total of £112,000.00 plus VAT. Please note that £50,000.00 plus VAT was paid during the Review Period. Please note that these figures are not included in the table in Section 1 but are reflected in the attached receipts and payments account.

Property services specialists

- 6.17 CAPA were instructed to assist with undertaken a business rates audit to ascertain whether any overpayments have been made. Their costs were agreed on the basis of their standard sales commission rate (25%) plus VAT. A rates refund of £454.49 was received resulting in a fee of £113.62, which was been paid during the Review Period.

Creditors' right to request information

- 6.18 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 that we 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

- 6.19 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 we are entitled to charge or otherwise challenging some or all of the expenses incurred.
- 6.20 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 outstanding matters detailed in paragraph 1.5 above.
- 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
Previous Names	N/A

Proceedings	In 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
Joint administrators	Peter Kubik and Brian Johnson, both of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW
Registered office address	c/o UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW
Company Number	09469576
Appointment by	The director of the Company

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The joint administrators	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 2023 to 28 January 2024

Appendix 2

Receipts and payments, including trading account, for the period from 29 July 2023 to 28 January 2024

	SofA	From 29/07/2023 to 28/01/2024	From 29/07/2022 to 28/01/2024
	£	£	£
Company account			
Receipts			
Amounts owed from within the group	Uncertain	-	-
Bank interest	-	9,694.30	17,768.59
Cash at bank	424,046	-	461,300.25
Rates refund	-	454.49	454.49
Bank refund	-	35,072.79	35,072.79
IT equipment	Uncertain	-	-
Fixtures and fittings	Uncertain	-	-
Other debtors	Uncertain	136,222.67	783,859.20
Sale of the SIPP/SSAS books	Uncertain	-	-
Trade debtors	Uncertain	-	-
Unlisted investments (Platform One)	Uncertain	-	-
	424,046	181,444.25	1,298,455.32
Payments			
Creditor Gateway fees		14.00	70.00
Joint administrators' pre appointment fee		-	39,705.00
Joint administrators' fees		46,364.50	168,906.50
Pension advisors		-	610.00
Business rates specialists		113.62	113.62
Pre appointment legal fees		-	246,163.14
Legal fees		-	111,619.27
Accountancy fees		3,461.25	3,461.25
Software fee		-	90.00
Specific bond		-	1,200.00
Statutory advertising		-	94.10
		49,953.37	572,032.88
Balance held in interest bearing account			726,422.44

Trading account

Receipts

Management fees	2,198,996.60	5,995,190.52
Prepayments	0.00	1,000.00
	<hr/>	<hr/>
	2,198,996.60	5,996,190.52

Payments

Accounting system	0.00	400.00
Call centre	140,488.64	500,361.36
Cleaning services	8,598.40	30,633.45
Compensation to clients	92.14	92.14
Courier charges	97.00	97.00
External compliance advisors	5,460.75	5,460.75
Employee benefits (health/life insurance)	9,389.45	19,699.93
GDPR advisors	5,750.00	12,750.00
Health and safety audit	0.00	1,294.50
HR advisors	1,225.00	10,910.00
Insurance	185,552.70	462,563.71
IT services	178,230.74	384,761.80
ICO fee	40.00	40.00
Lease/HP payments	17,871.20	45,595.05
Legal fees and expenses	197,989.17	239,229.17
PAYE/NI	181,743.19	536,855.78
Pension advisor fee	150.00	150.00
Pension provider fee	90.00	90.00
Pension contributions	60,872.94	172,048.49
Postage	50,495.54	94,910.22
Property expenses	397.00	397.00
Ransom payment	900.00	900.00
Rates	50,741.70	61,866.20
Recycling/disposal services	931.23	3,593.48
Rent - Blackburn	7,750.00	19,050.00
Rent - Bristol	156,149.06	221,826.56
Repairs and maintenance	99.00	2,826.27
Search fees	22.00	22.00
Security services	786.54	1,423.67
Stationery	2,350.84	2,755.88
Storage costs	5,369.88	9,930.37
Subcontractors	412,849.07	768,532.99
Subscriptions	481.00	917.00
Subsistence	3,003.45	12,333.53
Telephone	13,921.17	40,793.94
Travel/accommodation expenses	50,830.17	197,195.71
Utilities	9,531.19	37,503.80

Wages and salaries	360,684.13	1,255,187.21
Wilton UK (Group) Limited services	248,246.64	602,375.27
	<u>2,369,180.93</u>	<u>5,757,374.23</u>

Trading surplus/(loss) held in interest bearing account **238,816.29**

Represented by

VAT receivable/(payable)	(112,109.62)
Interest bearing account	<u>1,077,348.35</u>
	965,238.73

Please note that in addition to the above, the joint administrators are holding funds which were in Company bank accounts 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.

	From 29/07/2023 to 28/01/2024 £	From 29/07/2022 to 28/01/2024 £
Account one:		
Bank interest	2,308.90	4,072.51
Cash at bank	0.00	251,000.30
Total held in interest bearing account	<u>2,308.90</u>	<u>255,072.81</u>
Account two:		
Bank interest	21,533.75	37,986.81
Cash at bank	0.00	2,341,663.68
Total held in interest bearing account	<u>21,533.75</u>	<u>2,379,650.49</u>
Account three:		
Bank interest	890.25	1,520.46
Cash at bank	0.00	96,828.27
Total held in interest bearing account	<u>890.25</u>	<u>98,348.73</u>

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	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.
Creditor reports	Preparing progress report.
Investigations	
Statutory reporting on conduct of director	Liaising with the Insolvency Service.
Ongoing investigations	Correspondence with various parties re transactions identified. Reviewing responses. Reviewing company records and discussions with staff. Liaising with solicitors. Interviewing directors.
Realisation of assets	
Sale of the SSAS book	Liaising with HMRC re potential tax liability that may arise. Updating the FCA re interested parties/offers. Re-approaching interested parties to submit revised offers with no conditions attached. Liaising with the Pensions Regulator.
Debtors	Correspondence with insolvency practitioners appointed to ascertain prospects of a dividend to unsecured creditors. Liaising with the accounting team regarding strategy to recover outstanding debtors.
Unlisted investments	Liaising with Platform One to identify parties interested in purchasing shares.
Trading	
Management of operations	Ongoing review of moving the servers from the Wilton group. Discussions with the both the Bristol and Blackburn landlords to renegotiate terms. Discussions with brokers re insurances required. Client communication, including providing regular updates on UHY Hacker Young's dedicated Hartley Pensions webpage as well as by email and post Dealing with enquiries raised by the call centre. Correspondence with clients regarding transfer requests, requests for transfers out, requests for contributions, death committee duties etc. Attending twice daily team lead meetings.

	<p>Reconciliation of the asset position.</p> <p>Liaising with the directors of the various trustee/special purpose vehicles which hold the assets of the SIPP and SSAS clients for their replacement.</p> <p>Correspondence with the FSCS, FCA, HMRC, Pension Regulator and RBS.</p> <p>Trading strategy review.</p> <p>Review of the various terms and conditions attached to the SIPP and SSAS books.</p> <p>Undertaking cost modelling and adjustments to exit and admin charge models</p> <p>Preparation and review of the application to court to consider and approve the cost model.</p> <p>Invitation to clients to become the representative respondent, subsequent discussions and meetings.</p> <p>Meetings with proposed respondents and their advisors.</p> <p>Meetings with alternative proposed respondents and their advisors.</p> <p>Review of witness statements/evidence/skeleton arguments issued by other parties.</p> <p>Attending the court hearing.</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>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>VAT returns.</p> <p>Corporation tax return.</p> <p>Arranging payroll and HMRC submissions.</p>
Ongoing employee issues	<p>Regularly update meetings with employees.</p> <p>Responding to employee queries.</p> <p>Review of terms of agency staff and self employed subcontractors.</p> <p>Review of pay rises and retention bonus for employees.</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 telephone, email and post.</p>
Dealing with proofs of debt ('POD')	<p>Receipting and filing POD when not related to a dividend.</p>

Appendix 5

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

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration	150	500	75,000	29.35	272.71	8,004.00	158.73	311.77	49,486.83
Assets	750	500	450,000	3.90	558.46	2,178.00	107.10	537.52	57,568.00
Creditors	75	500	37,500	1.20	100.00	120.00	60.20	182.41	10,981.00
Investigations	125	500	62,500	97.70	361.54	35,322.50	345.50	196.10	67,751.00
Trading	3,750	500	1,875,000	2,247.55	461.66	1,031,601.50	6,474.70	446.56	2,891,372.00
Total	4,850	500	250,000	2,379.70	455.19	1,083,226.00	7,146.23	430.60	3,077,158.83

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	1,460,280.04	4,519,654.15	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.
Agents' fees	120,000.00	-	85,325.00	
Pension specialists	950.00	-	610.00	
Business rates specialists	-	113.62	113.62	A business rates refund was not initially anticipated.
Accountancy fees	-	3,461.25	3,461.25	
Employee specialists	2,500.00	-	-	
Advertising	94.10	-	94.10	
Bonding	1,200.00	-	1,200.00	
Storage of records	1,000.00	-	-	
Insolvency software	90.00	-	90.00	
Creditor Gateway fees	84.00	14.00	70.00	
Category 2 expenses:				
- UHY financial services	120,000.00	4,950.00	105,700.00	It was not initially anticipated that mileage costs would be incurred, and no approval has been obtained in this respect.
- UHY tax	10,000.00	3,461.25	3,461.25	
- Mileage	-	-	280.48	