

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 07121475

Company name in full Malletts Solicitors Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Nicholas W

Surname Nicholson

### 3 Liquidator's address

Building name/number Haslers

Street Old Station Road

Post town Loughton

County/Region Essex

Postcode IG10 4PL

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode


Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>																
From date	d	1	d	1	m	1	m	1	1	y	2	y	0	y	1	y	9
To date	d	1	d	0	m	1	m	1	1	y	2	y	0	y	2	y	0
<b>7</b>	<b>Progress report</b>																
<input type="checkbox"/> The progress report is attached																	
<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	Signature 																
Signature date	d	1	d	1	m	1	m	1	1	y	2	y	0	y	2	y	0

# LIQ03

## Notice of progress report in voluntary winding up



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Nicholas W Nicholson**

Company name **Haslers**

Address **Old Station Road**

**Loughton**

Post town **Essex**

County/Region

Postcode **I G 1 0 4 P L**

Country

DX

Telephone **020 8418 3333**



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



### Important information

**All information on this form will appear on the public record.**



### Where to send

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Malletts Solicitors Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 11/11/2019 To 10/11/2020 £	From 11/11/2016 To 10/11/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	2.70
47,920.00	Book Debts	NIL	40.00
960.00	Furniture & Equipment	NIL	NIL
	Pre-Appointment Debtors	NIL	2,607.41
795.00	Prepayment Refunds	1,026.83	1,026.83
15,500.00	Stock/WIP	NIL	NIL
	Tommy Lee Petition Costs	NIL	525.00
		1,026.83	4,201.94
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	787.50
	Data Hosting	NIL	615.00
	Storage Costs	NIL	1,008.75
	VAT	NIL	240.00
		NIL	(2,651.25)
	PREFERENTIAL CREDITORS		
(9,822.17)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(181,000.00)	Banks/Institutions	NIL	NIL
(81,896.38)	Employees	NIL	NIL
(11,498.00)	Inland Revenue	NIL	NIL
(2,882,018.49)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
<b>(3,101,060.04)</b>		<b>1,026.83</b>	<b>1,550.69</b>
	REPRESENTED BY		
	Metro Bank		1,209.52
	Vat Control Account		64.00
	Vat Receivable		277.17
			<b>1,550.69</b>

**MALLETT'S SOLICITORS LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION**

**LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE  
YEAR ENDING 10 NOVEMBER 2020**

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## EXECUTIVE SUMMARY

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The Company was placed into Liquidation on 11 November 2016 and I was appointed Joint Liquidator together with Dominic Dumville on the same day. Mr Dumville has now left Haslers and further to a court order dated 16 January 2020 has been removed from office.

I obtained the Company's books, records, correspondence and IT equipment as well as the full working papers from the Company's former accountant. I also received account statements and other relevant documentation from the Company's bank which was fully analysed.

I have attempted to realise the Company's assets which have included cash at bank, work in progress and book debts; further details in respect of the Company's assets are provided later in my report.

A significant amount of time has been spent dealing with issues raised by the Company's former clients. I have also liaised with the Solicitors' Regulation Authority ("SRA") in respect of their investigations into the conduct of the Company directors.

I also spent time analysing the Company's client and office accounts following concerns raised by investors in the Company that their investments had been misappropriated by the Company's directors. This analysis has been further cross-referenced with information provided by investors and the Company's books, records and correspondence, including substantial internal email correspondence, to determine how the Company utilised the investments it was receiving. My investigations have also focused on whether the legal expenses product that the Company was marketing was viable.

Following my analysis, I identified a number of claims. A substantial amount of time has been spent liaising with my solicitors to formulate and evaluate the likely success of these claims and the evidence available in support of them. Letters before action and particulars of claims have now been issued and my solicitors are in discussion with the respondents legal representatives. In order not to prejudice those claims then I will not provide further details in this report and will update creditors further in due course.

## STATUTORY INFORMATION

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Company name:	Malletts Solicitors Limited
Registered office:	Haslers, Old Station Road, Loughton, Essex, IG10 4PL
Former registered office:	17 Tuesday Market Place, King's Lynn, Norfolk, PE30 1JN
Registered number:	07121475
Liquidators' names:	Nicholas W Nicholson and Dominic Dumville
Liquidators' address:	Old Station Road, Loughton, Essex, IG10 4PL
Liquidators' date of appointment:	11 November 2016
Former Liquidators appointment details:	Dominic Dumville, c/o Mercer & Hole, 72 London Road St Albans, Herts AL1 1NS. Appointed 11 November 2016 Removed from office 16 January 2020
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

## **LIQUIDATORS' ACTIONS SINCE LAST REPORT**

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Since my last report, I have continued to liaise with my solicitor and Counsel with regards to the claims that have been identified and put to the respondents.

Letters before action and particulars of claim have been sent to the respondents and I have attempted to discuss the claims with them. Progress in this regard has been slow due in part to the covid-19 pandemic, however matters are progressing, and I would hope to be able to provide further details in due course.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix A.

## **RECEIPTS AND PAYMENTS**

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My Receipts & Payments Account for the period from 11 November 2019 to 11 November 2020 is enclosed.

The balance of funds is held in a non-interest bearing estate bank account.

## **ASSETS**

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### **BOOK DEBTS/PRE-APPOINTMENT DEBTORS**

These were estimated to realise £47,920 in the Statement of Affairs. It should be noted that the Company's accounting records indicate a book debt figure substantially higher than this, as the Company was including client monies in the debtor and creditor balances within the accounts.

The directors provided a list of current book debts and I was able to obtain their contact details from the Company's case system located on their server. I have written to all debtors requesting repayment of amounts due and, to date, I have received £2,647.41 to date, none of which was received in the period since 10 November 2018.

As previously advised, I was in correspondence with the solicitor of a former client of the Company in relation to an outstanding amount of approximately £87,000. I was recently informed that the debtor's solicitor is no longer instructed. My solicitor has now prepared a letter before action to this debtor for payment of the sums owed and we are in the process of finalising this for issue.

### **PREPAYMENT REFUNDS**

During the reporting period a refund of £1,026.83 was received in relation to water rates.

### **WORK IN PROGRESS (WIP)**

As previously advised, I instructed a legal costs draftsman to review the Company's portfolio of unbilled Legal Aid cases. The draftsman has now provided an initial view and believes that the Legal Aid Authority ('LAA') are likely a creditor of the Company. As such any legal aid bills that are submitted to the LAA would be set off against the outstanding liability and it is doubtful that there will be a surplus balance payable to the Liquidation estate.

The draftsman is having some difficulty confirming the precise position as the Legal Aid contracts were closed some time ago and the manager responsible for these contracts appears to have left the LAA. I will provide a further update in this matter within my next Annual Report.

### **BANK INTEREST GROSS**

The sum of £2.70 has been received since the commencement of the liquidation, none of which received from 11 November 2019.

## LIABILITIES

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### SECURED CREDITORS

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

Persons Entitled	Date Created	Type	Status as per Companies House
Barclays Bank plc	15 March 2010	Debenture. Fixed and Floating Charge	Outstanding

The amount outstanding to Barclays is circa £181,000. At present the return, if any, to Barclays is uncertain and will be dependent on the collection of the Company's book debts, WIP assets and the outcome of any legal proceedings.

To date, no payments have been made to Barclays.

### PREFERENTIAL CREDITORS

The statement of affairs anticipated £9,822.17 in preferential creditors. Claims totaling £7,254.41 have been received.

### CROWN CREDITORS

The statement of affairs included £11,498.00 owed to HM Revenue & Customs ("HMRC"). HMRC's claim of £18,474.07 has been received.

### UNSECURED CREDITORS

Not including HMRC, the statement of affairs included unsecured creditors with an estimated total liability of £3,063,018.49. I have received claims from creditors at a total of £2,187,926.02. I have not received claims from 67 creditors with original estimated claims in the statement of affairs of £936,033.91.

## DIVIDEND PROSPECTS

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I am not in a position to determine whether a dividend will become payable to any class of creditor at this time. Any payment is dependent on the outcome of the legal claims detailed elsewhere in this report.

### UNSECURED CREDITORS

As previously advised, the Company gave a floating charge to Barclays Bank PLC on 15 March 2010 and the prescribed part provisions will apply. However the Company's net property is currently £nil, and therefore there will be no distribution under the prescribed part at this time.

## INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 48 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

I considered that further investigation was justified and took the following action:



A substantial amount of time has been spent reviewing and analysing the statements of the Company's bank accounts to establish how funds were utilised, and more specifically, how the investments received from loan notes were utilised. The information provided by the loan note investors, as well as the files and emails contained within the Company's servers was cross referenced with the analysis of the Company's bank accounts to establish:

- The historical financial position of the Company;
- Any evidence that the Company directors were actively marketing their legal expenses product to potential organisations;
- Any evidence that the Company directors were investing in infrastructure specific to providing a legal helpline/expenses product to potential organisations, and;
- Any evidence of assets purchased in the Company's name or purchased using investments from loan notes for the purpose of promoting or setting up the legal expense product.

The stated purpose of the loan notes issued to investors was to provide the investment required to set up the legal expenses product's infrastructure and the running of the product. It is pertinent that every loan note investment received went into an overdrawn office account which at no point went into credit.

From the information I have obtained I have been able to establish that there are potential claims that could be brought. As such, I have spent time liaising with my solicitors, Moon Beever, in relation to the likely success of bringing the claims identified. They have, in turn, obtained an opinion from Counsel, which is privileged.

As above, letters before action and particulars of claim have been issued and matters are progressing. In order that my claims are not prejudiced then I do not intend to go into further details in this report and will report in more detail at the appropriate time.

I have also liaised with and provided relevant information and documentation to the SRA who have undertaken a separate investigation into the conduct of the Company directors, including the circumstances surrounding the Company's issuing of loan notes; as well as the Insolvency Service, who carried out investigations under the Company Directors Disqualification Act 2006.

## **PRE-APPOINTMENT REMUNERATION**

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On 11 January 2017, the Liquidation Committee authorised the payment of a fee of £5,000 for ReSolve's assistance with preparing the statement of affairs and arranging the members' and creditors' meetings to appoint a liquidator.

The fee for preparing the statement of affairs and arranging the members' and creditors' meeting to appoint a liquidator is as yet unpaid as insufficient realisations have been made to date.

## **LIQUIDATORS' REMUNERATION**

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At the meeting on 11 November 2016, four creditors were nominated to form a creditors' committee. The Liquidation Committee was officially formed, and notification provided to Companies House on receipt of consents to act from the nominated creditors. The initial meeting of the committee approved my fee resolution.

My remuneration was approved on a time cost basis based on a fees estimate of £66,883.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the Liquidation Committee. My total time costs to 10 November 2020 amount to £314,666.50, representing 1,042.80 hours of work at a blended charge out rate of £301.75 per hour, of which £32,772.50, representing 99.60 hours of work, was charged in the period since 11 November 2019, at a blended charge out rate of £329.04 per

hour. There is a difference in the blended rate charged, compared with the estimated blended rate of £240.59, because detailed investigation conducted into the accounting records, the loan note scheme, the Legal Expenses Insurance product and the electronic records. I intend to seek a decision to approve an increase in my fees estimate from the Liquidation Committee in due course.

I have not been able to draw any remuneration in this matter.

Detailed schedules of my time costs incurred to date and since 11 November 2017, together with a comparison with my original fees estimate are enclosed.

As at 10 November 2020 then, as you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the Liquidation Committee. This is due to the level of detailed investigation conducted into the accounting records, the loan note scheme, the Legal Expenses Insurance product and the electronic records. I intend to seek a decision to approve an increase in my fees estimate from the Liquidation Committee in due course.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Haslers's fee policy are available at the link <https://www.haslers.com/services/insolvency/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

## LIQUIDATORS' EXPENSES

I have incurred expenses to 10 November 2020 of £8149.64 of which £812.00 was incurred in the period since 11 November 2019. Please note that I have also incurred legal fees and expenses under a conditional fee arrangement, which are not included within this amount, further details can be found below.

I have drawn £2,411.25 to date, none of which was incurred in the period since 11 November 2019.

I have incurred the following expenses in the period since my last progress report:

Type of expense	Amount incurred/ accrued in the reporting period
Land Registry	£12.00
Inquiry Agents	£800.00

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
JYY Risk Management	Inquiry agents	Fixed Fee
Moon Beever	Solicitors	Conditional Fee Arrangement

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I

have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

Moon Beaver have been instructed to provide legal advice and to draft various legal documents relating to the potential claims as detailed above. Moon Beaver have incurred time costs in this matter of £131,655.50 to 10 November 2020, of which £52,654.50 has been incurred since 11 November 2019. They have also incurred expenses of £24,380 plus VAT which relate to counsel's fees, of which £2,500 plus VAT was incurred since 11 November 2019. Finally, they have incurred disbursements of £805.40, of which £45.76 was incurred since 11 November 2018.

As at 10 November 2020 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the Liquidation Committee. The reasons I have exceeded the expenses estimate are the further legal expenses in pursuing the claims identified as set out in detail above.

## **FURTHER INFORMATION**

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An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Haslers can be found in the attached summary sheet.

## **SUMMARY**

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The Liquidation will remain open until the remaining assets have been realised and the claims detailed above have been fully resolved. I estimate that this will take approximately 18 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Daniel Hibben on 020 8418 3333, or by email at [Daniel.Hibben@Haslers.com](mailto:Daniel.Hibben@Haslers.com).



**NICHOLAS W NICHOLSON**  
**LIQUIDATOR**

## Appendix A

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### ADMINISTRATION

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing an annual progress report to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### CREDITORS

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). The office holder is required to undertake this work as part of their statutory functions.

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

Malletts Solicitors Limited  
(In Liquidation)  
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 11/11/2019 To 10/11/2020 £	From 11/11/2016 To 10/11/2020 £
RECEIPTS			
Furniture & Equipment	960.00	0.00	0.00
Stock/WIP	15,500.00	0.00	0.00
Book Debts	47,920.00	0.00	40.00
Prepayment Refunds	795.00	1,026.83	1,026.83
Pre-Appointment Debtors		0.00	2,607.41
Bank Interest Gross		0.00	2.70
Tommy Lee Petition Costs		0.00	525.00
		<u>1,026.83</u>	<u>4,201.94</u>
PAYMENTS			
Data Hosting		0.00	615.00
Agents/Valuers Fees (1)		0.00	787.50
VAT		0.00	240.00
Storage Costs		0.00	1,008.75
Employee Arrears/Hol Pay	(9,822.17)	0.00	0.00
Trade & Expense Creditors	(2,882,018.49)	0.00	0.00
Employees	(81,896.38)	0.00	0.00
Banks/Institutions	(181,000.00)	0.00	0.00
Inland Revenue	(11,498.00)	0.00	0.00
		<u>0.00</u>	<u>2,651.25</u>
Net Receipts/(Payments)		<u>1,026.83</u>	<u>1,550.69</u>
MADE UP AS FOLLOWS			
Metro Bank		749.66	1,209.52
VAT Receivable / (Payable)		277.17	341.17
		<u>1,026.83</u>	<u>1,550.69</u>

**Malletts Solicitors Limited**

**Analysis of time costs from 11/11/16 to 10/11/20**

	Time recorded (Hours)							
Categories	Partner	Manager	Senior Administrator	Administrator	Junior	Total Time	Total Sum of Charge	Average Hourly Rate
GENERAL CASE ADMINISTRATION								
Case Planning	16.90	20.95	0.20	0.10	34.70	72.85	18,226.50	250.19
Administrative Set-up					1.30	1.30	182.00	140.00
Maintenance of Records	1.30	11.60	8.70	0.50	17.10	39.20	8,309.50	211.98
Statutory Reporting	2.20	51.90	10.20		10.00	74.30	20,279.00	272.93
Non-formal app Work		20.60				20.60	6,283.00	305.00
INS Cashiering		1.90		11.95	2.10	15.95	2,010.00	126.02
Total	20.40	106.95	19.10	12.55	65.20	224.20	55,290.00	246.61
REALISATION OF ASSETS								
Identifying, Securing, insuring Assets	1.20	0.70				1.90	825.50	434.47
Debt Collection	4.90	4.90			5.60	15.40	4,555.50	295.81
Property, Business and Asset Sales	0.30	2.30			3.30	5.90	1,316.50	223.14
Total	6.40	7.90			8.90	23.20	6,697.50	288.69
INVESTIGATIONS								
CDDA Reports	2.00	5.60			2.50	10.10	3,078.00	304.75
Investigating Antecedent Transactions	88.10	525.00			14.90	628.00	205,206.50	326.76
Total	90.10	530.60			17.40	638.10	208,284.50	326.41
CREDITORS								
Communications With Creditors	14.10	13.50	0.40	0.50	14.00	42.50	13,404.50	315.40
Creditors' Claims (inc. Employees and Preferential	1.50	3.10	2.70	0.20	26.70	34.20	5,985.50	175.01
Total	15.60	16.60	3.10	0.70	40.70	76.70	19,390.00	252.80
CASE SPECIFIC MATTERS								
On-going Employee Issues					3.40	3.40	476.00	140.00
Case Specific Matters	7.10	66.90		0.50	2.70	77.20	24,528.50	317.73
Total	7.10	66.90		0.50	6.10	80.60	25,004.50	310.23
	139.60	728.95	22.20	13.75	138.30	1,042.80	314,666.50	301.75

HASLERS RESTRUCURING & INSOLVENCY  
FEE ESTIMATE COMPARISON  
Malletts Solicitors Limited

SUMMARY	FEE ESTIMATE			ACTUAL TO DATE		
	Estimated time in hours to be taken to undertake the work	Estimated value of the time costs to undertake the work	Blended charge out rate to undertake the work	Actual time in hours to undertake the work	Actual value of the time costs to undertake the work	Blended charge out rate to undertake the work
		£	£		£	£
General Case Administration	91.00	17,810.00	196.00	224.20	55,290.00	246.61
Realisation of assets	19.00	4,924.00	259.00	23.20	6,697.50	288.69
Investigations	82.00	25,500.00	311.00	638.10	208,284.50	326.41
Creditors	86.00	18,649.00	214.00	76.70	19,390.00	252.80
Case specific matters:	0.00	0.00	0.00	80.60	25,004.50	310.23
	278.00	66,883.00	240.59	1,042.80	314,666.50	301.75

Please refer to report for an explanation on any difference between the time recorded to date and the fee estimate

**Malletts Solicitors Limited**

**Analysis of time costs from 11/11/19 to 10/11/20**

	Time recorded (Hours)							
Categories	Partner	Manager	Senior Administrator	Administrator	Junior	Total Time	Total Sum of Charge	Average Hourly Rate
GENERAL CASE ADMINISTRATION								
Case Planning	3.90	9.50				13.40	3,923.00	292.76
Maintenance of Records		1.70				1.70	518.50	305.00
Statutory Reporting		6.50				6.50	1,982.50	305.00
INS Cashiering		1.00			0.60	1.60	365.00	228.13
Total	3.90	18.70			0.60	23.20	6,789.00	292.63
REALISATION OF ASSETS								
Identifying, Securing, insuring Assets		0.30				0.30	91.50	305.00
Property, Business and Asset Sales		0.20				0.20	61.00	305.00
Total		0.50				0.50	152.50	305.00
INVESTIGATIONS								
Investigating Antecedent Transactions	12.60	58.90				71.50	24,407.00	341.36
Total	12.60	58.90				71.50	24,407.00	341.36
CREDITORS								
Communications With Creditors	0.40	3.50				3.90	1,271.50	326.03
Creditors' Claims (inc. Employees and Preferential		0.50				0.50	152.50	305.00
Total	0.40	4.00				4.40	1,424.00	323.64
	16.90	82.10			0.60	99.60	32,772.50	329.04



## PRACTICE FEE RECOVERY POLICY FOR HASLERS

### Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.haslers.com/services/insolvency/>. Alternatively a hard copy may be requested from Haslers, Old Station Road, Loughton, Essex IG10 4PL. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### Chargeout Rates

<b>Grade of staff</b>	<b>Current charge-out rate per hour, effective from 1 April 2020 £</b>	<b>Previous charge-out rate per hour, effective from 1 April 2019 £</b>
Partner – appointment taker	375-510	375-510
Manager	285-320	285-320
Senior Administrator	195-250	195-250
Case Administrator	95-165	95-165
Cashier	100	100

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed on 1 January each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Maintenance of records
- Investigations.
- Realisation of Assets.
- Creditors.
- Case specific matters.
- Statutory reporting.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we seek time costs for all categories of work

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

### **Members' voluntary liquidations and Voluntary Arrangements**

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

## **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

## **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

## **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Haslers; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. It is not Haslers' policy to charge for such costs.

## **PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR HASLERS**

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### **Licensing Body**

Nicholas Nicholson is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

Nicholas Nicholson is a Member of the Insolvency Practitioners Association.

Haslers is also a member of the ICAEW, Institute of Chartered Accountants in England and Wales.

### **Rules Governing Actions**

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Haslers' IPs <https://www.icaew.com/-/media/corporate/files/members/regulations-standards-and-guidance/master-insolvency-regulations-and-guidance-notes-010518.ashx?la=en>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

### **Ethics**

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <https://www.icaew.com/-/media/corporate/files/members/regulations-standards-and-guidance/ethics/code-of-ethics-part-d-insolvency-practitioners-1-jan-2011.ashx> IPA - <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>.

### **Complaints**

At Haslers we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Jon O'Shea, Haslers, Old Station Road, Loughton, Essex IG10 4PL. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gov.uk](mailto:insolvency.enquiryline@insolvency.gov.uk); or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

**Professional Indemnity Insurance**

Haslers' Professional Indemnity Insurance is provided by Axis Speciality SE, of Willis Limited, 51 Lime Street, London EC3M 7DQ. This professional indemnity insurance provides worldwide coverage.

**VAT**

Haslers is registered for VAT under registration no. 978 0506 90.

**Bribery Act 2010**

Haslers is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on Haslers' behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

Haslers take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

Haslers requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

Haslers prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

Haslers will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.
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