

*** COMMERCIAL CASES (i.e., NOT PERSONAL INJURY OR EMPLOYMENT) ***

*** Calculations showing: the Success Fee Model, if the client WINS the case: ***

THE FACTS:

	Financial benefit (damages)	£	200,000
	DBA %		20%
	the DBA Payment	£	40,000
COSTS	Recoverable costs	£	20,000
	Irrecoverable WIP	£	5,000
EXPENSES/DISBURSEMENTS			
	Recoverable Counsel's fees	£	5,000
	Irrecoverable Counsel's fees	£	3,000
	Recoverable Expenses	£	8,000
	Irrecoverable Expenses	£	2,000
RECOVERY FROM THE OPPONENT:		£	233,000
which is made up of the following:		£	200,000
PLUS:	Recoverable costs	£	20,000
PLUS:	Recoverable Counsel's fees	£	5,000
PLUS:	Recoverable Expenses	£	8,000

THE VARIOUS PERMUTATIONS AS TO WHO IS PAID WHAT:

What Solicitor receives:

	The DBA Payment	£	40,000
LESS:	Counsel's fees in toto	£	8,000
LESS:	Irrecoverable WIP	£	5,000
	Sub-total:	£	27,000
PLUS:	Recoverable costs from D	£	20,000
PLUS:	Expenses (all)	£	10,000
TOTAL:		£	57,000

What Counsel receives:

	Recoverable Counsel's fees	£	5,000
PLUS:	Irrecoverable Counsel's fees	£	3,000
TOTAL:		£	8,000

What the client pays to Solicitor and Counsel:

	Irrecoverable WIP	£	5,000
PLUS:	DBA Payment	£	40,000
LESS:	Irrecoverable WIP	£	5,000
PLUS:	Recoverable costs	£	20,000
PLUS:	Recoverable Expenses	£	8,000
PLUS:	Irrecoverable Expenses	£	2,000
TOTAL:		£	70,000

FROM THE CLIENT'S PERSPECTIVE:

What the client ends up with, by way of recovery:

	Recovery from opponent:	£	233,000
LESS:	Payment to Solicitor/Counsel:	£	70,000
TOTAL:	The client's recovery:	£	163,000

The deductions from the client's damages:

	Financial benefit (damages)	£	200,000
LESS:	DBA Payment:	£	40,000
LESS:	Irrecoverable Expenses	£	2,000
TOTAL:	What is left of the damages:	£	158,000

*** Calculations showing: the Success Fee Model, if the client LOSES the case: ***

THE FACTS:

Costs awarded against the losing client:	£	22,000
Costs incurred by the solicitor in prosecuting the lost case:	£	25,000
Discounted rate of WIP as agreed between client and solicitor:		25%
Hence, the contracted-for payment from client to solicitor:	£	6,250
Costs incurred by counsel in prosecuting the lost case:	£	10,000
Discounted rate of WIP agreed for counsel:		25%
Hence, the contracted-for payment for counsel's services:	£	2,500
Expenses incurred in prosecuting the case (stated above)	£	10,000

THE VARIOUS PERMUTATIONS AS TO WHO IS PAID WHAT:

What Own Solicitor receives:

	A discounted rate of WIP (as contracted for)	£	6,250
PLUS:	Expenses incurred (all)	£	10,000
TOTAL:		£	16,250

What Own Counsel receives:

	A discounted rate of fee (as contracted for)	£	2,500
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FROM THE CLIENT'S PERSPECTIVE:

What the client ultimately pays:

	The discounted rate payable to the solicitor	£	6,250
PLUS:	The discounted rate payable to counsel	£	2,500
PLUS:	Expenses incurred (all)	£	10,000
PLUS:	Recoverable costs awarded to D	£	22,000
TOTAL:		£	40,750

***** THE END *****