

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A13 *A8XX8V0J* 01/02/2020 #353
COMPANIES HOUSE

1 Company details

Company number 07952979
Company name in full DJS (UK) Limited T/A Piggy-Bank

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Shane
Surname Biddlecombe

3 Administrator's address

Building name/number HJS Recovery (UK) Ltd
Street 12-14 Carlton Place
Post town Southampton
County/Region
Postcode SO15 2EA
Country

4 Administrator's name ①

Full forename(s) Gordon
Surname Johnston

① Other administrator
Use this section to tell us about
another administrator.


5 Administrator's address ②

Building name/number HJS Recovery (UK) Ltd
Street 12-14 Carlton Place
Post town Southampton
County/Region
Postcode SO15 2EA
Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	

7	Sign and date	
Administrator's Signature	<div>Signature</div> <div><input checked="" type="checkbox"/> </div> <div><input checked="" type="checkbox"/></div>	
Signature date	<div>^d3^d0</div> <div>^m0^m1</div> <div>^y2^y0^y2^y0</div>	

AM03 Notice of Administrator's Proposals



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 **Carol Haines**

Company name **HJS Recovery (UK) Ltd**

Address **12/14 Carlton Place**
Southampton

Post town **SO15 2EA**

County/Region

Postcode

Country

DX

Telephone **023 8023 4222**



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 and dated 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 or email 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

Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

**DJS (UK) Limited T/A Piggy-Bank
In Administration**

30 January 2020

DJS (UK) LIMITED - IN ADMINISTRATION

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DJS (UK) LIMITED - IN ADMINISTRATION

1 Introduction and Background

- 1.1 The following provides a narrative background to DJS (UK) Limited (the Company)'s trading history in addition to the events which have led to the appointment of Administrators. Information has been provided by the Directors.
- 1.2 The Company was incorporated on 16 February 2012 and commenced trading shortly thereafter from rented premises in Ringwood, Dorset. The Company provided high cost, short term loan products to consumers, frequently referred to as "pay day loans" and traded under the style of "Piggy-Bank". The directors at this time were Daniel Ware, Julian Hek and Simon Woodhams.
- 1.3 Funding was provided to the Company by High Net Worth Individuals, who took security in the form of Debentures over the Company's assets.
- 1.4 The Company originally employed four staff, although as a result of the growth of the short-term credit market, it rapidly expanded.
- 1.5 In December 2015, the Company successfully obtained authorisation from the Financial Conduct Authority ("FCA").
- 1.6 Trading results for the year to July 2017, recorded that the Company's turnover had reached £11.5 million and a net profit of £931,000 was achieved. At this time, the Company was employing 41 staff and moved to larger leasehold premises in Bournemouth in November 2017.
- 1.7 Turnover increased to £19.5 million in the year to July 2018 and profit of £3.6m was achieved.
- 1.8 In July 2019, the Company was subject to a S166 requirement by the FCA under the Financial Services and Markets Act which required an independent review of its business practices, policies and procedures. A "Skilled Person" was appointed to report to the FCA and the Company voluntarily paused its lending during the reporting period. The review lasted for 13 weeks and following the Skilled Person's report, the Company was able to resume its lending.
- 1.9 At this time, the Company was working closely with two financial institutions in order to secure large lines of credit for future growth. However, one Funder changed its criteria and the Company was unable to proceed. The second Funder completed their due diligence but decided to delay proceeding until 2020.
- 1.10 On the 22 November 2019, the Company received a letter from the FCA which expressed concern regarding the Company's financial adequacy to pay redress to customers who had obtained a pay day loan from the Company. The FCA suggested the Company seek the advice of an Insolvency Practitioner.
- 1.11 On 27 November 2019, the Directors met with Shane Biddlecombe of HJS Recovery (UK) Ltd (a Licenced Insolvency Practitioner) ("HJS") and discussed the Company's financial position. It was concluded that whilst it is difficult to estimate the quantum of potential redress claims, undertaking an affordability review into all existing and previous customers could give rise to a potentially significant liability which the Company would find difficult to pay and would therefore be deemed insolvent.
- 1.12 The Directors considered the courses of action available to them and instructed HJS to assist with placing the Company into Administration. The requisite timescale necessary for the Directors to appoint Administrators where there are Qualifying Floating Chargeholders was explained, and the Directors considered that the appointment of Administrators needed to take place immediately. As a result, the Directors resolved to request the first Qualifying Floating Chargeholder, Simon Woodhams (who is also a Director of the Company) to immediately facilitate the Appointment of Administrators by exercising the powers contained within his security.

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- 1.13 Discussions were held with the FCA and a formal request for FCA Consent for the Company to enter Administration was submitted on 3 December 2019.
- 1.14 Following receipt of FCA Consent, Shane Biddlecombe and Gordon Johnston of HJS, insolvency practitioners licensed in the UK by the Institute of Chartered Accountants in England and Wales, were appointed Joint Administrators of the Company by Simon Woodhams, one of the Company's Chargeholders, on 5 December 2019.
- 1.15 As at 5 December 2019, the total number of customers with outstanding balances was 45,817. In addition, the Company had provided a total of 387,228 customers with historic loans that had been repaid.
- 1.16 The Joint Administrators may act jointly and severally in the Administration.
- 1.17 Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice.
- 1.18 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.19 Whilst the Administrators have had no prior dealings with the Company or two of its directors, Mr Woodhams is also a director of Asset Recovery and Insolvency Limited ("ARI"), which is a firm of valuation agents that HJS have utilised previously for a number of insolvency assignments. The prior involvement with Mr Woodhams is in his professional capacity as a valuation agent working for ARI. As a director of ARI Mr Woodhams would receive general instructions from us in our capacity as the appointed Insolvency Practitioner to insolvent entities, to provide a valuation of assets and subsequent sale thereof.
- 1.20 We are satisfied that our relationship with ARI had no bearing on the appointment being considered, a fact which was disclosed to the Court.
- 1.21 This report incorporates the Administrators' statement of proposals made under paragraph 49 of Schedule B1 to the insolvency Act 1986, which will be treated as delivered to creditors on 4 February 2020

2 Administration Strategy and Objective

- 2.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:
- *Rescuing the Company as a going concern; or*
 - *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*
 - *Realising property in order to make a distribution to one or more secured or preferential creditors.*
- 2.2 The purpose of the Administration, in accordance with Paragraph 3(1)(c) of Schedule B1 of the Insolvency Act 1986, is realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 This purpose will be pursued through collection of the outstanding Loan Book.
- 2.4 It was not possible to rescue the Company as a going concern, as the Company had stopped offering any new lending and had effectively ceased to trade prior to the Administrators' appointment. It also had an unquantified potential liability for redress to customers which could

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significantly exceed the value of the Company's assets. Further, the second purpose is not achievable as it is highly unlikely that there will be any funds available for unsecured creditors.

Consideration of Proposals by Creditors

2.5 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where the Administrators think that:

- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
- (a) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
- (b) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

Then the Administrators are not required to seek a decision from the Company's creditors as to whether they approve these Proposals.

In this case we think the Company has insufficient property to enable a distribution to be made to the unsecured creditors and we are therefore not required to seek a decision from creditors to approve the Proposals. Please see the covering letter which accompanies this Report for further information regarding this.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.6 Following our appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for achieving the purpose set out above. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.7 We have also dealt with a number of statutory formalities which are required under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising our appointment in the London Gazette.
- 2.8 The Company employed 86 staff which were all made redundant on 9 December 2019 together with the Directors of the Company. Following discussion with senior management, a number of key staff that had been made redundant were re-employed on an agency basis to assist the Administrators in the realisation of the Loan Book and other matters. Further detail is provided in the following section.
- 2.9 We have also vacated the Company's former premises and agreed an assignment of the lease with a new tenant. The assignment will enable the return of the deposit held by the landlord. The new tenant has also agreed to purchase the Company's furniture and equipment situated at the premises.
- 2.10 Other statutory duties performed are outlined in further detail in Appendix D. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate. The Administrators also held a number of discussions with the FCA and are required to keep it regularly informed of progress.
- 2.11 The Company has 41 Secured Creditors, each holding one or more debentures as security for their indebtedness. The Administrators have sought to engage with each Debenture Holder and have either met, had telephone discussions or corresponded with the majority of them. An interim update was prepared and sent to all Secured Creditors on 12 January 2020.

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- 2.12 As stated above, there are 45,817 customers with outstanding balances which has generated a significant volume of telephone calls which we and our staff have dealt with.

Realisation of assets

Loan Book

- 2.13 The Loan Book at the date of Administration totalled £24,700,050, and is made up as follows -

Agreements under 130 days old and not in payment arrangement: £3,358,612.

Agreements with live payment arrangements that have made an instalment in the last 30 days: £9,691,627.

Agreements over 130 days old but still due: £11,649,811

In order to achieve an orderly realisation of the Loan Book it has been necessary to continue to operate certain aspects of the Company on a 'business as usual' basis. This is necessary to facilitate repayment of loans, protect borrower data and to enable the Company to continue to respond to queries from borrowers, changes to borrower's details, monitoring collections and receiving and processing Redress complaints.

- 2.14 We have taken over the Company's Bank Accounts which remain open to receive Customer repayments and have secured the continuation of necessary services as follows:
- 2.15 In consultation with senior management, 15 key staff were engaged to assist with the collection of the Loan Book and maintain customer service. The staff are employed by BH Capital Holdings Limited ("BHCH") and are under the direct supervision of one of the Directors, Daniel Ware, whose services are supplied to the Administrators on an agency basis. Mr Ware and Mr Woodhams are Directors and Shareholders of BHCH.
- 2.16 During December, the Company's premises were vacated and the infrastructure relocated to smaller, less costly rented offices in Bournemouth. There are a number of third party services which are necessary to be maintained in order to ensure the continuity of the Company's loan platforms and Loan collection generally, as follows -

	Monthly Cost £
1. ConnexOne – Telephone system	1830
2. Cardstream – Debit card collection	270
3. Rackspace – Data Hosting	8,955
4. ALXI – Messaging service	1,500
5. City Numbers –Inbound 0800 number	2,297
6. Rent	4,320

These costs are being incurred by BHCH and are to be reimbursed by the Administration. In addition, monthly staff costs totalling £40,063 are also payable to BHCH in respect of the 15 key staff referred to above. There is no commission or incentive based payment being made to BHCH at this stage, and is a matter that the Administrators will seek to discuss with the Creditors' Committee in due course.

- 2.17 We have also secured the continuation of the Merchant Services Provider, First Data, which is subject to a monthly cost which varies by volume of transactions, and is estimated at £3,000 per month.

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- 2.18 The Administrators are holding weekly management meetings with BHCH, which is providing weekly reporting in respect of amounts collected and complaints handling.
- 2.19 As at the date of these Proposals, £532,382 has been collected. The Merchant Services Provider, First Data, is currently holding the sum of £275,172 which is being transferred to the Administration bank account.
- 2.20 The realisation strategy will be reviewed periodically and will be discussed further with Creditors as the Administration progresses. To date there have been several expressions of interest arising from the insolvency appointment and press coverage of our appointment. Predominantly the interest is in the Company's Loan Book which will be pursued to establish if its sale would deliver the best value for creditors as a whole

HMRC Prepayment

- 2.21 There is £1,055,382 due from HMRC in respect of Advanced Corporation Tax payments made by the Company. The Company's former Accountants, Mazars, have been instructed to finalise the Company's accounts up to cessation of the business and to submit the necessary Corporation tax returns to obtain repayment.

Cash at Bank

- 2.22 The Directors advised that the sum of £531,399 was held by the Company's Bank at the date of our Appointment. Following our reconciliation, £483,936 was designated as cash at bank as at the date of appointment. The difference has been allocated to Loan Book collections. From the cash held at the bank, final wages totalling £54,714 were paid to the employees upon their redundancy.

Tech Platform

- 2.23 The Company's Tech Platform is capitalised in the Company's accounts at £4,663,000. Agents, Lambert Smith Hampton ("LSH"), have been instructed to advise on its value and saleability. The value and timing of any potential sale is currently uncertain as the platform is required in order to undertake the collection of the Loan Book. An update will be provided in our progress reports.

Rent deposit

- 2.24 The Directors have advised that the Company paid a rent deposit of £30,000 to its Landlord when it entered into its lease of the Company's premises. Following the successful assignment of the Lease, the Administrators are seeking repayment of the deposit from the Landlord.

2.25 Furniture and Equipment

LSH attended the Company's premises and valued the chattel assets. Their opinion was that the cost of removal would exceed any realisable value. However, the new tenant has agreed to purchase the furniture and equipment for £3,500.

- 2.26 The work undertaken in realising the Company's assets has been necessary in order to maximise the likelihood of a return to secured creditors. Where assets remain to be realised, these will be dealt with as the Administration progresses, and further updates will be provided in our progress reports.
- 2.27 Further information on the estimated outcome of the Administration can be found in section 9 below.

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Creditors

Secured Creditors

- 2.28 The Company has 46 debentures registered against it in respect of the Investments provided by High Net Worth individuals. The total liability secured against the Company is £21.8 million.
- 2.29 Boyes Turner Solicitors will be reviewing the debentures and will advise on the validity and priority of each.

Preferential Creditors

The claims of Preferential Creditors have been estimated at £144,838 and represent payments due to former employees in respect of unpaid holiday pay.

Unsecured Creditors

- 2.30 The claims of unsecured creditors are estimated at £467,139, of which 136 in number relate to individuals who made redress claims against the Company which were not settled prior to Administration. (Further information on Redress is provided below). The total outstanding in this regard amounts to £76,926. Trade and expense creditors amount to £201,323, there is an outstanding amount of £7,150 due to the Financial Ombudsman Service ("FOS"), £6,619 is due to an investor and amounts due to Employees in respect of unpaid redundancy and notice pay total £175,121

Investigations

- 2.31 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 (SIP2) – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Administrators can pursue for the benefit of creditors.
- 2.32 We will be submitting a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986.
- 2.33 We have instructed HJA Business Solutions Limited (HJA) to undertake the SIP 2 Investigation. The Company's books and records have been secured and a back-up taken of the financial information.
- 2.34 A number of Investors have raised concerns in relation to the conduct of the Directors details of which will be provided to HJA.

Case Specific Matters

Redress Claims

- 2.35 Redress Claims comprise of current and former customers who believe that they were sold an unaffordable loan(s). As a result, these customers may be due a refund in respect of interest and fees paid on those loans.
- 2.36 The Company has 136 upheld claims totalling £76,926 that were not settled prior to the Administration. The Administrators will investigate whether any of these claimants have outstanding balances on their accounts and if so, set off will be applied. Should these claimants not have any balance outstanding, these claims will rank as unsecured claims.

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- 2.37 Since the Administrators' appointment, 375 complaints have been received. In addition, there are 112 claims with the Financial Ombudsman Service that will be transferred to the Administrators.
- 2.38 There are currently 45,817 customers with outstanding balances. The Administrators will use the Company's key staff to develop a Redress Tool to assess claims through an automated process in order to minimise costs, as a manual review will significantly increase the costs of the Administration. The Redress Tool will be developed based upon industry precedents. The FCA and FOS will be consulted prior to its implementation.
- 2.39 Once the assessment has been undertaken, the Administrators will write to Customers entitled to Redress setting out their claim.
- 2.40 Should a customer have an outstanding balance on their account and be entitled to redress, the Administrators will exercise set off of the redress due against the outstanding balance.
- 2.41 In relation to a customer that has settled their outstanding balance since the appointment of Administrators and, following the Administrators' Redress assessment be entitled to redress, the Administrators will exercise equitable set off from funds held in a separate account specifically ring-fenced for this purpose. The receipts from Customers since our appointment have been reserved in order that sufficient funds are available to make these payments.
- 2.42 Payments to Customers in respect of their Redress entitlement will only be made when the Redress assessment has been completed.
- 2.43 There are 387,228 historic customers who have previously obtained a loan from the Company. The Administrators do not intend to assess these customers for potential redress, as any claims in this regard will rank as unsecured claims against the Company. The Administrators will write to all these former customers advising that they may be entitled to redress and invite claims, but will not adjudicate them. From the information currently available and referred to in further detail in Section 9 below, it is unlikely there will be any funds available for unsecured creditors and therefore the costs of assessing these customers for potential redress will be of no benefit. Should the position change in relation to funds available for unsecured creditors, the Administrators will adjudicate these claims at that stage.
- 2.44 An update will be provided in our next report to creditors.

3 Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period to date is attached at Appendix B.
- 3.2 As at the date of this report, £275,172 is held by the Company's Merchant Services Provider, and is being transferred to the Administrators.

4 Financial Position

- 4.1 Attached at Appendix C is a summary of the Directors' Estimated Statement of Affairs of the Company as at the date of the appointment of the Administrators. This was verified by a statement of truth by the directors on 27 January 2020 and is stated before the costs of the Administration are considered.

5 Proposals

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:

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- 5.2 A Creditors' Committee be established and that they be authorised to sanction the basis of the Administrators' remuneration and where appropriate any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.3 See Section 6 below on **Exit Routes** for further information on the exit routes available to the Administrators.
- 5.4 The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- 5.5 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of the consent of the secured and/or preferential creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 5.6 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him:
- As a percentage of the value of the assets he has to deal with, or
 - By reference to time properly spent by the Administrator and his staff managing the Administration, or
 - As a set amount
- 5.7 In this case, the Administrators are seeking to approve the basis of their remuneration as a set fee of £750,000. This fee basis will be discussed with and approval sought from the Creditors' Committee.
- 5.8 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw Category 2 disbursements as and when funds are available, in accordance with his firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix E.
- 5.9 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

6 Exit Routes

Dissolution of the Company

- 6.1 Based on present information, the Administrators think that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured and/or preferential creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrators' final progress report, for the dissolution of the Company.
- 6.2 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory Liquidation

- 6.3 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors is not anticipated, but the Administrators conclude that an exit into

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liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent Compulsory Liquidation.

7 Pre-administration Costs

7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

7.3 The fee charged by HJS was agreed with the Company in the letter of engagement signed by the Directors dated 28 November 2019. In addition, a separate fee of £20,000 was agreed to cover any necessary legal costs incurred by Boyes Turner.

7.4 The fee covered all work undertaken by the proposed Administrators as follows –

- Advising the directors of the implications in relation to the Company being unable to pay its debts as and when due.
- Advising the directors in regard to the courses of action available to the Company and the time periods of each procedure
- Meetings and discussions with major Stakeholders
- Discussions with the FCA in relation to the proposed Administration
- Formulating a strategy for the Administration
- Discussions with the Company's employees
- Preparation of documentation in relation to the proposed Administration
- Submission of request for consent to the FCA
- Dealing with queries and requirements for the FCA following the request for consent

7.5 The costs of Boyes Turner represent legal costs in respect of advice provided to the Administrators in respect of the validity of the security of the Appointor, preparation of Appointment documentation, discussions with the FCA concerning the requirements for consent, obtaining consent and subsequently filing of the Appointment documentation in Court.

7.6 The Administrators consider that the fees charged were fair and reasonable for the work that was carried out.

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7.7 Pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
HJS Recovery	Pre appointment advice	£80,000	£80,000	DJS (UK) Ltd	Nil
Boyes Turner	Legal Advice	£20,000	£20,000	DJS (UK) Ltd	Nil

8 Administrators' Remuneration

- 8.1 The Administrators are required to provide creditors with details of the work they propose to undertake in the Administration and the expenses they consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which their remuneration will be fixed.
- 8.2 In addition, where the Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are not seeking to determine the basis of our remuneration based on time costs and are therefore not required to provide a fees estimate. The work we consider will be necessary and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix D. Further information on the work done since our appointment to the date of this report, can be found in section 2. Appropriate approval to the basis of our remuneration will be sought as outlined in section 5 above.
- 8.4 In circumstances where our initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to the Creditors' Committee with our fees estimate for approval.
- 8.5 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.6 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <http://www.hjsrecovery.co.uk/publications/>. If you would prefer this to be sent to you in hard copy, please contact Carol Haines of this office on 023 8023 4222.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 30 January 2020 is attached at Appendix E, which indicates that, after the costs and expenses of the Administration, there will be a shortfall to the Fixed Charge creditors. As a consequence, there will be no funds available to either Preferential or Unsecured Creditors.
- 9.2 Based on the directors' Estimated Statement of Affairs attached to this report the estimated value of the preferential creditors is £144,838 and the unsecured creditors is £467,139.

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10 Proposals approval and next report

- 10.1 Given that we think the Company has insufficient property to enable it to make a distribution to its unsecured creditors we are not required to seek a decision from the unsecured creditors on the approval of these Proposals.
- 10.2 An Administrator is required to provide a progress report within one month of the end of the first six months of the Administration and we I will report to you again at this time.

For and on behalf of
DJS (UK) Limited T/A Piggy-Bank



Shane Biddlecombe FABRP
Joint Administrator

Enc

Privacy Notice

Use of personal information

We process personal information to enable us to carry out our work as insolvency practitioners which includes processing data that was held by companies/individuals before our appointment together with data collected during an insolvency procedure or a fixed charge receivership. Our legal obligation to process personal data arises from work we are required to carry out under insolvency and other related legislation.

Insolvency practitioners are Data Controllers of personal data in so far as defined by data protection legislation. HJS Recovery (UK) Ltd will act as Data Processor on their instructions about personal data in relation to an insolvency procedure or fixed charge receivership.

Personal data will be kept secure and processed only for matters relating to the insolvency procedure being dealt with.

The data we may process

The personal data insolvency practitioners may process in most cases will be basic details that may identify an individual and will typically be sufficient to allow us to carry out our work as insolvency practitioners, for example, dealing with the claims of individuals who are owed monies by the companies/individuals over whom we have been appointed.

However, insolvency practitioners may be appointed over entities that process personal data that is considered more sensitive, for example health records and this sensitive data will usually have been created before our appointment. Although we will take appropriate steps to safeguard sensitive data (or to destroy it where it is appropriate to do so), subject to limited exceptions, for example, where we identify previous conduct and/or action that requires further investigation, we will not be processing sensitive data.

Sharing information

We may share personal data with third parties where we are under a legal or regulatory duty to do so, or it is necessary for the purposes of undertaking our work as insolvency practitioners. We may also share personal data to lawfully assist the police or other law enforcement agencies with the prevention and detection of crime, where disclosure is necessary to protect the safety or security of any persons and/or otherwise as permitted by the law.

How long will we hold it?

Personal data will be retained for as long as any legislative or regulatory requirement requires us to hold it. Typically, this may be up to 6 years after which it will be destroyed.

What are your rights?

You have the right to receive the information contained in this document about how your personal data may be processed by us.

You also have the right to know that we may be processing your personal data and, in most circumstances, to have information about the personal data of yours that we hold, and you can ask for certain other details such as what purpose we may process your data for and how long we will hold it.

Individuals have the right to request that incorrect or incomplete data is corrected and in certain circumstances, you may request that we erase any personal data on you which may be held or processed as part of our work as insolvency practitioners. If you have any complaints about how we handle your personal data, please contact Shane Biddlecombe at HJS Recovery (UK) Ltd, 12-14 Carlton Place, Southampton, SO15 2EA or via email at recovery@hjsolutions.co.uk so we can resolve the issue, where possible. You also have the right to lodge a complaint about any use of your information with the Information Commissioners Office (ICO), the UK data protection regulator.

DJS (UK) LIMITED - IN ADMINISTRATION

Appendix A

Statutory Information

Company information

Company name	DJS (UK) Limited
Trading name(s)	Piggy-Bank
Registered number	07952979
Registered office address	C/O HJS Recovery (UK) Ltd, 12-14 Carlton Place, Southampton, Hampshire, SO15 2EA
Former registered office address	28 Avenue Road, Parkway House, Bournemouth, BH2 5SL
Trading address(s)	28 Avenue Road, Parkway House, Bournemouth, BH2 5SL
Court details	High Court of Justice Business and Property Courts of England and Wales
Court reference number	CR-2019-008183

Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Simon James Woodhams	16/02/2012	N/A	
Daniel Joseph Ware	16/02/2012	N/A	
Steven Dixon	29/03/2016	N/A	
Julian John Hek	16/02/2012	25/07/2019	
Shareholder			
DJS Holding Limited			3,000,100

Administrators' Details

Name of Administrators	Shane Biddlecombe & Gordon Johnston
Address	12-14 Carlton Place, Southampton, Hampshire, SO15 2EA
Telephone Number	023 8023 4222
Fax Number	033 0088 4655
Administrator's IP Number	9425 & 8616
Authorising Body	Institute of Chartered Accounts in England and Wales
Date of Appointment	5 December 2019

DJS (UK) LIMITED - IN ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 5 December 2019 to 30 January 2020

DJS (UK) Limited T/A Piggy-Bank
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 05/12/2019 To 30/01/2020 £	From 05/12/2019 To 30/01/2020 £
	SECURED ASSETS		
531,399.00	Cash at Bank	483,936.21	483,936.21
2,000.00	Furniture & Equipment	NIL	NIL
1,055,382.00	HMRC Repayment	NIL	NIL
21,000,000.00	Loan Book	257,210.38	257,210.38
30,000.00	Rent Deposit	NIL	NIL
Uncertain	Tech Platform	NIL	NIL
		<u>741,146.59</u>	<u>741,146.59</u>
	COSTS OF REALISATION		
	Ongoing Bank Charges	3,547.24	3,547.24
		<u>(3,547.24)</u>	<u>(3,547.24)</u>
	SECURED CREDITORS		
(21,875,965.78)	Charge Holders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	COST OF REALISATIONS		
	Agent's Costs Outsourced Employee Claims	3,350.00	3,350.00
	Final Wages	54,714.68	54,714.68
	Ongoing SAGE Subscription & Support	2,866.00	2,866.00
		<u>(60,930.68)</u>	<u>(60,930.68)</u>
	PREFERENTIAL CREDITORS		
(144,838.67)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(76,926.18)	Consumer Creditors	NIL	NIL
(175,121.23)	Employees	NIL	NIL
(6,618.76)	Investors	NIL	NIL
(208,473.45)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(3,000,100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(2,869,263.07)		<u>676,668.67</u>	<u>676,668.67</u>
	REPRESENTED BY		
	Bank 1 Current		418,215.09
	Bank 2 Current		257,210.38
	Vat		1,243.20
			<u>676,668.67</u>

DJS (UK) LIMITED - IN ADMINISTRATION

Appendix C

Summary of the Directors' Statement of Affairs of the Company as at 5 December 2019

Statement of affairs

Name of Company
DJS (UK) Limited T/A Piggy-Bank

Company number
07952979

In The High Court of Justice Business and Property
Courts of England and Wales
[full name of court]

Court case number
CR-2019-008183

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a) DJS (UK) Limited T/A Piggy-Bank
24 Avenue Road, Bournemouth BH2 5SL

(b) Insert date on the (b) 5 December 2019, the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above-named company as at (b) 5 December 2019, the date that the company entered administration

Full name DANIEL WARE

Signed 

Dated 27/01/2020

DJS (UK) Limited T/A Piggy-Bank
Statement Of Affairs as at 5 December 2019

A - Summary of Assets


Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Furniture & Equipment	2,000 00	2,000 00
Tech Platform	NIL	Uncertain
Loan Book	24,700,050 00	21,000,000 00
HMRC Repayment	1,055,382 00	1,055,382 00
Cash at Bank	531,399 00	531,399 00
Rent Deposit	30,000 00	30,000 00
Charge Holders		(21,875,965 78)
		742,815 22
Assets subject to floating charge:		
Uncharged assets:		
Estimated total assets available for preferential creditors		742,815 22

Signature  Date 27/01/2020

DJS (UK) Limited T/A Piggy-Bank
Statement Of Affairs as at 5 December 2019

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		742 815 22
Liabilities		
Preferential Creditors:-		
Employee Arrears/Hol Pay	144,838 67	
		144 838 67
Estimated deficiency/surplus as regards preferential creditors		597,976 55
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		597,976 55
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		597,976 55
Debts secured by floating charges post 14 September 2003		
		NIL
Estimated deficiency/surplus of assets after floating charges		597,976 55
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		597,976 55
Unsecured non-preferential claims (excluding any shortfall to floating charge holders):		
Trade & Expense Creditors	208,473 45	
Employees	175,121 23	
Investors	6,618 76	
Consumer Creditors	76 926 18	
		467,139 62
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		130,836 93
Estimated deficiency/surplus as regards creditors		130 836 93
Issued and called up capital		
Ordinary Shareholders	3,000,100 00	
		3,000 100 00
Estimated total deficiency/surplus as regards members		(2,869,263 07)

Signature  Date 27/01/2020

HJS Recovery (UK) Ltd
DJS (UK) Limited T/A Piggy-Bank
B - Company Creditors - Secured Creditors (Investors)

Name	Address	£
Mr Daniel Ware		304.94
Mr Andrew Wood & Mrs Mary Wood		100,000.00
Mrs Barbara Hible		50,000.00
Mr Barrie Crew		350,362.90
Mr Barry Jupe & Mrs Lesley Jupe		2,911,580.39
Mrs Carole Robson		21,512.67
Mr Christopher Howells & Mrs Deborah Howells		163,001.29
Mr Christopher Hoare & Mrs Janine Hoare		53,160.97
Mr Daniel Randall		482,324.21
Mr David Lee		150,000.00
Mr David Trolman		122,963.42
Mr Graham Barton & Mrs Nicole Barton		301,564.80
Mr Graham Over		100,190.25
Mrs Helen Hible		166,086.84
Mr Jamie Coats		2,300,000.00
Mr Jamie Mallon		600,000.00
Mrs Joy Randall		400,377.24
Mrs Linda Wilson		77,000.00
Mrs Lynda Rose		68,000.00
Mr David Henshaw & Mrs Deborah Henshaw		616,737.69
Mr Mark Pammenter		55,793.90

Signature 

HJS Recovery (UK) Ltd
DJS (UK) Limited T/A Piggy-Bank
B - Company Creditors - Secured Creditors (Investors)

Name	Address	£
Mr George Thomas		600,000.00
Mr Jeremy Walton		290,348.21
Mr Thomas Pammenter		124,874.73
Mrs Nicola Ann Caplain		200,000.00
Mr Paul Henly		17,271.83
Mr Simon Woodhams		1,010,910.79
Mr Rex Jude & Mrs Lesley Jude		500,000.00
Mr Robert Owen		92,307.70
Mr Stephen Rogers		450,000.00
Mrs Storm Shepherd-Riggs		500,000.00
Mr Tazio Peacock		180,343.26
Carbon Managers Limited		1,250,000.00
Gival Limited	Dairy House Farm, Stubbs Lane, Beckington, Bath, BA11 6TE	3,000,310.53
Hurstmore Services Limited	Northbrook Farm, Beeches Hill, Bishops Waltham, Southampton, SO32 1FB	194,053.67
J P Bolton Wealth Management Ltd	Unit 3 Ground Floor, Rotherbrook Court, Bedford Road, Peterfield, GU32 3QG	1,831,926.40
Just Golf UK&Europe Limited	Flat 1, 1 Gledhow Gardens, London, SW5 0BL	579,453.85
Marcanda Investments Limited	4 Turnberry House, 4400 Parkway, Whiteley, Fareham, PO15 7JF	1,422,764.81
Neil Jurd Investments Limited	The Old Garage, St Thomas Street Winchester, SO32 9HE	170,438.49
Portfolio Design Consultancy Limited	16 Kentrigg, Kendal, Cumbria, LA9 6EE	50,000.00
The Rose Investment Partnership LLP	Threshers, Garlandhayes Farm, Westcott, Cullompton, EX15 1SB	320,000.00
	Woodbarn, New Road, Swanwick, Southampton, SO31 7HE	

Signature



HJS Recovery (UK) Ltd
DJS (UK) Limited T/A Piggy-Bank
B - Company Creditors - Unsecured Creditors (Trade & Expense)

Name	Address	£
Asset Collections	Viscount Court, Blackpool, FY4 2FB	85,000.00
Bottomline	1600 Arlingdon Business Park, Theale, Reading, RG7 4SA	504.83
BT	Town Square, Willow Brook Centre, Bradley Stoke, Bristol, BS32 8BS	810.00
Choose Wisely	18 Christchurch Road, Bournemouth, Dorset, BH1 3NE	240.00
Clear And Fair Loan Comparison	3rd Floor, 12 Gough Square, London, EC4A 3DW	553.30
Credit Kudos	4 Bath Place, London, EC2A 3DL	4,981.25
Decorfolia	Pauls Lane, Sway, Hants, SO41 6BR	380.16
Fire Digital	Galcombe House, Copnor Rd, Portsmouth, PO3 5EJ	2,400.00
Financial Ombudsman Service Limited	Exchange Tower, London, E14 9SR	7,150.00
Hays	Hays House, 40-44 Coombe Road, New Malden, Surrey, KT3 4QF	7,776.29
Huntswood	Abbey Gardens, Abbey Street, Reading, Berkshire, RG1 3BA	15,841.93
Jaspers Kings Cuisine Ltd	Unit 5, Alder Hills Industrial Estate, 16 Alder Hills, Poole, BH12 4AR	75.54
Lexis Nexis	Global Reach, Dunleavy Drive, Cardiff, CF11 0SN	4,249.74
Mediabanket Ltd	The Old Bank, 247 Chapel Street, Salford, M3 5EP	980.00
Peninsula	The Peninsula, Victoria Place, Manchester, M4 4FB	90.00
Restore Datasheed	Unit O1, Elizabeth Distribution Centre, Purfleet, Essex, RM19 1NA	67.49
TFL Limited	The Old Boiler Room Suite S1 (A) & S1 (B), Ground Floor, Adelphi Mill, Grimshaw Lane, Bollington, SK10 5JB	496.80
Transunion	One Park Lane, Leeds, LS3 1EP	76,285.72
Water Logic	Angel House, Shaw Road, Wolverhampton, WV10 9LE	356.84
Webroot	6th Floor, Block A, 1 Georges Quay Plaza, Georges Quay, Dublin 2, Ireland	113.00
X Consumables	Unit 5, Glass House Studios, Fryern Court Road, Fordingbridge, Hampshire	120.56

Signature



HJS Recovery (UK) Ltd

DJS (UK) Limited T/A Piggy-Bank

B - Company Creditors - Unsecured Creditors (Investors)

Name	Address	£
J Stalbow		6,618.76
65 Entries Totalling		22,084,439.23

Signature 

HJS Recovery (UK) Ltd
DJS (UK) Limited T/A Piggy-Bank
B1 - Company Creditors - Employees & Directors

Name	Pre f £	Unsec £	Total £
Directors x 2	17,941.74	36,036.82	53,978.56
Employees 73	126,896.93	139,084.41	265,981.34
75 Entries Totalling	144,838.67	175,121.23	319,959.90

Signature 

HJS Recovery (UK) Ltd
DJS (UK) Limited T/A Piggy-Bank
B2 - Company Creditors - Consumer Creditors

Name		£
Consumer Creditors x 136		£76,926.18
136 Entries Totalling		£76,926.18

Signature



HJS Recovery (UK) Ltd
DJS (UK) Limited T/A Piggy-Bank
C - Shareholders

Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
DJS Holding Limited	28 Avenue Road, Bournemouth, BH2 5SL	Ordinary	1.00	3,000,100	0.00	0.00
1 Ordinary Entries Totalling				3,000,100		

Signature



DJS (UK) LIMITED - IN ADMINISTRATION

Appendix D

Additional Information in Relation to Administrators' Fees

Fees Information in accordance with The Insolvency (Amendment) Rules 2016 and Statement of Insolvency Practice 9

DJS (UK) Limited – In Administration

Fees Overview

Prior to insolvency practitioners agreeing the basis of their remuneration as Administrators, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Administrators propose to take all or any part of their remuneration based on the time they and their staff will spend dealing with the affairs of the insolvent company, a *fees estimate* must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a *fees estimate* may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the *fees estimate* is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the administration. If it is considered that the *fees estimate* will be exceeded, the Administrators must provide an update and seek approval to increase the previously agreed *fees estimate*.

Work anticipated and the likely return to creditors

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrators to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, the Administrators will provide an indication of the likely return to creditors when seeking approval for the basis of their remuneration. Again, due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. Administrators are however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

Proposed Fee Basis

In this case, it is being proposed that the basis of the remuneration as Administrators will be as a set fee of £750,000. The agreement to any remuneration for the Administrators will be a matter for the Creditors' committee to approve. Attached to this document is an explanation of the work undertaken to date and that we propose undertaking.

Pre-administration costs and outline of work undertaken

Information on the pre-administration fees charged and expenses incurred in this case, together with details of any amounts which remain unpaid, where applicable and an outline of the work undertaken can be found in the Administrators Report and Statement of Proposals.

Outline of work to be done by the Administrators

Attached are details of the work that has been undertaken to date together with the work that we propose undertaking for the Administration.

Anticipated outcome for creditors

Work done by the Administrators, their staff and any third parties engaged to assist the Administrators in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. Further information on the likely outcome of the Administration process will be provided in the Administrators' subsequent progress reports.

As Administrators, we will deal with all secured, preferential and unsecured creditor correspondence and claims as received. Based on the estimated statement of affairs, we currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the Administration process and the related costs and expenses, funds will only be available to the Company's secured creditors.

We will either deal with the review and adjudication of creditors' claims in the Administration and make an application to Court to enable a distribution from the Administration or if appointed liquidators, in the subsequent liquidation, if and when it is determined that a dividend is to be declared to creditors.

It should be noted that the above is based on the estimated statement of affairs and the projected realisable value of the Company's assets, together with the anticipated costs of the Administration. We will confirm the likely return to creditors in future progress reports.

At this stage, we do not foresee any substantial investigation work will be required but if following the conclusion of our initial investigations we consider that further investigation work is then required to pursue assets of the Company, we will provide creditors with an update on our ***fees estimate*** in due course.

Administrators' Expenses

The Administrators are required to provide creditors with details of the expenses we consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

All expenses incurred pre-appointment together with the expenses incurred or likely to be incurred in the administration are detailed in the attached estimate. We will provide a further update to creditors in subsequent progress reports.

Staff allocation and the use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates are shown above and details on the use of Sub-Contractors is included in the fee estimate.

On this case we are proposing to use the services of the following sub-contractors:

Service (s)	Provider	Basis of fee arrangement
Employee claims processing	Evolve IS	Fixed fee
SIP 2 Investigation	HJA Business Solutions	Hourly rate and disbursements
Debt collection and complaint handling	BH Capital Holdings Limited	Costs incurred

DJS (UK) LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' EXPENSES ESTIMATE

Expense	Reason	Frequency	12 Month Total
Statutory advertising	Statutory requirement	Once	£81
Specific bond	Statutory requirement	Once	£1,300
Insurance	Statutory requirement	Once	£200
BH Holdings Limited	Costs in relation to debt collection and complaint handling, as set out in the proposals.	£59,172 - Monthly	£710,064
External FCA compliance officer	Assist the Administrators with FCA regulated matters.	£1,120 - Monthly	£13,440
First Data	Merchant services for Card Collections	£3,000- Monthly	£36,000
Boyes Turner Solicitors	Review of securities. Priority of charges advice. Discussions with Counsel. Further advice as required. Time cost basis	Ongoing	£70,000
Lambert Smith Hampton	Agents advice in relation to chattel assets and Tech platform. Hourly rate and disbursements basis	Ongoing	£20,000
Enterprise Chambers	Counsel's advice	Ongoing	£2,000
Mazars	Accountancy advice and assistance in relation to recovery of ACT. Hourly rate and disbursements	Ongoing	£15,000
HJA Business Statutory	Statutory investigations. Hourly rate and disbursements basis	Once	£7,000
CentrePoint Software	Sage 200 subscription	Once	£2,866
Evolve IS	Processing employee claims. Fixed Fee basis	Once	£3,350
Total Estimated Expenses			£881,301

Notes

- 1) All figures exclude VAT. VAT is not recoverable
- 2) The costs are estimates only and may be subject to change. The committee will be provided with details of any variation of these costs.

WORK TO BE UNDERTAKEN BY THE ADMINISTRATORS AND THEIR STAFF

DJS (UK) LIMITED – IN ADMINISTRATION

TASK CATEGORY	TASKS UNDERTAKEN TO DATE	FUTURE TASKS TO BE UNDERTAKEN	REASONS WHY TASK UNDERTAKEN AND BENEFIT
ADMINISTRATION			
Initial considerations & case set-up	Initial money laundering risk assessment including the required "Know your client" verifications	Money laundering risk assessments are ongoing.	There is no direct benefit to creditors
	Consideration of professional ethical matters	Ongoing monitoring and updating of internal systems/maintaining estate accounts	
	Undertaking company searches and reviewing statutory information	Monitoring bond levels for any increase required	
	Consideration of other case specific matters	Continue to ensure safe storage/disposal of any relevant company data	
	Create case on internal software		
	Set up and administer administration bank account		
Appointment formalities	Prepare calculations for statutory bond and ensure that they are processed		Statutory requirement
	Discussions with Financial Conduct Authority in relation to the Administration		
	Filing appointment documents at Companies House		
	Reviewing validity of appointment documents		
	Preparing press release and dealing with enquiries from local and national press		
	Advertise appointment in the London Gazette and any other applicable publication considered appropriate		
	Prepare appointment notification documents and circulate to the Company's creditors and any other interested parties		

	<p>Maintaining creditors' list for circulation</p> <p>Preparing appointment notifications for postage</p>		
Case management	<p>Determine case strategy to achieve the purpose of the Administration</p> <p>Liaising with Financial Conduct Authority regarding case strategy to ensure compliant with FCA regulations</p> <p>Corresponding with former advisors to assist with enquiries</p> <p>One month file review</p> <p>Facilitating recovery of loan book and weekly reporting to Financial Conduct Authority in respect of loan book recoveries and complaint levels.</p>	<p>Prepare six monthly file reviews</p> <p>Ongoing weekly reporting to Financial Conduct Authority to provide update on loan book recoveries, extent of redress claims and complaint levels</p> <p>Ongoing strategy meetings to review in particular success of loan book recoveries and extent of ongoing redress claims to ensure that the purpose of the Administration remains achievable</p> <p>Review and analysis of Company records</p>	Statutory requirement
Reports, circulars notices and decisions	<p>Prepare and circulate Administrators' Statement of Proposals</p> <p>Preparation of information relating to Administrators' fees and tasks to be undertaken in the Administration</p> <p>Submitting proposals to Companies House and online filing with the Court</p> <p>Discussions with Financial Conduct Authority and seeking their approval re proposed correspondence to customers with redress claims</p> <p>Discussions with Financial Conduct Authority regarding strategy for contacting the Company's former customers who may be entitled to redress</p>	<p>Preparation of progress reports on a six monthly basis</p> <p>Seeking approval of the Administrators' fees</p> <p>Preparation of Decision notices in relation to fee approval</p> <p>Applying to Court to extend the period of the Administration</p> <p>Preparation of final report to creditors on the outcome of the administration</p>	Statutory requirement

Committee	Invite creditors to make a decision on establishing a creditors' committee	Establish and hold meeting with creditors' committee should one be established	Statutory requirement Allows creditors to be involved in the decision making process
Statement of affairs	Formally request the completion of the statement of affairs by the company's directors Assist directors with any queries relating to this process where necessary	Statement of Affairs to be circulated with proposals and filed at Companies House	Statutory requirement
Cashiering	Open estate bank accounts Manage and maintain estate bank accounts Undertake bank reconciliations	Ongoing reconciliations and maintaining estate bank account Facilitate the payment of third party costs	
Tax	Notify HMRC of appointment Ascertain if there are any outstanding refunds due from HMRC Review overall tax position Confirm date of last submitted returns for all taxes Collate tax records	Completion of Corporation Tax returns for the period of the administration Seek recovery of any refunds where appropriate Ongoing completion of VAT returns Ensure final RTI returns submitted re final wages Seek tax clearance to conclude the administration	Statutory requirement
Closure		Final case review & closure formalities	Statutory requirement

ASSETS			
Loan Book	Initial review of loan book to establish potential recoveries and extent of delinquent debt Maintaining operations in order to maximise realisations, deal with customer complaints and redress claims Overseeing communication with customers and monitoring collections Ongoing weekly monitoring of recoveries against initial projections Liaising with potential interested parties Weekly management meetings with debt collection team	Monitoring recovery of loan book and delinquent debt and ensuring ongoing regulatory compliance Maintaining operations in order to maximise realisations, deal with customer complaints and redress claims Overseeing communication with customers and monitoring collections Ongoing weekly monitoring of recoveries against initial projections Considering sale of loan book or part of the loan book Providing information and responding to queries with interested parties	Maximise collections in respect of loan book asset Maximising recoveries for the benefit of creditors
Cash at Bank	Liaising with bank regarding ongoing banking requirements Obtaining credit balances and reconciliation of funds received Liaising with Merchant Provider First Data to agree continuation of facilities	Ongoing monitoring of funds received and reconciliation of weekly statements Complete First Data indemnity paperwork to enable continuation of merchant services	Maximising recoveries for the benefit of creditors
Tech Platform	Discussions with agent regarding value and saleability thereof	Liaising with interested parties	Maximising recoveries for the benefit of creditors
Furniture & Equipment	Identify assets on site and instruct Agent to provide valuation Ensure compliance with Environmental Health and Health and Safety	Agree appropriate marketing strategy with Agent	Maximising recoveries for the benefit of creditors
HP, Leasing & Third Party Goods	Liaising with third parties in relation to assets subject to finance or third party ownership Arrange return and collection to correct ownership	General queries in relation to third party of financed assets Continue to oversee collection of third party goods	Maximising recoveries for the benefit of creditors Mitigating creditor claims
HMRC Repayment	Instruct former Accountants to complete final accounts and tax returns and submit to HM Revenue & Customs.	Liaise with HM Revenue & Customs in relation to repayment of advance payments made by the Company re Corporation tax	Maximise potential recoveries for creditors

Property and Rent Deposit	<p>Review lease to ascertain Landlord's details and confirm liability/obligations</p> <p>Arrange a formal meeting with the Landlord/laise/correspond</p> <p>Facilitate any required site matters</p> <p>Liaising with third parties interested in taking an assignment of the lease and instructing solicitors</p> <p>Review site security and consider any additional measures required</p>	Following assignment of lease seek recovery of rent deposit if applicable	<p>Maximise potential recoveries for creditors</p> <p>Necessary to discharge an Office Holders Duties</p>
Insurance	<p>Arranging open cover insurance</p>	<p>Reviewing insurance arrangements to ensure that appropriate insurance cover in place</p>	<p>Preserve the value of the Company's assets</p>
INVESTIGATION			
Directors/ Stakeholders/ Employees	<p>Corresponding and meeting with former directors, stakeholders, employees as necessary regarding the affairs of the Company and the conduct of the directors</p> <p>Reviewing and evaluating information received to identify any matters that may require further investigations or any assets that may lead to recoveries for the estate</p>	<p>Review and evaluate information provided by directors, stakeholders, employees and trade creditors in order to meet the requirements of SIP2 and enable completion of conduct report</p>	<p>May not provide financial value but required to comply with office holders duties</p>
Books and Records	<p>Securing Company records from the trading premises</p> <p>Securing any records held electronically</p> <p>Initial review of records</p> <p>Liaising with third parties in relation to collection of records</p> <p>Back up copies of electronic server and electronic records</p>	<p>Records to be fully reviewed and scheduled</p> <p>Information to be fully evaluated to identify any matters that require investigation or any assets that may be realised for the benefit of the administration</p>	<p>May not provide financial value but required to comply with office holders duties</p>

Bank analysis	Corresponding with Bank to obtain bank statements for the Company's four bank accounts	Full analysis of bank statements to identify any matters that require investigation or that may lead to recoveries for the benefit of the administration	May not provide financial value but required to comply with office holders duties
Conduct report	Initial SIP 2 review Consider CDDA Requirements Instructing third party to carry out investigation review	Finalise SIP 2 review Submit report and findings on the Conduct of the Directors to the Insolvency Service Deal with any queries from the Insolvency Service following submission of conduct report	
CREDITORS			
Secured Creditors	Appointment notifications Liaising and meetings with investors	Ongoing statutory reporting Ongoing discussions and meetings with investors	Statutory requirement
Investors	Preparing and circulating interim reports for investors Dealing with investors' queries and concerns	Ongoing reporting to investors Instructing solicitors to review the validity and priority of security / debentures	Determine the order of priority in respect of any dividends
Pensions	Obtain details of Company's payroll Correspond with the Pensions Regulator, Employee benefits provider and pension scheme provider Review company records for any existing pension schemes Complete and file statutory forms to fulfil pension obligations	Review payment history on company pension scheme	May not provide financial value but required to comply with office holders duties

Employees	Meeting with staff and confirming redundancies Instructing agent to assist with employee claims Making payments to employees in respect of final wages	Dealing with employee related queries Updating database in respect of claims agreed	Statutory requirement
Unsecured	Collate information relating to creditors Respond to all enquiries received/queries Write to creditors and advise of appointment, rights and requirements Liaising with Financial Ombudsman to identify extent of open claims to be returned to the Company	Maintain creditors information and claim details on internal systems General responses to ongoing queries and enquiries Ongoing statutory reporting Review of 136 upheld claims to identify those with outstanding accounts where set off will apply	Statutory requirement
Ransom	Negotiate with key creditors where applicable to ensure continuation of supply of required services		Necessary to discharge office holders duties
Dividend	Prepare estimated outcome statement to determine amounts available to each class of creditor	Adjudicate and agree creditor claims Review legal advice in respect of validity and priority of secured creditors	Enables asset realisations to be distributed to creditors.
Retention of Title	Collate and request further information if applicable Review and consider documentation provided by claimant , alongside company records to consider claim Arrange for site attendance to enable claimants to identify their stock	Adjudicate claims Liaise with suppliers and third parties re stock collection Further discussions with purchaser and settlement of agreement	Necessary in accordance with office holders duties Ensures claims are handled appropriately

Redress Creditors			Regulatory requirement
Assessing extent of redress claims agreed pre-appointment	<p>Dealing with telephone calls and queries from redress creditors</p> <p>Liaising with Financial Ombudsman to identify number of open cases and seek return to Company</p> <p>In consultation with Financial Conduct Authority consider methodology for assessing potential redress claims for both existing and former customers and strategy for communicating with these individuals</p>	<p>Develop tool to assist with assessment of potential redress claims from 45,000 customers with outstanding balances</p> <p>Overseeing and monitoring the correspondence from redress creditors and the assessment of their claims to ensure the purpose of the Administration remains achievable</p> <p>In consultation with Financial Conduct Authority consider methodology for applying set-off in respect of outstanding loan facilities where a valid redress claim is identified</p> <p>Ongoing consultation and monitoring with the Financial Conduct Authority and Financial Ombudsman Service</p> <p>Agree strategy for communiting with the Company's 380,000 customers who have repaid a loan regarding the redress claims procedures and inviting claims for consideration</p>	
Dealing with telephone calls and queries from redress creditors			
Liaising with Financial Ombudsman to identify number of open cases and seek return to Company			

DJS (UK) LIMITED - IN ADMINISTRATION

Appendix E

Estimated Outcome Statement as at 30 January 2020

DJS (UK) Limited - In Administration

Estimated Outcome Statement as at 30 January 2020

		Estimated to realise	Notes
Realisations			
Loan Book		19,950,000	1
HMRC Repayment		1,055,382	
Tech Platform		Uncertain	2
Furniture and equipment		3,500	
Cash at Bank		429,221	3
Rent deposit		30,000	
		<u>21,468,103</u>	
Estimated costs of Administration			4
Agent's costs	20,000		
Debt collection and complaint handling costs	710,064		
Administrators' fees (estimated)	750,000		5
Administrators' disbursements (estimated)	1,500		
Legal costs	70,000		
Accountants fees	15,000		
Investigation costs	7,000		
Employee claims processing	3,350		
Specific bond	1,300		
Statutory advertising	81		
Merchant Services cost	36,000		
External FCA Compliance advice	13,440		
Software subscription	2,866		
Insurance	200		
Counsel's fee	2,000		
Irrecoverable VAT	<u>312,396</u>	1,945,197.00	6
Total funds available to secured creditors		<u><u>19,522,906</u></u>	

Secured creditors total £21,882,584 and will therefore suffer a shortfall

There are no funds available for Preferential creditors or Unsecured Creditors

Notes

1. The Directors of the Company have estimated that the sum of £21,000,000 will be recovered from the Loan Book. However, the Administrators have estimated a further provision of 5% in relation to any potential redress claims that will be made against the Company.
2. As detailed in the Proposals, the value of the Tech Platform remains Uncertain at this time.
3. The cash at bank at the date of Administration was £483,936. However, final wages payments to the employees totalling £54,715 were made from this balance.
4. As detailed in the Proposals and attached summary, any variation in the expenses of the Administration will be provided to the Creditors' Committee.
5. The Administrators' remuneration is included for illustrative purposes only. The remuneration will be set and approved by the Committee.
6. VAT is not recoverable.