



For further information, please
refer to our guidance at
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1 Company details

Company number 0 7 9 5 2 9 7 9

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 Grove House

Street Meridians Cross, Ocean Village

Post town Southampton

County/Region Hampshire

Postcode S O 1 4 3 T J

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 Grove Place

Street Meridians Cross, Ocean Village

Post town Southampton

County/Region Hampshire

Postcode S O 1 4 3 T J

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 5	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0
To date	^d 0	^d 4	^m 0	^m 6	^y 2	^y 0	^y 2	^y 1

7 Progress report

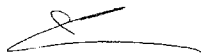
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 2	^m 0	^m 7	^y 2	^y 0	^y 2	^y 1
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**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 **Fortus Recovery Limited**

Address **Grove House, Meridians Cross
Ocean Village**

Post town **Southampton**

County/Region **Hampshire**

Postcode **S O 1 4 3 T J**

Country

DX

Telephone **0808 196 8676**

**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**

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Administrators' Progress Report

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

For the period from 5 December 2020 to 4 June 2021

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THE ADMINISTRATORS' PROGRESS REPORT

1 Executive Summary

- 1.1 The following is a summary of matters relating to the Administration. For more detailed information, please refer to the specific sections of this report.
- 1.2 This progress report for the Administration covers the period from 5 December 2020 to 4 June 2021.
- 1.3 A summary of the Receipts and Payments for the period of this report is attached at Appendix A.
- 1.4 Work undertaken by the Administrators during the period of this report has included:–
- Maintaining ongoing collections of the Company's loan book.
 - Dealing with redress claims from the Company's current and former customers.
 - Liaising with HM Revenue & Customs regarding the repayment due to the Company in respect of Advance Corporation Tax previously paid.
 - In conjunction with Boyes Turner, agreeing a claim submitted by an Investor in which they challenged the satisfaction of an earlier-dated charge in which the Investor had an interest.
 - In conjunction with Boyes Turner, reviewing a claim submitted by another Investor in which they are seeking to challenge ownership of the Cash at bank at the outset of the Administration, the Advance Corporation Tax due to the company and the Rates refund.
 - The methodology for dealing with customers' claims for Redress in respect of irresponsible lending has been approved by the FCA and will be implemented during 2021.
- 1.5 The Administrators have continued to operate a home-working policy for the majority of staff employed by BH Capital Holdings Limited and also their own team in order to safeguard people's health whilst minimising disruption to the objective of the Administration.
- 1.6 The Administrators continue to liaise with the FCA in order to ensure that collection processes comply with regulatory guidelines including forbearance measures for customers directly affected by the coronavirus pandemic.
- 1.7 Creditors will recall that, following the security review by our appointed solicitors it was confirmed that the Investors' respective debentures are not valid as Fixed Charges. However, the Charges contained in the debentures are valid as Floating Charges.
- 1.8 As a consequence, the priority of payments that the Administrators will make to creditors are as follows –
- i. Preferential Creditors
 - ii. Floating Charge Creditors
 - iii. Unsecured Creditors

- 1.9 Preferential Claims have been agreed at £55,051.23 and relate to Employees' unpaid Holiday Pay and have been settled in full.
- 1.10 Floating Charge Creditors are the individual Investors where security in the form of a Debenture has been registered at Companies House. The Administrators had expected to make payments to Floating Charge Holders in their due order of priority, as and when funds permit.
- 1.11 A further consequence of the Charges being classified as Floating Charges is that the provisions of Section 176A of the Insolvency Act relating to "The Prescribed Part" now applies.
- 1.12 "The Prescribed Part" is a fund that is set aside from the Floating Charge realisations and made available to the Unsecured Creditors. The Prescribed Part calculation is applied to the Floating Charge realisations and is calculated at 50% of the first £10,000 of realisations and 20% of all further amounts, up to a maximum prescribed amount of £600,000
- 1.13 The Administrators therefore currently consider that there will be the sum of £600,000 available for Unsecured Creditors from the Prescribed Part fund and will accordingly now seek to invite and agree Unsecured Claims. Unsecured Claims will consist of trade and expense creditors, amounts due to the former employees in respect of unpaid notice pay and redundancy paid and any agreed claim from customers in respect of Redress.
- 1.14 At this stage, the Administrators cannot accurately assess the level of Unsecured Redress claims, but the dividend that will be paid to Unsecured Creditors will be significantly less than the value of any claims.
- 1.15 The Administrators continue to pursue the objective of seeking to realise property in order to make a distribution to the Preferential and Secured creditors.

2 Background

- 2.1 I was appointed as Joint Administrator of DJS (UK) Limited, (the Company) together with my partner Gordon Johnston on 5 December 2019. The appointment was made by Simon Woodhams, one of the Company's Chargeholders.
- 2.2 This Administration is being handled by Shane Biddlecombe and Gordon Johnston at Fortus Recovery Limited, Grove House, Meridians Cross, Ocean Village, Southampton, SO14 3TJ. The Administrators' contact details are by phone on 0808 196 8676 or via email at recovery@fortus.co.uk. The Administration is registered in the In The High Court of Justice Business and Property Courts of England and Wales, reference number CR-2019-008183.
- 2.3 On 2 December 2020 the Court approved the Administrators' request to extend the Administration until 5 December 2022.
- 2.4 As Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 5 December 2020 to 4 June 2021 (the Period) and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.
- 2.5 Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice.
- 2.6 The trading address of the Company was 28 Avenue Road, Parkway House, Bournemouth, BH2 5SL. The business traded under the name Piggy-Bank.

- 2.7 The registered office of the Company is 12-14 Carlton Place, Southampton, Hampshire, SO15 2EA and will shortly be changed to Grove House, Meridians Cross, Ocean Village, Southampton, SO14 3TJ. Its registered number is 07952979.

3 Receipts and Payments

- 3.1 At Appendix A is my Receipts and Payments Account covering the period of this report and cumulatively from the date of the Administrators' appointment.
- 3.2 In Section 4 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs. I would, however, bring the following matters about the receipts and payments during the Period to your attention:
- 3.3 In view of the various challenges that have been made against the Administrators, the costs of Boyes Turner (including the costs of Counsel) are greater than the estimate provided previously. A revised estimate has been provided.

4 Progress of the Administration

- 4.1 You may recall that the statutory objective being pursued in the Administration was realising property in order to make a distribution to one or more secured or preferential creditors. In addition to the pursuance of this statutory objective the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 4.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.

Administration (including statutory compliance & reporting)

- 4.3 As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my Proposals.
- 4.4 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.
- 4.5 As noted in my Proposals, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Impact of the Covid-19 Pandemic

- 4.6 The Administrators continue to operate a home-working policy for their own team with an option for staff to return to the office as lockdown restrictions are lifted.
- 4.7 The Collections and Customer Care Teams have continued to maintain operations with minimal disruption. The Customer Care Team have also continued to support any customer affected by the pandemic which may have impacted on their health and wellbeing and/or financial circumstances leaving them in a position where they are unable to meet their ongoing repayment obligations.

Realisation of Assets

Loan Book

- 4.8 The loan book at the date of Administration totalled £24,700,050.
- 4.9 During the period covered by this report £1,007,499.10 has been collected. As at 4 June 2021 the sum of £251,538.17 was held by Barclays Bank which represents the collections for May which had not yet been transferred to the Administrators.
- 4.10 We have continued to see a reduction in recoveries during this period and collections are down by £325,000 when compared to the previous six-month period. As a result, collections have reduced to an average of £157,500 every four weeks compared with £210,000 in the prior period.
- 4.11 Given the significant and far-reaching effects Covid-19 has had on individuals' livelihoods and finances, the FCA issued guidance to firms that entered high-cost short-term credit loans (including payday loans) arising out of the pandemic. This guidance, titled "Consumer credit and Coronavirus: Additional Guidance for Firms" was initially published in April 2020 and updated in July 2020 and further updated in September 2020.
- 4.12 This guidance was designed to ensure that the Company provided, for a temporary period only, exceptional and immediate support to customers facing payment difficulties due to circumstances arising out of coronavirus. This typically took the form of allowing customers already experiencing or who were reasonable expected to experience temporary payment difficulties as a result of coronavirus, 'payment deferrals' for a period of at least one month. The guidance emphasised the need to consider tailored options for each and every customer according to their particular circumstances and that a "one fits all" approach was unacceptable.
- 4.13 Under the FCA's guidance the Company, acting by its Joint Administrators, is to allow the customer to repay the deferred payment over such period and in such amount as the customer can reasonably afford, including over a period that extends beyond the original term of the loan.
- 4.14 The July guidance sought to provide support for those customers affected by coronavirus from July 2020 to 31 October 2020, with customers able to receive an initial or further three-month payment deferral until that date which could last until 31 January 2021. The guidance was extended by the FCA to 30 June 2021.
- 4.15 Given the severe financial implications that have been brought about by the pandemic and in compliance with the consequential guidance published by the FCA, the Joint Administrators accept that it is extremely likely that the time which it will take to recover the Company's loan book will be prolonged, potentially significantly.
- 4.16 A sale of part or all of the Company's Loan Book has already been contemplated. However, given the level of anticipated realisations such an assignment would have (12p in the £1.00) it was felt that this would not be in the interest of the Creditors as a whole to proceed with such an assignment.
- 4.17 The Collections team are continuing to contact borrowers who are not in a payment arrangement to review their circumstances and where possible agree an affordable payment plan going forward.
- 4.18 However, given the financial effects Covid-19 was feared to have, the FCA have required (and continue to require) that the Joint Administrators liaise with the FCA on a regular basis to ensure that collection processes comply with regulatory guidelines including forbearance measures for customers directly affected by the pandemic.

- 4.19 Since my last progress report, we have seen a reduction in the claims received for redress and a further 28 borrowers with active loans have had a redress claim agreed which has been offset against their remaining balance due to the Company. These claims amount to £11,058.18.
- 4.20 A number of customers have continued to make loan repayments after their borrowing had been repaid. The amounts overpaid have been refunded and total £799.78.
- 4.22 For the purposes of the Estimated Outcome for Creditors at Appendix E, the Administrators remain cautious in relation to the future collection performance as a result of Covid-19 and the impact that this has had on customers' finances and their ability to make/maintain repayment.

HMRC Repayment

- 4.23 As creditors will recall, HM Revenue & Customs has approved a refund of £1.1M in respect of Advanced Corporation Tax payments made by the Company. The Administrators continue to chase this repayment which has been delayed due to significant ongoing delays as a result of the Coronavirus Pandemic.

Tech Platform

- 4.25 No action has currently been taken in respect of the realisation of the Tech Platform as it continues to provide an invaluable tool to the Joint Administrators and its agents in connection with the monitoring, progression of and reporting on the level of loan book collections from the Company's customers.
- 4.26 Only once the rate of collections has recommenced to an extent close to what they were pre-Covid and/or the portion of the loan book outstanding relates to just a residual level of debtors will we be able to commence steps with a view to marketing and realising the Tech Platform for the benefit of the administration.

Rent Deposit

- 4.27 The Directors advised that the Company paid a rent deposit of £30,000 to its landlord when it entered into the lease in respect of the trading premises. The rent deposit has not been received and we have been informed by the Company's landlord that they have utilised the deposit money to meet outstanding rent arrears owed by the Company. It is therefore not expected that this asset will produce any realisation to the Company.

Business Rates Refund

- 4.28 As previously reported a refund of £9,166.59 was received from Bournemouth, Christchurch and Poole Council in respect of business rates overpaid by the Company.
- 4.29 It is considered that the work the Administrators and their staff have undertaken to date will bring a financial benefit to creditors. The preferential creditors have been paid in full. There will be a distribution to the secured creditors of the Company (from which a Prescribed Part fund is available for the benefit of the unsecured creditors).

Creditors (claims and distributions)

- 4.30 Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

- 4.31 Work undertaken by Administrators in dealing with a company's creditors may only bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.
- 4.32 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 5 below.
- 4.33 At this stage, I consider the following matters worth bringing to the attention of creditors:
- There are 387,000 former customers that may be entitled to make a Redress claim against the Company. These claims will be unsecured claims and will rank for dividend *pari passu* with all other unsecured claims. As a dividend to unsecured creditors will be paid from the Prescribed Part, the Administrators are required to invite and assess claims from all former customers.

Investigations

- 4.34 You may recall from my first progress report to creditors that some of the work the 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 – 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 can be pursued for the benefit of creditors.
- 4.35 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 4.36 Creditors will recall the Administrators instructed HJA Business Solutions Limited (HJA) to undertake the SIP2 investigation. A number of Investors had raised concerns in relation to the conduct of the Directors which were provided to HJA.
- 4.37 Since my last progress report HJA Business Solutions Limited has continued to assist the Administrators in respect of a number of matters that remained under investigation.
- 4.38 I would advise that our ongoing investigations have revealed a potential inter-company loan due to the Company. In addition, transactions with connected parties have been scrutinised to establish if there are any funds to recover for the benefit of the Administration and this matter remains ongoing.
- 4.39 The Administrators will report to the Committee once their investigations have been concluded.

What remains to be done in the Administration

- 4.40 *The Administrators will continue to collect the sums due from customers in order that payments to secured creditors can be made. Further, the Administrators will implement the Redress methodology and assess whether all historic customers are entitled to any refunds, which will rank as unsecured claims against the company. As a "Prescribed Part" fund has been created by the payment of Floating Charge creditors, it is anticipated that there will be a dividend to unsecured creditors.*

5 Estimated Outcome for Creditors

- 5.1 An Estimated Outcome Statement as at 4 June 2021 is attached at Appendix E. As mentioned above, the estimated future collection performance has been revised in view of the current crisis. The estimate of ongoing costs is detailed in Appendix D. We have not included a figure for the total of unsecured creditors, as it is not currently possible for the Administrators to accurately assess the level of Redress claims from customers at this stage. We are therefore unable to estimate the quantum of the dividend available to unsecured creditors.
- 5.2 At the present time, it is anticipated there will be sufficient funds available to make a distribution to creditors. The sections below provide details of the anticipated outcome for each class of creditor and further updates will be provided in the Administrators' subsequent progress reports.

Secured Creditors

- 5.3 The Company has 46 debentures against it in respect of the investments provided by High Net Worth individuals. At the date of the Administration the indebtedness to the secured creditors was estimated at £21.8 million.
- 5.4 As previously reported, the Administrators received a challenge from one of the Company's Investors relating to the validity and ranking status of a debenture that the Company had granted to that Investor in September 2013. That debenture is shown on the Company's charges register at Companies House as having been satisfied in 2017.
- 5.5 Having reviewed the Company's charges register and the Company's books and records the Administrators had treated the 2013 debenture as having been satisfied and any secured liabilities due to the Investor from the Company were to be treated as being secured under the two debentures created in 2017. The Investor's priority status as amongst the Company's other secured creditors was ranked on this basis.
- 5.6 The Investor subsequently engaged solicitors to dispute the Administrators' assessment of the position and claimed; the satisfaction of the 2013 debenture was done by mistake, without the Investor's knowledge or consent, and therefore should be rectified; that the 2013 debenture should be treated as remaining 'outstanding'; that the 2013 debenture secured all sums claimed as being owed to the Investor; and their secured claim in the Company's administration should rank under the 2013 debenture and not the later, lower ranking 2017 debentures.
- 5.7 The Administrators were put on notice by solicitors acting for the Investor that court proceedings may be instigated in the absence of the Administrators not accepting the Investor's claims.
- 5.8 The Administrators instructed their own solicitors and specialist Counsel to advise them on the Investor's claims. That advice remains confidential and privileged, and therefore its details cannot be disclosed. In short however, the advice the Administrators received was that we could not accept the Investor's claims. This was communicated to the Investor's solicitors and further advice was sought by the Investor (who then engaged specialist Counsel of their own) and continued to challenge the Administrators' position in respect of the claim. In addition to legal advice, the Investor also obtained a witness statement from a former director of the Company in support of their claims. The Investor's position remained that the satisfaction of the debenture was filed in error and the priority of their 2013 debenture should stand.
- 5.9 In view of the legal advice provided the Administrators had therefore reached an impasse which had served only to increase costs in the Company's administration and delay the progression of the Company's administration, including the distribution process to secured creditors.

- 5.10 It was therefore considered that the following courses of action were available to the Administrators:
- We accept the investor as a secured creditor for sums they claim they are owed on the basis of their 2013 debenture;
 - We make an application to the Court for directions; or
 - We look to reach a compromised settlement with the investor in respect of the claim.
- 5.11 The Administrators were put on notice that, should they not proceed with one of the above courses of action, the Investor will make their own application to Court. The Administrators were mindful of the significant costs that would be suffered if proceedings were to be issued, either by the Administrators or the Investor, which would be borne from the funds held by the Administrators, funds which otherwise could be made available for distribution to the Company's secured creditors. There would also be significant delays to the progression of the Company's administration whilst we wait for this matter to be heard by the Court. During this time the Administrators would be unable to make payments to any Investors, unless a provision for the disputed amount due to Investor under his first debenture is made, together with costs and interest.
- 5.12 Whilst the Administrators remained resolute in the merits of their reasoning for not agreeing to the Investor's claim, the Administrators nevertheless accepted there was some risk that if proceedings were to be issued that a court may find in favour of the Investor and against the Administrators. If that were to be the outcome there is a possibility that the Administrators may be subject to a personal costs orders which, for obvious reasons, they wished to avoid.
- 5.13 In conjunction with the advice the Administrators received from Counsel and their solicitors, they considered the most cost effective and expeditious course of action was to reach a compromised settlement with the Investor in respect of their claim. This would attain certainty, for all parties concerned, avoid further costs being incurred in litigating the matter further and enables for the Company's administration to be progressed.
- 5.14 In arriving at this conclusion, the Administrators considered the following factors:-
- Legal Costs
- 5.15 We estimated that legal costs could, potentially, amount to hundreds of thousands pounds if this matter were to be litigated through the court (either on our application or the Investor's). As this dispute arises from technical points of law, we would require representation at any Court hearing by specialist Counsel. In addition, our solicitors would be involved with preparing the application and supporting evidence, serving the documentation to the 26 other Investors, complying with court-ordered directions, attending the hearing(s) and any matters arising in respect of the application. Time would also be incurred in dealing with any communications from legal representatives of those parties to the proceedings
- Administrators' Costs
- 5.16 Similarly, the Administrators would have increased costs as a result which would include participating in the legal proceedings and dealing with queries from Investors as a result of the estimated significant delay likely to be suffered by the Company's administration whilst the matter works its way through court. These increased costs have not been accounted for in my original assessment which was provided to the Committee.

Interest

- 5.17 There was £6 million worth of claims by Investors who have security granted between the Investor's 2013 debenture and their 2017 debenture. As mentioned earlier, payments to those Investors will be (at best) delayed whilst the legal process is under way or (at worst) reduced (either partially or fully) to fund the costs of the litigation. As all Investors are entitled to continuing interest at their contractual rate, interest on the debts will continue to accrue. We have estimated that 12 months' contractual interest on the 26 effected Investors (ie those Investors sitting between the Investor's 2013 debenture and their 2017 debentures) is £1.9 million. Therefore, the 12 month estimated delay before we can have a Court hearing will increase creditors' claims significantly and may mean Investors who rank behind those higher ranking Investors will lose out on a distribution.
- 5.18 The Administrators therefore entered into negotiations with the Investor and the parties reached a compromise in principle (and subject to contract) to allow the Investor to rank as a secured creditor for the sum of £400,000 (only) in priority to where their 2013 debenture would have ranked, had it not been marked as satisfied. In return, the Investor agreed that this would be in full and final settlement of all liabilities due to them from the Company (which totals £2,936,848 (not including any interest)), which includes them agreeing to waive any other claim they may have under their 2017 debentures (or the 2013 debenture). Had this agreement not been reached, the Investor would continue to claim as being owed a secured debt of £2,936,845 by the Company.
- 5.19 The Administrators wrote to those Investors holding security for their investment which is dated between the Investor's 2013 debenture and their 2017 debentures and asked them to consider the terms of the compromise agreement which could prejudice their own position as a secured Investor in the Company.
- 5.20 The Administrators allowed any Investor who believed that they may suffer prejudice by this course of action a period of 14 days to provide details of their objection (which must be based on substantive representations supported with authority).
- 5.21 As no formal objections were received by the Administrators by 5.00pm on 26 February 2021 the Administrators have been able to confirm the settlement agreement with the Investor.
- 5.22 On 16 February 2021 the Adminsitators received a communication from solcitors acting for another Investor (Investor B) challenging the scope of their debenture. Following initial discussions with Counsel, Boyes Turner rejected the challenge.
- 5.23 The solicitors acting for Investor B made further representations in respect of the challenge, and as a result, the Administrators' advice from their legal team was that no payments should be made to secured creditors until this matter was resolved.
- 5.24 The Administrators considered the strength of their own legal advice and concluded that the risks to the Administrators of making payments to secured creditors in their due order of priority whilst this challenge remained was minimal and in any event, manageable. The Administrators therefore put sufficient safeguards in place and proceeded to make payments to secured creditors.
- 5.25 I am pleased to report that since the period covered by this report the first debenture holder and the balance due in respect of the settlement agreement with the Investor has been settled in full.
- 5.26 The next six debenture holders have also received a distribution of 60p in the £ in respect of their claims and I hope to be in a position to settle the remaining balance owed to these investors in the coming months.

- 5.27 The position in relation to Investor B's challenge remains. In the absence of a resolution, it is likely that the Administrators will need to apply to the Court for Directions. An update will be provided in due course.

Preferential Creditors

- 5.28 As previously reported, Preferential Claims have been agreed at £55,051.23 and relate to Employees' unpaid Holiday Pay. These claims have been settled in full after allowing for tax and national insurance deductions of £6,862.89.

Unsecured Creditors

- 5.29 The statement of affairs detailed unsecured creditors of £467,139. This did not include any potential claims in respect of Redress.
- 5.30 As a result of the Security registered against the Company constituting Floating Charges, the Administrators are required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).

Prescribed Part

- 5.31 Section 176A of the Insolvency Act 1986 provides that, where the company has created a floating charge after 15 September 2003, the administrators must make a Prescribed Part of the company's net property available for the unsecured creditors and not distribute it to the floating chargeholders except in so far as it exceeds the amount required for the satisfaction of the unsecured claims. Net property means the amount which would, were it not be for this provision, be available to floating chargeholders out of floating charge assets (i.e. after accounting for preferential debts and the cost of realisation). The Prescribed Part is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of Net Property
- 20% of Net Property thereafter
- Up to a maximum amount to be made available of £600,000

- 5.32 Based on present information, I estimate that the value of the unsecured creditors' fund will be £600,000. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.
- 5.33 Trade and expense creditors per the Director's statement of affairs amounted to £208,473.45. I have received claims from 6 creditors amounting to £1,603,060.80. I have yet to receive claims from 16 creditors whose claims total £102,242.62 per the Director's statement of affairs.
- 5.34 I have received a claim from HM Revenue & Customs for £63,764.25.
- 5.35 Based on the employee claims received it is estimated that the unsecured claim in respect of Redundancy and Notice Pay due to the former employees will be £175,121.23.
- 5.36 There is one Investor with an unsecured claim of £6,618.76

Redress Creditors

- 5.37 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.
- 5.38 There were 136 upheld claims totalling £76,926 that were not settled prior to the administration.

- 5.39 There are 387,228 historic customers that have previously obtained a loan from the Company. As a result of funds being available to unsecured creditors by virtue of the Prescribed Part fund, there will now be a dividend available to unsecured creditors. The Administrators will now invite and agree claims from historic customers. The Administrators are not able to accurately estimate the level of unsecured Redress claims at this stage.
- 5.40 Since the Administrators' appointment 2,251 claims from historic customers amounting to £1,288,251 have been upheld.
- 5.41 In relation to existing customers, should they have a claim for Redress, any amount agreed will be set off against their outstanding balance. During the period covered by this report a further 28 claims from existing customers have been agreed and an amount of £11,058 has been set off.

6 Administrators' Remuneration

- 6.1 The Committee authorised that the Joint Administrators are to be remunerated on the basis of their time costs to a maximum of £750,000. No further remuneration will be able to be drawn without the approval of the Committee.
- 6.2 Our time costs for the Period are £165,605. This represents 488.80 hours at an average rate of 338.80 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration.
- 6.3 Also attached at Appendix C is a cumulative Time Analysis for the period from 5 December 2019 to 4 June 2021 which provides details of the time costs incurred since appointment. The cumulative time costs incurred to date are £567,814.50 and this represents 1,754.02 hours at an average rate of £323.72 per hour.
- 6.4 To date, £504,135 has been paid on account of these time costs.
- 6.5 As indicated previously, we now consider that the fee estimate we previously provided for the Administration may be insufficient to complete our duties as a result of the requirement to invite and agree unsecured creditors' claims and the payment of the resultant dividend. The Administrators will discuss this further with the Committee at the next meeting.
- 6.6 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.fortus.co.uk/recovery/publications/>. Attached at Appendix D is additional information in relation to the Administrators' fees, expenses and the use of subcontractors and other professional advisers.

7 Creditors' Rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive.

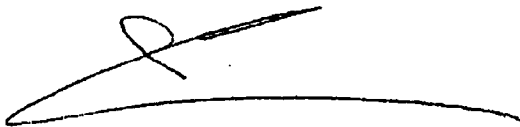
8 Ending the Administration

- 8.1 Based on present information, the Administrators think that the Company has sufficient property to permit a distribution to the unsecured creditors by virtue of the Prescribed Part and a distribution available to the secured 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
- 8.2 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

9 Next Report

- 9.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration.

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



Shane Biddlecombe FABRP
Joint Administrator

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. Fortus Recovery Limited 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 Fortus Recovery Limited, Grove House, Meridians Cross, Ocean Village, Southampton SO14 3TJ or via email at recovery@fortus.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.

Receipts and Payments Account from 5 December 2020 to 4 June 2021 and cumulatively from the date of the Administrators' appointment

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

Statement of Affairs		From 05/12/2020 To 04/06/2021	From 05/12/2019 To 04/06/2021
£		£	£
	SECURED ASSETS		
2,000.00	Furniture & Equipment	NIL	NIL
Uncertain	Tech Platform	NIL	NIL
21,000,000.00	Loan Book	1,007,499.10	3,790,268.57
1,055,382.00	HMRC Repayment	NIL	NIL
531,399.00	Cash at Bank	NIL	483,936.21
30,000.00	Rent Deposit	NIL	NIL
	Contribution Requisitioned Meeting Costs	NIL	3,000.00
	Business Rates Refund	NIL	9,166.59
		<u>1,007,499.10</u>	<u>4,286,371.37</u>
	COSTS OF REALISATION		
	BHC Holdings Direct Costs	351,128.59	1,058,432.24
	Ongoing Bank Charges	6,488.82	17,157.56
	First Data Service Charge/Chargebacks	3,862.53	8,997.18
	Miscellaneous Payments to be clarified	92.72	92.72
	Repayment re Loans Overpaid (post-appt)	799.78	2,638.86
		<u>(362,372.44)</u>	<u>(1,087,318.56)</u>
	SECURED CREDITORS		
(21,875,965.78)	Charge Holders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	<u>964.29</u>	<u>2,055.48</u>
		964.29	2,055.48
	COST OF REALISATIONS		
	Accountancy Costs	NIL	12,250.00
	Agent's Costs Outsourced Employee Claims	NIL	3,350.00
	Agents Fees	NIL	750.00
	Agents/Valuers Fees (1)	NIL	7,500.00
	Compliance consultancy fees	140.00	2,100.00
	Counsel & Expert Fees	NIL	5,450.00
	Final Wages	NIL	54,714.68
	Insurance Costs	NIL	112.00
	Legal Fees (1)	46,661.00	147,704.00
	Office Holders Expenses	NIL	215.00
	Office Holders Fees	122,000.00	504,135.00
	Ongoing SAGE Subscription & Support	NIL	2,866.00
	PAYE & NI	NIL	6,862.89
	Specific Bond	NIL	2,600.00
	Statutory Advertising	NIL	175.00
	VAT	<u>103,938.92</u>	<u>328,322.43</u>
		(272,739.92)	(1,079,107.00)
	PREFERENTIAL CREDITORS		
	DE Arrears & Holiday Pay	NIL	36,924.16
(144,838.67)	Employee Arrears/Hol Pay	<u>NIL</u>	<u>11,264.18</u>
		NIL	(48,188.34)
	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	<u>NIL</u>	<u>NIL</u>
		NIL	NIL

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

Statement of Affairs £		From 05/12/2020 To 04/06/2021 £	From 05/12/2019 To 04/06/2021 £
	DISTRIBUTIONS		
(3,000,100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,869,263.07)		373,351.03	2,073,812.95
	REPRESENTED BY		
	Bank 1 Current		1,873,531.07
	Bank 2 Current		200,281.88
			2,073,812.95
			2,073,812.95

Note:

Appendix B

Time Analysis for the Period from 5 December 2020 to 4 June 2021

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

6473DJSX - DJS (UK) Limited T/A Piggy-Bank

From: 05/12/2020 To: 04/06/2021

All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
AAP1: IN - Case Strategy	20.20	0.80	0.00	0.00	21.00	8,272.00	393.90
AAP2: IN - Administrative setup incl. Bank A/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AAP4: IN - Maintenance of records	0.00	5.60	0.00	20.30	25.90	4,401.00	169.92
AAP5: IN - Case review	6.50	0.00	0.00	4.40	10.90	3,260.00	299.08
AAP7: IN - Bordereau	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AAP8: IN - Cashiering duties (including billing)	0.20	0.00	0.00	11.60	11.80	1,634.00	138.47
AAP9: IN - Meetings & Discussions with directors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CLO1: IN - Case closure	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTAX-01: IN - Tax reviews / CT600	0.50	1.60	0.00	0.00	2.10	584.00	278.10
IN-TAX02: IN - Final tax clearance (pre-closure)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration and planning	27.40	8.00	0.00	36.30	71.70	18,151.00	253.15
CRE2 : IN - Employee Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRE3 : IN - Unsecured Creditors	6.90	2.20	1.30	1.60	12.00	4,017.00	334.75
CRE4 : IN - Secured Creditors	251.80	32.70	0.00	9.90	294.40	109,984.00	373.59
DIV1 : IN - Dividend calculations (pref & unsecured)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DIV2 : IN - Distributions (pref & unsecured)	0.00	0.00	0.00	0.00	0.00	0.00	135.00
Creditors	258.70	34.90	1.30	11.50	306.40	114,001.00	372.07
INV1 : IN - SIP2 review	1.00	0.00	0.00	0.00	1.00	400.00	400.00
INV2 : IN - CDDA reports (inc SOA)	1.00	0.00	0.00	0.00	1.00	400.00	400.00
INV3 : IN - Investigating antecedent transactions	6.00	4.70	0.00	0.30	11.00	3,573.00	324.82
Investigations	8.00	4.70	0.00	0.30	13.00	4,373.00	336.38
ROA1 : IN - Identifying, securing, insuring assets	12.90	1.10	0.00	0.00	14.00	5,424.00	387.43
ROA2 : IN - Retention of Title	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROA3 : IN - Debt collection	8.30	21.50	0.00	0.00	29.80	8,480.00	284.56
ROA4 : IN - Property, business and asset sales	0.00	0.30	0.00	0.00	0.30	72.00	240.00
Realisation of Assets	21.20	22.90	0.00	0.00	44.10	13,976.00	316.92
AAP3 : IN - Appointment notifications	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AAP6 : IN - Statutory reporting	14.00	39.60	0.00	0.00	53.60	15,104.00	281.79
Statutory Compliance	14.00	39.60	0.00	0.00	53.60	15,104.00	281.79
Total Hours	329.30	110.10	1.30	48.10	488.80	165,605.00	338.80
Total Fees Claimed						504,135.00	

Appendix C

Cumulative Time Analysis for the Period from 5 December 2019 to 4 June 2021

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

6473DJSX - DJS (UK) Limited T/A Piggy-Bank

From: 05/12/2019 To: 04/06/2021

All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
AAP1: IN - Case Strategy	106.40	22.25	3.25	0.30	132.20	48,664.00	368.11
AAP2: IN - Administrative setup incl. Bank A/C	0.50	0.20	0.00	0.90	1.60	356.00	222.50
AAP4: IN - Maintenance of records	1.55	47.42	0.25	93.23	142.45	25,078.00	176.05
AAP5: IN - Case review	23.10	1.00	0.00	7.10	31.20	10,545.00	337.98
AAP7: IN - Bordereau	0.00	0.00	0.00	0.40	0.40	48.00	120.00
AAP8: IN - Cashiering duties (including billing)	2.25	1.30	0.00	56.89	60.44	8,680.50	143.62
AAP9: IN - Meetings & Discussions with directors	51.00	1.70	0.00	6.00	58.70	21,540.00	366.95
CLO1: IN - Case closure	0.30	0.30	0.00	0.00	0.60	192.00	320.00
INTAX-01: IN - Tax reviews / CT600	11.05	4.05	0.00	0.20	15.30	5,452.00	356.34
IN-TAX02: IN - Final tax clearance (pre closure)	0.60	0.00	0.00	0.00	0.60	240.00	400.00
Administration and planning	196.75	78.22	3.50	165.02	443.49	120,795.50	272.37
CRE2: IN - Employee Creditors	11.50	7.95	11.05	9.90	40.40	10,041.00	248.54
CRE3: IN - Unsecured Creditors	108.45	18.61	2.30	13.73	143.09	50,850.00	355.37
CRE4: IN - Secured Creditors	402.50	43.05	0.30	13.50	459.35	173,402.00	377.49
DIV1: IN - Dividend calculations (pref & unsecured)	0.00	0.00	0.00	1.90	1.90	228.00	120.00
DIV2: IN - Distributions (pref & unsecured)	0.00	4.00	0.00	2.56	6.56	1,291.00	196.80
Creditors	522.45	73.61	13.65	41.59	651.30	235,812.00	362.06
INV1: IN - SIP2 review	14.60	13.27	0.00	1.00	28.87	9,250.00	320.40
INV2: IN - CDDA reports (inc SOA)	1.50	0.70	0.00	0.00	2.20	780.00	354.55
INV3: IN - Investigating antecedent transactions	24.80	10.10	0.00	0.30	35.20	12,401.00	352.30
Investigations	40.90	24.07	0.00	1.30	66.27	22,431.00	338.48
ROA1: IN - Identifying, securing, insuring assets	42.45	12.60	3.20	0.00	58.25	20,764.00	356.46
ROA2: IN - Retention of Title	0.00	0.20	0.00	0.00	0.20	48.00	240.00
ROA3: IN - Debt collection	48.40	88.00	0.00	0.00	136.40	40,624.00	297.83
ROA4: IN - Property, business and asset sales	13.00	0.30	0.50	0.00	13.80	5,372.00	389.28
Realisation of Assets	103.85	101.10	3.70	0.00	208.65	66,808.00	320.19
AAP3: IN - Appointment notifications	1.75	2.70	0.00	0.00	4.45	1,360.00	305.62
AAP6: IN - Statutory reporting	184.35	183.63	5.25	6.63	379.86	120,608.00	317.50
Statutory Compliance	186.10	186.33	5.25	6.63	384.31	121,968.00	317.37
Total Hours	1,050.05	463.33	26.10	214.54	1,754.02	567,814.50	323.72
Total Fees Claimed						504,135.00	

Appendix D

Additional Information in Relation to the Administrators' Fees, Expenses & the use of Subcontractors and other Professional Advisers

Additional Information in Relation to the Administrators' Fees, Expenses and the use of subcontractors and other professional advisers in accordance with the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

DJS (UK) Limited – In Administration

Pre-administration costs and work undertaken

Information on the pre-administration fees charged and expenses incurred in this case, and an outline of the work undertaken were detailed in the Administrators' Report and Statement of Proposals.

Agreed Fee Basis

The Committee authorised that the Joint Administrators are to be remunerated on the basis of their time costs to a maximum of £750,000. No further remuneration can be drawn without the approval of the committee.

Outline of work done by the Administrators

A description of the work undertaken in the Period covered by this report is detailed below.

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.

On this case we have utilised the services of the subcontractors noted below. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the Administration.

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

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Service (s)	Provider	Basis of fee arrangement
Legal Advice	Boyes Turner LLP	Hourly rate and disbursements
Accountancy Services	Mazars LLP	Hourly rate and disbursements
Compliance Advice	DJ Compliance	Hourly rate and disbursements
Counsel & Expert Advice	Enterprise Chambers	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Administrators' Expenses

The estimate of expenses which were anticipated in the Administration was provided to creditors in the Administrators' Proposals Report a copy of which is set out below:

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 Capital 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.

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

Supplier / Service Provider	Nature of expense incurred	Paid in prior periods £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
BH Holdings Limited	Costs in relation to debt collection and complaint handling	707,303.65	351,128.59	56,752.55	1,547,303.00
External FCA Compliance Officer	Assist the Administrators with FCA regulated matters	1,960.00	140.00	0.00	4,360.00
First Data	Merchant Services for Card Collections	3,293.65 (from funds held) plus 5,134.65	3,862.53	0.00	36,000.00
Boyes Turner Solicitors	Review of securities. Priority of charges advice. Discussions with Counsel. Ongoing advice as required.	101,043.00	46,661.00	0.00	200,000.00
Neil Levy – Enterprise Chambers	Counsel and Expert Fees	5,4500.00	0.00	0.00	10,000.00
Lambert Smith Hampton	Agent's advice in relation to chattel assets and Tech Platform.	0.00	0.00	0.00	2,500.00
Nova Consultants	Compliance related matters	750.00	0.00	0.00	750.00
Mazars	Accountancy advice and assistance in relation to the recovery of ACT.	12,250.00	0.00	0.00	12,250.00
HJA Business Solutions	Statutory investigations	7,500.00	0.00	5,000.00	12,500.00
Centrepont Software	SAGE 200 subscription and support	2,866.00	0.00	0.00	2,866.00
Evolve IS	Processing employee claims	3,350.00	0.00	0.00	3,350.00
Legal & Public Notices	Statutory Advertising	175.00	0.00	0.00	175.00
Office Holders' Expenses	Travel & Subsistence	90.00	0.00	0.00	90.00
Jurys Inn	Meeting room hire	125.00	0.00	0.00	125.00
Marsh Ltd	Specific Bond	2,600.00	0.00	0.00	2,600.00
Marsh Ltd	Insurance of assets	112.00	0.00	0.00	112.00

The expenses above are broadly in line with the estimates provided in the Administrators' Proposals. The costs of BH Capital Holdings in relation to the collection process and complaint handling are higher month on month than estimated in the Proposals as the estimate was for a 12 month period. These costs continue to be monitored by the Administrators.

The Administrators have revised the total anticipated cost in respect of legal expenses to £200,000. This has been necessary as a result of claims made by secured creditors regarding the extent and priority-ranking of their respective securities. These additional legal costs include substantive correspondence with the Administrators, Counsel and the Solicitors representing the respective secured creditors.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Administrators' fees were approved.

Charge-Out Rates

Fortus Recovery Limited's current charge-out rates effective from 19 March 2018 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	Effective from 19 March 2018 (Per hour) £
Insolvency Practitioners	400
Senior Managers & Managers	240-300
Supervisors	150-200
Administrators and Support Staff	120-150
With effect from 1 March 2021 specialist departments within Fortus Business Advisors & Accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Directors require their expert advice. Their rates do vary however, the figures given below provide an indication of the rates charged per hour.	
Directors & Consultants	200-250
Senior Managers & Managers	125-200
Supervisors	85-125
Administrators and Support Staff	45-95

Please note that we reserve the right to amend these rates from time to time during the course of the assignment, however any material amendments to these rates will be advised to creditors in the next statutory report.

WORK UNDERTAKEN BY THE ADMINISTRATORS AND THEIR STAFF

TASK CATEGORY	TASKS UNDERTAKEN DURING THE PERIOD	REASONS WHY TASK UNDERTAKEN AND BENEFIT
ADMINISTRATION AND PLANNING & STATUTORY COMPLIANCE 125.30 HOURS £33,255.00 £265.40/HR		
Case management	<p>Ongoing strategy meetings to review in particular success of loan book recoveries, the impact of the Coronavirus pandemic and extent of ongoing redress claims to ensure that the purpose of the Administration remains achievable</p> <p>Liaising with Financial Conduct Authority regarding case strategy to ensure compliant with FCA regulations</p> <p>Ongoing correspondence with former directors and advisors to assist with enquiries</p> <p>Facilitating recovery of loan book and weekly reporting to Financial Conduct Authority in respect of loan book recoveries, extent of redress claims and complaint levels.</p> <p>Ongoing monitoring and updating of internal systems and maintaining of estate accounts</p> <p>Monitoring bond levels for any increase required</p> <p>Review and analysis of Company records as necessary and continue to ensure safe storage/disposal of any relevant company data</p> <p>Ongoing six monthly file review</p>	Statutory requirement
Reports, circulars notices and decisions	<p>Preparation and sending of six monthly progress report to creditors</p> <p>Dealing with any queries arising from progress report</p> <p>Maintaining creditors' list for circulation</p>	Statutory requirement
Committee	Ongoing telephone discussions with committee members	Allows creditors to be involved in the decision making process
Cashiering	<p>Manage and maintain estate bank accounts</p> <p>Liaising with pre-appointment bankers to facilitate regular transfer of funds to administration bank accounts</p>	

	<p>Arranging and accounting for the various receipts and payments of the Company</p> <p>Undertake bank reconciliations</p>	
Tax	<p>Ongoing communication with former accountants regarding the pre-appointment tax returns and refund due</p> <p>Liaising with HMRC in respect of refund due to the Company</p> <p>Ongoing completion of VAT returns</p> <p>Completion of corporation tax returns for the period of the administration</p>	
REALISATION OF ASSETS 44.10 HOURS £13,976.00 £316.92/HR		
Loan Book	<p>Ongoing review of loan book to establish potential recoveries and extent of delinquent debt</p> <p>Monitoring recovery of loan book and delinquent debt and ensuring ongoing regulatory compliance</p> <p>Maintaining operations in order to maximise realisations, deal with customer complaints and redress claims</p> <p>Overseeing communication with customers and monitoring collections</p> <p>Ongoing weekly monitoring of recoveries against initial projections</p> <p>Liaising with potential interested parties</p> <p>Weekly management meetings with debt collection team</p> <p>Dealing with Ongoing requests for refunds where overpayments made</p>	<p>Maximise collections in respect of loan book asset</p> <p>Maximising recoveries for the benefit of creditors</p>
Cash at Bank	Liaising with former bankers regarding ongoing banking requirements	Maximising recoveries for the benefit of creditors

	<p>Ongoing monitoring of funds received and reconciliation of weekly statements</p> <p>Liaising with Merchant Provider First Data to agree continuation of facilities</p>	
HMRC Repayment	Ongoing correspondence with accountants and HMRC in respect of tax refund due to the Company	Maximise potential recoveries for creditors
Property and Rent Deposit	Liaising with landlord and their agent to seek recovery of rent deposit which is now deemed irrecoverable	Maximise potential recoveries for creditors
Insurance	Reviewing insurance arrangements to ensure that appropriate insurance cover in place	Preserve the value of the Company's assets
INVESTIGATIONS 13.00 HOURS £4,373.00 £336.38/HR		
Ongoing investigations	<p>Ongoing evaluation of information received to identify any matters that may require further investigations or any assets that may lead to recoveries for the estate</p> <p>Reviewing physical and electronic records to assist with ongoing investigations</p>	May not provide financial value but required to comply with office holders duties
CREDITORS 306.40 HOURS £114,001.00 £372.07/HR		
Secured Creditors / Investors	<p>Ongoing discussions and meetings with investors</p> <p>Preparing and circulating interim reports for investors</p> <p>In conjunction with Boyes Turner dealing with investors' queries and concerns regarding priority of security / debentures</p> <p>In conjunction with Boyes Turner, agreeing a claim submitted by an Investor in which they challenged the satisfaction of an earlier-dated charge in which the Investor had an interest</p>	Determine the order of priority in respect of any dividends

	<p>In conjunction with Boyes Turner, reviewing a claim submitted by another Investor in which they are seeking to challenge ownership of the Cash at bank at the outset of the Administration, the Advance Corporation Tax due to the company and the Rates refund.</p> <p>Agree in principle the claims of first debenture holders to be paid and calculate interest accruing in respect of those claims</p>	
Employees	<p>Dealing with employee related queries</p> <p>Maintaining database in respect of claims agreed</p>	Statutory requirement
Unsecured	<p>Maintain creditors information and claim details on internal systems</p> <p>Respond to ongoing queries and enquiries received</p> <p>Ongoing statutory reporting</p>	Statutory requirement
Dividend	<p>Prepare estimated outcome statement to determine amounts available to each class of creditor</p> <p>Review legal advice in respect of validity and priority of secured creditors</p>	Enables asset realisations to be distributed to creditors.
Redress Creditors	<p>In consultation with Financial Conduct Authority develop tool to assist with assessment of redress claims</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>Ongoing assessment of claims from existing customers and applying set-off in respect of outstanding loan facilities where a valid redress claim is identified</p>	Regulatory requirement

In consultation with Financial Conduct Authority agree methodology for dealing with redress claims for both existing and former customers and strategy for communicating with these individuals

Agree strategy for communicating with the Company's 380,000 customers who have repaid a loan regarding the redress claims procedure and inviting claims for consideration

Appendix E

Estimated Outcome Statement as at 4 Jun 2021

DJS (UK) Limited - In Administration

Estimated Outcome Statement as at 4 June 2021

		Estimated to realise - £
Realisations		
Loan Book		15,000,000
HMRC Repayment		1,532,091
Tech Platform		Uncertain
Furniture and equipment		2,500
Cash at Bank		483,936
Rent Deposit		0.00
Contribution Requisitioned Meeting Costs		3,000
Credit Interest		1,500
Business Rates Refund		9,166
		<u>17,032,193</u>
Estimated costs of Administration		
Estimated expenses as per Appendix D	1,834,981	
Administrators' fees (estimated)	750,000	
Ongoing bank charges	34,500	
Final wages	54,715	
Irrecoverable VAT	<u>516,996</u>	<u>-3,191,192</u>
Total funds available for Preferential creditors		13,841,001
Preferential Creditors		
Employees' claims		<u>-55,051</u>
Net Floating Charge Realisations		13,785,950
Less - Prescribed Part Fund		<u>-600,000</u>
Available for Floating Chargeholders		<u>13,185,950</u>
Floating Charge Creditors		<u>21,800,000</u>
Prescribed Part Fund - Available for Unsecured Creditors		<u>600,000</u>

Notes

1. The Administrators have revised the estimate for recovery of the Loan Book
2. The estimated costs are summarised in Appendix D
3. There will be a shortfall in respect of Floating Chargeholders
4. There will be a dividend to Unsecured Creditors, although the costs of inviting and agreeing claims and the payment of the resultant dividend will be met for the Prescribed Part fund
5. VAT is not recoverable