



For further information, please
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1 Company details

| | | | | | | | | |
|----------------------|---------------------|---|---|---|---|---|---|---|
| Company number | 0 | 6 | 5 | 4 | 2 | 0 | 6 | 5 |
| Company name in full | T F S Loans Limited | | | | | | | |
| | | | | | | | | |

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

2 Administrator's name

| | |
|------------------|----------|
| Full forename(s) | Allister |
| Surname | Manson |

3 Administrator's address

| | |
|----------------------|-------------------------|
| Building name/number | 4th Floor, Euston House |
| Street | 24 Eversholt Street |
| | |
| Post town | London |
| County/Region | |
| Postcode | N W 1 1 D B |
| Country | |

4 Administrator's name[Ⓐ]

| | |
|------------------|--------|
| Full forename(s) | Trevor |
| Surname | Binyon |

Ⓐ **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address[Ⓐ]

| | |
|----------------------|-------------------------|
| Building name/number | 4th Floor, Euston House |
| Street | 24 Eversholt Street |
| | |
| Post town | London |
| County/Region | |
| Postcode | N W 1 1 D B |
| Country | |

Ⓐ **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 | 0 | 8 | 0 | 2 | 2 | 0 | 2 | 2 | |
| To date | 0 | 7 | 0 | 8 | 2 | 0 | 2 | 2 | |

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

| | | |
|---------------------------|--|-------------------------------------|
| Administrator's signature | Signature <input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/> |
| Signature date | ^d 0 ^d 7 ^m 0 ^m 9 ^y 2 ^y 0 ^y 2 ^y 2 | |

AM10

Notice of administrator's progress report



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.

Allister Manson

Opus Restructuring LLP

4th Floor, Euston House

24 Eversholt Street

London

Postcode

N

W

1

1

D

B

DX

020 3326 6454



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.



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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.



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**In the High Court of Justice, Business and Property Courts of England and
Wales In London, Insolvency and Companies List (Chd)
Reference No. 344 of 2022**

T F S Loans Limited (In Administration)

The Joint Administrators' Progress Report to 7 August 2022

**Allister Manson
Trevor John Binyon**

**Opus Restructuring LLP
4th Floor, Euston House
24 Eversholt Street
London
NW1 1DB
020 3326 6454
micah.wright@opusllp.com**

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Allister Manson and Trevor John Binyon were appointed Joint Administrators of T F S Loans Limited on 8 February 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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1. EXECUTIVE SUMMARY

This report describes the progress during the first six months of the Administration ("the Review Period").

A summary of the key information contained in this report is detailed below.

Asset realisations

| Asset | Estimated to realise per Proposals' Estimated Financial Position | Realisations to date | Anticipated future realisations | Total anticipated realisations |
|---|--|----------------------|---------------------------------|--------------------------------|
| Cash at Bank | 222,834 | 226,000 | - | 226,000 |
| Bank Interest Gross | - | 103 | - | 103 |
| Sundry Refund | - | 147 | - | 147 |
| Directors' Tax Repayment | - | 1,227 | - | 1,227 |
| Office Furniture & Computer Equipment | 3,990 | Nil | Uncertain | Uncertain |
| Rent Deposit | 5,625 | Nil | Uncertain | Uncertain |
| Investment in Pearlmead Limited (Grenada) | Unknown | Nil | Uncertain | Uncertain |
| Total | 232,449 | 227,477 | - | 227,477 |

Expenses

| Expense | Estimated per Proposal's Estimate | Expense incurred to date | Anticipated further expense to closure | Total anticipated expense |
|--------------------------------------|-----------------------------------|--------------------------|--|---------------------------|
| Office Holders Fees | 322,808 | 170,000 | 152,808 | 322,808 |
| Agents/Valuers Fees | 7,500 | 394 | 7,106 | 7,500 |
| Storage Costs | 3,000 | 882 | 2,118 | 3,000 |
| Re-Direction of Mail | 350 | 216 | 134 | 350 |
| Statutory Advertising | 350 | 207 | 143 | 350 |
| Vat Irrecoverable | - | 54,672 | 0 | - |
| Professional Fees - Employee Related | 5,900 | 3,432 | 2,468 | 5,900 |
| OBAT - Professional Fees | 59,200 | 8,476 | 50,724 | 59,200 |
| Travel | 4,300 | 2,169 | 2,131 | 4,300 |
| Licence Fees | 185 | 185 | 0 | 185 |
| Office Holders' Pre-appointment Fees | 27,547 | 27,457 | 90 | 27,547 |
| Postage | 3,500 | 467 | 3,033 | 3,500 |
| Pre-appointment legal fees | 12,722 | 12,722 | 0 | 12,722 |
| Pre-appointment Professional Fees | 3,188 | 3,188 | - | - |
| Shredding | - | 56 | 0 | - |
| Specific Bond | 475 | 475 | - | 475 |
| Total | 447,837 | 284,998 | 220,755 | 447,837 |

Trading Summary

| Receipts and payments | Cash movements to date |
|--------------------------------------|------------------------|
| Gross Loan Book Collections* | 1,299,339 |
| Employee costs (Wages, Tax, Pension) | (122,840) |
| Business Rates | (2,425) |
| Professional Fees | (8,000) |
| IT and Systems Costs | (43,606) |
| Banking and payment processor costs | (9,699) |
| Insurance | (580) |
| Employee Expenses | (667) |
| Legal and enforcement costs | (1,268) |
| Customer Refunds | (1,835) |
| Call Centre | (395) |
| Total | 1,108,023 |

*Loan collections have progressed well, but the amount collected needs to be split between the Company and its two institutional funders, Solarisbank ("Solaris") and Fasanara Capital ("Fasanara"), who own their respective books. Payments to Fasanara and Solaris have paused to allow the Joint Administrators to ascertain the amounts owing, net of any costs incurred, from the outcome of the redress methodology. The loan book collections will therefore reduce significantly once these payments resume and are brought up to date.

Dividend prospects

| Creditor class | Distribution / dividend paid to date | Anticipated distribution / dividend, based upon the above |
|---------------------------------|--------------------------------------|---|
| Secured creditor | N/A | N/A |
| Preferential creditors | Nil | Uncertain |
| Secondary Preferential creditor | Nil | Uncertain |
| Unsecured creditors | Nil | Uncertain |

1.1. Summary of key issues outstanding

- Finalisation of a redress methodology with the FCA
 - Payment of redress to eligible customers upon the agreement of the redress methodology
 - Marketing and sale of land in Grenada
 - Collection of the Company's loan books
 - Return of ringfenced funds to the Company's funders after deducting redress payments
 - Allocation and return of funds to Company's two funders
 - Conversion of the case to liquidation
 - Distribution, if available, to preferential and unsecured creditors
-

2. THE PROGRESS OF THE ADMINISTRATION

2.1. The Joint Administrators' receipts and payments account

Attached at Appendix II is a receipts and payments account for the Review Period.

The rest of this report describes the key developments in the Administration during the Review Period. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix VII.

In this section, we have summarised the main asset realisations during the Review Period and made an estimate of those assets yet to be realised, together with details of the associated costs incurred but as yet remaining unpaid.

2.2. Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards

During the Review Period, primarily these tasks have included:

- Informing all relevant persons of the commencement of the Administration, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Correspondence and calls with staff regarding case strategy and monitoring;
- Drafting and issuing the Joint Administrators' Proposals, seeking relevant creditors' approvals and issuing notice of the outcome;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

2.3. Trading

As discussed in the Joint Administrators' Proposals, the Company had applied to the Financial Conduct Authority ("FCA") to suspend its underwriting activities from March 2020. However, as of 7 August 2022, £6,488,239 of the Company's loan book remains outstanding for the Joint Administrators to collect with the assistance of the eight retained staff.

Trading Account

Detailed at Appendix III is the Joint Administrators' Trading Account for the Review Period.

Loan Book Collections

The Joint Administrators, with the assistance of the retained employees, have realised £1,300,873 during the Review Period with receipts remaining consistent to date. These figures are presented in the Trading Account at Appendix III. As discussed in the Executive Summary, funds are being held back from these funders until the conclusion of the redress methodology work. Thereafter, the Joint Administrators will seek to make payments to the funders which will significantly reduce overall loan book realisations remaining in the Administration. It is uncertain at this stage the exact figure owing to Fasanara and Solaris.

It should be noted that the Company makes collections through a number of different methods. These are split out in the Trading Account as *Loan Repayments (Cheque)*, *Loan Repayments (via BOS)* and *Loan Repayments (via Eazipay)*.

The loan repayments via the Bank of Scotland are receipts paid to the Company's pre-appointment bank account held to the Joint Administrators' order and swept into the Administrators' estate account. These payments are made by bank transfer, online and telephone payments using various payment processing services. The Joint Administrators have continued use of these payment processing services and the kept Company's pre-appointment account open to ensure continuity for customers and streamline collections.

Receipts are also taken through a service provide, Eazipay, which allows the Company to collect payment by direct debit. The Joint Administrators have facilitated funds to be paid directly into the estate account.

Trading Expenses

The Joint Administrators have provided undertakings to various suppliers in the trading period which have been detailed in the Trading Account at Appendix III with further commentary below. A full listing of trading suppliers and their costs have been detailed in section 5.

Call Centre

The Joint Administrators initially lined up the assistance of a virtual call centre to be on standby should a large influx of customer queries arise as a result of the appointment of administrators and the news published in the press. The level of calls were such that the Joint Administrators' staff and retained employees were able to adequately deal with the calls and enquiries and therefore the service was not required. A fee of £395 was paid as a case set up fee and no further payments are anticipated in this regard.

Collections Customer Contact System

Services have been retained to enable the Company to communicate with customers by SMS regarding payments and reminders. This service will also be used to communicate with creditors with respect to redress once this matter is finalised.

Collections Legal Fees

Legal costs have arisen to enable the Company to remove charges and judgements previously held against customers' accounts. The Joint Administrators have instructed Ashley Taylors Legal Limited and Wilson McKendrick Solicitors based in England and Scotland, respectively, to deal with these applications in Scotland and anticipate further costs to be incurred in respect of this as enforcement work increases.

Customer Refunds

The Joint Administrators have facilitated payment of £1,835 to customers who have overpaid on their loans as a result of uncanceled standing orders or payments made in error.

Customer Tracing Portal

The retained staff have continued use of a customer tracing portal to ascertain the financial position of customers and to be able to respond accordingly to payment proposals and changes.

Direct Expenses

The Joint Administrators have approved certain employee expenses relating to staff meetings, postal expenses and phone bill costs.

Frank Waelde – Professional Fees

The Joint Administrators have continued use of services from Frank Waelde of Xoori GmbH who was used by the Company to provide advice each month on the correct allocation of loan collections between the Company and its two institutional funders, Solaris and Fasanara. Mr Waelde holds deep knowledge of the agreements between the parties and the mechanics of the waterfall payment distributions from collections. As stated in the Proposals, Mr Waelde was retained on a 3 month rolling contract and remunerated at £2,000 per month. Mr Waelde continues to provide services to the Company and assist the Joint Administrators with the waterfall calculations and engagement with the funders in line with this agreement.

Insurance

The Company continues to be insured for employer's liability and has now settled the insurance position relating to costs of occupation of the Company's premises.

IT and Telecoms Infrastructure

The Joint Administrators have provided undertakings for the use of various suppliers to ensure the upkeep and continued operation of the Company's systems and IT infrastructure. Costs in this regard include the Company's lending platform software, renewal of the Company's website, online file storage and server costs, payment gateway and processing services and email and data security.

IT Support Costs

These costs relate to payments made regarding monthly IT support costs and Duo two factor authentication. These costs are anticipated to be incurred at a similar rate across the trading term of the administration.

Business Rates

The Joint Administrators paid business rates of £2,425 relating to their period of occupation of the Company's premises. As a result of vacation of these premises, no further costs are anticipated in this regard.

Company Employees

The Joint Administrators have retained 8 employees to undertake the efficient collection of the Company's loan book. The employees' roles have been broken down as below:

| Role | Number of Employees |
|--|---------------------|
| Management of team/loan book collection | 1 |
| Loan book collection and customer correspondence | 3 |
| Management accounts, payroll and finance | 2 |
| Legal Enforcement and Collection | 1 |
| IT and Systems | 1 |
| Total | 8 |

The Joint Administrators vacated the Company's premises on 16 March 2022, reducing the trading overheads. As a result, the employees are based at home and correspond with each other and the Joint Administrators and their staff remotely.

Given the change of circumstances for employees, the Joint Administrators have worked to ensure that the employees are appropriately incentivised to remain with the Company during the Administration. As a result, the Joint Administrators granted a six month retention bonus to employees. The total amount paid in respect of employee remuneration excluding PAYE, NI and Pension payments is £94,618.15 including the retention bonus.

The Joint Administrators have also ensured and paid for regular staff meetings to be held to mitigate the effects of the Company's vacation of the office premises and the staff's remote working.

The Joint Administrators remain of the view that the level of staffing is sufficient to achieve the best outcome for creditors and continue to liaise extensively with employees.

Company Premises

As discussed in the Joint Administrators' Proposals, the Joint Administrators vacated the Company's premises on 16 March 2022 and facilitated remote working for remaining employees as of 17 March 2022. The Company had prepaid rent to 23 March 2022 and therefore the Joint Administrators do not anticipate any rental expense to be incurred in the Administration.

The Joint Administrators' agents, John Pye and Sons Limited ("John Pye") assisted them with vacation of the premises and ensuring that Company servers and equipment were moved and set up in the Joint Administrators' offices to facilitate the move to remote working. Several chattel assets were left in the premises being uneconomical to move in light of their estimated realisable value.

To date, no claim has been made by the landlord in the Administration although the Joint Administrators continue to liaise with the landlord regarding whether there is a deposit held and if any deductions have been made.

Discussions with the FCA

The Joint Administrators' appointment was consented to by the FCA who also provided the Company with continued authority to operate including making collections and dealing with claims from customers and guarantors for potential redress.

The Joint Administrators have been corresponding with the FCA in three areas:

1. FCA supervision and the Company's redress methodology;
2. FCA enforcement regarding the Company's pre-appointment trading; and
3. External correspondence including notices, website FAQs and press releases.

The Joint Administrators have detailed their time costs spent on this under the *FCA Matters* code within the Case Specific Matters category in the SIP 9 fees analysis at Appendix IV.

In dealing with creating and implementing redress methodology for the Company, the Joint Administrators have been corresponding with the FCA and BDB Pitmans LLP ("BDB"), the Joint Administrators' legal advisors, and OBAT. The objective of the exercise has been to enable the Joint Administrators to identify customers and guarantors who should be entitled to redress. The methodology seeks to identify customers who may have been mis-sold loans based on affordability and sustainability criteria in the granting of loans to vulnerable consumers. Several tests have been presented in the methodology to capture all customers who may have been mis-sold.

Please note that should redress be payable it limited to the amount of any interest paid by such customers on their loans. The methodology considers payments made by customers to initially be wholly allocated to capital with payments deemed as interest, only once the capital element is satisfied. All customers are required to repay the capital amounts of their loans, in full, as normal.

The process is ongoing and the Joint Administrators and the Company's staff have begun the process of data collation and testing to identify the customers eligible for redress. It is anticipated that the methodology will be finalised in the next period and customers will be contacted directly should they qualify for redress.

The Joint Administrators have also liaised with the FCA's enforcement team with regard to the Company's historic business practices. Prior to the appointment of Administrators, the FCA had highlighted a number of shortcomings in the Company's compliance with their regulations relating to credit worthiness of customers and the affordability and sustainability of the Company's loans. The Company was fined £811,900 by the FCA in the review period relating to deficient affordability checks on 3,150 guarantors in its consumer credit business prior to the Administrators' appointment. The FCA has agreed to subordinate this claim to rank below the unsecured creditors so as not to prejudice the existing claims customers have in the Administration.

Creditors should note that this sanction relates wholly to the operation of the Company in the period of 2 November 2015 and 10 April 2018 and does not imply any wrongdoing on the part of the Joint Administrators or the Company's operation in the Administration period. The FCA has also imposed a requirement on the Company to redress the guarantors that were harmed by the firm not conducting appropriate checks.

Collection of the Loan Books

As at date of the Administration, the Company held three loan books totalling £8,031,532. The three loan books are the Company's own loan book and books owned by two funders, Solarisbank and Fasanara. At date of Administration, balances outstanding on the "live" loan books for Fasanara and Solaris amount to £1,103,055 and £1,454,300 respectively. Of these balances, £840,733 and £1,003,675 for Fasanara and Solaris were up to date (i.e. not in

arrears) respectively. Balances of £33,670 and £49,230 are being held in separate bank accounts and relate to Fasanara's and Solaris' collections for the period 1 – 7 February 2022.

Advice was sought from the Joint Administrators' legal advisers, BDB, with regard to these debts and it was concluded that Solaris and Fasanara are the legal owners of their loan books and therefore these funds are not assets of the Company. The Company however continues to collect these loans and receives a collection fee for doing so.

Prior to Administration, the two funders would receive monthly reconciliations of amounts owed to them less commission due to the Company. Transfers however have been suspended in the Administration whilst the Joint Administrators finalise the redress position to prevent a clawback of funds from Solaris and Fasanara for redress monies owed to customers. On finalisation of the redress methodology and calculation of the total to be paid to eligible customers, the Joint Administrators will resume payments to Fasanara and Solaris in accordance with the waterfall agreement.

The Joint Administrators continue to employ the services of Frank Waelde as discussed above to assist in this matter.

a. Realisation of assets

Cash at Bank

On appointment, the Company had funds in accounts held with the Bank of Scotland totalling £310,381. Immediately, a sum of £226,000 was transferred to the Joint Administrators' estate account.

The Joint Administrators made immediate contact with the Company's bank in relation to these accounts. All future payments were suspended but the accounts were left open to be able to receive funds, to enable the uninterrupted collection of the Company's loans.

Eazipay, the Company's direct debit service provider, agreed to direct all funds received to a dedicated account held by the Joint Administrators, as shown on the attached Administration Receipts and Payments account.

The other £84,381 was held in the Company's bank account held to the Joint Administrators' order and subsequently transferred in the Review Period. A breakdown of these funds is detailed below:

| Account name | | Purpose | 8 February 2022 Balance £ |
|---------------------|-------------------------------------|---------|---------------------------------|
| Current account | Day to day trading expenditure | | 769 |
| Savings account | For cheque deposits only | | 25 |
| Fasanara account | Held to the order of Fasanara | | 33,780 |
| Solaris account | Held to the order of Solaris | | 49,414 |
| Collections account | Account to receive loans repayments | | 393 |
| Total | | | 84,381 |

Directors' Tax Repayment

£1,227 was realised in relation to a return of funds from two of the Company's directors as a result of an overpayment of remuneration. This matter arose from an error in the Company accountant's systems and tax calculations in light of the directors' redundancies.

Upon receiving their monies from claims to the Redundancy Payments Service, the two directors facilitated the return of the excess funds paid. The error concerned only the two directors and no further funds are due from employees or directors.

Sundry Refunds

The Joint Administrators realised £147 in relation to a refund of a subscription for a discontinued employee rewards and perks platform. No further realisations are anticipated regarding this specific matter.

b. Estimated future realisations

Company Loan Book

As at 7 August 2022, £6,488,239 of the Company's loan book remains outstanding for the Joint Administrators to collect, including the loan books owned by Fasanara and Solaris. It is currently uncertain how long collection of the loan book will take. This is due to uncertainty regarding the quantum of funds required to pay back to customers in the form of redress payments and the limited enforcement work that can be undertaken whilst the redress matter remains outstanding.

The Joint Administrators anticipate the timing of this to become clearer once the redress methodology is finalised and enforcement action regarding arrears can recommence in earnest.

Pearlmead Development Company Limited ("PDCL")

The Company holds an interest in 92% of the equity in PDCL, a Grenadian SPV that owns 9.25 acres of beach-front land in Grenada, in the Southern Caribbean.

During the Review Period, Allister Manson, one of Joint Administrators, visited Grenada to inspect the land and attend meetings with attorneys, surveyors, valuers and sales agents between 8 and 10 March 2022. The land is on the Atlantic-facing side of Grenada and is approximately 45 minutes from the main airport by road. The land is undeveloped and access to the land is not fully paved.

The Joint Administrators have held several conference calls through the Review Period with a key shareholder of PDCL regarding the land and its upkeep, development and eventual sale. This shareholder is a Grenadian national and a civil engineer and understands the local market well. The shareholder has been responsible for keeping PDCL in good standing and dealing with its administrative requirements. The Joint Administrators have approached agents to commence marketing to for site and facilitate initial surveys of the site and clear the beach of sargassum and any waste that has accumulated.

The Joint Administrators have made provision in their cash flow for costs to develop the land to a marketable state and professional costs to ensure that PDCL remains in good standing. The Joint Administrators have instructed Hilco Global and the local, Grenadian agent, Century 21, as joint agents to market the land.

No value has been provided for this asset outside of that presented in the Estimated Financial Position in the Joint Administrators' Proposals of £1.27m. Both the timing and quantum of this realisation are currently uncertain until the land is formally marketed for sale.

Sale of the Business and Assets

As detailed in the Joint Administrators' proposals, John Pye were instructed to dispose of the Company's business and assets. John Pye are professional independent agents with adequate professional indemnity insurance.

Despite thirteen expressions of interest being received, only one offer was made for the business and certain assets which was a nominal amount not acceptable to the Joint Administrators and not recommended by John Pye.

The Joint Administrators continue to market the business and assets as well as the remaining chattel assets owned by the Company. The chattel assets owned by the Company have now been moved out of the premises and marketed for sale. The Joint Administrators intend to update creditors further on the progress of this in the next report.

Costs incurred but remaining unpaid

The following table summarises the costs incurred during the Review Period, but which as yet remain unpaid:

| Cost Description | Amount (£) |
|--------------------------|---------------|
| Trading Purchases | 7,536 |
| Insurance | 294 |
| Agents' fees (John Pye) | 5,960 |
| Legal fees | 44,122 |
| Professional Fees (OBAT) | 9,658 |
| TOTAL | 67,570 |

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in section 5 below.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

3.1. Preferential creditors

Given that employees have outstanding salary owing for the first seven days of February and, in light of the employee redundancies made to date, the Joint Administrators expect a preferential claim to be received by the RPS in due course. Whilst a claim has yet to be provided by the RPS, it is expected that preferential creditors will be paid in full during the course of the Administration and subsequent liquidation.

3.2. Secondary Preferential creditors

In any insolvency process started from 1 December 2020, HMRC is a secondary preferential creditor for the following liabilities:

- VAT
 - PAYE Income Tax
-

- Employees' NIC
- CIS deductions
- Student loan deductions

This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the preferential creditors have been paid in full.

Secondary Preferential claims relating to PAYE and NI contributions were estimated at £15,768 as per the Joint Administrators' Estimated Financial Position. It is anticipated that a dividend of 100p in the £ will be paid to secondary preferential creditors. The timing of this dividend is, however, uncertain.

3.3. Unsecured creditors

Unsecured claims were estimated at £1.73m per the Estimated Financial Position in the Joint Administrators' Proposals. Until the redress exercise is complete, the Joint Administrators will not know the total number of claims that may arise in the Administration. Further, there are additional assets to realise which may impact the timing and quantum of any dividend to unsecured creditors should this be possible.

As discussed above, the Company was fined £811,900 by the FCA in the review period relating to deficient affordability checks. The Joint Administrators have agreed with the FCA that this fine be subordinated to all other unsecured creditor claims and will only be paid in the unlikely event unsecured creditors are paid in full.

3.4. Claims process

Due to the possibility of a distribution to unsecured creditors, creditors are requested to submit claims to the address on the front of this report, marked for the attention of the Joint Administrators.

Customers of the Company who believe they are entitled to redress should note that their claims are to be calculated in accordance with the redress methodology. As a result, customers will not need to lodge a proof of debt in the Administration.

A Proof of Debt form is attached at Appendix VIII.

4. INVESTIGATIONS

4.1. Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 6 May 2022.

4.2. Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

The Joint Administrators' investigations remain ongoing. Creditors will remain apprised of developments should they arise.

5. ETHICS

Please also be advised that Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

Prior to the Joint Administrators' appointment, the following threats to compliance with the Code of Ethics were identified:

- Objectivity threats relating to the engagement by the Company of John Thompson of OBAT, who had carried out an advisory assignment for the Company and its stakeholders regarding a solvent restructuring.

OBAT was instructed by the Company's senior management and directors on 22 December 2020 to carry out a strategic review of the business. The Company continued to liaise with OBAT throughout 2021. No other prior professional relationship or personal relationship exists between Opus and the Company.

The advisory assignment was introduced to Allister Manson by Dimitri Roubtsov, a minority shareholder of the Company holding 2% of shares, at the end of 2020. The shareholder has no significant control. Following an initial review, it was hoped that the Company could avoid a formal insolvency process and Allister Manson introduced John Thompson of OBAT to undertake the advisory assignment.

These details could give rise to the perception of a potential breach of objectivity guidelines in respect of self-review and familiarity threats. It should be noted that most of the recommendations by OBAT were not adopted by the Company and, as such, it is considered that the risk of a self-review threat does not exist.

With regard to a familiarity threat, the Joint Administrators and their staff involved in the Administration had no involvement with the advisory assignment or directors, other than assisting with a report to the FCA on 15 December 2021, reducing any potential familiarity threat.

The Joint Administrators are satisfied that following safeguards will ensure that any of the perceived threats identified above are appropriately mitigated:

- The potential threats to objectivity have been disclosed to creditors;
- Ongoing review of potential threats throughout the Administration; and
- Notification to creditors should the status of potential threats change with proposals to reduce any threats to an acceptable level.

The above safeguards have been reviewed to ensure that any potential threats are effectively managed. No other threats to compliance with the Code of Ethics have arisen in the Review Period.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obliged to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

| Specialist | Description of Services | Fee Type | Amount Incurred in the Review Period (£) | Amount Paid in Review Period (£) |
|---|---|-----------------|--|----------------------------------|
| BDB Pitmans LLP | Legal advice relating to general administration matters and redress methodology | Time costs | 94,164 | 50,042 |
| Century 21 Grenada | Marketing and Sale of Land in Grenada | Fixed and % Fee | Nil | Nil |
| Clumber Consultancy (Employee Claims) | Employee Consultation | Fixed Fee | 1,898 | 1,898 |
| Clumber Consultancy (Pension Scheme Report) | Pension scheme report and RP15 claims | Fixed Fee | 1,534 | 1,534 |
| Fyfield Equipment Limited | Storage and equipment moving costs | Fixed Fee | 882 | 882 |
| Hilco Global | Marketing and Sale of Land in Grenada | Fixed and % Fee | Nil | Nil |
| Royal Mail Group | Redirection of Mail | Fixed Fee | 216 | 216 |
| T.M Williamson Consulting Architects | Transportation and assistance on Grenada Site Visit | Fixed Fee | 394 | 394 |
| Trading Specialists | | | | |
| Accountscore Ltd | Customer Tracing Portal | Fixed Fee | 2,000 | 2,000 |
| AeroAdmin | Remote access software | Fixed Fee | 62 | 62 |
| Ashley Taylors Legal Limited | Legal fees relating to collections (England) | Fixed Fee | 140 | 140 |
| Amazon Web Services | Online call recording storage | Fixed Fee | 242 | 202 |
| Clarks Advanced Shredding Ltd | Shredding Services | Fixed Fee | 56 | 56 |
| Digicert Inc | SSL Digital Certificate Authority | Fixed Fee | 315 | 315 |
| Easipay | Payment processing bond | Fixed Fee | 2,500 | 2,500 |
| Firstcom Europe | Telephone payments systems | Fixed Fee | 2,617 | 10,108 |
| FLG (Clearcourse | Collections customer contact | Fixed Fee | 3,624 | 3,624 |

| | | | | |
|--------------------------------------|--|-----------|--------|--------|
| Business Services Limited) | system | | | |
| Frank Waelde (Xoori GmbH) | Professional fees regarding waterfall allocations of loan book collections | Fixed Fee | 8,000 | 8,000 |
| HM Courts & Tribunals Service | Court Fees | Fixed Fee | 648 | 648 |
| Insolvency Risk Services | Insurance (employers', public liability) | Fixed Fee | 580 | 874 |
| Leaf Technology | Installing TFS Server | Fixed fee | 408 | 408 |
| Opayo | Online payments processing | Fixed Fee | 225 | 180 |
| Oyster Bay Systems Limited | Lending platform software | Fixed Fee | 36,347 | 36,347 |
| NamesCo | Website Domain | Fixed Fee | 38 | 38 |
| Network UK Consultancy | Monthly support and Duo 2 factor authentication | Fixed Fee | 2,007 | 2,007 |
| Proofpoint | Email encryption and Protection | Fixed Fee | 494 | 494 |
| Rochford District Council | Business Rates | Fixed Fee | 2,425 | 2,425 |
| Secure Collections | Telesales bank account validation | Fixed Fee | 60 | 60 |
| Virtually There | Virtual call centre | Fixed Fee | 395 | 395 |
| Wilson McKendrick Solicitors Limited | Legal fees relating to collections (Scotland) | Fixed Fee | 480 | 480 |

6. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

6.1. Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs.

These costs were approved as detailed below:

| Party instructed | Amount approved (£) | Date approved |
|---------------------------------------|---------------------|---------------|
| Opus Restructuring LLP | 27,457.50 | 22 April 2022 |
| BDB Pitmans LLP (Solicitors' Costs) | 12,722.00 | 22 April 2022 |
| Opus Business Advisory and Turnaround | 3,187.80 | 22 April 2022 |
| TOTAL APPROVED | £43,367.30 | |

6.2. The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 22 April 2022 by a resolution of creditors as follows:

1. By reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Opus Restructuring LLP at the time when the work is performed;

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix IV and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix VI.

Expenses

The expenses, which include disbursements, that have been incurred and not yet paid during the period are detailed below. Also below is a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

The category 1 expenses paid for in the period are detailed on the Receipts and Payments account at Appendix II and at Appendix V and represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment.

The category 2 expenses paid for in the period are detailed on the Receipts and Payments account at Appendix II and at Appendix V. The basis of calculation of this category of expense was disclosed to creditors prior to their approval, which was given on 22 April 2022, and are also detailed below.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and expenses policy may be found at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and expenses policy may be obtained on request.

6.3. Comparison of estimates

Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate at Appendix IV.

The expenses incurred to date are compared with the original expenses estimate is compared at Appendix V.

The bases on which the expenses defined as Category 2 expenses are calculated are explained in Appendix VI.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- The original fees estimate has been exceeded; and
-

- the original expenses estimate is likely to be exceeded for the reasons given at Appendix V.

The fees estimate has been exceeded in the following categories:

Administration

The Joint Administrators have spent considerable time in discussions both internally and with the Company's staff and the FCA on case planning. The nature of the case has required the input of more senior staff to be involved in correspondence and more technical discussions. The Joint Administrators' staffing on this case has comprised two associate directors, an assistant manager and a senior case administrator. The larger team has necessitated the need for frequent team calls to ensure that the various elements of the case and its progression are monitored and progressed effectively.

These more technical matters particularly with respect to work with the FCA have taken longer than initially anticipated and have spanned various issues outside of the redress matter, namely with regard to FCA enforcement and public messaging.

The Joint Administrators believe that these costs will reduce in future periods as the case staff numbers decrease, less senior input is required and matters with the FCA are finalised.

Considerable time has also been spent on cashiering to ensure the timely collection and record of loan receipts and payments to various suppliers. Senior staff time has also been spent on preparing and monitoring the Company's cash flow and financial position to ensure that the Company's trade remains viable.

Creditors (Claims and Distributions)

Appreciable time has also been allocated to creditor claims, specifically the Joint Administrators' own work with regard to redress and formulating a strategy to identify and process redress payments to creditors. This has also required senior input and has been allocated to the Adjudication on claims and Communication with creditors codes.

The Joint Administrators also believe that these costs will reduce in future periods as the redress methodology and correspondence with creditors subsides.

The Joint Administrators and their team continue to correspond with creditors with relation to their claims and would encourage creditors to monitor the Company's FAQs for any updates of the redress process and to answer any queries at the first instance.

Case Specific Matters

The Joint Administrators have a code under case specific matters titled *FCA Matters* relating to correspondence with the FCA and work dealing with queries and matters directly relating to them.

Although the Joint Administrators have only marginally exceeded their fees estimate in this work category, it is anticipated that further work is still required to ensure that the redress methodology matters are completed. As a result, it is expected that this excess will increase further in the following period.

Whilst the Joint Administrators continue to monitor the realisations in this case they do not propose to draw fees in excess of the fees estimate at present. However, the Joint Administrators will review the position as regards fees in subsequent periods when the prospects of realising the remaining assets become clearer.

6.4. Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

6.5. Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

7. CONCLUSION

The Administration will continue in order to finalise the following outstanding matters:

- Finalisation of a redress methodology with the FCA
- Payment of redress to eligible customers upon the agreement of the redress methodology
- Marketing and sale of land in Grenada
- Collection of the Company's loan books
- Return of ringfenced funds to the Company's funders after deducting redress payments
- Allocation and return of funds to Company's two funders
- Conversion of the case to liquidation
- Distribution, if available, to preferential and unsecured creditors

Should you require any further information, please contact tfsloans@opusllp.com.



Allister Manson
Joint Administrator

Allister Manson and Trevor John Binyon were appointed Joint Administrators of T F S Loans Limited on 8 February 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

T F S LOANS LIMITED (IN ADMINISTRATION)**STATUTORY INFORMATION**

| | |
|---------------------------|--|
| Company Name | T F S Loans Limited |
| Previous Names | Blue Fish Loans Ltd Loantalk.co.uk Ltd |
| Proceedings | In Administration |
| Court | High Court of Justice, Business and Property Courts of England and Wales in London, Insolvency and Companies List (Chd) |
| Court Reference | 344 of 2022 |
| Date of Appointment | 8 February 2022 |
| Joint Administrators | Allister Manson Trevor John Binyon Opus Restructuring LLP 4th Floor, Euston House 24 Eversholt Street London NW1 1DB |
| Registered office address | c/o Opus Restructuring LLP 4th Floor, Euston House 24 Eversholt Street London NW1 1DB |
| Company Number | 06542065 |
| Appointment by | Directors of TFS Loans Limited, Broom House, 39-43 London Road, Hadleigh, Benfleet, Essex SS7 2QL. |

DEFINITIONS

| | |
|--------------------------|---|
| The Act | Insolvency Act 1986 |
| The Rules | Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event) |
| The Joint Administrators | Allister Manson and Trevor John Binyon of T F S Loans Limited |
| The Company | T F S Loans Limited (in Administration) |
| The Court | The High Court |
| SIP | Statement of Insolvency Practice |
| Review Period | Period covered by the report from 8 February 2022 to 7 August 2022. |
| Clumber | Clumber Consultancy Limited |
| FCA | Financial Conduct Authority |
| FOS | Financial Ombudsman Service |
| ROS | The Redundancy Payments Service |
| HMRC | HM Revenue & Customs |
| John Pye | John Pye & Sons Limited |
| ROT | Retention of Title |
| OBAT | Opus Business and Turnaround |
| PDCL | Pearlmead Development Company Limited |
| PP or Prescribed Part | The Prescribed Part of the Company's net property subject to Section 176A of the Act |
| QFCH | Qualifying Floating Chargeholder |
| SIP | Statement of Insolvency Practice (England & Wales) |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations |

T F S LOANS LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

| | 08/02/2022 to 07/08/2022 |
|---|--------------------------------|
| RECEIPTS | |
| Cash at Bank | 226,000.00 |
| Bank Interest Gross | 102.65 |
| Sundry Refund | 146.70 |
| Directors' Tax Repayment | 1,227.39 |
| Office Furniture & Computer Equipment | Nil |
| Rent Deposit | Nil |
| Investment in Pearlmead Limited (Grenada) | Nil |
| | <u>227,476.74</u> |
| PAYMENTS | |
| Office Holders Fees | (170,000.00) |
| Agents/Valuers Fees (1) | (394.48) |
| Storage Costs | (882.33) |
| Re-Direction of Mail | (216.00) |
| Statutory Advertising | (207.00) |
| Vat Irrecoverable | (54,671.72) |
| Professional Fees - Employee Related | (3,432.00) |
| OBAT - Professional Fees | (8,475.80) |
| Travel | (2,168.74) |
| Licence Fees | (185.00) |
| Office Holders' Pre-appointment Fees | (27,457.50) |
| Postage | (466.67) |
| Pre-appointment legal fees | (12,722.00) |
| Pre-appointment Professional Fees | (3,187.80) |
| Shredding | (56.00) |
| Specific Bond | (475.00) |
| | <u>(284,998.04)</u> |
| REPRESENTED BY | |
| Floating Charge Account | 487,484.38 |
| Floating Charge Account (Easipay) | 561,515.69 |
| Floating Charge Account (Solaris) | 0.00 |
| Floating Charge Account (Fasanara) | 0.00 |
| Floating Charge Account(TFS Collections) | 1,502.00 |
| TRADING | |
| Trading Profit/(Loss) | <u>1,108,023.37</u> |
| CASH IN HAND | <u>1,050,502.07</u> |

* the Company is not VAT registered and therefore cannot reclaim VAT on expenses.

T F S LOANS LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' TRADING ACCOUNT

| | 08/02/2022 to 07/08/2022 |
|-------------------------------------|--------------------------------|
| RECEIPTS | |
| Loan Repayments (Cheque) | 1,502.00 |
| Loan repayments (via BOS) | 584,644.47 |
| Loan repayments (via Eazipay) | 713,192.31 |
| | <u>1,299,338.78</u> |
| PAYMENTS | |
| Bank Charges | (7,198.57) |
| Call Centre | (395.00) |
| Collections Customer Contact System | (3,624.07) |
| Collections Legal Fees | (620.01) |
| Court Fees | (648.00) |
| Customer Refunds | (1,835.14) |
| Customer Tracing Portal | (2,000.00) |
| Direct Expenses | (667.48) |
| Frank Waelde - Professional Fees | (8,000.00) |
| Insurance | (579.85) |
| IT and Telecoms Infrastructure | (35,572.74) |
| IT Support Costs | (2,409.25) |
| PAYE & NI | (21,305.52) |
| Payment Processor Bond | (2,500.00) |
| Pension Payments | (6,916.70) |
| Rates | (2,424.93) |
| Wages & Salaries | (94,618.15) |
| | <u>(191,315.41)</u> |
| Trading Profit/(Loss) | 1,108,023.37 |

APPENDIX IV

T F S LOANS LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' TIME COSTS

Between 8 February 2022 and 7 August 2022

| Classification of work function | Partner/ Director | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost | Average Hourly Rate |
|--------------------------------------|----------------------|---------|-------------------------------|-------------------------------|-------------|------------|------------------------|
| Administration & Planning | | | | | | | |
| Meeting ,Travel & Waiting Time | 2.00 | 0.00 | 0.00 | 0.00 | 2.00 | 750.00 | 375.00 |
| Internal Documentation and IT | 0.50 | 0.00 | 0.50 | 82.80 | 83.80 | 8,577.50 | 102.36 |
| Case Planning | 121.60 | 34.40 | 20.30 | 0.00 | 176.30 | 55,430.00 | 314.41 |
| Case Reviews including MR1s/MR2s | 2.60 | 0.00 | 1.60 | 0.00 | 4.20 | 1,270.00 | 302.38 |
| Administrative Set Up | 0.00 | 1.50 | 4.70 | 0.00 | 6.20 | 1,432.50 | 231.05 |
| Appointment Notification | 1.30 | 1.40 | 3.20 | 0.00 | 5.90 | 1,525.00 | 258.47 |
| Maintenance of Records | 1.10 | 0.60 | 6.40 | 0.00 | 8.10 | 1,975.00 | 243.83 |
| Statutory Reporting and Compliance | 31.20 | 23.50 | 18.00 | 0.00 | 72.70 | 20,920.00 | 287.76 |
| Firms Administration - Feeing etc | 3.60 | 0.00 | 3.70 | 0.00 | 7.30 | 2,092.50 | 286.64 |
| Cashiering | 21.20 | 1.20 | 43.60 | 30.80 | 96.80 | 21,570.00 | 222.83 |
| Statutory forms | 4.30 | 0.00 | 5.80 | 0.00 | 10.10 | 2,810.00 | 278.22 |
| Post appointment Corporation tax | 0.20 | 0.00 | 0.50 | 0.00 | 0.70 | 182.50 | 260.71 |
| Post appointment VAT | 0.00 | 0.00 | 0.60 | 0.00 | 0.60 | 135.00 | 225.00 |
| Other post appointment tax matters | 0.10 | 0.00 | 0.20 | 0.00 | 0.30 | 80.00 | 266.67 |
| Statutory Meetings | 1.20 | 0.00 | 2.50 | 0.00 | 3.70 | 982.50 | 265.54 |
| File Review | 0.60 | 0.00 | 5.10 | 0.00 | 5.70 | 1,357.50 | 238.16 |
| | 191.50 | 62.60 | 116.70 | 113.60 | 484.40 | 121,090.00 | 249.98 |
| Investigations | | | | | | | |
| D Reports | 0.60 | 0.00 | 1.30 | 0.00 | 1.90 | 502.50 | 264.47 |
| Other Investigations | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 70.00 | 350.00 |
| Analysis of financial records | 0.00 | 0.00 | 7.20 | 30.80 | 38.00 | 4,700.00 | 123.68 |
| CDDA Reports | 1.00 | 0.00 | 0.80 | 0.00 | 1.80 | 555.00 | 308.33 |
| Correspondence with director | 0.10 | 0.00 | 0.90 | 0.00 | 1.00 | 237.50 | 237.50 |
| | 1.90 | 0.00 | 10.20 | 30.80 | 42.90 | 6,065.00 | 141.38 |

APPENDIX IV

| | | | | | | | |
|--|-------|------|------|------|-------|-----------|--------|
| Realisation of Assets | | | | | | | |
| Sale of Assets | 10.00 | 0.00 | 0.80 | 0.00 | 10.80 | 3,892.50 | 360.42 |
| Debt Collection | 11.90 | 1.00 | 0.00 | 0.00 | 12.90 | 4,615.00 | 357.75 |
| Debtors Litigation | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 | 375.00 | 375.00 |
| Internal Documentation | 0.10 | 0.00 | 0.00 | 0.00 | 0.10 | 35.00 | 350.00 |
| Insurance | 0.10 | 0.00 | 0.00 | 0.00 | 0.10 | 35.00 | 350.00 |
| Retention of Title | 0.00 | 0.30 | 0.00 | 0.00 | 0.30 | 75.00 | 250.00 |
| Correspondence with Agent | 2.40 | 0.00 | 0.30 | 0.00 | 2.70 | 907.50 | 336.11 |
| Legal Matters | 1.50 | 0.00 | 0.00 | 0.00 | 1.50 | 562.50 | 375.00 |
| Identifying, securing, insuring assets | 9.50 | 0.00 | 0.00 | 0.00 | 9.50 | 3,562.50 | 375.00 |
| Other assets | 1.50 | 0.00 | 0.40 | 0.00 | 1.90 | 617.50 | 325.00 |
| Property, business and asset sales - general | 22.40 | 0.50 | 3.70 | 0.00 | 26.60 | 9,335.00 | 350.94 |
| Cash at Bank | 4.00 | 0.00 | 0.00 | 0.00 | 4.00 | 1,437.50 | 359.38 |
| | 64.40 | 1.80 | 5.20 | 0.00 | 71.40 | 25,450.00 | 356.44 |

| | | | | | | | |
|----------------------------|--------|-------|--------|------|--------|------------|--------|
| Trading | | | | | | | |
| Initial Actions | 7.50 | 0.00 | 0.50 | 0.00 | 8.00 | 2,925.00 | 365.63 |
| Trading Accounts | 60.30 | 0.50 | 12.60 | 0.00 | 73.40 | 24,065.00 | 327.86 |
| Ongoing Trading Activities | 54.60 | 18.70 | 96.40 | 0.00 | 169.70 | 45,677.50 | 269.17 |
| Employee Matters | 8.50 | 4.30 | 18.90 | 0.00 | 31.70 | 8,302.50 | 261.91 |
| Management of operations | 46.90 | 32.20 | 36.60 | 0.00 | 115.70 | 32,740.00 | 282.97 |
| Legal Correspondence | 0.50 | 0.00 | 6.00 | 0.00 | 6.50 | 1,525.00 | 234.62 |
| HMRC - PAYE and NIC | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 70.00 | 350.00 |
| | 178.50 | 55.70 | 171.00 | 0.00 | 405.20 | 115,305.00 | 284.56 |

| | | | | | | | |
|--|-------|------|-------|------|-------|-----------|--------|
| Creditors | | | | | | | |
| Employees | 0.10 | 5.00 | 1.20 | 0.00 | 6.30 | 1,555.00 | 246.83 |
| Employee Communications | 0.20 | 4.30 | 2.20 | 0.00 | 6.70 | 1,630.00 | 243.28 |
| Correspondence and telephone calls | 0.00 | 0.00 | 4.60 | 0.00 | 4.60 | 1,020.00 | 221.74 |
| Distributions | 0.00 | 0.00 | 0.50 | 0.00 | 0.50 | 112.50 | 225.00 |
| Communication with creditors | 40.40 | 0.00 | 15.20 | 0.00 | 55.60 | 18,437.50 | 331.61 |
| Secured Creditors | 27.40 | 0.00 | 0.00 | 0.00 | 27.40 | 9,990.00 | 364.60 |
| Ordinary creditors | 0.80 | 0.00 | 0.20 | 0.00 | 1.00 | 320.00 | 320.00 |
| Employee claims | 1.10 | 1.30 | 0.20 | 0.00 | 2.60 | 755.00 | 290.38 |
| Adjudication on claims | 79.50 | 0.00 | 0.00 | 0.00 | 79.50 | 29,812.50 | 375.00 |
| Post-Appointment Creditor Meetings | 2.50 | 0.00 | 0.00 | 0.00 | 2.50 | 937.50 | 375.00 |
| Dealing with Trade & Expense Creditor Claims | 7.50 | 0.50 | 0.50 | 0.00 | 8.50 | 3,050.00 | 358.82 |

APPENDIX IV

| | | | | | | | |
|--|--------|-------|-------|------|--------|-----------|--------|
| | 159.50 | 11.10 | 24.60 | 0.00 | 195.20 | 67,620.00 | 346.41 |
|--|--------|-------|-------|------|--------|-----------|--------|

| | | | | | | | |
|--|-------|------|-------|------|-------|-----------|--------|
| Case Specific Matters | | | | | | | |
| Rates review | 0.00 | 0.00 | 0.30 | 0.00 | 0.30 | 67.50 | 225.00 |
| Pre-appointment Corporation Tax | 0.30 | 0.00 | 0.00 | 0.00 | 0.30 | 105.00 | 350.00 |
| FCA Matters | 20.20 | 3.70 | 16.30 | 0.00 | 40.20 | 11,975.00 | 297.89 |
| Response to Regulatory Body | 0.00 | 0.00 | 0.20 | 0.00 | 0.20 | 45.00 | 225.00 |
| Pension Scheme | 0.50 | 0.00 | 2.10 | 0.00 | 2.60 | 647.50 | 249.04 |
| Correspondence with Company's accountant | 0.00 | 0.00 | 0.20 | 0.00 | 0.20 | 45.00 | 225.00 |
| Utilities | 0.00 | 0.50 | 0.00 | 0.00 | 0.50 | 125.00 | 250.00 |
| | 21.00 | 4.20 | 19.10 | 0.00 | 44.30 | 13,010.00 | 293.68 |

| | | | | | | | |
|-----------------|------|------|------|------|------|------|------|
| Pre Appointment | | | | | | | |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | |
|-----------|------|------|------|------|------|------|------|
| Forensics | | | | | | | |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | |
|---------------------|------------|-----------|-----------|-----------|------------|--|--|
| Total hours | 616.80 | 135.40 | 346.80 | 144.40 | 1,243.40 | | |
| Time costs | 221,290.00 | 33,850.00 | 77,965.00 | 15,435.00 | 348,540.00 | | |
| Average hourly rate | 358.77 | 250.00 | 224.81 | 106.89 | 280.31 | | |

| | | |
|--|-------|------------|
| Summary of Fees | | |
| Time spent in administering the Assignment | Hours | 1,243.40 |
| Total value of time spent to 07 August 2022 | £ | 348,540.00 |
| Total Joint Administrators' fees charged to 07 August 2022 | £ | 170,000.00 |

| | | |
|---------------|------------------|-------------------|
| Disbursements | | |
| Description | Total Incurred £ | Total Recovered £ |
| CAT 1 Bonding | 475.00 | 475.00 |
| CAT 1 Travel | 2,160.79 | 2,160.79 |
| CAT 1 Postage | 1,503.45 | 466.67 |
| Totals | 4,139.24 | 3,102.46 |

APPENDIX IV

| Work category | Original fees estimate | | | Actual time costs incurred during the Review Period | | |
|--|------------------------|--------------------------------|--------------|---|--------------------------------|--------------------|
| | Number of hours | Blended hourly rate £ per hour | Total fees £ | Number of hours | Average hourly rate £ per hour | Total time costs £ |
| Administration (including statutory reporting) | 304.4 | 310.24 | 94,437.50 | 484.40 | 249.98 | 121,090.00 |
| Realisation of assets | 144.80 | 315.80 | 45,727.50 | 71.40 | 356.44 | 25,450.00 |
| Creditors (claims and distribution) | 56.20 | 350.27 | 19,685.00 | 195.20 | 346.41 | 67,620.00 |
| Investigations | 76.3 | 232.96 | 17,775 | 42.90 | 141.38 | 6,065.00 |
| Trading | 421.60 | 314.66 | 132,662.50 | 405.20 | 284.56 | 115,305.00 |
| Case Specific Matters | 39.50 | 316.96 | 12,520.00 | 44.30 | 293.68 | 13,010.00 |
| Total | 1,042.80 | 309.56 | 322,807.50 | 1,243.40 | 280.31 | 348,540.00 |

The Joint Administrators' Expenses and Comparison with Estimate

| Expenses | Original expenses estimate £ | Actual expenses paid in the Review Period £ | Actual expenses incurred in the Review Period £ | Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate) |
|---|---------------------------------|--|--|---|
| Legal costs BDB Pitmans LLP: providing advice in respect of potential security held over the loan book, developing the Company's redress methodology, | 75,000 | 50,042 | 94,164 | Although expenses paid do not exceed the estimate, the expenses incurred have reflecting the extended time required in dealing with the redress methodology matter. |
| Agents and Valuers John Pye & Sons Ltd: providing a valuation and assisting with a sale of the company's business and assets | 7,500 | - | 5,960 | |
| ERA Specialists Clumber Consultancy Limited: assisting with employee matters generally and, where relevant, with agreeing the employee claims where a dividend is anticipated | 5,000 | 3,193 | 3,193 | |
| Accounting fees to include corporation tax returns, dealing with any profit on sale of assets, providing advice and calculating any termination loss claim, any VAT advice required, submitting PAYE/NIC returns | 2,500 | - | - | |
| Pension specialists: Clumber Consultancy Limited: dealing with pension companies and schemes. | 900 | 300 | 300 | |
| Advertising | 350 | 207 | 207 | |
| Bank charges | 1,000 | - | - | |
| Bonding | 475 | 475 | 475 | |
| Case management software and website document access | 185 | 185 | 185 | |
| Document Storage | 3,000 | 882.33 | 882 | |
| Grenada trip re PDCL (including subsistence and accommodation) | 4,300 | 2,169 | 2,169 | |
| HM Land Registry | 200 | - | 18 | |
| Insurance | 2,500 | 580 | 874 | |
| Mail redirection | 350 | 216 | 216 | |
| Printing and postage | 3,500 | 467 | 467 | |
| Travel | 250 | - | 61 | |
| Shredding | - | 56 | 56 | Is a nominal unanticipated cost of the administration |
| Category 2 expenses | | | | |
| Opus Business and Turnaround | 59,200 | 8,476 | 18,134 | |
| Mileage (own car usage) 45p per mile | 750 | - | - | |
| Leaf Technology | 1,000 | 340 | 340 | |

Information relating to Opus Restructuring LLP's Fees and Expenses

Explanation of Opus Restructuring LLP's charging and expense recovery policies

Time recording

Work undertaken on cases is recorded in 6-minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

| Staff | Charge out rates £ per hour |
|---|--------------------------------|
| Partner | 250-425 |
| Senior Manager/Director | 275-350 |
| Assistant Manager/Manager | 250-275 |
| Junior Administrator/Administrator/Senior Administrator | 100-225 |
| Cashier | 150 |
| Support staff | 100 |

| Staff | Charge out rates £ per hour |
|------------------------------|--------------------------------|
| Opus Business and Turnaround | 330 |

Expense recovery

Expenses are categorised as either Category 1 or Category 2.

Category 1 expenses will generally comprise of external parties which will include the supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is required and are identified as Category 2 expenses. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses include but are not limited to case advertising, invoiced travel, agents' costs and expenses, solicitors' fees and expenses, external room hire, bank charges, Insolv case management charge and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 expenses include elements of shared or allocated costs incurred by Opus and are recharged to the estate; they are not attributed to the estate by a third party invoice and they do not include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 expenses are photocopying, all business mileage (for cases commencing on or after 1 November 2011. Payment of Category 2 expenses require the approval of creditors.

Included in Category 2 expenses are costs incurred with associated parties. These include Forensic work undertaken by Opus Pear Tree Limited.

Examples of the current levels of Category 2 expenses recovered by Opus Restructuring LLP are as follows:

| | |
|---|--------------------------------------|
| Postage | The current royal mail postage rates |
| Business mileage per mile | £0.45 |
| Physical file set-up cost (per file) this is the actual cost of the stationery used for the setting up of the file* | £6.00 |

*The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

T F S LOANS LIMITED (IN ADMINISTRATION)

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS

| General Description | Includes |
|---|---|
| Administration (including statutory reporting) | |
| Statutory/advertising | Filing and advertising to meet statutory requirements Advertising in accordance with statutory requirements Bonding the case for the value of the assets |
| Document maintenance/file review/checklist | Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists |
| Bank account administration | Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments |
| Planning / review | Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case |
| Books and records / storage | Dealing with records in storage Sending case files to storage |
| Creditor reports | Preparing proposals |
| Creditors' decisions | Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Issuing notice of result of decision on Proposals |
| Investigations | |
| SIP 2 Review | Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions |
| Statutory reporting on conduct of director(s) | Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Assisting the Insolvency Service with its investigations |
| Realisation of Assets | |
| Sale of Business as a Going Concern | Instructing and liaising with agents Preparing an information memorandum Liaising with potential purchasers |

| General Description | Includes |
|---|--|
| | Assessment and review of offers received Negotiating with intended purchaser |
| Corporation tax refunds, cash at bank | Liaising with banks to recover cash at bank |
| Plant and machinery; office furniture and equipment | Arranging removal of office equipment Liaising with valuers, auctioneers and interested parties Reviewing asset listings Liaising with landlord |
| Leasehold Property | Vacating premises and facilitating remote working for staff Correspondence with landlord Reviewing lease documents Liaising with agents and owners/lessors Matters relating to leasehold |
| Leasing | Reviewing leasing documents Liaising with agents and owners/lessors |
| Insurance | Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers |
| Trading | |
| Management of operations | Analysing work in progress Liaising with suppliers Negotiating with ransom creditors Ensuring security of premises, computer system, equipment and stock Liaising with management and staff Site Supervision Preparing and authorising receipt vouchers Preparing and authorising payment vouchers Liaising with RPO and Job Centre Plus regarding redundancies Arranging new PAYE scheme with HMRC and submitting online payroll returns |
| Accounting for trading | Reviewing company's budgets and financial statements Preparing budgets Finalising trading profit or loss Trading strategy review Tax and VAT returns |
| Ongoing employee issues | Consultation with staff regarding redundancy and retention Review of staffing requirements for trading period Deciding on and making redundancies where necessary |
| Employee Matters | Liaising with pension scheme regarding pension contributions Liaising with accountants regarding payroll Updating employee records Discussions regarding employee incentivisation |
| Ongoing Trading Activities | Liaising with Fasanara and Solaris regarding loan books Correspondence with suppliers regarding services Liaising with Company's pre-appointment bank regarding access and services Dealing with Company post (inbound/outbound) Liaising with employees regarding complaints and enforcement Upkeep of IT and Company systems General trading administration and correspondence |

| General Description | Includes |
|--|--|
| Creditors (claims and distribution) | |
| Creditor communication | Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator |
| Dealing with proofs of debt ('POD') | Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend |
| Processing proofs of debt | Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD |
| Redress Methodology | Liaising with the FCA and internally regarding redress strategy Updating FAQs and responding to creditor queries. |
| Total | |

PROOF OF DEBT - GENERAL FORM**T F S Loans Limited (in Administration)****Date of Administration: 08 February 2022**

| | DETAILS OF CLAIM | |
|-----|--|---|
| 1. | Name of Creditor (if a company, its registered name) | |
| 2. | Address of Creditor (i.e. principal place of business) | |
| 3. | If the Creditor is a registered company: <ul style="list-style-type: none"> • For UK companies: its registered number • For other companies: the country or territory in which it is incorporated and the number if any under which it is registered • The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act | |
| 4. | Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25 | £ |
| 5. | If the total amount above includes outstanding uncapitalised interest, please state | YES (£) / NO |
| 6. | Particulars of how and when debt incurred | |
| 7. | Particulars of any security held, the value of the security, and the date it was given | |
| 8. | Details of any reservation of title in relation to goods to which the debt relates | |
| 9. | Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.] | |
| 10. | Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act | Category Amount(s) claimed as preferential £ |

| | | |
|-----|--|---|
| | 1986 | |
| 11. | If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information | Account No.: Account Name: Sort code: |

| | | |
|---|-----------------------|----------|
| | AUTHENTICATION | |
| Signature of Creditor or person authorised to act on his behalf | | |
| Name in BLOCK LETTERS | | |
| Date | | |
| If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor | | |
| Are you the sole member of the Creditor? | | YES / NO |