

AM03

Notice of administrator's proposals



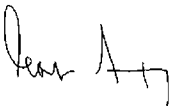
Companies House

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1	Company details	
Company number	0 7 5 5 1 5 2 4	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Greenlight Credit Ltd	
2	Administrator's name	
Full forename(s)	Martin C Armstrong FCCA FABRP	
Surname	FIPA	
3	Administrator's address	
Building name/number	Allen House	
Street	1 Westmead Road	
Post town	Sutton	
County/Region	Surrey	
Postcode	S M 1 4 L A	
Country		
4	Administrator's name ①	
Full forename(s)	Andrew	① Other administrator Use this section to tell us about another administrator.
Surname	Bailey	
5	Administrator's address ②	
Building name/number	Allen House	② Other administrator Use this section to tell us about another administrator.
Street	1 Westmead Road	
Post town	Sutton	
County/Region	Surrey	
Postcode	S M 1 4 L A	
Country		

AM03

Notice of Administrator’s Proposals

6		Statement of proposals		
		<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
7		Sign and date		
Administrator’s Signature	Signature		<div><div>✕</div><div></div><div>✕</div></div>	
Signature date	<div><div>d</div><div>2</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>0</div></div> <div><div>m</div><div>6</div></div>	<div><div>y</div><div>2</div></div> <div><div>y</div><div>0</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>2</div></div>

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Phil Cake
Company name	Turpin Barker Armstrong
Address	Allen House
	1 Westmead Road
Post town	Sutton
County/Region	Surrey
Postcode	S M 1 4 L A
Country	
DX	tba@turpinba.co.uk
Telephone	020 8661 7878



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Joint Administrators' Proposals relating to
Greenlight Credit Ltd t/a Varooma ("the Company") – In Administration**

Issued on: 28 June 2022

Delivered to creditors on: 28 June 2022



Andrew Bailey and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Company Information

Company name: Greenlight Credit Ltd
Previous name:
Trading name: Varooma
Company number: 07551524
Date of incorporation: 04/03/2011
Trading address: Abbey House, Wellington Way, Weybridge, Surrey, KT13 0TT
Current registered office: 5 Park Court, Pyrford Road, West Byfleet, Surrey, KT14 6SD
Former registered office: Airport House, Suite 43-45, Purley Way, Croydon, CR0 0XZ
Principal trading activity: Credit granting services

Appointment Details

Administrators Martin Charles Armstrong and Andrew Richard Bailey
Administrators' address Turpin Barker Armstrong 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD
Date of appointment 3 May, 2022
Court name and reference High Court of Justice
001233 of 2022
Appointment made by: The Directors
Actions of Administrators: Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company:

Directors:	Name:	Shareholding
	Joseph Clark	0
	Peter Rickenberg	0

Share capital

Authorised	Allotted, called up and fully paid
14,284 ordinary shares of £1 each	14,284 ordinary shares of £1 each



Held as follows:

Katherine Clark: 3,800 ordinary shares (26.60%)
Rebecca Lee: 3,800 ordinary shares (26.60%)
Lee Duncan: 550 ordinary shares (3.85 %)
Surrey Dragons Limited: 6,134 ordinary shares (42.95%)

Charges

Surrey Dragons Limited (company number 08211472) of 16 Great Queen Street, Covent Garden, London, WC2B 5AH, being the holder of the following fixed and floating charges over the company's property:

Debentures:

- dated 16 May 2018 and registered at Companies House on 16 May 2018 with charge code 075515240006;
- dated 23 March 2017 and registered at Companies House on 23 March 2017 with charge code 075515240005;
- dated 2 December 2016 and registered at Companies House on 7 December 2016 with charge code 075515240004;
- dated 30 August 2016 and registered at Companies House on 15 September 2016 with charge code 075515240003;
- dated 26 June 2014 and registered at Companies House on 10 July 2014 with charge code 075515240002; and
- dated 2 October 2012 and registered at Companies House on 10 October 2012.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

Creditors should note that, unless otherwise stated, this section of my proposals has been prepared based on information provided to me by the directors of the Company and not from my personal knowledge as Administrator.

The Company was incorporated on 4 March 2011 and commenced trading soon after. It traded from Abbey House, Wellington Way, Weybridge, Surrey, KT13 0TT, which it occupied as subject of a tenancy agreement of 7 April 2021 between the Company and Air Products Plc, at a rent of £6,594 per calendar month.

The principal activity of the Company has continued to be that of granting secured customer loans using the borrower's vehicle as collateral. It acted as a Logbook Loan Lender, and more recently a broker, enabling customers to borrow up to 70% of their vehicle's trade value. It is a consumer finance company which was originally licenced by the Office of Fair Trading for logbook lending. From 1 April 2014 the Company was authorised by the Financial Conduct Authority (FCA) Initially this was on an interim permission until March 2016 since when the Company has been authorised by the FCA.

The Company was incorporated with the main objective to build a fair, responsible, and ethical lender, serving creditworthy non-prime customers who would not fit standard credit scoring underwriting models.

Prospective customers were able to apply for a loan using the Company's website by inputting their vehicle registration number or by telephone. The maximum length of time money could be borrowed over was 36 months and the amounts borrowed were typically £500 to £50,000.

The Company banked with Metro Bank plc and had no credit facilities in place apart from a £50,000 Bounce Back Loan taken during 2020.

Initial start up funding was provided by a private loan of £100,000 by M Hirschl, an individual, who served a S123 Notice on 22 March 2022 for full repayment of the loan, and subsequently issued a statutory demand delivered to the Company on 25 March 2022.

Also in March 2022, two of the lenders of Surrey Dragons Limited issued notices for repayment of their loans, totalling £1.2 million with a 60 day deadline to respond, ending May 2022.

Prior to the Covid pandemic, the Company was lending circa £700,000 per month for periods of 6 to 36 months. It engaged a sales team and was spending circa £80,000 to £90,000 on Google Ads and other marketing. By using strong security of vehicle and bespoke IT, the Company maintained acceptable credit quality whilst offering competitive rates and delivering a high quality, efficient service. The business grew year on year and throughout 2019 the directors had been exploring options to diversify the lending platforms to accommodate other forms of consumer credit. With strategic planning, the directors believed that there would be significant growth to be achieved in some larger sectors of the market.

The Company employed twenty staff plus the directors however, the business has been severely affected by the Covid pandemic and in March 2020, during the first lockdown, Fintex Capital foreclosed on their facility which was structured into a twelve month repayment schedule.

During this time the Company's regulatory authority, the Financial Conduct Authority, ("FCA"), began an industry review of the High Cost Credit Sector which led to communications with the Company as a result of a number of concerns being identified with the Company's approach to Covid forbearance, creditworthiness and poor customer outcomes which was fed back to the Company via letter. As a result, the Company took a strategic decision to stop lending in June 2021 in order to undertake a full review of the Company's activities both historically and for the future.

Sales staff were placed on furlough under the Government's job retention scheme and then made redundant when the scheme ended. The Company retained five staff who dealt with collections and repossession of vehicles.

A summary of the Company's recent trading performance is shown below.

	Mgmt Accts 1.12.20 - 30.11.21 £	Audited Accts 1.12.19- 30.11.20 £	Audited Accts 1.12.18 - 30.11.19 £
Turnover	7,126,052	12,086,074	16,509,797
Cost of Sales	(5,988,389)	(9,181,741)	(11,177,813)
Gross Profit	1,137,663	2,904,333	5,331,984
Gross Profit %	16%	24%	32%
Admin Exp	(1,379,661)	(2,424,434)	(3,360,411)
Other Income	101,597	169,037	0



Interest	(1,140,865)	(1,608,801)	(1,608,177)
Taxation	239,959	174,045	(46,006)
Net Profit/(Loss) after tax	(1,041,307)	(782,820)	317,390
	==	==	==

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

The Covid pandemic severely affected the Company as it was unable to meet and greet with its customers via its network of agents across the country, because of the lockdowns. Due to a combination of factors, including consideration of FCA's Covid forbearance feedback, the Company ceased offering new loans from June 2021. This resulted in a significant reduction of monthly income from interest for the Company and thereby causing an adverse effect on its ability to service overheads and finance costs.

In the last three years, , the Company's cost of generating new business has increased significantly, leading to a marked reduction in the customer conversion rate from 1 on 10 to 1 in 25 with a potential of being 1 in 50 if new lending had recommenced.

Post pandemic, the Company's financial position declined due to a combination of factors, Ceasing to grant new loans reduced profitability and was ultimately detrimental to the Company's cashflow and ability to pay liabilities as they fell due.

On 20 December 2021 Turpin Barker Armstrong were engaged by the board of directors and instructed to advise and conduct an Independent Business Review ("IBR") on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, Turpin Barker Armstrong was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

The IBR was completed on 5 April 2022. Based on the Company's financial position, it could not continue trading without raising further funding to support it. It was not feasible that the Company could obtain any further loans from Surrey Dragons Limited ("Surrey Dragons") or any other party, given the financial position of the Company.

Pursuant to S176A of the Insolvency Act 1986, see details below, the Company's book debts fall under the floating charge portion of the Surrey Dragons Limited fixed and floating charge. If a high percentage of the Book debts were successfully collected, it would have enabled the creation of a prescribed part sufficient to repay unsecured creditors in full. However, the quantum of unsecured creditors' claims has the potential to rise by virtue of any redress claims arising. Furthermore, the book debts were not all considered recoverable.

The Company's cashflow forecasts showed it would be unable to repay both the £100,000 loan (relating to the statutory demand from M Hirschl) and the next tranche of interest payable to Surrey Dragons in respect of its secured loans. Accordingly, those forecasts showed the Company would become insolvent on a cash flow basis.

Various options for the Company were considered as follows including a potential liquidation. It was concluded that a liquidation of the Company would be detrimental to the Company's creditors as it would not maximise the realisation of the Company's debt ledger. The continuation of the Company's trading (without any new lending) was identified as the method of maximising the debt collections. This would require the ongoing employment of the Company's staff to manage the customer accounts

A liquidation based on an assignment of the Company's debt ledger was considered, however, as any liabilities for customer redress claims would transfer to the assignee, it was concluded that an assignment would give rise to minimal (if any) net realisation for the Company's creditors.

The Administration process provides protection from any potential legal proceedings using the moratorium procedure, and the Company could be traded by the administrators to either seek a purchaser for the business or to allow the log book loan debts to continue to be collected and repaid to creditors. Identifying a purchaser is unlikely due to the state of the High Cost Credit market, and any purchaser is likely to significantly impair the log book loan debtor to just a few pence in the pound. Consequently, an Administration allowing the log book loan debtor to be collected by existing staff with their skills and experience to date is likely to lead to a higher recovery than via a Liquidation, and will therefore ultimately provide a better result for creditors.

As required by the Insolvency Code of Ethics, Andrew Bailey and I have not identified any matters which can be considered a threat to our objectivity and hence we could be appointed Administrators of the Company.

On 3 May 2022, Andrew Bailey and I were appointed by Joseph Clark and Peter Rickenberg as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrators of the Company, Andrew Bailey and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could be achieved as no purchaser could be found for the Company's shares and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve objective (b) for the Company, and will do this by continuing to trade the Company's debt collection operations to achieve an orderly wind down of the business and maximise collections of the Company's debt ledger. This will continue for so long as is justified by the rate of collections net of trading costs. We will then investigate alternative means of realising the residual book of debts including a potential assignment thereof. We anticipate that debt collections will enable the payment of a dividend to unsecured creditors through the prescribed part.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or seek a decision from the creditors to extend the duration of the Administration.

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

Since I was appointed Administrator I have undertaken the work detailed below. I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company.

- Trading of the Company

Whilst I have continued to trade the Company, that trading is solely for the purposes of an orderly wind-down and the maximisation of debt collections. The Company is no longer issuing any new loans. The main activities undertaken in relation to this trading have been.

- FCA

- Communications with FCA

We have been in regular correspondence with the FCA relating to the Company's affairs

This has included a review of and update to the Company's policies, especially those relating to complaints, arrears and repossession. We engaged Katten Muchin Rosenman Solicitors, ("Katten"), to review the Company's existing policies for compliance with FCA rules, guidelines and principles and to identify any required amendments.

As the Company remains FCA regulated, it continues to be subject to regulatory oversight.

In addition to the ongoing correspondence with the FCA, we have held weekly update meetings with the FCA since appointment. It is anticipated that the frequency of these meetings will reduce to fortnightly from mid-July 2022.

- Information to customers

The Company remains regulated and authorised and therefore continues to be subject to FCA rules and guidance including treating customers fairly. In doing so we have undertaken significant updates to the Company's website to ensure a clear message and provided FAQs to customers.

- Redress

A redress policy for customers past and present where they may have claims against the Company is being developed. Typically, these claims would arise if there has been mis selling of loans or unaffordable lending. We have undertaken a tender process starting with 4 firms with a view to identifying the most suitable and cost-effective firm to engage for this process.

- Banking

Ordinarily a company's bank account is frozen and then closed once it is placed into Administration. The Company's customers typically repay their loans via Continuous Payment Authority, ("CPA"), via their debt card to the Company's bank. Some payments are also made by direct account transfer. Accordingly, had the Company's bankers, (Metro), closed the bank account, the ongoing collection of book debts would have immediately ceased. We have been in correspondence with the bank to ensure this did not occur. Additionally, we have ensured the Company's staff continue to have sight of the bank statements so the receipts can be allocated to the customer's accounts.

- Staff management

Ongoing liaison with the staff has been required to maximise collection of debts. This has required correspondence regarding policies and in particular those which fell short of what is expected of a regulated firm. We have continued the Company's payroll and pension contributions for the 4 retained employees. The Company payroll provider, (Ledger Sparkes), and the pension scheme administrators, (QI Financial Planning Ltd), have both been retained for the continuation of their services. Additionally, the Company has 3 further staff who operate as contractors who have been retained for the continuation of those services.

- Financial Ombudsman Service ("FOS")

We have liaised with the FOS in relation to the handling of customer complaints.

- Customer liaison
The appointment of an Administrator had the potential of causing significant confusion to customers. This has necessitated the production of updates to both current and past customers in order to treat customers fairly. Furthermore, since it is possible these current and former customers may be creditors, we are required to give them notice of the Administration under the Insolvency Act 1986, We have liaised with the FCA in relation to the content of those messages.
- Suppliers
The Company had a number of suppliers whose ongoing service provision was required for the continuation of trading. We have liaised with these suppliers to ensure there was no interruption to service.
- Media enquiries
Due to the anticipated media interest in the Administration of a high cost lender to consumers, we engaged a specialist PR agency, (Citigate Dewe Rogerson), to prepare a press statement and deal with all press enquires.
- Electronic records
The Company maintains a bespoke, cloud based debt management system. Additionally, customer phone calls are recorded and stored on the cloud. We engaged an IT consultancy, Sircles, to clone all electronic records as at the date of Administration and thereby ensure we had a complete back-up. The Company's IT systems administrator is one of the payroll members of staff who has been retained.

In addition to the above, I have undertaken routine statutory and compliance work set out at Appendix 6. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

5. FINANCIAL POSITION OF THE COMPANY

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 3 May, 2022 from the records of the Company. I attach a copy of the estimate at Appendix 3, together with a list of names and addresses of all known creditors and the amounts of their debts. At the foot of Appendix 3, I have included notes on the assumptions made.

5.1. Log Book Loan Debtors

On the basis of current information, insufficient money will be received from book debts to allow the debt of Surrey Dragons to be paid in full.

The £846,272 realisable value given to book debts has been estimated based on the current rate of collections (net of trading costs), combined with the anticipate rate of drop off with respect to monthly future collections as shown in Appendix 2b. This figure also includes an estimated £100,000 in respect of the assignment of the residual debtor ledger once it is no longer cost effective to continue collections operations. Any such assignment assumes that following the implementation of the Redress review, the residual debts can be assigned to a 3rd party without prospect of any attached liability for further redress. There is a significant difference between this £846,272 estimated realisable value and the £22,881,396 book value. This is because the book value includes a significant sum relating to default interest and charges in excess of the value of the vehicle security. Since those loans are already in default, there appears little realistic prospect of the customers paying all sums due.

5.2. Preferential creditors

The only known ordinary preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. These staff have been retained and therefore they have no unpaid wages and their holiday entitlements will be honoured. Accordingly, no preferential claims are expected.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. We anticipate that Crown setoff will be applied to the Corporation Tax refund which will clear all arrears of PAYE and VAT

5.3. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000

The Company gave a floating charge to Surrey Dragons on 10 October 2012 and the prescribed part provisions will apply. The Administrators' estimate of the financial position of the Company shows that the net property of the Company is £1,234,524, and I estimate that the prescribed part of the net property for unsecured creditors is £249,905. However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property. Even after taking into account the costs of the Administration I still envisage being able to make a distribution of the prescribed part of the net property to the unsecured creditors, but I am unable to estimate the amount of that distribution at present.

6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach at Appendix 1, a receipts and payments account covering the period since the date the Company entered into Administration, which I have reconciled to the financial records that I am required to

maintain. All amounts are shown net of VAT. The receipts represent the assets realised to date, as detailed above.

Further realisations of assets have been achieved to date in the Company's Metro bank account and which have not yet been transferred to the Administrators' estate account. Therefore these sums are not shown in the attached receipts and payments account. A summary of the receipts and payments account for the Metro account for the period 3/5/22 to 31/5/22 is attached at Appendix 1c)

The only significant payments made to date are those relating to the payroll of the Company's employees and contractors.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to continue to trade the Company's debt collection operations to achieve an orderly wind-down of the Company's affairs. The cost of ongoing trading will be paid from ongoing debt collections and is therefore expected to be self funding. The Joint Administrators will trade the Company's business with the assistance of the Company's former Managing Director, Joseph Clark. Joseph Clark was made redundant by the Company just prior to the Administration and has now been retained as a contractor.

The Company had three employees at the date of Administration who have been retained in their original roles to deal with customer service and one further employee who dealt with the IT systems. Two further members of staff were engaged as contractors to deal with i) complaints and ii) administration associated with the closure of loan accounts. These members of staff have also been retained as contractors.

The Administrators will continue to liaise with the FCA as the Company remains regulated. This will involve the preparation and implementation of a redress policy in respect of customers who it is found have claims against the Company in respect of inter alia unaffordable loans. At this stage it is unclear how many customers may have claims against the Company and the quantum of those claims. If there are a significant number of redress claims against the Company, the funds available to unsecured creditors under the prescribed part may become so dilute that the Administrators make an application to disapply the prescribed part pursuant to Insolvency Act 1986 S176A)3b.

Conclusion

As Administrator of the Company, I consider that the proposed ongoing trading of the Company's debt collection operations will enable me to achieve the objective of the Administration as it achieves a better result for the creditors as a whole than would be likely if the Company had been placed into Liquidation without first being in Administration, as I have indicated above. I can also confirm that the proposed trading will achieve the best available outcome for creditors of the Company as a whole in all the circumstances of the case.

Based on current known information about the Company's financial position, and after taking into account the anticipated office holders' fees and expenses, I think that it is likely that any preferential creditors and any secondary preferential creditors will be paid in full, as shown by the enclosed estimated outcome statement at Appendix 2.

I also think that it is likely that a distribution of the prescribed part will be made to unsecured creditors, as shown by the enclosed estimated outcome statement at Appendix 2.

8. ADMINISTRATORS' REMUNERATION AND EXPENSES

I attach a copy of my practice fee recovery policy at Appendix 5. In this case I am seeking to fix the basis of my remuneration on a time cost basis.

Time costs:



Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis I have to provide a fees estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. I attach at Appendix 4a), a "Fees estimate summary" that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate. In summary, I am seeking to be remunerated on a time cost in respect of the work my staff and I undertake in respect of the following categories of work.

Administration: This represents the work that my staff and I have to undertake in respect of the routine administrative functions of the case, including preparing, reviewing and issuing statutory reports. It also includes my control and supervision of the work done by my staff on the case (together with the supervisory functions of my managers). Such work does not give direct financial benefit to the creditors, but I have to undertake it in order to meet my obligations under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that I must follow.

Realisation of assets: This represents the work I will undertake to protect and then realise the Company's assets. It also includes work in connection with supervising any professional advisors that I intend to instruct to assist me in realising the Company's assets. More details about those professional advisors is set out below.) If the Company's assets are recovered, I will first use the proceeds to meet the costs and expenses of the case and then distribute any balance to the creditors in the statutory order of priority.

Creditors:

Employees - I need to deal with the ex-employees of the Company in order to ensure that their claims are processed appropriately by the Redundancy Payments Service (RPS). That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. I am required to undertake this work as part of my statutory functions.

Claims of creditors – I need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of my management of the case, and to ensure that I have accurate information about who to send notices and reports to. I will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. I am required to undertake this work as part of my statutory functions.

Dividends – I have to undertake certain statutory formalities in order that I can pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

Investigations: The insolvency legislation gives me powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. I am required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

If I identify potential recoveries, or matters for further investigation, then I will need to undertake additional work to investigate them in detail and attempt recovery where necessary. I cannot fix the basis of my remuneration for dealing with such unknown or uncertain assets at present, and if such assets are identified I will seek approval for an appropriate fee basis.

I am also required by legislation to report to the Secretary of State on the conduct of the directors. I have to undertake this work to enable me to comply with this statutory obligation, which is of no direct benefit to the creditors, although it may identify potential recovery actions.

Trading: I have decided to trade the business of the Company in order to achieve an orderly wind-down of the Company's affairs and to maximise collections from the debt ledger in order to maximise the recoveries on behalf of creditors. The tasks undertaken are required to be undertaken in order to enable me to monitor and control the trading of the business, and to undertake statutory functions that are required to be undertaken when running any business. Additionally, very significant amounts of time are likely to arise regarding the Company's ongoing compliance and the proposed redress policy. The Company remains regulated through the administration and therefore subject to compliance with the rules, guidance and principles related to the Company's regulated activities for which it continues to hold permission.

More details of the tasks included in these categories are included in the fees estimate. I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £365,659.50 at a "blended" rate of £313.09 per hour.

To date a total of 199.5 hours have been spent undertaking tasks in respect of these categories of work, and total time costs to date are £75,990.50 charged at an average charge out rate of £361.44. Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed. I also attach at Appendix 4b) an analysis of time costs incurred to date by reference to grade of staff and tasks undertaken by reference to the different categories of work.

This fees estimate has been provided to creditors at an early stage in my administration of the case and before I have full knowledge of the case. While all possible steps have been taken to make this estimate as accurate as possible, it is based on my current knowledge of the case and my knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the fees estimate does not take into account any currently unknown complexities or difficulties that may arise during my administration of the case.)

If my time costs incurred on the case exceed the estimate, or are likely to exceed the estimate, I will provide an explanation as to why that is the case in the next progress report I send to creditors. Since I cannot draw remuneration in excess of my fees estimate without first obtaining approval to do so, then where I consider it appropriate in the context of the case, I will seek a resolution to increase the fee estimate so that I will then be able to draw additional remuneration over and above this fees estimate.

I only anticipate needing to seek approval to draw fees in excess of the estimate if any currently unknown complexities or difficulties arise during my administration of the case; or if my initial investigations identify further areas of investigation, potential further asset recoveries and any associated recovery actions; or if the realisation of assets gives rise to the need to participate in arbitration or legal proceedings; or if the trading of the Company's collections operations becomes more complex in nature or longer in duration than currently anticipated.

Based on the value of the known assets of the Company I anticipate being able to draw my fees estimate in full.

The following sub-contractors have undertaken work on this case to date:

Sub-contractor	Nature of Work	Fee Arrangement
QI Financial Planning Ltd	Administration of the Company's ongoing pension contributions	£25 per month

The choice of sub-contractors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold

appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.

I intend to sub-contract some of the work I am required to undertake as office holder, namely dealing with the Company's pension. I intend to sub-contract this work because the Company had an existing provider whose quote was significantly cheaper than doing it in house and the sub-contractor is a specialist at such work.

This work will be sub-contracted to an unconnected third-party organisation who will be paid a fixed fee of £25 per month for undertaking this work.

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

The following professional advisors have undertaken work on this case to date:

Professional Advisor	Nature of Work	Fee Arrangement
Katten Muchin Rosenman	Legal advice- general advice and re FCA compliance	Time costs
Citigate Dewe Rogerson	PR agency- media enquiries	Time costs
Sircles	IT contractor – backup of records	Time costs

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.)

I anticipate instructing the following professional advisors to undertake work on this case to date:

Professional Advisor	Nature of Work	Fee Arrangement
Katten Muchin Rosenman	Legal advice	Time costs
Square4 Limited	Conducting review of lending and drafting redress policy	Fixed fee
To Be Confirmed	Preparation of Corporation Tax returns	Fixed fee

My choice of professional advisors is based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I have also confirmed that they hold appropriate regulatory authorisations and will ensure that the basis on which they will charge their fees represents value for money.)

My category 1 expenses incurred to date amount to £32,188.30 in total, and are made up as follows:

Nature of category 1 expense	Amount incurred/ accrued to date £	Amount still to be paid £
Citigate Dewe Rogerson	£462.50	£462.50
Katten Muchin Rosenman	£28,897.00	£28,879.00
Sircles	£950.00	£950.00
Bonding	£750.00	£750.00
Gazette	£90.80	£90.80
Post redirection	£1,038.00	£0.00

I have paid category 1 expenses of £1,038.00 to date, as indicated in the receipts and payments account attached.

I anticipate that category 1 expenses totalling £95,570 will arise in this case, as detailed in Appendix 8. I am able to pay expenses without needing to obtain approval, but when I issue statutory reports I will compare the actual expenses incurred with the original estimate provided and will explain any material differences.

I have already commented in this report about the likelihood of a return being made to each class of creditor of the Company, but also attach at Appendix 2 an estimated outcome statement. This sets out in numerical form the anticipated realisations that will be made, based on the estimated value of the Company's assets as detailed earlier in my report, together with the estimated payments to be made, based on my proposed remuneration and estimated expenses as detailed above. While every effort has been taken to make this as accurate as possible, creditors will appreciate that it will be affected by any differences between the amounts actually realised compared with the estimated value of assets, and by any differences between actual expenses incurred and those included in my estimate.

I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors (other than by way of the prescribed part of the net property).

As a result, it will be for the chargeholder to approve my remuneration.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.turpinbainsolvency.co.uk/fees-and-links. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 5.

9. PRE-ADMINISTRATION COSTS

The Board of Directors instructed me to assist them in placing the Company in Administration on 27 April 2022. They agreed that I should be paid my pre-administration costs on a time cost basis estimated at £40,000. I attach at Appendix 4c) a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm.

In addition to my own time costs, the following expenses were incurred.

Katten Muchin Rosenman legal fees on a time costs basis totalling £31,729.50. These fees relating to advice on the proposed Administration and preparing and filing the papers to effect the appointment. Katten were chosen due to their expertise in the insolvency field combined with their expertise in the Financial Services Sector.

I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following statement sets out my pre-administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Paid pre-appointment £	To be paid £
Administrators' pre-appointment remuneration	0.00	49,346.50
Legal fees	0.00	31,729.50
Total	0.00	81,076.00

As I have already indicated, I am not seeking a decision from the creditors approving my proposals. As a result, it will be for the chargeholder to approve the pre-administration costs.

Katten Muchin Rosenman undertook the necessary legal formalities to put the company into Administration. Their costs for providing that work were £31,729.50. This amount will be paid as an expense of the Administration without needing to obtain the approval of creditors.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EU REGULATION ON INSOLVENCY PROCEEDINGS

I consider that these are "COMI proceedings" since the Company's registered office and its trading address are in the United Kingdom, such that its centre of main interest is in the United Kingdom.

12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, Andrew Bailey and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) Continue to trade the Company's business in relation to its debt collection operations, (but not in relation to new lending to customers).
 - (ii) realise the Company's assets at such time(s) on such terms as we consider appropriate;
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals

The Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.

Alternatively, the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company and propose that Martin C Armstrong and Andrew Bailey are appointed Joint Liquidators of the Company by the Court.

Please note, these two exit routes from the Administration are alternatives and the Company will exit Administration by only one of these routes.

13. APPROVAL OF PROPOSALS

The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to non-preferential unsecured creditors other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

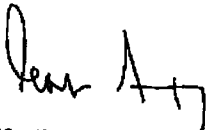
However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong, including about our complaints policy and Professional Indemnity Insurance, can be found at www.turpinbainsolvency.co.uk/fees-and-links.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Phil Cake on 0208 661 7878 or by email phil.cake@turpinba.co.uk or post to 5 Park Court, Pyrford Road, West Byfleet, Surrey.



**Martin C Armstrong FCCA FABRP FIPA
JOINT ADMINISTRATOR**

The Joint Administrators are agents of the Company and act without personal liability.

Index of Appendices

- 1) Receipts and payment accounts
 - a. Administrators' Receipts and payments account
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- 5) Practice Fee Recovery Policy
- 6) Summary of routine tasks undertaken by Administrators
- 7) Details of work to be undertaken in the Administration
- 8) Estimate of expenses to be incurred in the Administration

Greenlight Credit Ltd Trading As: Varooma
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 03/05/2022 To 21/06/2022 £	From 03/05/2022 To 21/06/2022 £
ASSET REALISATIONS		
Cash at Bank	100,000.00	100,000.00
Trading Surplus/(Deficit)	(35,659.44)	(35,659.44)
	64,340.56	64,340.56
COST OF ADMINISTRATION		
Redirection of Post	1,038.00	1,038.00
	(1,038.00)	(1,038.00)
UNSECURED CREDITORS		
NIL Directors	NIL	NIL
NIL Trade & Expense Creditors	NIL	NIL
	NIL	NIL
	63,302.56	63,302.56
REPRESENTED BY		
Bank - non-interest bearing		61,331.63
Input VAT		1,970.93
		63,302.56

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT

**Greenlight Credit Ltd Trading As: Varooma
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 03/05/2022 To 21/06/2022 £	From 03/05/2022 To 21/06/2022 £
TRADING EXPENDITURE		
Wages & Salaries	14,459.45	14,459.45
Consultancy Fees	9,815.33	9,815.33
Suppliers - postal	607.91	607.91
Suppliers - vehicle uplift and transport	10,776.75	10,776.75
	(35,659.44)	(35,659.44)
TRADING SURPLUS/(DEFICIT)	(35,659.44)	(35,659.44)

Greenlight Credit Ltd - in administration**APPENDIX 1c****Summary receipts and payments account for the Company's trading Metro Account
(Funds not yet shown in Administrators' main receipts and payments account)****Period 3/5/22 to 31/5/22**

Receipts	£
Debt collections	141,978.96
Cash brought forward	174,144.45
total Receipts	<hr/> 316,123.41
Payments	
Transfers to estate account	100,000.00
Repayment of Bounce back loan	42,155.45
Total payments	<hr/> 142,155.45
Net funds held	173,967.96

Greenlight Credit Ltd - in administration
Draft Estimated Outcome Statement ("EOS")
prepared 21st June 2022

Appendix 2a)

	Note	Administration £	Liquidation £
Assets subject to fixed charge			
None		0	0
Assets subject to floating charge			
HMRC (CT refund)	3	269,729	269,729
Book debt collections (net of trading costs)	1	746,272	-
Other debtors		-	-
Cash at bank	10	174,144	174,144
Director's loan account	9	124,702	124,702
Assignment of residual debt ledger	4	100,000	30,000
Total forecast realisations		1,414,847	598,575
Officeholders fees - pre appointment	8	49,347	15,000
Officeholders expenses - pre appointment	8	31,730	-
Officeholders' forecast fees	8	365,660	135,000
Forecast officeholder's expenses	2, 8	95,570	45,260
Total cost of insolvency process		542,305	195,260
Funds available to preferential creditors		872,542	403,315
less preferential creditors' claims	5	0	0
less secondary preferential creditors			
HMRC PAYE	3	177,730	177,730
HMRC VAT	3	2,593	2,593
Total secondary preferential creditors		180,323	180,323
Surplus available for floating charge creditor		692,219	222,992
less prescribed part		(141,444)	(47,598)
Funds available to secured creditor		550,775	175,393
Surrey Dragons Ltd		(9,103,642)	(9,103,642)
Est recovery rate for secured creditor		6%	2%
Surplus / (shortfall) as regards secured creditor		(8,552,868)	(8,928,249)
Funds available to unsecured creditors			
Prescribed part brought down		141,444	47,598
unsecured creditors			
Employee claims (redundancy & Notice)	6	13,704	13,704
Trade and expense creditors		319,712	319,712
Customers (redress claims)	7	1,469,857	1,469,857
Metro Bank (bounceback loan)	10	43,788	43,788
Total unsecured creditors		1,847,061	1,847,061
Forecast dividend to unsecured creditors		7.66%	2.58%

Notes

- 1 see separate forecast - shown net of trading expenses
- 2 See separate forecast of expenses
- 3 assumed HMRC will apply Crown set-off. This will have no net effect to the return to other creditors.
- 4 Assumed assignment of residual ledger (less any redress claims) when collection is no longer cost effective
- 5 Believed none
- 6 Estimated - data not yet available
- 7 Estimate - assumes 1,000 successful redress claims with an average claim value of £1,469
- 8 VAT assumed to be recoverable in full (partial VAT exemption registration)
- 9 Subject to review
- 10 Metro Bank has unilaterally repaid loan from funds held. Their legal authority to do so will be reviewed

Greenlight Credit Ltd - In administration
draft EOS Forecast trading income / expenditure

Appendix 2b)

	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	total
Debt collections - ordinary	£	£	£	£	£	£	£	£	£	£	£	£	
Sale of repossessed vehicles	140,592	126,533	113,880	102,492	92,242	83,018	74,716	67,245	60,520	54,468	49,021	44,119	1,008,847
Total collections	52,000	25,000	25,000	25,000	25,000	15,000	15,000	15,000	10,000	10,000	10,000	10,000	237,000
	192,592	151,533	138,880	127,492	117,242	98,018	89,716	82,245	70,520	64,468	59,021	54,119	1,245,847
cost of trading													
4x Payroll staff (gross)	15,431	15,431	15,431	15,431	15,431	15,431	15,431	15,431	15,431	15,431	15,431	15,431	185,169
Contract staff	9,815	9,815	9,815	9,815	9,815	9,815	9,815	9,815	9,815	9,815	9,815	9,815	117,784
Payroll agent	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Pension agent	25	25	25	25	25	25	25	25	25	25	25	25	300
total cost of staffing	35,386	35,386	35,386	35,386	35,386	35,386	35,386	35,386	35,386	35,386	35,386	35,386	424,637
Other trading expenses													
Uplift of vehicles	12,626	2,500	2,500	2,500	2,500	1,500	1,500	1,500	1,000	1,000	1,000	1,000	31,126
Vehicle auction costs	2,600	1,250	1,250	1,250	1,250	750	750	750	500	500	500	500	11,850
Vehicle leasing	849	849	849	849	849	849	849	849	849	849	849	849	10,188
Motor repairs	250	250	250	250	250	250	250	250	250	250	250	250	3,000
CPA Fees	669	602	542	488	439	395	356	320	288	259	233	210	4,801
Text messages	682	682	682	682	682	682	682	682	682	682	682	682	8,184
Phone lines	50	50	50	50	50	50	50	50	50	50	50	50	600
Post	480	210	210	210	210	210	210	210	210	210	210	210	2,790
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Total misc trading expenses	18,406	6,593	6,533	6,479	6,430	4,886	4,846	4,811	4,029	4,000	3,974	3,951	74,938
Net trading revenues	138,800	109,553	96,960	85,627	75,426	57,746	49,483	42,047	31,105	25,082	19,661	14,782	746,272

Greenlight Credit Ltd
Estimated Financial Position of the Company as at 3 May 2022

Appendix 3

	Book value £	estimated to realise £
Assets subject to fixed charge		
None	0	0
Assets subject to floating charge		
HMRC (CT refund)	3 269,729	269,729
Book debts	1 22,881,396	846,272
Other debtors (intercompany)	2 1,000,000	-
Cash at bank	174,144	174,144
Director's loan account	5 124,702	124,702
Total forecast realisations	24,449,971	1,414,847
less preferential creditors' claims		0
less secondary preferential creditors		
HMRC PAYE	3	177,730
HMRC VAT	3	2,593
Total secondary preferential creditors		180,323
Surplus available for floating charge creditor		1,234,523.94
less prescribed part		(249,905)
Funds available to secured creditor		984,619
Surrey Dragons Ltd		(9,103,642)
Surplus / (shortfall) as regards secured creditor		(8,119,023)
Funds available to unsecured creditors		
Prescribed part brought down		249,905
unsecured creditors		
Employee claims (redundancy & Notice)	6	13,704
Trade and expense creditors		319,712
Customers (redress claims)	7	uncertain
Metro Bank (bounceback loan)	4	43,788
Total unsecured creditors		377,204
shortfall as regards unsecured creditors		(127,299)
members		
share capital		14,284
shortfall as regards members		(141,583)

Notes

- 1 Estimated to realise value written down to forecast collections
- 2 Loan payable by connected company, (Sallowlive Ltd) which we understand to be insolvent
- 3 assumed HMRC will apply Crown set-off. This will have no net effect to the return to other creditors.
- 4 Metro have repaid this loan from funds in the Company' account. Their right to do so will be reviewed
- 5 subject to review
- 6 Estimated - data not yet available
- 7 Potential liabilities arising in relation to redress claims

Turpin Barker Armstrong
Greenlight Credit Ltd Trading As: Varooma
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
C400	4Tel Communications Ltd Waterside Court Falmouth Road Penryn TR10 8AW	35.82	0.00	35.82
ET00	All Employees Estimate	13,704.00	0.00	13,704.00
CB01	BKL 35 Ballards Lane London N3 1XW	600.00	0.00	600.00
CB00	British Car Auctions Headway House Crosby Way Farnham Surrey GU9 7XG	76.80	0.00	76.80
CC01	Call Credit (Transunion) One Park Lane Leeds LS3 1EP	47,791.20	0.00	47,791.20
CC00	Calcare Twenty One Knightsbridge SW1X 7LY	302.16	0.00	302.16
CC02	CCTA Spring Mill Main St Wilsden Bradford BD15 0DX	3,077.00	0.00	3,077.00
CC03	CIFAS 6th Floor, Lynton House 7-12 Tavistock Square London WC1H 9LT	10,800.00	0.00	10,800.00
CE00	Eden Unit B 3 Livingstone Boulevard Hamilton International Technology Park Blantyre G72 0BP	66.48	0.00	66.48
CF00	Fasset/Air Products Peat House 1 Waterloo Way Leicester LE1 6LP	79,285.00	0.00	79,285.00
CF01	FOS Exchange Tower London E14 9SR	51,850.00	0.00	51,850.00
CG00	GCMi Lindsey House 1 Station Rd Addlestone KT15 2AL	2,649.00	0.00	2,649.00

Turpin Barker Armstrong
Greenlight Credit Ltd Trading As: Varooma
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CH00	HM Revenue & Customs Enforcement & Insolvency Service Ty Glas Llanishen Cardiff CF14 5ZP	177,730.00	0.00	177,730.00
CH01	HM Revenue & Customs Debt Management - EIS C BX9 1SH	2,593.00	0.00	2,593.00
CH02	HPI Capitol House Bond Court Leeds LS1 5EZ	97,501.71	0.00	97,501.71
CH03	Hybrid Mail Lisnaskea Business Complex Lisnaskea Co Fermanagh BT92 0PE	239.05	0.00	239.05
CI00	Intrado Cloud Solutions Ltd Solutions House Meridian East Leicester LE19 1TP	6,217.46	0.00	6,217.46
CL00	Ledgersparks Airport House Suite 43-45 Purley Way Croydon CR0 0XZ	12,589.00	0.00	12,589.00
CL01	London House Services 35 Rodney Road Cheltenham GL50 1HX	16,151.90	0.00	16,151.90
CM00	Message4U White Collar Factory 1 Old Street Yard London EC1Y 8AF	819.00	0.00	819.00
CM01	Metro Bank One Southampton Row London WC1B 5HA	43,788.00	0.00	43,788.00
CO00	Oyster Bay Caernarvon House Charter Court Enterprise Park Swansea SA7 9FS	889.88	0.00	889.88
CQ00	QI Financial Planning Parkshot House 5 Kew Road Richmond TW9 2PR	126.00	0.00	126.00

Turpin Barker Armstrong
Greenlight Credit Ltd Trading As: Varooma
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CS01	SAGE The Shard 32 London Bridge Street London SE19SG	702.00	0.00	702.00
CA00	Sarah Andrews by email s.andrews@ymail.com	800.00	0.00	800.00
CS00	Surrey Dragons Limited 16 Great Queen Street Covent Garden London WC2B 5AH	9,103,642.00	0.00	9,103,642.00
CT00	Trivoni Software City View House 5 Union Street Ardwick Green M12 4JD	847.38	0.00	847.38
27 Entries Totalling		9,674,873.84	0.00	9,674,873.84

FEES ESTIMATE SUMMARY

Greenlight Credit Ltd - in Administration

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

The hourly charge out rates that will be used on this case are: £

Partner – appointment taker	645.00
Senior Manager	370.00
Manager	-
Supervisor/Senior Administrator	310.00
Case Administrator	-
Cashier	100.00
Support staff	40.00

ADMINISTRATION

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
--------------------------------------------------------------------	--------------------------------------------------	-----------------------------------------------------------	-------------------------------------------------

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	11.00	5,050.00	
Setting up physical/electronic case files (as applicable).	8.00	1,580.00	
Setting up the case on the practice's electronic case management system and entering data.	7.50	1,260.00	
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).	16.00	5,990.00	
Obtaining a specific penalty bond.	2.20	711.50	
Seeking decisions from creditors and members (as applicable).	3.00	1,660.00	
Dealing with all routine correspondence and emails relating to the case.	38.00	13,420.00	
Opening, maintaining and managing the office holder's estate bank account (delete if not applicable).	4.00	1,202.50	
Creating, maintaining and managing the office holder's cashbook.	1.50	150.00	
Undertaking regular bank reconciliations of the bank account containing estate funds.	12.20	1,329.00	
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	2.20	869.00	
Undertaking periodic reviews of the progress of the case.	17.50	6,107.50	
Overseeing and controlling the work done on the case by case administrators.	10.00	3,400.00	
Preparing, reviewing and issuing annual progress reports to creditors and members (as applicable).	25.50	8,857.50	
Filing returns at Companies House and/or Court (as applicable).	7.80	2,266.00	
Preparing and filing VAT returns (delete if not applicable).	4.50	1,095.00	
Preparing and filing Corporation Tax returns (delete if not applicable).	2.00	869.00	
Seeking closure clearance from HMRC and other relevant parties.	2.00	620.00	
Preparing, reviewing and issuing final reports to creditors and members (as applicable).	13.50	4,005.00	
Filing final returns at Companies House and/or Court (as applicable).	2.50	370.00	
	-	-	
	-	-	
	-	-	

Total:

The blended rate for this category of work approximates to that for that of the Administration as a whole

190.90

£60,812.00

£318.55**INVESTIGATIONS**

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value or the time costs to undertake the work £	Blended charge out rate to undertake the work £
--------------------------------------------------------------------	--------------------------------------------------	-----------------------------------------------------------	-------------------------------------------------

Recovering the books and records for the case.

Listing the books and records recovered.

4.50

1,515.00

11.00

710.00

Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable).

16.00

5,475.00

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

11.00

1,447.50

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

17.00

1,280.00

-

-

-

-

-

-

-

-

Total:

59.50

£10,427.50

£175.25

The blended rate for this category of work is lower than that of the Administration as a whole. This is because the review of records will be delegated to junior staff

REALISATION OF ASSETS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Arranging suitable insurance over assets.	6.50	2,105.00	
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	2.50	805.00	
Corresponding with debtors and attempting to collect outstanding book debts.	27.00	9,940.00	
Liaising with the bank regarding the closure of the account.	9.20	3,279.00	
Instructing agents to value known assets.	-	-	
Liaising with agents to realise known assets.	-	-	
Instructing solicitors to assist in the realisation of assets.	2.50	1,062.50	
Registering a caution in respect of freehold property owned by the debtor/company (where applicable).	-	-	
Obtaining details from mortgagees about debts secured over the debtor/s/company's freehold/leasehold property (where applicable).	-	-	
Determining the joint owner's/spouse's interest in the freehold/leasehold matrimonial home (delete if not applicable).	-	-	
Instructing solicitors to assist in the realisation of the freehold/leasehold property (where applicable).	-	-	
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.	-	-	
Total:	47.70	£17,191.50	£360.41

The blended rate for this category of work is higher than that of the Administration as a whole. This is because the tasks within realisation of assets tend to require more experienced staff.

TRADING

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value or the time costs to undertake the work £	Blended charge out rate to undertake the work £
Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.	36.00	15,005.00	
Arranging suitable insurance for the business	6.50	2,302.50	
Setting up suitable systems and controls in respect of purchases and sales for the business	24.00	9,345.00	
Liaising with staff and trade unions	22.00	8,090.00	
Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid	7.00	2,410.00	
Monitoring and controlling the day to day trading of the business	95.00	36,875.00	
Monitoring compliance with Health and Safety obligations in respect of the business	3.10	1,114.50	
Ongoing compliance with regulatory obligations to meet rules, guidance and principles including, but not limited to, engagement with FCA, policies review and engagement with staff, solicitors and other third parties	250.00	95,950.00	
Tender for redress policy and liaison with FCA	32.00	13,800.00	
Implementing redress policy	103.00	25,285.00	
Customer complaints and dealing with Financial Ombudsman	55.50	14,282.50	
Total:	634.10	£224,459.50	353.98

The blended rate for this category of work is higher than that of the Administration as a whole. This is because a significant element of the management of the company's trading related work requires the Administrators' more senior staff

CREDITORS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value or the time costs to undertake the work £	Blended charge our rate to undertake the work £
Obtaining information from the case records about employee claims.	6.00	1,980.00	
Completing documentation for submission to the Redundancy Payments Office.	2.00	620.00	
Corresponding with employees regarding their claims.	2.00	620.00	
Liaising with the Redundancy Payments Office regarding employee claims.	2.00	620.00	
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.	15.00	4,950.00	
Maintaining up to date creditor information on the case management system.	13.00	2,530.00	
Issuing a notice of intended dividend and placing an appropriate gazette notice.	2.20	809.00	
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.	34.50	7,627.50	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.	5.50	2,025.00	
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.	20.50	5,242.50	
Paying tax deducted from the dividends paid to employees.	-	-	
Agreeing redress claims	70.00	13,820.00	
corr with customers re redress claims	55.00	8,200.00	
Liaison with the secured creditor	8.00	3,725.00	
	-	-	
Total:	235.70	£52,769.00	£223.88

The blended rate for this category of work is lower than that of the Administration as a whole. This is because a lot of this work can be delegated to junior staff

Note: where pensions specialists and/or employment claims specialists are instructed as professional advisors are instructed on a case, the office holder will not charge any remuneration to the case in respect of such work, other than in respect of supervising and monitoring their work.

GRAND TOTAL FOR ALL CATEGORIES OF WORK

1,167.90	£365,659.50	£313.09
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Time Entry - Detailed SIP9 Time & Cost Summary

Appendix 4b1)

XG0177 - Greenlight Credit Ltd
From: 03/05/2022 To: 20/06/2022
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	2.40	0.60	4.30	6.90	14.20	3,401.00	239.51
504 : Statutory Reporting to Creditors	0.50	17.80	0.50	0.00	18.80	6,850.50	364.39
603 : Statutory filing	0.00	0.00	0.80	0.20	1.00	256.00	256.00
604 : Appointment notification	2.00	0.00	2.30	0.00	4.30	2,003.00	466.81
605 : Case review	0.00	0.10	0.20	0.00	0.30	99.00	330.00
607 : Post-appointment VAT/CT returns	0.00	0.00	0.10	0.00	0.10	31.00	310.00
608 : Pension matters	0.00	0.00	1.10	0.00	1.10	341.00	310.00
609 : Administrative set up	0.00	0.00	3.00	0.00	3.00	930.00	310.00
611 : Maintenance of case files/records	0.00	1.40	0.10	0.00	1.50	535.50	357.00
700 : Formalities	0.00	0.00	11.40	0.00	11.40	3,534.00	310.00
701 : Strategy (incl Sales)	0.20	0.00	3.50	0.00	3.70	1,180.00	318.92
800 : Administration	0.60	5.90	0.00	6.10	12.60	2,718.00	215.71
Administration & Planning	5.70	25.80	27.30	13.20	72.00	21,879.00	303.88
601 : Case Specific 1	33.60	0.00	0.50	0.00	34.10	19,583.00	574.28
Case Specific Matters	33.60	0.00	0.50	0.00	34.10	19,583.00	574.28
505 : Report / Secured Creditor	1.60	2.50	0.10	0.00	4.20	1,988.00	473.33
501 : Unsecured Creditors	1.50	1.40	2.80	1.30	7.00	2,271.00	324.43
502 : Employee Matters	0.60	1.50	4.80	0.00	6.90	2,362.00	342.32
Creditors	3.70	5.40	7.70	1.30	18.10	6,621.00	366.80
201 : CDDA Reports	0.50	0.30	0.00	0.00	0.80	348.50	435.63
203 : Investigations (other)	0.40	1.40	0.40	0.00	2.20	900.00	409.09
204 : Reviewing/listing books and records	0.50	0.90	0.00	0.00	1.40	570.50	407.50
Investigations	1.40	2.60	0.40	0.00	4.40	1,819.00	413.41
302 : Property	0.00	0.00	0.50	0.00	0.50	155.00	310.00
303 : Book Debits/retentions	0.00	1.20	0.10	0.00	1.30	475.00	365.38
304 : Plant & Machinery / Motor Vehicles	0.00	0.00	0.70	0.00	0.70	217.00	310.00
306 : Other Assets	0.10	0.50	0.00	0.00	0.60	387.50	387.50
307 : Cash at bank	0.20	0.00	0.10	0.00	0.30	160.00	533.33
Realisation of Assets	0.30	1.70	1.40	0.00	3.40	1,239.50	364.56
400 : Trading	0.00	12.80	0.00	0.00	12.80	4,736.00	370.00
401 : Management of Operations	0.00	45.00	2.10	0.00	47.10	17,301.00	367.32
404 : Trading employee issues	0.00	3.70	0.00	0.00	3.70	1,369.00	370.00
405 : Trading dealing with suppliers	0.00	3.70	0.00	0.00	3.70	1,369.00	370.00
406 : Trading meetings with management	0.00	0.20	0.00	0.00	0.20	74.00	370.00
Trading	0.00	65.40	2.10	0.00	67.50	24,849.00	368.13

Time Entry - Detailed SIP9 Time & Cost Summary

Appendix 4b(ii)

XG0177 - Greenlight Credit Ltd
From: 03/05/2022 To: 20/06/2022
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Total Hours	44.70	100.90	39.40	14.50	199.50	75,990.50	380.90
Total Fees Claimed						0.00	

Appendix 4c)

Time Entry - Detailed SIP9 Time & Cost Summary

XG0177 - Greenlight Credit Ltd
To: 03/05/2022
Project Code: PRE

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	0.00	0.00	0.20	0.30	0.50	92.00	184.00
504 : Statutory Reporting to Creditors	0.40	0.00	0.40	0.00	0.80	314.00	392.50
603 : Statutory filing	0.00	1.80	3.10	0.00	4.90	1,627.00	332.04
604 : Appointment notification	0.00	5.20	2.60	0.00	7.80	2,730.00	350.00
606 : MLR/Ethics/Bribery checklists	0.00	0.50	2.80	0.00	3.10	1,177.00	183.91
609 : Administrative set up	0.00	2.30	1.70	0.00	4.00	1,378.00	344.50
611 : Maintenance of case files/records	0.00	1.40	0.20	0.00	1.60	580.00	362.50
700 : Formalities	0.00	0.00	1.30	0.00	1.30	403.00	310.00
701 : Strategy (Ind Sales)	0.00	11.60	1.00	0.00	12.60	4,602.00	365.24
801 : Shareholders - Communication	0.00	0.30	0.00	0.00	0.30	111.00	370.00
600 : Administration	0.30	14.30	0.00	8.50	23.10	5,773.50	249.94
Administration & Planning	0.70	37.40	13.30	11.90	63.30	18,787.50	296.80
601 : Case Specific 1	35.80	2.70	0.00	0.00	38.50	23,886.00	620.42
Case Specific Matters	35.80	2.70	0.00	0.00	38.50	23,886.00	620.42
505 : Report / Secured Creditor	0.00	0.20	0.10	0.00	0.30	105.00	350.00
501 : Unsecured Creditors	0.00	1.00	0.00	0.00	1.00	370.00	370.00
502 : Employee Matters	0.00	0.00	0.30	0.00	0.30	93.00	310.00
Creditors	0.00	1.20	0.40	0.00	1.60	568.00	355.00
204 : Review/juggling books and records	0.00	4.20	0.00	0.00	4.20	1,554.00	370.00
Investigations	0.00	4.20	0.00	0.00	4.20	1,554.00	370.00
303 : Book Debts/retentions	0.00	7.10	0.00	0.00	7.10	2,627.00	370.00
Realisation of Assets	0.00	7.10	0.00	0.00	7.10	2,627.00	370.00
400 : Trading	0.00	2.30	0.00	0.00	2.30	851.00	370.00
401 : Management of Operations	0.00	2.90	0.00	0.00	2.90	1,073.00	370.00
Trading	0.00	5.20	0.00	0.00	5.20	1,924.00	370.00
Total Hours	36.50	57.80	13.70	11.90	119.90	48,346.50	411.56
Total Fees Claimed						0.00	



PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG

Introduction

This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Alternatively, a hard copy may be requested from Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading.
- Case specific matters.

Time cost basis

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

Charge-out rates

Grade of staff	Charge- out rate per hour, effective from 1 st April 2021 £	Charge- out rate per hour, effective from 1 st April 2019 £	Charge-out rate per hour, effective from 1 st April 2017 £	Charge-out rate per hour, effective from 1 st April 2013 £
Partner				
Senior Partner	645.00	595.00	545.00	495.00
Partner	475.00	440.00	400.00	365.00
Manager				
Director	370.00	-	-	-
Manager	350.00	350.00	325.00	295.00
Assistant Manager	325.00	310.00	285.00	260.00
Other Senior Professionals				
Senior Administrator	310.00	290.00	265.00	240.00
Assistants & Support Staff				
Administrator	260.00	240.00	220.00	200.00
Assistant Administrator	100.00	100.00	90.00	80.00
Junior Administrator	40.00	40.00	40.00	40.00

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

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

In cases where we were appointed prior to 1st October 2015, most of our fees are recovered on a time cost basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1st October 2015 and the basis of our post-appointment fees will be determined once we are aware of the full circumstances of the case and will be subject to approval.

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

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed Fee

The legislation allows fees to be charged at a set amount. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge, and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the

circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Administration and Planning (including statutory reporting) – staff costs.
- Realisation of Assets – staff costs.
- Investigations – staff costs.
- Creditors (claims and distributions) – staff costs.
- Trading – staff costs.
- Case specific matters – staff costs.

Mixed bases

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

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

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire

(where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

Turpin Barker Armstrong does not propose to recover any Category 2 expenses that include an element of shared costs.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report.

Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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

Appendix 6

1. Administration

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

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Creditors

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

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

Appendix 7

Details of work to be undertaken in the Administration

Work for which the Administrator is seeking to be remunerated on a time basis:

Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.

Setting up physical/electronic case files (as applicable).

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).

Preparing, reviewing and issuing proposals to the creditors and members.

Filing the proposals at Companies House.

Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court.

Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the office holder's estate bank account.

Creating, maintaining and managing the office holder's cashbook.

Undertaking regular reconciliations of the bank account containing estate funds.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing 6 month progress reports to creditors and members.

Filing progress reports at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Seeking closure clearance from HMRC and other relevant parties.

Preparing, reviewing and issuing final reports to creditors and members.

Filing final reports at Companies House.

Realisation of assets:

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Corresponding with debtors and attempting to collect outstanding book debts.

Supervising the work of advisors instructed on the case to assist in dealing with the collection of book debts; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Liaising with the bank regarding the continued operation and eventual closure of the account.

Instructing agents to value known assets.

Liaising with agents to realise known assets.

Instructing solicitors to assist in the realisation of assets.

Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

Creditors:

Obtaining information from the case records about employee claims.

Completing documentation for submission to the Redundancy Payments Office.

Corresponding with employees regarding their claims.

Supervising the work of advisors instructed on the case to assist in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
Liaising with the Redundancy Payments Office regarding employee claims.
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
Maintaining up to date creditor information on the case management system.
Issuing a notice of intended dividend and placing an appropriate gazette notice.
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
Paying tax deducted from the dividends paid to employees.
Correspondence with customers regarding any redress claims arising and proofs of debt relating to the same

Investigations:

Recovering the books and records for the case.
Listing the books and records recovered.
Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

Trading:

Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.
Arranging suitable insurance for the business
Setting up suitable systems and controls in respect of purchases for the business
Liaising with staff and trade unions
Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid
Monitoring and controlling the day to day trading of the business
Monitoring and controlling collections of debts
Monitoring compliance with Health and Safety obligations in respect of the business
Correspondence with the FCA due to the Company being a regulated firm which continues to be regulated whilst in Administration
Tendering for a redress review methodology and liaising with that reviewer.
Implementing redress review on customer accounts
Dealing with escalated customer complaints and customer complaints monitoring
Correspondence with the Financial Ombudsman Service
Reviewing and amending policies

Appendix 8 Estimate of expenses to be incurred in the Administration

Type of category 1 expense	Estimated Amount £
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	750
Gazetting – various notices relating to the company have to be placed in the London Gazette.	272
Postage	1,038
Citigate Dewe Rogerson, PR consultancy (media enquiries)	462
Storage of accounting records – the company's accounting records have to be stored by the officeholder until 12 months after the dissolution of the company.	250
Sircles, IT consultancy	950
Pensions specialists (firm tbc), closing pension scheme upon cessation of trading	2,000
Katten Muchin Rosenman, solicitors	58,897
Square4, redress review	27,450
Accountants – (firm tbc), Corporation Terminal loss relief claim	3,500
Total estimated category 1 expenses	95,570