

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 08089541

Company name in full Advancis Limited t/a Buddy Loans

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)

Court number C R - 2 0 2 1 - 0 0 1 6 2 4

3 Administrator's name

Full forename(s) Shane

Surname Crooks

4 Administrator's address

Building name/number 55 Baker Street

Street

Post town London


County/Region

Postcode W 1 U 7 E U

Country

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Antony		① Other administrator Use this section to tell us about another administrator.
Surname	Nygate		
6	Administrator's address ②		
Building name/number	55 Baker Street		② Other administrator Use this section to tell us about another administrator.
Street			
Post town	London		
County/Region			
Postcode	W 1 U 7 E U		
Country			
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature 		
Signature date	d 0 d 6 m 0 m 9 y 2 y 0 y 2 y 3		

**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 **Shane Crooks**

Company name **BDO LLP**

Address **5 Temple Square**

Temple Street

Post town **Liverpool**

County/Region

Postcode

L	2		5	R	H		
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Country

DX

Telephone **+44 (0) 1512 374 500**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Kiri

Surname

Holland

3 Insolvency practitioner's address

Building name/number 55 Baker Street

Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country



Advancis Limited t/a Buddy Loans In Administration

Joint Administrators' final progress report from
7 March 2023 to 6 September 2023

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GLOSSARY OF TERMS

Abbreviation or term	Meaning
‘1Plus1’	1Plus1 Loans Limited
‘Act’	Insolvency Act 1986
‘BCI’	BCI Europe Limited S.à r.l.
‘FCA’	Financial Conduct Authority
‘FOS’	Financial Ombudsman Service
‘Final Period’	7 March 2023 to 6 September 2023
‘Final Progress Report’	This report, prepared in accordance with Rules 3.53 and 18.3 of the Rules
‘HMRC’	HM Revenue & Customs
‘Joint Administrators’ or ‘we’	Shane Crooks, Antony Nygate and Kiri Holland
‘net property’	Floating charge realisations after costs and payment of preferential and secondary preferential creditors in full
‘Perch’	Perch Capital Limited
‘preferential creditors’	Claims for unpaid wages earned in the four months prior to Administration up to £800, holiday pay and unpaid pension contributions in certain circumstances. Where a decision is being sought from preferential creditors these will include secondary preferential creditors
‘Prescribed Part’	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
‘Proposals’	The Joint Administrators’ statement of proposals for achieving the purpose of the Administration
‘QFCH’	Qualifying Floating Charge Holder
‘Redress Scheme’	A scheme of redress finalised and implemented in the Administration, which provides remediation to certain borrowers in respect of the historical provision of potentially affordable loans
‘Rules’	Insolvency (England and Wales) Rules 2016
‘Sch.B1 to the Act’	Schedule B1 to the Act
‘secondary preferential creditors’	Where a company enters into Administration on or after 1 December 2020, claims for unpaid VAT, PAYE deductions, Employee National Insurance Contributions (NICs) deductions, student loan repayment deductions and amounts withheld under the construction industry scheme

‘secured creditors’	Creditors whose debt is secured, in accordance with Section 248 of the Act
‘Shawbrook’	Shawbrook Bank Limited
‘SOA’	Statement of Affairs
‘the Company’	Advancis Limited t/a Buddy Loans
‘unsecured creditors’	Creditors who are neither secured nor preferential

KEY INFORMATION

Background

Shane Crooks, Antony Nygate and Kiri Holland were appointed Joint Administrators of the Company on 7 September 2021.

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company and without personal liability.

Purpose of the Final Progress Report

This is the Final Progress Report for the period from 7 March 2023 to 6 September 2023, which provides you with a final update in respect of the implementation of the Proposals to achieve the statutory purpose of the Administration.

The Final Progress Report can be reviewed in conjunction with all other reports regarding this Administration, on the brportal.bdo.co.uk portal.

Return to creditors

The table below summarises the outcome for creditors.

Class of creditor	Return	Previous estimate
Secured creditors ¹		
Shawbrook	100p in the £	100p in the £
BCI	See note below	Uncertain
Preferential creditors	Nil	Nil
Secondary preferential creditors	Nil	Nil
Unsecured creditors ²	Nil	Nil

1. The return to BCI will include the following:

- i) £253,715 refunded in respect of monies previously advanced for the purpose of meeting trading costs, as reflected in the attached receipts and payments account
- ii) £54k in respect of two future refunds of deposits due from card service providers, which are due to be repaid after the expiry of the Administration, the benefit of which has been assigned to BCI
- iii) £148,459 in respect of the available net proceeds from the loan book sales
- iv) Future payments under the terms of the revenue sharing agreement, based on the level of recoveries realised from the loan book sold to Perch. Further details in respect of the refunds and sale of the loan book are provided later in this Report

For the avoidance of doubt, it is anticipated that BCI will suffer a material shortfall on its lending.

2. The Prescribed Part was disapplied in this Administration as there was no net property available after the costs of realising the Company's floating charge assets.

What you need to do

The purpose of the Final Progress Report is to provide you with an update only; creditors do not need to take any further action at this time.

Creditors' rights

An overview of the rights of creditors is attached at Appendix B.

Contact details

Contact: Rebecca Thompson
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: +44 (0)151 237 4472
Email: BRCMTLondonandSouthEast@bdo.co.uk
Reference: 00405141

PROGRESS IN THE FINAL PERIOD AND IN THE ADMINISTRATION

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Final Period.

A summary of the assets realised during the Administration is detailed below.

Loan book collections

At the commencement of the Administration, the Company had 5,370 active customers with outstanding loan balances who were obliged to make regular loan repayments. During the Administration, this income stream / asset has been collectively referred to as the loan book.

According to the directors' SOA, the book value of the active loan book at the date of Administration was c£11m. The directors estimated that c£8.95m could be realised. This figure did not, however, include the costs of collection. Additionally, the total realisations from the book loan were expected to be impacted by the Redress Scheme.

During the Administration, the Company has collected c.£9.941m in respect of loan repayments from customers.

Of this balance, sums of £94,512 and £44,597 relate to collections from loan accounts transferred to 1Plus1 and Perch respectively (please see further detail in relation to these transactions below) after the date of sale. Accordingly, these sums have been refunded to 1Plus1 and Perch, in accordance with the terms of the sale agreements.

It should be noted that loan book receipts were collected into the Company's pre-Administration bank account which was subject to the secured creditors' fixed charge security ("the Collections Account"; see below). As this bank account was not under the control of the Joint Administrators, the loan book receipts were not recorded directly on the Joint Administrators' summary of receipts and payments attached at Appendix C, but are instead referenced as a note. The Collections Account has now been closed.

The exception to the above is a small number of customers who made their loan repayments by cheque, which were banked directly into the Administration bank account and are therefore reflected on the Joint Administrators' trading account as 'Loan Book Receipts'. During the Administration, £31,684 has been realised in this regard.

The Joint Administrators have completed two transactions to sell the loan book in its entirety. Therefore, there will be no future realisations or collections.

Distributions received from IVAs

During the Final Period, distributions in the sum of £23, from Individual Voluntary Arrangements ("IVAs") for customers with loan accounts with the Company, were received. A total of £237 has been received from IVAs during the Administration.

Cash at Bank

The Company operated four bank accounts prior to Administration:

Collections Account

There was a balance of £1,505,616 in the Collections Account as at the commencement of the Administration. The Collections Account remained in use to collect loan book receipts, and all funds within it were subject to the secured creditors' assignment and fixed charge security.

As previously reported, at the commencement of the Administration the Company entered into an agreement with Shawbrook, through which Shawbrook (as senior secured creditor) made funds

available from the Collections Account in order to fund the ongoing costs of trading the business and the Administration process.

During a previous period, £921k was also transferred from the Collections Account to an Administration bank account. Such funds were paid specifically for the purpose of meeting refund obligations in respect of certain post-Administration loan repayments for Redress Scheme eligible loan accounts. Payments of redress refunds totalling £17,553 were made in the Final period, bringing total payments made in the Administration to £882,271.

The Joint Administrators and Company employees made every effort to contact all eligible customers, by email, post and telephone on multiple occasions. The deadline to claim refunds available under the Redress Scheme has now passed and no further payments can be made as the Administration is now coming to an end. The unclaimed balance has therefore been released.

The Collections Account has now been closed.

Operations Account

This account was used to make payments for day-to-day trading expenditure.

During the Administration, the sum of £27,821 has been transferred from the pre-Administration Operations Account into the Administration bank account, including the sum of £1,799 during the Final Period.

The Operations Account has now been closed.

Old Collections Account

This was an account that, historically, had been used to receive loan repayments.

The balance on the Old Collections Account at the Appointment Date was £319. As previously reported, a small number of customers continued to pay into this account on a monthly basis, and the account remained open so as not to disturb the collection of these loans. The account balance as at 15 May 2023 was £15,903, which has been transferred to the Administration bank account in the Final Period.

The Old Collections Account has now been closed.

Bank Interest

During the Final Period, gross bank interest of £8,312 has been received on the funds held in the Administration bank account. During the course of the Administration total gross bank interest of £13,939 has been received.

Furniture & Equipment

The directors' SOA estimated that the office furniture and IT equipment could realise £6,398. During the Final Period, our agents, Gordon Brothers, sold the remaining office furniture and IT equipment for £2,580, bringing the total realisations during the Administration to £10,580.

Disposal of loan book

As already noted, the loan book was subject to deeds of assignment which conferred first ranking fixed charge security in favour of Shawbrook and second ranking fixed charge security in favour of BCI.

The Redress Scheme implemented by the Joint Administrators provided that a write-down of loan balances on certain affected loan accounts be applied.

As previously reported, following the agreement of the terms of the Redress Scheme, the Joint Administrators launched a process to explore alternative options for maximising value from the loan book. No party expressed an interest in acquiring the loan book in its entirety; as a result, the Joint Administrators were required to pursue alternative solutions for realising the 'active'

(or performing) loan book and the ‘aged’ (previously referred to as the defaulted or non-performing) loan book (although it should be noted that the classification of a loan as ‘active’ or ‘aged’ is a description used to differentiate the loan book sales and does not impact upon the purchasers’ rights to pursue collection of the outstanding loans or on the borrowers’ obligations in respect of the loans).

Active loan book

As previously reported, a sale of the active loan book (consisting of 1,941 loan accounts) to 1Plus1 completed on 1 February 2023. The final sale consideration received totalled £1.042m. All customers with a loan account which has been transferred to 1Plus1 have received communications directly from the Company and 1Plus1 setting out what this means for them.

From the proceeds of the sale, the sum of £994,470 from the sale proceeds was distributed to Shawbrook. The balance of the sale proceeds of £48,459 was paid to BCI. As the funds did not flow through the Administration bank accounts, the sale proceeds and distribution to the secured creditors are not recorded directly on the Joint Administrators’ summary of receipts and payments attached at Appendix C.

Aged loan book

During the Final Period, the Joint Administrators completed a sale of the aged loan book (consisting of 3,203 loan accounts) to Perch on 24 April 2023. The initial sale consideration received totalled £100k and was paid directly to BCI. BCI has entered into a revenue sharing agreement with Perch in respect of future loan book collections. The Company is not party to this agreement and therefore the potential future distributions to BCI are unknown, however BCI will suffer a shortfall on its lending.

As the funds did not flow through the Administration bank accounts, the sale proceeds and distribution to BCI are not recorded directly on the Joint Administrators’ summary of receipts and payments attached at Appendix C.

Deposits with merchant services providers

Prior to the Administration the Company had deposited £10k with one of its merchant service providers, Pay360.

During the Administration, the Company placed a £44k deposit with a further merchant services provider, GoCardless, in order to be able to continue to use that facility to support collections from the loan book.

Both deposits are expected to be recovered, less deductions for chargeback or other unexpected costs. From the time of ceasing to trade a six-month period is required to expire before the refunds can be released. The Company ceased trading and using the services in May. As the deposits will not be refunded until November, after the Administration has closed, the deposits have been assigned to BCI as secured creditor.

Sundry refunds

The Joint Administrators were contacted by former legal advisers to the Company who had identified that an invoice had been paid twice in error prior to our appointment. The sum of £7,652 has been refunded in this regard.

All recoverable assets have been realised.

It should be noted that the Joint Administrators have determined that the following assets, which were referenced in the directors’ SOA, are irrecoverable:

Deferred Expenditure

The directors' SOA indicated a deferred expenditure asset with a book value of c£1.73m, however, the directors did not consider there to be any realisable value available in the Administration.

The Joint Administrators discussed the composition of the deferred expenditure with the Company's management and identified that the amount capitalised related to expenditure incurred in originating new loans prior to the Company entering Administration. The deferred expenditure would usually be amortised over the life of the loan.

As the deferred expenditure relates to costs which have been paid, there were no realisations from this source.

Prepayments

The directors' SOA detailed prepayments with a book value of c£295k, however, the directors did not consider that any value could be recovered in the Administration.

We identified that the prepayments account was used to reflect timing differences on the receipt of interest which, for accounting purposes, was recorded daily on an accruals basis against the cash receipts from customers. The prepayments balance would unwind when the Company received customers' loan account repayments. Consequently, there were no realisations from this source.

Trading

The Joint Administrators continued to trade the Company's business in order to realise the loan book, implement the Redress Scheme and achieve an orderly wind-down of the Company's affairs. However, no new loans were granted. Following completion of the sale to Perch, the Company ceased trading.

A description of the activities relevant to the Company's prior trading is provided below.

Appendix C also includes a Trading Account for the Final Period which reflects total receipts of £904k advanced by Shawbrook to settle Administration and trading costs.

The trading costs that have been settled in the Final Period total £453,554 These costs include:

- payments of £168,130 made to retained employees in respect of net wages and salaries during the Period, and a further £50,846 paid to subcontractors. These sums include a retention bonus paid to each employee on redundancy. A retention bonus was agreed with the secured creditors at the outset of the Administration, given the importance of the Company's employees during the trading period. Tax and pensions liabilities arising from the payroll of £143,811 and £4,218 have been paid to HMRC and the Company's pension scheme respectively;
 - payments of £72,642 made to critical suppliers for the provision of various IT services, £3,179 for merchant services and £1,745 for the provision of telephone services;
 - a payment of £44,000 is showing as paid as a deposit to a Merchant Service Provider; this was paid in a prior period but had previously been represented as a deposit (ie. it is a change in the way this is shown on the account and was not an actual payment made in the Final Period). As set out above, the benefit of this refund (the original amount of which was funded by the secured creditors) has been assigned to BCI;
 - payments of £4,500 have been made to the Company's payroll bureau;
 - rent charges for the Company's use of the serviced office amounted to £2,100;
 - non-redress customer refunds totalling £1,650, which arose where loan repayments had been received by the Company in error. The Company has also refunded £615 of loan repayments received during the Administration in respect of a small group of customers who were entitled to a refund of post-appointment loan repayments by virtue of decisions made by the Financial Ombudsman Service prior to the Administration appointment (see below for further detail); and
-

- premises cleaning fees of £46 and other miscellaneous expenses of £73.

Loan book collections

Details of the loan book collections are set out earlier in this section of the Report. Following completion of the sale of the loan books to 1Plus1 and Perch, all collections activity by the Company has ceased.

Management of employees

As a result of the Company ceasing to trade, during the Final Period the Joint Administrators affected the redundancy of the remaining 7 employees.

Management of the retained staff and dealing with all administrative tasks arising from their continued employment was a key work stream during the Final Period.

During the Administration, the Joint Administrators have overseen the preparation of the Company's payroll and associated tax and pension filings since their appointment. In addition, the Joint Administrators liaised regularly with key staff to discuss collections, financial record keeping, issues arising, the sales to 1Plus1 and Perch and dealing with issues arising post-sale, the Redress Scheme and other ad hoc issues.

Funding arrangements

During the Administration the Joint Administrators have prepared and submitted funding requests to Shawbrook. Each funding request was supported by certain financial information, including an updated Short Term Cash Flow Forecast which provided granular detail of the future costs expected to be incurred.

Forecasting these costs and cashflow requirements, together with reconciliations of actual expenditure incurred, has been a key workstream which helped ensure that there were sufficient funds available to settle all the costs accruing in the Administration.

Transfers from the Collections Account to fund trading costs during the Final Period totalled £904k, bringing total funding provided during the Administration to £6.710m (inclusive of the funding of £921k provided for the purpose of meeting potential refund obligations under the Redress Scheme).

Reporting to the secured creditors

The Joint Administrators have liaised closely with the secured creditors throughout the Administration, to ensure that they were kept updated regarding all developments and relevant matters arising in the Administration, including collections, the sale of the loan book and the Redress Scheme.

Trading strategy

As previously advised, it was the Joint Administrators' strategy to trade the Company in order to collect its existing loan book and achieve an orderly wind-down of the Company's affairs. As noted above, the Company ceased trading following completion of the sale of the loan book to Perch.

In the Final Period the net trading surplus in the Administration was £458,235. For the duration of the Administration the net trading surplus was £3,783,703. This has been achieved only due to the funding advanced by Shawbrook to meet on-going costs.

Investigations

As previously advised the Joint Administrators have completed a review of the Company's affairs and have submitted a confidential statutory report on the conduct of the directors to the disqualification unit of the Department for Business, Energy & Industrial Strategy.

The Joint Administrators concluded there are no actions to pursue for the benefit of creditors.

Distributions to creditors

Secured creditors

The secured creditors in the Administration are Shawbrook and BCI. Shawbrook and BCI were owed, respectively, £5,121,861 and £3,907,211 at the commencement of the Administration, subject to accruing interest and charges.

As previously reported, the total amount repaid to Shawbrook was £5.579m and its security was released. The payments do not appear on the Joint Administrators' receipts and payments account as the funds did not pass through the Administration bank account.

In the Final Period a distribution of £253,715 has been paid to the BCI from the Administration under its fixed charge. In addition, BCI has been assigned the benefit of £54k of future refunds due from card service providers, received net proceeds of £48,459 from the 1Plus1 sale and £100k from the proceeds of the Perch sale.

As noted above, BCI have entered into a revenue sharing agreement with Perch for future collections from that loan book. It is anticipated that BCI will suffer a shortfall on its debt, although the quantum of the shortfall is uncertain at this stage and will ultimately depend on the level of recoveries from the loan book sold to Perch.

Preferential creditors

Preferential creditors' claims totalled £17,668. A distribution has not been able to be paid to preferential creditors.

Secondary preferential creditors

Based on the directors' SOA, the sum due to HMRC that would rank as a secondary preferential claim is £80,477. HMRC did not submit a claim in the Administration. A distribution has not been able to be paid to secondary preferential creditors.

Unsecured creditors

The directors' SOA estimated unsecured creditor balances to be c£31.3m (excluding the impact of claims arising from the Redress Scheme).

Unsecured creditors' claims received totalled c£26.541m. A dividend has not been able to be paid to unsecured creditors.

Notice of no dividend

In accordance with Rule 14.36 of the Rules, notice is given that a dividend was not paid to preferential, secondary preferential creditors and unsecured creditors as there have been insufficient realisations, after costs and distributions to the secured creditors, to enable a dividend to be paid.

Joint Administrators' discharge from liability

Approval that the Joint Administrators be discharged from liability on the registration of the notice to move from Administration and the final progress report with the Registrar of Companies has been obtained from the secured creditors.

Other matters

In addition to the above, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Administrators in this Administration.

Liaising with the FCA

The Joint Administrators liaised with the FCA throughout the Administration on all relevant matters pertaining to the Company and the progress of the Administration, including the loan book sale and Redress Scheme.

During the Final Period, the Joint Administrators cancelled the Company's FCA permissions.

Redress Scheme

During the Final Period, further refund payments of £17,553 were made to customers who responded to the Company's correspondence. During the Administration refunds paid under the Redress Scheme totalled £882,271.

As set out above, the deadline to claim refunds due under the Redress Scheme has now passed.

Financial Ombudsman Service ('FOS') complaints

As advised in a previous report, the Joint Administrators identified a small number of customers who had made complaints to FOS and received a final decision from FOS prior to the commencement of the Administration, which the Company had not actioned.

The Company had written to all affected customers and implemented the necessary loan account adjustments prior to the Period. During the Final Period, a further payment totalling £615 was paid to a customer who had responded to the Company's communications. During the Administration, total payments of £4,256 have been made.

There is one customer who has not responded to the Company's correspondence.

Pre-Administration costs

Approval was obtained for the payment of the pre-Administration costs as detailed in the Proposals of £95,000 from each of the secured creditors.

Pre-Administration costs of £95,000 plus VAT of £19,000 have been drawn previously as shown on the enclosed receipts and payments account at Appendix C.

Joint Administrators' remuneration

The Joint Administrators' remuneration was approved by each of the secured creditors on a time costs basis in accordance with the fees estimate.

During the Final Period, undiscounted time costs of £304,632.75 were incurred over 718 hours at an average rate of £424 per hour. During the Administration, undiscounted time costs incurred total £2,876,950.10 over 5,836.20 hours at an average rate of £493 per hour.

The Joint Administrators have drawn total remuneration of £1.9m plus VAT, including £900k plus VAT in the Final Period, in line with the approval given, as shown on the enclosed receipts and payments account at Appendix C.

A detailed report of the time incurred by the Joint Administrators and a narrative of the work performed during the Final Period is attached at Appendix D.

Joint Administrators' expenses

Expenses paid during the Administration and in the Final Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred is set out in Appendix E.

Outcome of the Administration

In accordance with Paragraph 3(1) (b) of Sch.B1 to the Act, the Joint Administrators have sufficiently achieved the statutory purpose of the Administration being (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

The Company will now move from Administration to dissolution.

APPENDIX A

STATUTORY INFORMATION

Information

Company name	Advancis Limited t/a Buddy Loans
Company registration number	08089541
Registered office	5 Temple Square, Temple Street, Liverpool, L2 5RH
Court name and reference	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) - CR-2021-001624
Date of appointment	7 September 2021
Appointor	The directors pursuant to Paragraph 22 of Sch.B1 to the Act
Joint Administrators	Shane Crooks Antony Nygate Kiri Holland <i>Under the provisions of paragraph 100(2) of Sch.B1 to the Act the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by all of them.</i>
Joint Administrators' address	BDO LLP, 55 Baker Street, London, W1U 7EU
Data Control and GDPR	Shane Crooks, Antony Nygate and Kiri Holland are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of Advancis Limited t/a Buddy Loans. Please see the privacy statement at https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies
Summary of the Proposals	<p>The Joint Administrators' Proposals were that:</p> <ul style="list-style-type: none"> (a) They continue to realise assets in accordance with the second objective of the statutory purpose of the Administration and achieve a better result of the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). (b) They will continue to investigate the management and affairs of the Company in the lead up to its insolvency. In addition, they shall do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the second objective of the statutory purpose of the Administration.

- (c) They exit the Administration by way of dissolving the Company under paragraph 84 of Schedule B1 to the Act.

The Proposals were approved by deemed consent.

APPENDIX B

CREDITORS' RIGHTS

Within 21 days of receipt of the Final Progress Report: (1) a secured creditor; (2) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (3) any unsecured creditor with the permission of the court, may request in writing that the Joint Administrators provide further information about their remuneration or expenses which are itemised in the Final Progress Report.

Within 14 days of receipt of the request, the Joint Administrators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive; or
- disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person; or
- the Joint Administrators are subject to confidentiality obligations in respect of the information.

The Joint Administrators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Final Progress Report, make an application to court that the basis fixed for the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred by the Joint Administrators, as set out in the Final Progress Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Administrators' Fees' and information on the rights, duties and functions of a creditors' committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides> or by requesting a copy from my office in writing or by telephone.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Administration. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

APPENDIX C

RECEIPTS AND PAYMENTS ACCOUNT

**Advancis Limited t/a Buddy Loans
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 07/03/2023 To 06/09/2023 £	From 07/03/2023 To 06/09/2023 £
POST APPOINTMENT SALES		
Loan Book Receipts	7,539.79	31,684.08
Funding Advanced by Shawbrook	904,249.03	5,789,249.03
Funding Advanced for Redress Scheme	NIL	921,000.00
	911,788.82	6,741,933.11
TRADING EXPENSES		
Net Wages	168,129.62	1,069,905.30
Cleaning Fees	46.25	3,873.83
Transunion	NIL	18,000.00
Payroll deductions - PAYE/NIC	143,810.72	676,153.17
IT Services	72,642.27	735,870.47
Telephone	1,744.69	60,048.74
Payroll deductions - Pension	4,217.72	55,203.32
Customer refunds (FOS)	614.64	4,255.80
Rent	2,100.10	36,255.70
Customer refunds	1,650.22	20,910.32
Stationery and Postage	0.00	641.83
Merchant Service Charges	3,178.94	49,121.58
Payroll Consultancy Fees	4,500.00	17,652.00
Sundry Expenses	73.08	9,701.48
Contractor Wages	50,845.75	200,636.32
	(453,554.00)	(2,958,229.86)
TRADING SURPLUS/ (DEFICIT)	458,234.82	3,783,703.25

Advancis Limited t/a Buddy Loans
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 07/03/2023 To 06/09/2023 £	From 07/03/2023 To 06/09/2023 £
	FIXED CHARGE ASSETS		
8,954,945.00	Loan Book	NIL	NIL
1,505,616.00	Cash in Collections Bank Account	NIL	NIL
		NIL	NIL
	FIXED CHARGE COSTS		
	Administrators' Fees	985,200.00	2,185,200.00
	Administrators' Disbursements	NIL	57,565.60
	Legal Fees & Expenses - Addleshaw	75,006.20	188,821.40
	Legal Fees & Expenses - Huntswood	NIL	10,890.00
	FS Advisory Fees	NIL	2,760.00
	Insurance	947.32	9,573.04
	Redress Scheme payments	17,553.41	882,271.19
	Pre-appointment Fees	NIL	114,000.00
		(1,078,706.93)	(3,451,081.23)
	FIXED CHARGE CREDITORS		
(5,121,861.00)	Shawbrook Bank Limited	NIL	NIL
(3,907,211.00)	BCI Finance	253,715.25	253,715.25
		(253,715.25)	(253,715.25)
	ASSET REALISATIONS		
18,964.00	Cash at Bank	17,701.71	43,723.57
NIL	Deferred Expenditure	NIL	NIL
10,000.00	Deposits (Merchant Service Provider)	(44,000.00)	(44,000.00)
	Distributions received from IVAs	23.12	237.23
6,398.00	Furniture & Equipment	2,580.00	10,580.00
NIL	Prepayments	NIL	NIL
	Sundry Refunds	7,652.19	7,652.19
	Interest Gross	8,312.20	13,939.20
	Trading Surplus/ (Deficit)	458,234.82	3,783,703.25
		450,504.04	3,815,835.44
	COST OF REALISATIONS		
	Administrators' Fees	94,800.00	94,800.00
	Agents' Fees & Expenses - Clumber	0.00	420.00
	Agents' Fees & Expenses - ERA	0.00	2,070.00
	Agents Fees' & Expenses - GB	2,542.00	6,556.00
	Bank Charges	117.49	2,068.49
	Mail redirection	422.40	422.40
	Printing & Postage	0.00	840.70
	Statutory Advertising	0.00	716.50
	Storage Costs	1,737.68	3,144.87
		(99,619.57)	(111,038.96)

**Advancis Limited t/a Buddy Loans
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £		From 07/03/2023 To 06/09/2023 £	From 07/03/2023 To 06/09/2023 £
	PREFERENTIAL CREDITORS		
(80,477.00)	HMRC (PAYE, EE NIC, SLC)	NIL	NIL
(17,149.00)	Preferential AOW & HP	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(3,813,432.00)	AIM	NIL	NIL
(85,129.00)	Consumer Creditors	NIL	NIL
(796,866.00)	Director's Loan Account	NIL	NIL
(23,099.00)	Employees (Unsecured)	NIL	NIL
(32,075.00)	HM Revenue & Customs	NIL	NIL
(26,360,026.00)	Red Rock	NIL	NIL
(195,502.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(31,403,855.00)			
		(981,537.71)	NIL

Note:

The Company is not VAT registered and therefore VAT is not recoverable - all payments are shown inclusive of VAT.

The Secured Creditors have fixed charge security over the loan book, including an assignment of the debts. For this reason, the loan book collections were received into an account subject to the Secured Creditors' control (the 'Collections Account') rather than one of the Administration bank accounts. Therefore, the collections are not reflected on the face of the Receipts & Payments account. The Joint Administrators advise that collections against the loan book during the Administration totalled £9.941m.

Distributions to Shawbrook are paid from the residual balance on the 'Collections Account' and do not go through the Administration bank accounts, therefore the payments are not reflected on the face of the Receipts & Payments account. The Joint Administrators advise Shawbrook has been repaid in full and distributions to Shawbrook during the Administration total £5.579m.

In addition to the fixed charge distribution to BCI as shown above, please also note the additional sources of repayment as set out in the body of this report.

The trading surplus was not available for the benefit of creditors generally as, to the extent not utilised for costs, it has been returned to the secured creditors under the fixed charge security.

APPENDIX D

JOINT ADMINISTRATORS' REMUNERATION

The Joint Administrators' remuneration has been approved on a time costs basis.

Undiscounted time costs of £304,633 have been incurred during the Final Period. A breakdown is provided in the table below together with details of the work undertaken.

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Planning and strategy			0.85	1.50	1.35	1.25	4.95	1,270.65	256.70
Statutory reporting and decisions	8.00	1.00	0.25	2.00	8.30	5.15	24.70	12,002.60	485.94
General administration	2.15	3.10	0.65	13.30	81.60	82.80	183.60	30,538.45	166.40
Assets	16.25	96.50	1.25	37.30	65.80	0.65	217.75	126,718.20	581.94
Trading	5.50	18.00		24.35	48.80	10.60	107.25	44,647.55	416.29
Employees and pensions		1.50		4.60	3.85		9.95	3,914.65	393.43
Creditors	1.25	4.75		19.85	11.60	0.95	38.40	15,629.15	407.01
Post appointment taxation	8.50	2.25		2.10	0.70		13.55	13,517.90	997.63
Closure	1.50	37.25	0.50	33.30	45.10		117.65	56,350.00	478.96
TOTAL	43.15	164.35	3.50	138.30	267.10	101.60	718.00	304,632.75	424.28

Planning and strategy

- Case reviews
- Internal meetings and discussions
- Preparation and review of strategy documents including estimated outcome statements

Statutory reporting and decisions

- Obtaining remuneration approval from the secured creditors
- Preparation of the periodic progress reports

General administration

- Ongoing maintenance and reconciliation of the Administration bank accounts and other cashiering functions
- Dealing with general queries from creditors
- Ongoing internal meetings / correspondence to identify, prioritise and determine responsibility for completion of the work streams necessary to progress the Administration
- Dealing with PR matters
- Dealing with regulatory matters including reporting and providing regular updates to the FCA

- Dealing with correspondence / enquiries from creditors, employees, regulators, stakeholders that do not fit into other categories of work
- Review of work and implementation of BDO quality control processes by senior staff
- Maintaining internal files

Assets

- Arranging and monitoring of insurance of the Company's assets
- Agreeing strategies and monitoring collection of the outstanding loan book
- Liaising with management, legal advisors, the Skilled Person, secured creditors and the FCA in relation to the implementation of the Redress Scheme, and dealing with all issues arising, implementing the agreed communications plan for the Redress Scheme and arranging payments to settle redress refunds. The costs associated with these workstreams have been allocated to 'Assets' as it relates to the loan book
- Liaising with interested parties and assisting with due diligence enquiries regarding the loan book
- Working with the retained employees to prepare the necessary data and information to complete the sale of the loan book to Perch
- Liaising with the secured creditors regarding the sale process
- Liaising with Addleshaw Goddard regarding the sale process
- Reviewing the Perch sale and purchase agreement
- Providing post completion support to 1Plus1 and Perch, as required under the sale agreements
- Monitoring and reconciling post completion collection receipts from loan accounts included in the sales to 1Plus1 and Perch
- Liaising with agents and interested parties regarding the sale of certain chattels and Intangible assets

Trading

- Dealing with trading accounts
 - Preparation and review of trading projections, budgets and integrated cash-flows
 - Day-to-day monitoring and supervision of trading and business management
 - Ongoing maintenance and reconciliation of the trading accounts and other cashiering functions
 - Dealing with suppliers including the Company's payment service providers and pre-Administration bankers
 - Working with the relevant staff within the Company to understand the Company's IT architecture and systems design.
 - Arranging payments to suppliers for services used post-Administration
 - Reviewing the Company's existing trading, compliance, GDPR and subject access request procedures. Liaising with solicitors regarding the same where necessary
 - Winding down trading, including contacting all suppliers to terminate contracts and obtain final invoices.
-

Employees and pensions

- Liaising with ERA Solutions Limited regarding employee matters and collation of information
- Corresponding with employees
- Retained staff payroll
- Correspondence with pensions provider and payment of retained staff pension contributions
- Affecting the redundancies of 7 employees and correspondence regarding the same
- Calculation of employees retention bonuses
- Corresponding with HMRC regarding the Company's PAYE account

Creditors

- Liaising with secured creditors
- Calculation and payment of the final distribution to BCI
- Processing of creditors' claim forms and entering onto IPS
- Dealing with creditor enquiries. In particular, enquiries from customers who consider that they may have claims for redress, or who have questions regarding the affordability of their loan repayments
- Liaising with creditors affected by the Redress Scheme

Post appointment taxation

- Preparation of corporation tax returns
- Liaising with BDO's VAT team regarding VAT considerations in the sale to Perch
- Reviewing VAT clauses in the sale agreement for the sale to Perch

Closure

- Closure planning, including obtaining approval from discharge from liability
- Preparation and review of the Company's final accounts
- Preparing the final progress report

The current charge out rates per hour of staff within the firm who may be involved in working on the Administration are as follows:

Grade	£
Partner	994
Director	417-834
Senior Manager	347-694
Manager	190-507
Senior Executive	152-354
Executive	93-186

Grade	£
BDO LLP tax department (max)	1304

Cumulative time incurred to fees estimate comparison

Total undiscounted time costs £2,876,950.10 have been incurred over the course of the Administration to 1 September 2023 as detailed below.

Activity	Estimated			Total Incurred		
	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £
Steps on appointment	70.50	639.77	45,103.70	78.25	590.16	46,179.70
Planning and strategy	112.40	590.59	66,382.80	95.25	520.41	49,569.35
Statutory reporting and decisions	151.75	411.47	62,440.90	208.85	437.07	91,282.10
General administration	475.30	403.57	191,817.10	960.65	279.94	268,923.65
Assets	517.75	529.28	274,032.50	2,537.00	560.66	1,422,386.85
Trading	1,062.05	485.22	515,328.40	1,199.75	513.47	616,036.20
Investigations	103.00	486.61	50,121.00	94.65	344.43	32,600.45
Employees and pensions	82.90	431.57	35,777.20	81.35	411.95	33,512.35
Creditors	179.65	482.93	86,758.25	403.55	504.51	203,596.40
Post appointment taxation	40.25	419.24	16,874.25	54.70	1,009.84	55,238.10
Closure	35.00	481.43	16,850.00	122.20	471.56	57,624.95
TOTAL	2,830.55	481.00	1,361,486.10	5,836.20	492.95	2,876,950.10

The Joint Administrators have exceeded the fees estimate of £1,361,486. This was primarily due to the development of the redress methodology and sale of the loan book. Both processes were more complex than originally envisaged and took longer to finalise than anticipated. This in turn has meant that the period of trading the Company in Administration has also been much longer than originally anticipated, with a resulting impact on costs.

APPENDIX E

JOINT ADMINISTRATORS' EXPENSES

The Joint Administrators' expenses incurred and paid are detailed below.

	Estimated (exc. VAT) £	Incurred in Period 07/03/2023 to 06/09/2023 £	Total Incurred 07/09/2021 to 06/09/2023 £	Total Paid 07/09/2021 to 06/09/2023 £
Category 1				
¹ Legal Fees & Expenses - Addleshaw	144,000.00	70,502.60	188,821.40	188,821.40
² Legal Fees & Expenses - Huntswood	-	-	10,890.00	10,890.00
Post completion collections sweeps	-	134,096.41	134,096.41	134,096.41
Insurance	-	947.32	9,573.04	9,573.04
³ Agents Fees' & Expenses - Gordon Brothers	6,000.00	-	6,556.00	6,556.00
⁴ Agents' Fees & Expenses - ERA	3,330.00	-	2,070.00	2,070.00
⁵ Agents' Fees & Expenses - Clumber	-	-	420.00	420.00
Printing & Postage	-	-	840.70	840.70
Mail redirection	-	422.40	422.40	422.40
Storage Costs	1,200-2,400	1,737.68	2,855.25	2,855.25
Statutory Advertising	860.40	-	716.50	716.50
Bank Charges	-	82.91	2,033.91	2,033.91
*Critical supplier costs met by BDO	-	-	57,565.60	57,565.60
IT Expenses - hard drive	-	-	135.05	0.00
Travel	1,800-2,400	-	1,574.94	0.00
Accommodation	1,800	-	480.00	0.00
Statutory Bonding	-	-	200.00	0.00
Category 2				
BDO LLP (Financial Services Advisory)	-	-	2,760.00	2,760.00

*included within disbursements on the attached receipts and payments account.

Please note that figures for the 'total paid' are inclusive of VAT, whilst the Joint Administrators' estimates were exclusive of VAT.

1. Addleshaw Goddard LLP was engaged to provide legal advice in relation to matters arising in the Administration, including advice in relation to the validity of the Joint Administrators' appointment, the validity of the Company's security, assisting the Joint Administrators with the development of a redress methodology, the sale of the loan book to 1Plus1 and Perch and general adhoc legal advice as issues arise in the Administration. Addleshaw Goddard LLP was selected due to its knowledge and expertise in these areas.
2. Huntswood, who had acted as the skilled person prior to the Administration has advised and assisted the Joint Administrators with certain queries during the process of finalising the Redress Scheme. Huntswood was consulted due to its knowledge and expertise in this area, together with its familiarity with the background to the matter.
3. Gordon Brothers was instructed to provide valuations and assistance with the disposal of the Company's chattel assets. Gordon Brothers was selected due to its knowledge and expertise.

4. ERA Solutions Limited ('ERA') has been instructed to assist with liaising with employees, dealing with any queries in relation to employees and agreeing employee claims for future distributions. ERA was selected due to being an experienced specialist in this area.
5. Clumber Consultancy was instructed to prepare a report on the Company's pension scheme and identify any necessary actions for the Joint Administrators to complete. Clumber Consultancy was selected due to its knowledge and expertise.

* As reported previously, certain direct costs of trading had to be paid by BDO, as some suppliers would only accept card payments and the Company could not obtain a facility immediately following the Joint Administrators' appointment. A breakdown of these costs is provided in the table below.

AWS provides the Company's cloud infrastructure, including servers and databases required to run the in-house management platform. The other suppliers linked below provide various IT services necessary for the Company's trading operations.

Supplier	Total Paid £
Amazon Web Services ('AWS')	56,164.36
CircleCI	481.20
GitHub, Inc.	168.20
Mailchimp	322.26
Ngrok Inc	274.38
Timetastic Ltd	117.42
Royal Mail	37.33

The other expenses shown are self-explanatory