



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

1 Company details

Company number	0	8	0	8	9	5	4	1
Company name in full	Advancis Limited t/a Buddy Loans							

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	Shane
Surname	Crooks

3 Administrator's address

Building name/number	55
Street	Baker Street
	London
Post town	
County/Region	
Postcode	W 1 U 7 E U
Country	

4 Administrator's name ①

Full forename(s)	Antony
Surname	Nygate

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	55
Street	Baker Street
	London
Post town	
County/Region	
Postcode	W 1 U 7 E U
Country	

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0 ^d 7	^m 0 ^m 9	^y 2 ^y 0 ^y 2 ^y 1	
To date	^d 0 ^d 6	^m 0 ^m 3	^y 2 ^y 0 ^y 2 ^y 2	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 0 ^d 5	^m 0 ^m 4	^y 2 ^y 0 ^y 2 ^y 2	
----------------	-------------------------------	-------------------------------	---	--

**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**

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

Street

Baker Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country

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

Statement of Affairs £	From 07/09/2021 To 06/03/2022 £	From 07/09/2021 To 06/03/2022 £
POST APPOINTMENT SALES		
Loan Book Receipts	964.47	964.47
Funding advanced by Shawbrook	2,471,000.00	2,471,000.00
	<u>2,471,964.47</u>	<u>2,471,964.47</u>
TRADING EXPENSES		
Net Wages	303,572.10	303,572.10
Cleaning fees	156.00	156.00
Payroll deductions - PAYE/NIC	171,253.29	171,253.29
IT services	202,080.10	202,080.10
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Contractor wages	40,543.54	40,543.54
	<u>(844,497.17)</u>	<u>(844,497.17)</u>
TRADING SURPLUS/(DEFICIT)	<u>1,627,467.30</u>	<u>1,627,467.30</u>

Advancis Limited t/a Buddy Loans
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 07/09/2021 To 06/03/2022 £	From 07/09/2021 To 06/03/2022 £
	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		
	Insurance	3,659.68	3,659.68
		(3,659.68)	(3,659.68)
	FIXED CHARGE CREDITORS		
(5,121,861.00)	Shawbrook Bank Limited	NIL	NIL
(3,907,211.00)	BCI Finance Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
18,964.00	Cash at Bank	26,021.86	26,021.86
NIL	Deferred Expenditure	NIL	NIL
10,000.00	Deposits with Merchant Service Provid	NIL	NIL
6,398.00	Furniture & Equipment	NIL	NIL
	Interest Gross	47.52	47.52
NIL	Prepayments	NIL	NIL
	Trading Surplus/(Deficit)	1,627,467.30	1,627,467.30
		1,653,536.68	1,653,536.68
	COST OF REALISATIONS		
	Agents' Fees & Expenses - Clumber	420.00	420.00
	Agents' Fees & Expenses - ERA	2,070.00	2,070.00
	Bank Charges	279.00	279.00
	Statutory Advertising	716.50	716.50
	Storage Costs	655.67	655.67
		(4,141.17)	(4,141.17)
	PREFERENTIAL CREDITORS		
(80,477.00)	HM Revenue & Customs (PAYE, EE NIC,	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
(29,937,004.00)		1,645,735.83	1,645,735.83
	REPRESENTED BY		
	Business Current Account - Debit Card		21,980.54
	Fixed Current Account		1,555,105.42
	Floating Current Account		24,649.87
	GoCardless cash cover		44,000.00
			1,645,735.83

Note:

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

The loan book collections are not received into the Administration bank accounts and therefore are not reflected on the face of the Receipts & Payments account. The Joint Administrators advise that collections against the loan book during the Period were £4.676m

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 that distributions to Shawbrook during the Period were £2.639m

Certain direct trading costs had to be paid by BDO, as some suppliers would only accept card payments and the Company could not obtain a facility immediately following appointment. These costs to 6 March 2022 total £57,565.50 and will be recharged to the Administration estate in due course.



Advancis Limited t/a Buddy Loans

In Administration

Joint Administrators' progress report from
7 September 2021 to 6 March 2022

Abbreviation or term	Meaning
'the Appointment Date'	7 September 2021
'the Company'	Advancis Limited t/a Buddy Loans
'the Report'	Prepared in accordance with Rules 18.3 and 18.6 of the Rules
'the Rules'	Insolvency (England and Wales) Rules 2016
'unsecured creditors'	Creditors who are neither secured nor preferential

Financial Ombudsman Service prior to the Administration appointment (see below for further detail).

Additionally, certain trading costs were paid directly by BDO, as some suppliers would only accept card payments and the Company could not obtain a facility immediately following the Joint Administrators' appointment. These costs to 6 March 2022, which are reflected as a note to the trading account, total £57,565.50 and will be recharged to the Administration estate in due course. The Joint Administrators have since obtained a card facility in the name of the Company; it is therefore unlikely that further payments will be made to the Company's suppliers directly by BDO.

Loan book collections

The Company continues to collect loan repayments due from customers in the normal course of business in line with the individual loan agreements. As noted, the Secured Creditors benefit from security over the loan book, including an assignment of the loans.

During the Period, the Joint Administrators have worked with the retained employees to continue the orderly collection of the loan book. Loan book collections of £4.676m were paid into the Collections Account during the Period; these are reflected as a note on the receipts and payments account.

Management of employees

The Company has currently retained 16 employees (including the Company's managing director) to assist with the trading of the business, collection of the loan book, oversight of compliance functions, financial management and other functions.

Management of the retained staff and dealing with all administrative tasks arising from their continued employment is therefore a key work stream.

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 liaise regularly with key staff to discuss collections, financial record keeping, issues arising, the redress methodology (see below) and other ad hoc issues.

Funding arrangements

During the Period the Joint Administrators have prepared and submitted monthly funding requests to Shawbrook.

Each funding request is supported by certain financial information, including an updated Short Term Cash Flow Forecast which provides granular detail of the future costs expected to be incurred. Forecasting these costs and cashflow requirements, together with reconciliations of actual expenditure incurred, is a key workstream and ensures that there are sufficient funds available to settle all of the costs accruing in the Administration.

Reporting to the Secured Creditors

The Joint Administrators liaise with the Secured Creditors to ensure that they are kept updated with regard to all developments and relevant matters arising in the Administration.

Future of trading

As noted above, the Joint Administrators anticipate that the Company will continue to trade for the immediate future.

Once a redress scheme is implemented (see below), the Joint Administrators will consider whether there are alternate options to maximise the net realisations from the loan book.

Further updates will be provided in subsequent progress reports.

Other matters

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

Liaising with the FCA

As the Company remains a regulated entity, the Joint Administrators continue to liaise with the FCA on all relevant matters pertaining to the Company and the progress of the Administration, including the development of a scheme of redress as discussed below.

Scheme of redress

As noted in our Proposals, prior to the Joint Administrators' appointment, the Company had been working with a Skilled Person, appointed by reference to section 166 of the Financial Services and Markets Act 2000, with a view to developing a methodology that could identify customers who may potentially have been miss-sold unaffordable and / or unsustainable loans by the Company and, where applicable, calculate what redress (compensation) may be available to those customers.

The work on the redress methodology had not been concluded prior to the Joint Administrators' appointment. Therefore, with a view to implementing a scheme of redress during the Administration the Joint Administrators, supported by the Company's legal advisors and its retained staff, have continued to develop the methodology and consult with the Skilled Person, the Secured Creditors and the FCA.

Any scheme of redress adopted by the Joint Administrators will need to take account of the legal and practical constraints of the Administration process, including the rights of the Secured Creditors.

This remains a key work stream for the Joint Administrators, however, given that they are required to consult with the above-mentioned stakeholders in relation to the redress methodology, at present it is not possible to confirm when the methodology will be finalised. As and when a scheme of redress is agreed, affected customers will be contacted by the Company and will receive an explanation of what this means for them and their loans account(s).

Any redress due to former customers who have repaid their loans (i.e. those customers who do not have a loan balance outstanding) will rank as an unsecured creditor claim in the Administration. Payments to unsecured creditors will depend on the level of realisations achieved from the Company's assets. Whilst the position is not yet certain, current indications are that there will not be sufficient realisations to enable a dividend to be paid to unsecured creditors. This means that it is likely that former customers with redress claims may not receive any payment.

If, however, a current customer is found to be due redress, this would reduce the outstanding balance of the customer's loan.

Further updates in relation to the proposed scheme of redress will be provided in subsequent progress reports.

Financial Ombudsman Service ('FOS') complaints

During the Period, 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 Joint Administrators have worked with the Company's solicitors to understand the consequences of the FOS decisions given the subsequent Administration and the proposed scheme of redress.

The Joint Administrators were advised that, where FOS had issued a decision prior to the Appointment Date, the Company could action certain elements of the decision, including credit file and loan balance adjustments. Cash refunds arising from any overpayment of interest prior to the Appointment Date could not be processed due to the impact of the Administration, and any monetary sum due in respect of such a

refund will rank as an unsecured claim in the Administration. However, with the consent of the Secured Creditors, the Joint Administrators were able to refund any element of the overpayment that arose from loan repayments made after the Appointment Date.

During the Period the Company has written to all affected customers and implemented the necessary loan account adjustments.

Investigations

The Joint Administrators have a duty to investigate the affairs of the Company and the conduct of the directors. With respect to the investigation into the conduct of the directors, the Joint Administrators must submit a confidential statutory report to the disqualification unit of the Department for Business, Energy & Industrial Strategy. We can confirm that this report has been submitted, although its contents are confidential.

The Joint Administrators have completed a review of the Company's affairs to determine if there were any actions to be investigated for the benefit of creditors and have concluded there are no actions to pursue at this time.

Dividends to creditors

Secured creditors

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

In the Period, distributions totalling £2.639m have been paid to Shawbrook under its fixed charge security from the Collections Account. The payments do not appear on the Joint Administrators' receipts and payments account as the funds do not pass through the Administration bank account. Shawbrook's capital balance outstanding at 6 March 2022 was £2.770m.

As a second ranking secured creditor, BCI will only receive dividends if Shawbrook is repaid in full. Taking into account both the anticipated costs of the Administration and the potential impact of a redress scheme on the loan book, it is anticipated that BCI may suffer a shortfall on its debt, although the quantum of the shortfall is uncertain at this stage.

Preferential creditors

Preferential employee claims are estimated to be £17,149. No claim has yet been received from the Redundancy Payments Services.

It is not expected that there will be sufficient realisations to pay a dividend to the preferential creditors. The matter will be kept under review, however, and a further update will be provided in our next report to 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 has not yet submitted a claim in the Administration.

It is not expected that there will be sufficient realisations to pay a dividend to the secondary preferential creditors. The matter will be kept under review, however, and a further update will be provided in our next report to creditors.

Unsecured creditors

The directors' SOA estimated unsecured creditor claims to be c£31.3m. This did not include the impact of any unsecured claims that might arise from a scheme of redress (the quantum of which are not yet known given that a scheme has not yet been finalised).

Unsecured creditor claims received to date total £1,042,769.

Given the anticipated costs of the Administration and the security held by the Secured Creditors, it is not expected that there will be sufficient realisations to pay a dividend to unsecured creditors. The matter will be kept under review, however, and a further update will be provided in our next report to creditors.

Pre-Administration costs

Certain costs were incurred in preparing and planning for the Administration as detailed in the Proposals.

Pursuant to the Rules, approval to draw the sum of £95,000 from the Administration estate as an expense of the Administration has been sought from each of the secured creditors.

Shawbrook approved the pre-Administration costs during the Period and BCI approved the costs shortly after the Period end. The remaining pre-administration time costs have been written off.

No pre-administration costs were drawn during the Period.

Joint Administrators' remuneration

During the Period, time costs of £880,014 were incurred over 1,730 hours, at an average rate of £509 per hour. No remuneration was drawn in the Period.

In the Proposals, we stated that the Joint Administrators will be requesting that the Secured Creditors approve our remuneration on a time cost basis. Approval of the final basis and quantum of the Joint Administrators' remuneration has not yet been sought and will be subject to further discussion with the Secured Creditors as the Administration progresses.

However, the Joint Administrators sought approval to draw remuneration on account of £250,000 plus VAT during the Period. This remuneration will be paid from fixed charge asset realisations and is therefore subject only to the approval of the Secured Creditors. This was approved by Shawbrook during the Period and by BCI shortly after the Period end.

A detailed report of the time incurred by the Joint Administrators, a comparison of time incurred to Fees Estimate and a narrative of the work done during the Period is attached at Appendix D.

Joint Administrators' expenses

Expenses paid during the Period are detailed in the receipts and payments account at Appendix C. A breakdown of expenses incurred is also set out in Appendix E.

FUTURE ACTIONS

Extension of the Administration

The Administration will automatically end on 6 September 2022 unless an extension is approved by the Company's creditors or by the court.

It is presently anticipated that an extension will be required in order to provide sufficient time for the Joint Administrators to realise the Company's assets, including the remaining loan book.

Approval of the extension of the Administration will be sought from each of the Secured Creditors in due course.

Joint Administrators' discharge from liability

Prior to the closure of the Administration, approval will be sought from the Secured Creditors that the Joint Administrators be discharged from liability upon the registration of the notice to move from Administration and the final progress report with the Registrar of Companies.

Remaining matters

At a high level, the Joint Administrators consider that the following key matters will need to be progressed and resolved before the Administration can be closed:

- Finalise the scheme of redress and make necessary adjustments to the loan book and customers' credit files
 - Realise the remaining loan book (whether via a sale of the book or by continuing with the current collect-out)
 - Realise the Company's remaining assets, including chattel assets
 - Seek approval from the Secured Creditors for an extension of the period of the Administration
 - Distribute all surplus fixed charge realisations to the Secured Creditors
 - Obtain all necessary approvals for the Joint Administrators' remuneration.
-

APPENDIX A

STATUTORY INFORMATION

Information

Company name	Advancis Limited t/a Buddy Loans
Company registration number	08089541
Registered office	C/O BDO LLP, 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

APPENDIX B

CREDITORS' RIGHTS

Within 21 days of receipt of the 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 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 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 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>.

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)
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NIL	Prepayments	NIL	NIL
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		NIL	NIL
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		NIL	NIL
(29,937,004.00)		1,645,735.83	1,645,735.83
	REPRESENTED BY		
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	GoCardless cash cover		44,000.00
			1,645,735.83

Note:

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

The loan book collections are not received into the Administration bank accounts and therefore are not reflected on the face of the Receipts & Payments account. The Joint Administrators advise that collections against the loan book during the Period were £4.676m

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 that distributions to Shawbrook during the Period were £2.639m

Certain direct trading costs had to be paid by BDO, as some suppliers would only accept card payments and the Company could not obtain a facility immediately following appointment. These costs to 6 March 2022 total £57,565.50 and will be recharged to the Administration estate in due course.

APPENDIX D

JOINT ADMINISTRATORS' REMUNERATION

Approval of the final basis and quantum of the Joint Administrators' remuneration has not yet been sought from the Secured Creditors, although a payment of account of these costs of £250,000 plus VAT has been agreed (although not paid in the Period).

Time costs of £880,014 have been incurred during the Period and a breakdown is provided in the table below.

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Steps on appointment	27.25	27.00	0.00	12.40	5.05	0.50	72.20	45,370.30	628.40
Planning and strategy	24.90	7.45	0.00	26.95	7.55	1.70	68.55	38,446.30	560.85
Statutory reporting and decisions	11.00	20.20	2.05	54.90	18.45	3.15	109.75	49,838.40	454.11
General administration	65.00	8.10	2.80	51.40	72.45	40.30	240.05	91,982.85	383.45
Assets	54.75	106.55	6.00	121.50	5.45	0.00	294.25	174,367.50	592.58
Trading	78.60	227.05	4.00	217.40	69.80	24.40	621.25	331,639.45	533.83
Investigations	14.25	6.25	0.00	22.90	14.00	30.75	88.15	30,626.20	347.43
Employees and pensions	0.00	13.55	0.00	30.00	13.75	0.30	57.60	24,568.70	426.54
Creditors	38.25	32.50	0.20	81.20	18.30	2.70	173.15	90,803.65	524.42
Post appointment taxation	0.00	0.25	1.50	2.10	0.85	0.00	4.70	2,370.30	504.32
TOTAL	314.00	448.90	16.55	620.75	225.65	103.80	1,729.65	880,013.65	508.78

As noted in the table above, work undertaken by the Joint Administrators and their team is allocated to various activity headings. The work undertaken in relation to each activity is set-out in greater detail below:

Steps on appointment

- Case set up
- Initial statutory notifications and advertisements
- Initial correspondence with directors with requests for information and SOA
- Information gathering
- Collection of the Company's books and records and any storage requirements
- Liaising with the Company's former professional advisors and bankers
- Taking steps to identify, gather in and protect assets
- Initial meetings/discussions with directors
- Instructing solicitors to review validity of appointment
- Addressing employees

- Instructing specialists to assist the Joint Administrators with the employee address and to manage the process of employees making claims under their contracts of employment

Planning and strategy

- Case reviews
- Internal meetings and discussions
- Preparation and review of strategy documents
- Public Relations strategy
- Setting up trackers to identify, prioritise and manage the key work streams

Statutory reporting and decisions

- Preparation of the Joint Administrators' proposals
- Obtaining approval of the Joint Administrators' proposals
- Preparation of the fees and expenses estimate
- Obtaining approval for payment on account of Joint Administrators' remuneration

General administration

- Setting up processes for the regular reconciliations of the Administration bank accounts and other cashiering functions
- Dealing with general queries from creditors and stakeholders
- Ongoing internal meetings / correspondence to identify, prioritise and determine responsibility for completion of the work streams necessary to progress the Administration
- Liaising with the Company's technology specialists to understand the Company's IT architecture, systems and data processes
- Liaising with colleagues from within BDO who specialise in forensic technology in order that the Joint Administrators can capture copies of the Company's electronic records, software and systems
- Implementation of data capture described above by specialist staff
- Dealing with PR matters
- Dealing with directors and shareholders
- Dealing with regulatory matters including reporting and updates to the FCA / FOS
- 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 proposed scheme of redress, and dealing with all issues raised

- Developing and modelling further versions of the redress methodology for discussion with key stakeholders
- Opening bank accounts and collecting cash balances held by the Company
- Reviewing and assessing the Company's other assets, making enquiries where required to determine what recoveries may be possible
- Reconciling and reviewing deferred expenditure and pre-payments
- Liaising with interested parties and assisting with due diligence enquiries
- Instructing and liaising with Gordon Brothers regarding the chattel assets and disposal of the same.

Trading

- Establishing business control
- Attending the business premises
- Preparation and review of trading projections, budgets and integrated cash-flows, including monthly funding requests to Shawbrook
- Day-to-day monitoring and supervision of trading and business management
- Ongoing maintenance and reconciliation of the trading accounts and other cashiering functions
- Working with the Company's staff to ascertain which supplier services are required on an ongoing basis
- Dealing with suppliers including the Company's payment service providers and pre-Administration bankers
- Undertaking reconciliations of existing supplier contracts. Negotiating revised contracts / payments terms as required
- Working with the relevant staff within the Company to understand the Company's IT architecture and systems design. Implementing policies to backup or safeguard key systems.
- 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.

Investigations

- Review work pursuant to the Statement of Insolvency Practice 2 including review and analysis of the Company's bank statements, books and records and the creditors' and directors' questionnaires
- Confidential submission on the actions of the directors to the disqualification unit of the Department for Business, Energy and Industrial Strategy

Employees and pensions

- Meeting and corresponding with employees
- Liaising with ERA Solutions Limited regarding employee matters and collation of information
- Dealing with redundancy related queries
- Notification to the Pensions Regulator

- Liaising with clumber consultancy regarding the Company's pension scheme and identifying any necessary actions to complete
- Retained staff payroll
- Dealing with queries arising from retained staff, including amendments to employment contracts and ad hoc queries

Creditors

- Identification of the various populations of customers who had complained to the FOS; grouping these customers into categories in accordance with outcome stage of the FOS process; liaising with solicitors and the Secured Creditors to understand the impact of FOS decisions and what further action the Company should take; working with the Company to calculate adjustments and account positions where required; assisting the Company to prepare correspondence communicating updates to the various groups of affected customers
- Liaising with the Secured Creditors
- Obtaining legal advice on the validity of the security
- 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
- Processing of creditors' claim forms and entering onto IPS
- Liaising with creditors affected by the scheme of redress

Post appointment taxation

- Initial VAT and tax advice

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	627-836
Director	351-702
Senior Manager	292-585
Manager	160-427
Senior Executive	128-298
Executive	78-157
BDO LLP Tax department (max)	1,097

Cumulative time incurred to Fees Estimate comparison

The table below shows the total time costs incurred over the course of the Administration to 6 March 2022, compared with the Fee Estimate included in the Joint Administrators' Proposals:

Activity	Estimated			Total Incurred		
	Hours	Average rate £	Time costs £	Hours	Average rate £	Time costs £
Steps on appointment	70.50	639.77	45,103.70	72.20	628.40	45,370.30
Planning and strategy	112.40	590.59	66,382.80	68.55	560.85	38,446.30
Statutory reporting and decisions	151.75	411.47	62,440.90	109.75	454.11	49,838.40
General administration	475.30	403.57	191,817.10	240.05	379.80	91,170.85
Assets	517.75	529.28	274,032.50	294.25	592.58	174,367.50
Trading	1,062.05	485.22	515,328.40	621.25	533.83	331,639.45
Investigations	103.00	486.61	50,121.00	88.15	347.43	30,626.20
Employees and pensions	82.90	431.57	35,777.20	57.60	426.54	24,568.70
Creditors	179.65	482.93	86,758.25	173.15	524.42	90,803.65
Post appointment taxation	40.25	419.24	16,874.25	4.70	504.32	2,370.30
Closure	35.00	481.43	16,850.00	0.00	0.00	0.00
TOTAL	2,830.55	481.00	1,361,486.10	1,729.65	508.78	880,013.65

No remuneration has been drawn during the Period, although the Secured Creditors have approved a payment on account of the Joint Administrators' remuneration in the sum of £250,000 plus VAT.

APPENDIX E

JOINT ADMINISTRATORS' EXPENSES

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

	Estimated £	Incurred in Period 07/09/2021 to 06/03/2022 £	Total Paid 07/09/2021 to 06/03/2022 £
Category 1			
Agents' Fees & Expenses - ERA ¹	3,330.00	2,070.00	2,070.00
Agents' Fees & Expenses - Clumber ²	-	420.00	420.00
Agents' Fees & Expenses - Gordon Bros ³	6,000.00	1,500.00	0.00
Storage Costs	1,200-2,400	655.67	655.67
Insurance	7,000.00	3,859.69	3,659.68
IT expenses - hard drive	-	62.49	0.00
Statutory Advertising	860.40	716.50	716.50
Bank Charges	n/a	279.00	279.00
Legal Fees - Addleshaw Goddard LLP ⁴	144,000.00	110,400.00	0.00
Critical supplier costs met by BDO ⁵	-	57,565.60	0.00
Travel	1,800-2,400	548.00	0.00
Accommodation	1,800	480.00	0.00
Category 2			
BDO LLP (Financial Services) ⁶	-	2,760.00	0.00

The Joint Administrators' original estimate of costs and expenses excluded VAT. As the Company is not VAT registered, VAT is not recoverable and all actual costs incurred and paid are shown inclusive of VAT in the table above. For consistency, we have therefore adjusted the costs estimate to show costs inclusive of VAT.

- For cost effectiveness, work in relation to employee claims is sub-contracted to ERA Solutions Limited ("ERA"), who are experienced specialists in this area. ERA undertakes the following work:
 - Liaising with Company personnel to obtain employee information
 - Providing employees with the relevant forms, guidance notes and booklet
 - Liaising with employees regarding any queries they may have relating to their employment
 - Liaising with the Insolvency Service regarding employee claims and providing all the statutory information necessary
 - Dealing with any pre-appointment tribunal cases and assisting on any post-appointment cases
 - Providing dividend calculations if required
 - Dealing with queries from HMRC.
- Clumber Consultancy has been instructed to prepare a report on the Company's pension scheme and identify any necessary actions for the Joint Administrators to complete.
- Gordon Brothers has been instructed to provide valuations and assistance with the disposal of the Company's chattel assets. Gordon Brothers were selected due to their knowledge and expertise in this area.

4. Addleshaw Goddard LLP has been engaged to provide legal advice in relation to matters which may arise 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 and general ad-hoc legal advice as issues arise in the Administration.
5. As described in the Trading section of the Report, 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. As the Company now has an appropriate facility in place, no further costs are expected to be funded directly by BDO. A breakdown of these costs is provided below.

AWS provides the Company's cloud infrastructure including servers and databases required to run the inhouse management platform. The other suppliers listed below provide various IT services necessary for trading the Company.

Supplier	Total paid £
Amazon Web Services ('AWS')	56,164.36
CircleCI	481.20
GitHub, Inc.	168.20
Mailchimp	322.26
Ngrok Inc	274.83
Timetastic Ltd	117.42
Royal Mail	37.33

6. The Financial Services team at BDO LLP were engaged to provide ad-hoc assistance to the Joint Administrators in relation to the scheme of redress.