



Cash On Go Limited (in  
administration)

Joint Administrators' progress report for the period from 5  
September 2020 to 4 March 2021

29 March 2021



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# 1. Glossary

Abbreviation	Description
Administrators	Adam Henry Stephens, Henry Anthony Shiners and Gilbert John Lemon
Avole	Avole Holding AS
ETR	Estimated to realise
EUIF	Estonian Unemployment Insurance Fund is the Estonian Equivalent of the RPS
FCA	Financial Conduct Authority
FOS	Financial Ombudsman Service
HMRC	HM Revenue & Customs
Hilco	Hilco Appraisals Limited
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
Mintos	Mintos Marketplace
Pinsent Masons	Pinsent Masons LLP - legal advisors
QFCH	Qualifying Charge Holder - a secured creditor who has the power to appoint an administrator, in this case Avole
RPS	Redundancy Payments Service
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
SIP	Statement of Insolvency Practice (England & Wales)
SOA	Statement of Affairs
S&W	Smith & Williamson LLP
the Company	Cash On Go Limited

## 2. Introduction

This report provides an update on the progress of the administration of the Company for the six-month period ended 4 March 2021. It should be read in conjunction with any previous reports. In particular, our first report providing a significant amount of detail on the background of the Company and matters that were dealt with in the first six months which we do not propose to repeat here.

By way of reminder, we, Adam Stephens and Henry Shinnars of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, and Gilbert Lemon of Smith & Williamson LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA, were appointed Administrators of the Company on 5 March 2020.

## 3. Key points

### Trading related matters

- We are continuing to work with the Company's staff to trade the business in order to maximise the recoveries from the Company's loan book.
- The number of staff employed by the Company has gradually reduced since our previous report. As creditors may recall, at the date of our appointment there were 52 employees. We have made five redundancies during the review period, bringing the total of redundancies since appointment to 38. As previously reported, six employees left the Company voluntarily. In addition, three of the former employees, continue to be retained on a consultancy basis. We thank the employees for their continued assistance. Thank you.
- Loan repayments recovered from customers during the period under review total £681,502.
- We have continued to review and mitigate trading costs wherever possible, for example by assessing ongoing staffing levels as well as negotiating favourable lease terms with the landlords.

### Asset realisations

- On 16 November 2020, we complete a sale of c.10,000 loans with a total outstanding value of c.£4m to Perch Capital Limited. After an extensive marketing campaign and protracted negotiations, we achieved consideration of £390,000 for the loan book.
- Our agents commenced marketing of the residual loan book (comprising approximately 8,100 loans with a total outstanding principal value of approximately £2.5m; value including interest of approximately £4m) towards the end of 2020 with a view to completing the sale in the first quarter of 2021.
- We can confirm that we are in advanced negotiations with interested parties and anticipate a sale of the residual loan book to complete by the end of April 2021.

### Redress exercise

- The redress exercise is now mostly complete and some 109,000 current and former customers have been contacted with details of how they can claim for compensation due to them because of the Company's historic lending practices.
- Nearly 30,000 customers applied for compensation following the redress exercise.
- The redress claims are being awarded as reductions to existing loan balances, refunds of recent repayments, unsecured claims in the administration or a combination of these.
- We have also asked for loan balances to be reduced where affected loans have been sold to third party debt purchasers. Most of these loan reductions have now been applied and the remainder are being processed.

### Statutory matters

- The basis of the Administrators' pre- and post- appointment fees were approved by the QFCH, Avole, on 29 June 2020 on a time cost basis. Avole also approved the Administrators' Category 2 disbursements.

- On 2 February 2021, Avole, approved our revised fee estimate for the duration of the administration totalling £600,832.35.
- As it was evident that we would be unable to conclude the administration before the anniversary of our appointment, we sought and obtained the consent of Avole to extend the period of the administration to 4 March 2022.

#### Dividend prospects, creditors' rights and closure

- We are not aware of any preferential creditors of the Company.
- It is still expected that there will be a distribution to the unsecured creditors by virtue of the Prescribed Part (as defined at Section 7.2). We anticipate that a dividend will be paid to unsecured creditors in the latter part of this year.
- Due to the large number of unsecured creditors' claims and the limited funds available (the Prescribed Part fund is capped at £600,000), the rate of return will be small, currently estimated at between 2 and 3 pence for every £ of admitted claim owed.
- There will be no funds available for unsecured creditors other than from the Prescribed Part. Accordingly, once all matters in the administration have been concluded and the Prescribed Part fund distributed to the unsecured creditors, we will take steps to dissolve the Company.
- Details of your rights as a creditor are set out in details on Section 11. If you require further information about this report or the progress of the administration, you can contact us by email at [cashongo@smithandwilliamson.com](mailto:cashongo@smithandwilliamson.com).

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

As a result of the latest government advice and restrictions, we continue to have limited access to some of our physical case files and where relevant have had to produce this report from records available on our IT systems. We have taken every reasonable step to ensure that the information is accurate but if anything is incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

If you have any concerns regarding this matter, please contact Katya Daniels by email to [cashongo@smithandwilliamson.com](mailto:cashongo@smithandwilliamson.com) or by telephone on 0207 131 4000.

Our team members are successfully working remotely from home as well as from the office where necessary, and we will continue to do so, as required in line with the UK government's guidelines. We are fortunate to have at hand all the tools needed to communicate virtually, internally and externally.

Please be aware that some case staff may be working outside normal business hours but please be assured that your communications are important to us and will be responded to by the relevant team member who will contact you as soon as they are available to do so. We apologise in advance for any delay in responding to your communication and wish to take this opportunity to thank you for your patience and understanding during this unprecedented and challenging time.

## 4. Progress of the administration

Attached at Appendix I is our receipts and payments account for the period from 5 September 2020 to 4 March 2021. This account also includes cumulative figures for the period from 5 March 2020 to 4 March 2021.

### 4.1 Overview of the Company and its trade

Prior to the administration the Company traded as a high cost short term lender. Avole is the only secured creditor of the Company and it must account to Mintos (who provided short term borrowing) and the bondholders (who provided long-term debt) in accordance with the terms of the security documentation. As creditors may recall, the Administrators made interim payments totalling £950,000 to Mintos during the previous reporting

period. An additional payment totalling £283,594 in settlement of the outstanding liability to Mintos was made during the period covered by this report.

As a result, the debt to Mintos has now been repaid in full.

During the period under review, we have continued to trade the Company and collect in customer loan repayments. As required by SIP 7, the recoveries and associated costs of trading are set out in a separate trading receipts and payments account which is also shown at Appendix I.

#### **Banking**

We are continuing to operate banking facilities in the UK and Estonia to collect loan repayments and manage trading expenses.

#### **Employee liaison**

We continue to liaise with employees and heads of departments on a regular basis to monitor progress with the collection of outstanding loans, to oversee the implementation of the redress methodology and the sale of assets, including the loan book.

#### **Stakeholder updates**

During the review period we continued to liaise with the FCA regularly and to keep Avole and Mintos apprised of progress in the administration.

#### **Financial analysis**

The Administrators assess the viability of the Company's continued trading by preparing and updating cash flow forecasts on a regular basis.

## **4.2 Loan recoveries**

By virtue of the short repayment terms of high cost short term loans, all remaining outstanding loans are now in some form of default. Whilst we continue to work with the COG team to recover as much as is possible from these customers, income is reducing month on month. It was always envisaged that once the redress exercise had been completed, we would market and sell the residual loan book, as the costs of continuing to trade the business would likely outweigh the benefit to creditors.

Customer loan repayments to date total c.£4.84m, of which c.£681k were collected in the period.

## **4.3 Bank interest**

£1,244 of bank interest was received in the period.

## **4.4 Redress exercise**

Details of the redress methodology and process were included in our last report.

Since that report, we have worked hard with the team at COG to ensure that customer records were updated by way of balance reductions, returns of loan repayments received since the redress exercise began, calculating unsecured claims or a combination of these.

For customers whose loans remain with COG, emails have now been sent explaining the adjustments made.

We have also contacted the third-party debt agents who had previously purchased loans affected by the redress exercise to ensure that they made the appropriate balance reductions required. There were three main debt purchasers who have bought loans from COG in the past. Balance adjustments have been agreed and made for two of these three companies and we are currently working with the third to reconcile the adjustments required. It is anticipated that communications for these customers will be sent imminently.

Further details are set out at sections 7.2 and 7.4 for those customers who have unsecured claims in the administration. It is currently anticipated that unsecured creditors may receive between 2 pence and 3 pence in the £; this means that for a claim of £100, customers can expect to receive back between £2 and £3.

## 4.5 Sale of residual loan book

Following the completion of the redress exercise, we were able to adjust loan balances for those customers who had submitted claims and determine the balance of the residual loan book.

Hilco was instructed to market this residual loan book and this generated interest from a number of parties, including the parties who had previously tendered for the first loan book sale.

Based on a limited data file and other information, we received indicative bids from four parties in mid-February. We have progressed with three of these parties to the next phase and are currently working on more comprehensive data files and answering further queries with a view to receiving final bids by the end of March.

It is hoped that loan sale will be completed shortly thereafter, following which affected customers will be contacted with further information.

## 4.6 Leasehold premises

We previously renegotiated a rent reduction for the Company's Tallinn office. Subsequently, the staffing levels reduced to a point whereby it was no longer suitable to remain at this office so alternative office space was found and all remaining staff relocated at the end of 2020.

The agreement we have for the new premises is based on headcount and the rent will therefore continue to fall as staffing needs reduce.

As noted in the Administrators' previous report, the lease for the Company's premises in London was terminated in May 2020.

## 4.7 Chattel assets

Several of the chattels were sold prior to the office relocation as part of the downsizing. This included office furniture and computers. As some staff left, they expressed interest in retaining certain IT equipment. Any sales have been agreed on an ad hoc basis, based on pricing recommended by our agents, Hilco.

The remaining chattels include furniture and computer equipment and we are working to get sales agreed for these, so that they can be sold immediately following the closure of the office.

## 4.8 Assets still to be realised

### Residual loan book

As set out above, we expect a sale of the residual loan book to be completed by the end of April 2021.

### Chattel assets

As set out above, the remaining chattels will be sold when the office is shut down.

### Intellectual property

Our agents, Hilco, previously received indicative interest in relation to the Company's intellectual property, in particular the brand names and software that has been developed. However, that interest appears to have gone away. If any readers of this report are interested in the Company's intellectual property, then they should contact the Administrators, using the contact details provided in section 3 of this report.

## 4.9 Administration strategy

We must perform our functions with a view to achieving one of the following objectives:

- rescuing the Company as a going concern; or
- 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); or

- realising property in order to make a distribution to one or more secured or preferential creditors.

In this instance, we are pursuing the second objective. There have been no material changes in the administration strategy and the trading and subsequent wind down of the Company's business affairs is ongoing.

## 5. Administrators' remuneration

The secured creditor approved that the basis of the Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration. This was agreed following the Administrators providing a fees and expenses estimate and the secured creditor granting approval by means of a resolution by correspondence on 29 June 2020. Further approval was given to the revised fees estimate on 2 February 2021.

A summary of our time costs is set out below:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
5 March 2020 to 4 September 2020	942.75	300,674.37	319.61	101,271.90
5 September 2020 to 4 March 2021	471.75	155,817.94	330.30	Nil
Total	1,414.50	456,492.31	322.72	101,271.90

Attached as Appendix II is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the us and our staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Our costs to date are £456,492.31, as above, compared to our revised estimate of £600,832.35 and only the incurred time costs within the approved estimate will be drawn. Any sum in excess of the approved estimated time costs will not recovered by us unless approved by the approving body, in this case, the secured creditor, Avole. Appendix V provides a copy of the Administrators' revised fees estimate.

Also attached as Appendix III, is a cumulative time analysis for the period from 5 March 2020 to 4 March 2021 which provides details of the administrators' time costs since appointment. A total of £101,271.90 has been drawn on account of these costs.

Creditors should be aware that some of the work we undertake is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Details of S&W's charge out rates and policies in relation to the use of staff are provided at Appendix IV.

On a general note, please be aware that the charge out rates are subject to an annual review.



## 6. Administration expenses

### 6.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

### 6.2 Professional advisers

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

Name of professional adviser / Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in the current period £	Total costs outstanding at period end £	Total costs paid £	Estimated total costs £	Variance £
Pinsent Masons LLP (legal advisors)	Hourly rate	38,310	36,312	1,998	116,163	200,000	(83,837)
	Plus	plus	plus		plus		
	disbursements	28	£28		766		
Hilco Appraisal Limited (valuation and sales agents)	Fixed fee plus 20% of realisations and disbursements	78,000	78,000	Nil	85,500	8,000	77,500
<b>Total</b>		<b>116,338</b>	<b>114,340</b>	<b>1,998</b>	<b>202,429</b>	<b>208,200</b>	<b>(6,3370)</b>

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

No costs have been incurred or paid during the review period in relation to professional advisers based overseas.

We selected both our English and Estonian professional advisers on the following basis:

- Pinsent Masons LLP is a well-established and reputable firm of solicitors. It has an excellent reputation within the Restructuring and Insolvency industry and is regulated by the Solicitors' Regulatory Authority. It has acted as a legal advisor to the Company prior to it entering administration and therefore has an in-depth knowledge of COG's business model, dealings and affairs.
- Pinsent Masons also has a deep specialism in FCA regulated businesses and high cost short term credit lenders.
- Due to Pinsent Masons LLP's involvement with the Company in the pre-administration process and its knowledge of the Company's business model, it was considered more cost effective to retain their services than to instruct a new firm of solicitors.
- Hilco Appraisal Limited is a leading provider of asset valuations with a wide range of expertise across different sectors. It well known in the Restructuring and Insolvency industry. It has the necessary accreditations and it is competitive with regards to charges for its services.

## 6.3 Trading expenses

### GBP expenditure

Description	Incurring in current period £	Paid in current period £	Total costs outstanding at period end £	Total costs paid £
Client Refunds	(275,077)	(275,077)	Nil	(292,705)
Rent	Nil	Nil	Nil	(5,119)
Intra Company Bank Payments	(504,800)	(504,800)	Nil	(1,270,577)
Professional Fees	Nil	Nil	Nil	(411)
IT Suppliers	(24,377)	(24,377)	Nil	(68,754)
Debt Collection Services	(10,889)	(10,889)	Nil	(21,008)
Telephone	(15,717)	(7,852)	Nil	(23,569)
Bank Charges	(28,877)	(28,877)	Nil	(80,213)
Postage	(741)	(741)	Nil	(5,076)
Wages & Salaries (including pension contributions)	Nil	Nil	Nil	(18,161)
Insurance	Nil	Nil	Nil	(722)
Sundry Expenses	Nil	Nil	Nil	(40)
Ransom Payments	Nil	Nil	Nil	(22,942)
Legal Fees and Disbursements	Nil	Nil	Nil	(828)
PAYE & NI	Nil	Nil	Nil	(2,912)

### EURO expenditure

Description	Incurring in current period €	Paid in current period €	Total costs outstanding at period end €	Total cost paid €
Rent	(16,839)	(16,839)	Nil	(73,813)
Professional Fees	(61,784)	(61,784)	Nil	(97,701)
IT Suppliers	(35,073)	(35,073)	Nil	(66,003)
Telephone	(1,923)	(1,923)	Nil	(5,933)
Bank Charges	(721)	(721)	Nil	(2,447)
Postage	Nil	Nil	Nil	(311)
Wages & Salaries (including pension contributions)	(154,963)	(154,963)	Nil	(591,901)
Insurance	Nil	Nil	Nil	(561)
Sundry Expenses	(3,447)	(3,447)	Nil	(10,222)
Property Costs	(3,496)	(3,496)	Nil	(8,095)

Description	Incurred in current period €	Paid in current period €	Total costs outstanding at period end €	Total cost paid €
Archiving Costs	(521)	(521)	Nil	(683)
Ransom Payments	Nil	Nil	Nil	(94,930)
Consultancy Costs	(63,982)	(63,982)	Nil	(117,483)
Travel	Nil	Nil	Nil	(384)
PAYE & NI	(161,354)	(161,354)	Nil	(579,346)
VAT Payable	(5,778)	(5,778)	Nil	(15,904)
Irrecoverable VAT	(29,353)	(29,353)	Nil	(58,512)

#### 6.4 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Courier	Nil	Nil	11.44
Total	Nil	Nil	11.44

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

#### 6.5 Category 2 disbursements

No Category 2 expenses have been incurred in the review period.

## 7. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

Please note that, where creditors have submitted claims in foreign currency, they have been converted to £Sterling at the rate of applicable on the date the Company entered administration, being 5 March 2020. If any creditor considers the rate to be unreasonable, they may apply to court for determination.

#### 7.1 Secured creditors

Avole has floating charge over the Company's assets. Avole acts as a security trustee, whereby it remits funds to lenders (Mintos and the bondholders) in accordance with the security documentation. At the date of the administration, the total indebtedness to the secured creditor was estimated at c.£6.2m.

Whilst the security documentation states that Avole is the first ranking beneficiary of the security, Avole has confirmed that Mintos will rank ahead of it.

In the period covered by this report, payments totalling £283,593.78 have been made to Mintos. No further payments are due to Mintos.

No payments have been made to the bondholders or Avole.

Based on current information, the bondholders are likely to receive a distribution, albeit the quantum of such a distribution is likely to be very limited. Current forecasts estimate that the bondholders might receive back as much as £697,000, however it could be as little as £60,000 on our most prudent basis. There are many variables still to be determined, including the sale price for the residual loan book and the remaining expenses of the administration.

## 7.2 Prescribed Part

The Company granted a floating charge in favour of Avole on 3 December 2018. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors. Put simply, this Prescribed Part is an amount of cash which is made available for the sole benefit of the unsecured creditors. Without the Prescribed Part, the unsecured creditors would have received no distribution from this administration.

Based on present information, we believe that there will be a Prescribed Part in this case. Whilst we are unable to provide an exact amount at this time, we estimate that the Prescribed Part may be between £320k and £480k, depending on future realisations and administration expenses. Please be aware that the amount of the Prescribed Part is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made and administration expenses paid. The Prescribed Part distribution will be distributed by the Administrators in the administration (rather than from liquidators in a subsequent liquidation).

## 7.3 Preferential creditors

We are not aware of any preferential creditors of the Company.

## 7.4 Unsecured creditors

Unsecured creditors were estimated to be £484,528 according to the director's SOA, plus any redress creditors (which are listed as uncertain on the SOA). Based on the level of customer claims received from the redress exercise, we believe that unsecured customer claims will c.£15 million.

The debt purchase companies who have previously bought loans from COG and have now been asked to reduce customer loan balances as a result of the redress exercise, will also have unsecured claims in the administration. We are awaiting these claims which could be significant.

# 8. Outstanding matters

Our time costs to date are £456,492.31, as detailed in Section six, compared to our revised fees estimate of £600,832.35. Any time costs incurred in excess of the approved estimated time costs will not be recovered by us without further approval of Avole.

Please note that the revised fees estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, we will need to provide an update and seek approval from the secured creditor before drawing any additional sums. Fees estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

The remaining actions to be concluded in the administration are as follows: -

- Continuing to collect in loan repayments from customers.
- Completing the sale of the Company's assets, including the residual loan book, chattels and any sale of intellectual property.
- Winding down the business affairs of the Company.
- Agreeing the claims of, and making payments to, the secured creditor.
- Agreeing the claims of and making a distribution of the Prescribed Part fund to unsecured creditors.
- Closure of the administration, including preparing and issuing the final report.

## 9. Privacy and data protection

As part of our role as Administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

## 10. Ending the administration

It is anticipated the Company will be dissolved once all assets have been realised and distributions made.

We will be discharged from liability under P98(3) of Sch B1 immediately upon our appointment as Administrators ceasing to have effect.

## 11. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that we provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for our remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by us, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Adam Stephens or Gilbert Lemon in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

## 12. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.

We thank all creditors, employees and the many other stakeholders for the assistance on this assignment. Thank you.

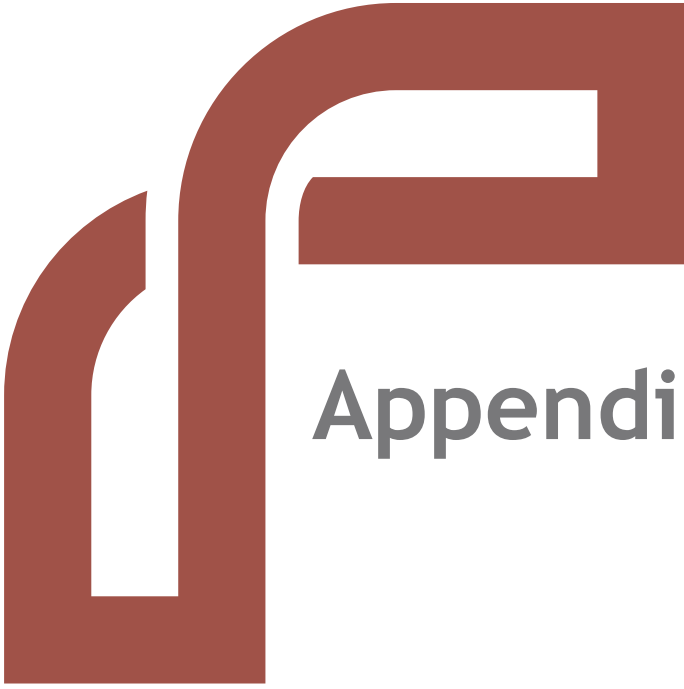
*Adam Stephens*

[Adam Stephens \(Mar 30, 2021 10:45 GMT+1\)](#)

Adam Stephens, Henry Shinnars and Gilbert Lemon

Joint Administrators

Date: 29 March 2021



# Appendices

# I Receipts and payments account

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TRADING RECEIPTS AND PAYMENTS ACCOUNT

	£ - GBP			€ - EUR			\$ - USD		
	Position as at 04/09/2021	Movement in the Period	Total	Position as at 04/09/2021	Movement in the Period	Total	Position as at 04/09/2021	Movement in the Period	Total
<b>TRADING RECEIPTS</b>									
Loan Repayments	4,167,541	681,502	4,849,044	0	0	0	0	0	0
Receipts from Marketing Clients	32,252	8,054	29,678	42	0	42	26	0	26
Deposit Refunds	3,692	0	3,692	198	0	198	0	0	0
Intra Company Receipts	0	0	0	1,118,517	556,132	1,674,649	1,600	0	1,600
Returned Payments	2,031	0	2,031	0	0	0	0	0	0
<b>TOTAL TRADING RECEIPTS</b>	<b>4,205,517</b>	<b>689,557</b>	<b>4,884,445</b>	<b>1,118,757</b>	<b>556,132</b>	<b>1,674,889</b>	<b>1,626</b>	<b>0</b>	<b>1,626</b>
<b>TRADING PAYMENTS</b>									
Client Refunds	(17,628)	(275,077)	(292,705)	0	0	0	0	0	0
Rent	(5,119)	0	(5,119)	(56,973)	(16,839)	(73,813)	0	0	0
Intra Company Bank Payments	(765,777)	(504,800)	(1,270,577)	0	0	0	0	0	0
Professional Fees	(411)	0	(411)	(35,917)	(61,784)	(97,701)	0	0	0
IT Suppliers	(44,416)	(24,337)	(68,754)	(30,930)	(35,073)	(66,003)	0	0	0
Debt Collection Services	(10,119)	(10,889)	(21,008)	0	0	0	0	0	0
Telephone	(15,717)	(7,852)	(23,569)	(4,010)	(1,923)	(5,933)	0	0	0
Bank Charges	(51,336)	(28,877)	(80,213)	(1,726)	(721)	(2,447)	0	0	0
Postage	(4,336)	(741)	(5,076)	(311)	0	(311)	0	0	0
Wages & Salaries (including pension contributions)	(18,161)	0	(18,161)	(435,938)	(154,963)	(590,901)	0	0	0
Insurance	(722)	0	(722)	(561)	0	(561)	0	0	0
Sundry Expenses	(40)	0	(40)	(6,775)	(3,447)	(10,222)	0	0	0
Property Costs	0	0	0	(4,599)	(3,496)	(8,095)	0	0	0
Archiving Costs	0	0	0	(162)	(521)	(683)	0	0	0
Ransom Payments	(22,942)	0	(22,942)	(94,930)	0	(94,930)	(1,600)	0	(1,600)
Consultancy Costs	0	0	0	(53,501)	(63,982)	(117,483)	0	0	0
Travel and Subsistence	0	0	0	(384)	0	(384)	0	0	0
Legal Fees and Disbursements	(828)	0	(828)	0	0	0	0	0	0
PAYE & NI	(2,912)	0	(2,912)	(417,891)	(161,354)	(579,246)	0	0	0
VAT Payable	0	0	0	(10,126)	(5,778)	(15,904)	0	0	0
Irrecoverable VAT	0	0	0	(29,159)	(29,353)	(58,512)	0	0	0
<b>TOTAL TRADING PAYMENTS</b>	<b>(960,464)</b>	<b>(852,572)</b>	<b>(1,813,036)</b>	<b>(1,183,894)</b>	<b>(539,235)</b>	<b>(1,723,129)</b>	<b>(1,600)</b>	<b>0</b>	<b>(1,600)</b>
<b>TRADING SURPLUS/DEFICIT</b>	<b>3,245,052</b>	<b>(163,016)</b>	<b>3,071,409</b>	<b>(65,137)</b>	<b>16,897</b>	<b>(48,240)</b>	<b>26</b>	<b>0</b>	<b>26</b>

RECEIPTS AND PAYMENTS ACCOUNT

	£ - GBP			€ - EUR			\$ - USD		
	Position as at 04/09/2020	Movement in Period	Total	Position as at 04/09/2020	Movement in Period	Total	Position as at 04/09/2020	Movement in Period	Total
<b>RECEIPTS</b>									
Trading Surplus (carried forward from trading R&P)	3,245,052	(163,016)	3,071,409	(65,137)	16,897	(48,240)	26	0	26
Bank Interest	1,562	1,244	2,806	0	0	0	0	0	0
Cash at Bank	264,631	0	264,631	82,688	0	82,688	0	0	0
Furniture and Equipment	1,975	5,622	7,597	1,000	0	1,000	0	0	0
Insurance Refund	242	0	242	0	0	0	0	0	0
Loan Book Sale	0	383,705	383,705	0	0	0	0	0	0
Transfers from Trading Accounts	0	0	0	0	0	0	0	0	0
Book Debts	10,628	7,939	18,567	0	0	0	0	0	0
<b>TOTAL RECEIPTS</b>	<b>3,524,090</b>	<b>235,493</b>	<b>3,748,956</b>	<b>18,552</b>	<b>16,897</b>	<b>35,448</b>	<b>26</b>	<b>0</b>	<b>26</b>
<b>PAYMENTS</b>									
Pre-Appointment Administrators' Fees	(60,171)	0	(60,171)	0	0	0	0	0	0
Pre-Appointment Legal Fees	(28,463)	0	(28,463)	0	0	0	0	0	0
Pre-Appointment Legal Expenses	(1,931)	0	(1,931)	0	0	0	0	0	0
Administrators' Fees	(101,272)	0	(101,272)	0	0	0	0	0	0
Agents/Valuers Fees	(7,500)	(78,000)	(85,500)	0	0	0	0	0	0
Legal Fees	(79,851)	(36,312)	(116,163)	0	0	0	0	0	0
Legal Disbursements	(738)	(28)	(766)	0	0	0	0	0	0
Payment to Floating Charge Creditor	(950,000)	(283,594)	(1,233,594)	0	0	0	0	0	0
Bank Charges	(39)	(69)	(108)	0	0	0	0	0	0
Courier	(51)	0	(51)	0	0	0	0	0	0
Travel and Subsistence	(2,057)	0	(2,057)	0	0	0	0	0	0
Specific Bond	(140)	0	(140)	0	0	0	0	0	0
Statutory Advertising	(447)	0	(447)	0	0	0	0	0	0
Irrecoverable VAT	(62,139)	(24,616)	(86,755)	0	0	0	0	0	0
Transfers to Trading Accounts	(65,530)	0	(65,530)	0	0	0	0	0	0
<b>TOTAL PAYMENTS</b>	<b>(1,360,328)</b>	<b>(422,619)</b>	<b>(1,782,947)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BALANCE IN HAND</b>	<b>2,163,762</b>	<b>(187,126)</b>	<b>1,966,009</b>	<b>18,552</b>	<b>16,897</b>	<b>35,448</b>	<b>26</b>	<b>0</b>	<b>26</b>

## Notes and further information required by SIP 7

- The basis of the Administrators' remuneration has been approved.
- No payments have been made to us from outside the estate.
- Cash in hand on 4 March 2021 based on the prevailing exchange rates totalled £1,996,683.
- Details of significant expenses paid are provided below.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- As detailed in the body of the report, the Administrators are continuing to trade the business with a view of completing an orderly wind down and collection of the Company's primary asset, being the debtor ledger.
- Intracompany receipts and payments correspond to movements between various accounts operated by the Company, usually for the payment of expenses in foreign currencies.
- Details of accounts in foreign currencies are outlined clearly. The Administrators will collate all monies into a £Sterling count at the appropriate time in preparation for distribution.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. As the Company undertakes financial services it is not able to recover VAT on expenditure. VAT is therefore recorded as irrecoverable VAT.

## Notes and further information required by SIP 9

The significant costs incurred during the period under review are explained below:

### Legal Fees

Below is summary of the work undertaken by Pinsent Masons LLP

- Providing advice in relation to redress methodology and communications with the FCA
- Advice relating to the Mintos agreement and priority arrangements
- General post-appointment restructuring advice and responses to ad hoc queries
- Advice relating to the assignment of the Company's loan book and negotiations
- Drafting and finalising documents in relation to the sale of the non-redress loan book
- Advice relating to the sale of the residual loan book and reviewing proposed contracts and related documentation.

### Agent Fees

Below is summary of the work undertaken by Hilco

- Reviewing and evaluating offers from interested parties
- Assisting the Administrators with the sale process
- Assisting the Administrators with negotiations and post-sale formalities

## Trading Expenses

The significant trading costs incurred during the period under review are explained below.

### Wages and Salaries

- Payments to retained members of staff, assisting the Administrators with the ongoing trade of the Company's business, the implementation of the redress methodology and resolving customer complaints.

### Bank Charges

- Charges associated with the day to day running of the business and account maintenance.

### IT Suppliers

- Payments to IT suppliers that have been deemed vital for the operation of the Company's business during the ongoing trading and wind down of the Company's business.

### Consultancy Costs

- Payments to former employees who have been retained on consultancy basis. These employees are assisting the Administrators with the ongoing trading and winding down of the Company's business and day-to day business matters.
- Retaining these employees on a consultancy basis has ensured that the Administrators retain significant support from senior staff whilst reducing the cost base by reducing their involvement and hours.

### Rent

- Payments in relation to the Company's leased premises in Tallinn.

### Professional Costs

- Payments to advisers based in Estonia in relation to accounting advice, preparation of payroll and associated documentation.

### Client Refunds

- Payments to present and former customers of the Company following the implementation of the redress methodology and the assessment of customer's claims.

# II Time analysis for the period

From 5 September 2020 to 4 March 2021

	Partner	Director & Associate Director	Manager	Other Professionals	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	£	£/hr
<b>Administration &amp; planning</b>							
Statutory & Regulatory	4.60	-	13.75	34.13	52.48	16,409.99	312.67
Case administration	14.70	13.92	28.55	106.22	163.38	49,357.44	302.10
Post appointment AML	-	-	-	0.17	0.17	36.67	219.98
<b>Sub-total Administration &amp; planning</b>	<b>19.30</b>	<b>13.92</b>	<b>42.30</b>	<b>140.52</b>	<b>216.03</b>	<b>65,804.10</b>	<b>304.60</b>
<b>Investigations</b>							
Records and investigations	0.20	-	-	1.70	1.90	547.50	288.16
<b>Sub-total Investigations</b>	<b>0.20</b>	<b>-</b>	<b>-</b>	<b>1.70</b>	<b>1.90</b>	<b>547.50</b>	<b>288.16</b>
<b>Realisation of assets</b>							
Fixed charge (chattel mortgages)	-	-	4.00	-	4.00	1,600.00	400.00
Other assets	6.55	-	5.52	4.60	16.67	6,823.78	409.43
Tax assets	-	-	0.10	0.20	0.30	83.00	276.67
Business sale	0.25	-	32.92	-	33.17	12,511.83	377.24
Legal actions (civil recoveries)	-	-	0.75	-	0.75	240.00	320.00
Premises clearance	-	-	0.20	-	0.20	63.98	320.06
<b>Sub-total Realisation of assets</b>	<b>6.80</b>	<b>-</b>	<b>43.48</b>	<b>4.80</b>	<b>55.08</b>	<b>21,322.59</b>	<b>387.10</b>
<b>Trading</b>							
Trading suppliers and expenses	-	-	1.18	0.70	1.88	645.16	342.57
Trading accounting	-	-	31.30	-	31.30	10,528.02	336.36
Trading employees	1.25	-	14.07	-	15.32	5,311.84	346.80
Trading customers	0.15	-	0.60	1.80	2.55	784.50	307.65
Trading compliance	-	-	22.38	-	22.38	8,158.62	364.50
<b>Sub-total Trading</b>	<b>1.40</b>	<b>-</b>	<b>69.53</b>	<b>2.50</b>	<b>73.43</b>	<b>25,428.14</b>	<b>346.28</b>
<b>Creditors</b>							
Chargeholders	2.25	-	3.27	0.80	6.32	2,551.78	403.99
Employees, Pensions & RPS	0.35	-	0.30	-	0.65	315.50	485.38
Redress exercise and customer complaints	4.60	-	83.88	29.55	118.03	39,728.33	336.59
<b>Sub-total Creditors</b>	<b>7.20</b>	<b>-</b>	<b>87.45</b>	<b>30.35</b>	<b>125.00</b>	<b>42,595.61</b>	<b>340.77</b>
<b>Shareholders</b>							
Shareholders/members	-	-	0.30	-	0.30	120.00	400.00
<b>Sub-total Shareholders</b>	<b>-</b>	<b>-</b>	<b>0.30</b>	<b>-</b>	<b>0.30</b>	<b>120.00</b>	<b>400.00</b>
<b>Total of all hours</b>	<b>34.90</b>	<b>13.92</b>	<b>243.06</b>	<b>179.87</b>	<b>471.75</b>		
<b>Total of all £</b>	<b>19,665.00</b>	<b>6,163.92</b>	<b>86,671.30</b>	<b>43,317.72</b>		<b>155,817.94</b>	
Average rate	563.47	442.91	356.58	240.83			330.30

## Notes/reconciliation differences

### Explanation of major work activities undertaken

#### Administration and Planning

- Protection of Company's assets and records (including electronic).
- Dealing with routine correspondence.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Undertaking periodic case reviews
- Case bordereau and reviews.
- Case planning, administration and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders, including but not limited to the Administrators' progress report for the period 5 March 2020 to 4 September 2020.
- Maintaining and managing the Administrators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.

### Investigations

- Review and storage of books and records.

### Realisation of assets / Trading

This section is in relation to the realisation of the Company's assets.

- Managing book debt collection.
- Liaising with instructed agents with a view to agreeing potential sale of business and / or certain assets.
- Sales negotiations, including review of sales contract.
- Discussions with our legal advisors in respect of sales documentation.
- Sourcing information necessary for the sale.
- Insurance of the assets and public liability.
- Miscellaneous asset realisation e.g. sale of chattel assets.
- Monitoring the Company's trading performance alongside staff who have been retained.
- Liaising with key stakeholders to ensure continuity of trade and maintaining an undertaking schedule.
- Reviewing and approving regular supplier payment runs.
- Regular posting of receipts and payments to accounting system.
- Preparing cash flow forecasts for the period of administration and updating as appropriate.
- Preparing estimated outcome statements for the administration.
- Employee matters including redundancies.
- Working with the various banks and merchant services providers in order to ensure continuity of supply and facilitate loan recoveries.
- Ensuring that business adheres/conforms to legislation.
- Various specific meetings and reports regarding the proposed sale of the loan book.

### Creditors

- Dealing with creditor correspondence via email and telephone.
- As the Company's business was being traded during the period of office, it was necessary to maintain dialog with certain key stakeholders, as a result certain dialogue may relate to trading activities.
- Maintaining creditors' information on our insolvency database.
- Correspondence and regular liaison with the FCA on the administration generally.
- Various specific meetings and reports regarding the redress exercise.
- Redress exercise - liaising with staff at the Company to implement redress methodology, including communications and software developments, calculating financial implications and working through various scenarios.
- Liaise with overseeing regulatory bodies on a regular basis to discuss progress and implementation of redress methodology.
- Working with the compliance team in responding to customer redress assessment appeals.
- Implementation of the redress methodology, including correspondence with present and former customers of the Company who may have redress claims.

### Shareholders

- Shareholder communications, including non-statutory reporting.
- was maintained and a copy of the customer database available in the event of business continuity disruption.

# III Cumulative time analysis

From 5 March 2020 to 4 March 2021

	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
<b>Administration &amp; planning</b>								
Statutory & Regulatory	18.95	1.50	52.85	84.68	-	157.98	50,868.99	321.99
Case administration	48.35	17.07	75.40	206.13	-	346.95	109,591.70	315.87
Post appointment AML	-	-	-	0.17	-	0.17	36.67	219.98
Travelling	12.00	-	18.50	-	-	30.50	10,920.00	358.03
Administration & planning - other (legacy)	2.80	1.00	5.75	9.30	1.35	20.20	5,682.30	281.30
<b>Sub-total Administration &amp; planning</b>	<b>82.10</b>	<b>19.57</b>	<b>152.50</b>	<b>300.28</b>	<b>1.35</b>	<b>555.80</b>	<b>177,099.66</b>	<b>318.64</b>
<b>Investigations</b>								
Directors	-	-	1.70	4.65	-	6.35	1,552.00	244.41
Records and investigations	1.40	-	3.20	2.15	-	6.75	2,071.50	306.89
Investigations, other (legacy)	-	-	0.20	1.60	-	1.80	432.00	240.00
<b>Sub-total Investigations</b>	<b>1.40</b>	<b>-</b>	<b>5.10</b>	<b>8.40</b>	<b>-</b>	<b>14.90</b>	<b>4,055.50</b>	<b>272.18</b>
<b>Realisation of assets</b>								
Fixed charge (chattel mortgages)	0.55	-	4.00	-	-	4.55	1,930.75	424.34
Other assets	6.75	-	13.17	12.25	-	32.17	11,023.78	342.71
Tax assets	-	-	0.10	0.20	-	0.30	83.00	276.67
Business sale	4.85	-	40.57	0.40	-	45.82	17,362.33	378.95
Legal actions (civil recoveries)	-	-	0.75	-	-	0.75	240.00	320.00
Premises clearance	-	-	0.30	-	-	0.30	103.98	346.72
Realisation of assets, other (legacy)	0.25	-	9.45	-	-	9.70	3,268.75	336.98
<b>Sub-total Realisation of assets</b>	<b>12.40</b>	<b>-</b>	<b>68.33</b>	<b>12.85</b>	<b>-</b>	<b>93.58</b>	<b>34,012.59</b>	<b>363.45</b>
<b>Trading</b>								
Trading suppliers and expenses	2.10	-	18.78	2.10	-	22.98	6,741.71	293.33
Trading accounting	18.60	-	114.03	51.45	-	184.08	58,401.43	317.26
Trading employees	5.35	-	59.97	2.05	-	67.37	20,576.34	305.44
Trading customers	0.15	-	2.00	3.05	-	5.20	1,459.00	280.58
Trading compliance	1.90	-	29.53	-	-	31.43	11,869.62	377.62
Trading, other (legacy)	1.95	-	36.45	24.00	-	62.40	15,320.55	245.52
<b>Sub-total Trading</b>	<b>30.05</b>	<b>-</b>	<b>260.77</b>	<b>82.65</b>	<b>-</b>	<b>373.47</b>	<b>114,368.65</b>	<b>306.24</b>
<b>Creditors</b>								
Chargeholders	8.95	5.00	24.02	1.40	-	39.37	15,263.28	387.72
Employees, Pensions & RPS	0.35	-	0.90	4.70	-	5.95	1,414.30	237.70
Redress exercise and customer complaints	19.35	-	179.68	55.75	3.50	258.28	88,037.08	340.86
Creditors, other (legacy)	-	-	10.55	-	-	10.55	2,572.00	243.79
<b>Sub-total Creditors</b>	<b>28.65</b>	<b>5.00</b>	<b>215.15</b>	<b>61.85</b>	<b>3.50</b>	<b>314.15</b>	<b>107,286.66</b>	<b>341.52</b>
<b>Shareholders</b>								
Shareholders/members	-	-	0.30	-	-	0.30	120.00	400.00
<b>Sub-total Shareholders</b>	<b>-</b>	<b>-</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>0.30</b>	<b>120.00</b>	<b>400.00</b>
<b>SAR &amp; client assets</b>								
Regulation and Control	-	-	27.45	-	-	27.45	8,918.00	324.88
<b>Sub-total SAR &amp; client assets</b>	<b>-</b>	<b>-</b>	<b>27.45</b>	<b>-</b>	<b>-</b>	<b>27.45</b>	<b>8,918.00</b>	<b>324.88</b>
<b>Total of all hours</b>	<b>154.60</b>	<b>24.57</b>	<b>729.60</b>	<b>466.03</b>	<b>4.85</b>	<b>1,379.65</b>		
<b>Total of all £</b>	<b>84,514.00</b>	<b>10,702.17</b>	<b>239,619.96</b>	<b>110,308.63</b>	<b>716.30</b>		<b>445,861.06</b>	
<b>Average rate</b>	<b>546.66</b>	<b>435.64</b>	<b>328.43</b>	<b>236.70</b>	<b>147.69</b>			<b>323.17</b>
<b>Time undertaken by non insolvency teams</b>								
Corporation Tax	3.75	1.10	-	-	-	4.85	3,011.25	620.88
Forensics	-	-	22.50	7.50	-	30.00	7,620.00	254.00
<b>Total hours (non insolvency teams)</b>	<b>3.75</b>	<b>1.10</b>	<b>22.50</b>	<b>7.50</b>	<b>-</b>	<b>34.85</b>		
<b>Total £ (non insolvency teams)</b>	<b>2,681.25</b>	<b>330.00</b>	<b>6,667.50</b>	<b>952.50</b>	<b>-</b>		<b>10,631.25</b>	
<b>Average rate £/hr (non insolvency teams)</b>	<b>715.00</b>	<b>300.00</b>	<b>296.33</b>	<b>127.00</b>	<b>-</b>			<b>305.06</b>
<b>Grand total hours</b>	<b>158.35</b>	<b>25.67</b>	<b>752.10</b>	<b>473.53</b>	<b>4.85</b>	<b>1,414.50</b>		
<b>Grand total £</b>	<b>87,195.25</b>	<b>11,032.17</b>	<b>246,287.46</b>	<b>111,261.13</b>	<b>716.30</b>		<b>456,492.31</b>	<b>322.72</b>
<b>Average rate £/hr (all staff)</b>	<b>550.65</b>	<b>429.82</b>	<b>327.47</b>	<b>234.96</b>	<b>147.69</b>			<b>322.72</b>

## Notes

The following gives a summary of our revised estimate, provided at Appendix V of this report, and the actual time costs incurred as at 4 March 2021 for ease of comparison:

Task	Revised Estimated fees to be incurred £	Actual Fees Incurred £	Variance £
Administration and Planning	212,386.34	177,099.66	(35,286.68)
Investigations	4,055.50	4,055.50	0.00
Realisation of Assets	60,279.79	34,012.59	(26,267.20)
Trading	157,738.79	114,368.65	(43,370.14)
Creditors	152,983.18	107,286.66	(45,696.52)
SAR & Client Assets	-	8,918.00	8,918.00
Shareholders	1,357.50	120.00	(1,237.50)
Corporate Tax	3,411.25	3,011.25	(400.00)
Forensics	8,620.00	7,620.00	(1,000.00)
<b>Total</b>	<b>600,832.35</b>	<b>456,492.31</b>	<b>(144,340.04)</b>

The material differences between our revised estimates and what has actually been incurred can be explained as follows:

### **Administration and Planning (£35,286.68 overestimated)**

Administration and Planning has been overestimated due to the following reasons:

- Our fee revised fee estimate is for the duration of the administration.
- General tasks undertaken by the administrators are still in process and costs will increase during the course of the administration.

### **Realisation of Assets (£26,267.20 overestimated)**

Realisation of assets has been overestimated due to the following reasons:

- Our fee revised fee estimate is for the duration of the administration.
- Further costs are anticipated in relation to the sale of the residual loan book.
- Additional costs will be incurred once the business is wound down and the remaining Company's assets such as fixtures and fittings, IT software, etc are marketed for sale.

### **Trading (£43,370.14 overestimated)**

Trading has been overestimated due to the following reasons:

- Our fee revised fee estimate is for the duration of the administration
- Further costs are anticipated in relation to the wind down of the Company's business, concluding trading matters, closing foreign currency bank accounts.



#### **Creditors (£45,696.52 overestimated)**

Creditors have been overestimated due to the following reasons:

- Our fee revised fee estimate is for the duration of the administration
- Additional costs will be incurred in relation to agreeing the claims of and making a distribution of the Prescribed Part fund to unsecured creditors.

#### **Shareholders (£1,237.50 overestimated)**

Shareholders have been overestimated for the following reasons:

- The Joint Administrators have not had any engagement with the Company's shareholder.
- The position is anticipated to change as the case progresses.

#### **Corporate Tax (£400.00 overestimated)**

- Some further cost is anticipated in obtaining tax clearance before closure.

#### **Forensics (£1,000 overestimated)**

- The Joint Administrators alongside their Forensics Department were able to complete the necessary work in a cost-efficient manner, resulting in an overestimate.

#### **SAR & Client Assets (£8,918.00 underestimated)**

Case specific was not included in the Joint Administrators estimate for the following reasons:

- Time allocated to this category relates to discussions with regulatory bodies regarding the redress exercise and the progress of the administration.
- This specific time category was created when S&W's new time recording system was adopted on 1 August 2020. Prior to this, the corresponding time was recorded as 'Trading Compliance'.

# IV Staffing, charging, subcontractor and adviser policies and charge out rates

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## Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's and S&WFS' current charge out rates

## Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required and where this will add best value and service.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

## Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider.
- The provider holds appropriate regulatory authorisations.
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

## Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

## Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	380-465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

## Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised, and London rates apply. Up to 31 January 2021 the cashiering function time is incorporated within "Other professional staff" rates. From 1 February 2021 the cashiering function time is split between "Other professional staff" and "Associate Director".

Smith & Williamson LLP Corporate Tax Charge out rates as at 1 July 2020	London office £/hr
Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Smith & Williamson LLP Corporate Tax Charge out rates as at 1 July 2019	London office £/hr
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

Smith & Williamson LLP Financial Services / CASS Charge out rates as at 1 July 2019	London office £/hr
Partner / Director	500
Associate Director	330
Managers	270
Other professional staff	135
Support & secretarial staff	82

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	470
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

# V Revised fee estimate

## Administrators' revised fee estimate for the duration of the administration

Hourly rate (£)	average 570.00	average 465.00	average 380.00	average 255.00	average 105.00			
	Hours							
	Partner / Director	Associate Director	Manager / Assistant Manager	Other professional staff	Assistants & support staff	Total hours	Time cost	Average hourly rate
Classification of work function	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Administration and planning</b>								
Statutory compliance, reporting to stakeholders, accounting, protecting company records, travelling, bonding, case set-up, planning/reviewing and filing								
Initial post-appointment notification letters, including creditors	7.20	1.50	2.20	18.85	0.00	29.75	£10,028.00	£337.08
Statutory & Regulatory	6.10	0.00	17.90	45.73	10.00	79.73	£23,028.99	£288.84
Statutory returns, reports & meetings	8.45	0.00	46.90	51.60	0.00	106.95	£34,246.50	£320.21
Case administration	12.40	9.08	30.47	112.88	0.00	164.83	£48,571.13	£294.67
Post appointment AML	0.00	0.00	0.00	10.17	0.00	10.17	£2,586.67	£254.34
Cashiering general, including bonding	7.15	0.00	6.05	49.40	0.00	62.60	£20,102.75	£321.13
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	22.75	1.70	45.90	40.45	0.00	110.80	£37,549.00	£338.89
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.20	0.00	1.80	10.00	0.00	12.00	£3,327.00	£277.25
Protection of company records (incl electronic)	2.00	0.00	2.00	11.10	0.00	15.10	£4,712.00	£312.05
Insurance & general asset protection	3.65	0.00	1.70	1.95	0.00	7.30	£3,034.50	£415.68
Travelling	12.00	0.00	18.50	0.00	0.00	30.50	£10,920.00	£358.03
Agents and advisers, general	0.00	0.00	7.70	0.00	0.00	7.70	£2,812.00	£365.19
Filing, file and information management	0.30	0.00	2.50	11.90	0.00	14.70	£3,931.00	£267.41
Filing - Administration and planning	0.00	0.00	1.50	1.00	0.00	2.50	£795.00	£318.00
Director/manager review, approval and signing	0.50	0.00	6.00	0.30	0.00	6.80	£2,404.00	£353.53
Other	0.25	1.00	6.25	6.00	1.35	14.85	£4,337.80	£292.11
<b>Subtotal - Administration &amp; Planning</b>	<b>82.95</b>	<b>13.28</b>	<b>197.37</b>	<b>371.33</b>	<b>11.35</b>	<b>676.28</b>	<b>£212,386.34</b>	<b>£314.05</b>

<b>Investigations</b>								
Reviewing books, records and antecedent transactions, accessing directors' conduct and reporting to the Disqualification Unit and liaising with creditors (or the Committee)								
Records and investigations	0.20	0.00	0.00	1.70	0.00	1.90	£547.50	£288.16
Directors' correspondence & conduct questionnaires	0.00	0.00	1.70	4.65	0.00	6.35	£1,552.00	£244.41
Statutory books and accounting records review	0.70	0.00	1.45	0.45	0.00	2.60	£834.00	£320.77
Investigation of legal claims	0.00	0.00	1.75	0.00	0.00	1.75	£420.00	£240.00
SIP2 and SIP4 Obligations (inc CDDA86 Forms)	0.50	0.00	0.00	0.00	0.00	0.50	£270.00	£540.00
Filing - Investigations	0.00	0.00	0.00	1.60	0.00	1.60	£384.00	£240.00
Director/manager review, approval and signing	0.00	0.00	0.10	0.00	0.00	0.10	£24.00	£240.00
Other	0.00	0.00	0.10	0.00	0.00	0.10	£24.00	£240.00
<b>Subtotal - Investigations</b>	<b>1.40</b>	<b>0.00</b>	<b>5.10</b>	<b>8.40</b>	<b>0.00</b>	<b>14.90</b>	<b>£4,055.50</b>	<b>£272.18</b>
<b>Realisation of assets</b>								
Identifying, securing, insuring assets, dealing with assets subject to retention of title and debt collections, Property, business and asset sales								
Fixed Charge other (e.g. chattel mortgages)	0.55	0.00	0.00	0.00	0.00	0.55	£330.75	£601.36
Fixed charge (chattel mortgages)	0.00	0.00	0.10	0.00	0.00	0.10	£40.00	£400.00
Other assets	6.60	0.00	12.95	3.80	0.00	23.35	£9,426.96	£403.72
Tax assets	0.00	0.00	1.10	0.00	0.00	1.10	£432.00	£392.73
Business sale	0.00	0.00	40.97	2.00	0.00	42.97	£16,227.35	£377.64
Sale of business as a whole, including liaison with legal advisers agents etc	5.60	0.00	17.40	2.40	0.00	25.40	£9,850.50	£387.81
Sale of business - post completion matters	0.50	0.00	10.00	5.00	0.00	15.50	£5,560.00	£358.71
Legal actions (civil recoveries)	0.00	0.00	0.75	0.00	0.00	0.75	£240.00	£320.00
Premises clearance	0.00	0.00	2.30	0.50	0.00	2.80	£1,031.48	£368.39
Debtors not financed (includes reassigned debtors)	0.00	0.00	2.75	20.00	0.00	22.75	£6,160.00	£270.77
Other chattel assets	0.50	0.00	5.05	3.75	0.00	9.30	£2,839.00	£305.27
Cash at Bank	0.00	0.00	2.90	6.00	0.00	8.90	£2,486.00	£279.33
Liaising with agents (general)	0.00	0.00	2.10	3.90	0.00	6.00	£1,804.00	£300.67
Director/manager review, approval and signing	0.75	0.00	2.50	0.00	0.00	3.25	£1,381.75	£425.15
Other (including ISAS software)	0.00	0.00	5.75	2.00	0.00	7.75	£2,470.00	£318.71
<b>Subtotal - Realisation of Assets</b>	<b>14.50</b>	<b>0.00</b>	<b>106.62</b>	<b>49.35</b>	<b>0.00</b>	<b>170.47</b>	<b>£60,279.79</b>	<b>£353.61</b>
<b>Trading</b>								
Management of operations, Accounting for trading, On-going employee issues								
Trading on decision and day 1-3 operations	13.00	0.00	45.95	0.75	0.00	59.70	£22,682.50	£379.94
Trading suppliers and expenses	0.00	0.00	6.88	3.05	0.00	9.93	£3,516.41	£354.12
Purchasing/suppliers (not landlord)	1.20	0.00	19.85	3.90	0.00	24.95	£7,456.05	£298.84
Trading customers	0.15	0.00	3.00	6.45	0.00	9.60	£2,882.25	£300.23
Sales and customers	0.00	0.00	5.80	11.25	0.00	17.05	£5,032.50	£295.16
Trading accounting	0.00	0.00	44.48	10.00	0.00	54.48	£18,908.66	£347.08
Accounting	6.10	0.00	41.05	70.70	0.00	117.85	£32,557.25	£276.26
Trading employees	1.75	0.00	20.05	5.00	0.00	26.80	£9,174.48	£342.33
Staff and payroll (inc PAYE/NIC for trading period)	4.60	0.00	51.60	4.55	0.00	60.75	£18,799.00	£309.45
Trading compliance	0.95	0.00	31.58	0.00	0.00	32.53	£12,520.14	£384.88
Insurance	0.00	0.00	2.85	0.00	0.00	2.85	£1,018.00	£357.19
Property issues (inc landlord and site clearance)	0.90	0.00	3.70	0.00	0.00	4.60	£1,788.00	£388.70
Health & Safety	1.20	0.00	0.00	0.00	0.00	1.20	£648.00	£540.00
Director/manager review	0.00	0.00	5.25	0.00	0.00	5.25	£1,524.00	£290.29
Other	2.45	0.00	37.70	34.00	0.00	74.15	£19,231.55	£259.36
<b>Subtotal - Trading</b>	<b>32.30</b>	<b>0.00</b>	<b>319.74</b>	<b>149.65</b>	<b>0.00</b>	<b>501.69</b>	<b>£157,738.79</b>	<b>£314.41</b>

<b>Creditors</b>								
Communication with creditors, Creditors' claims (including employees and other preferential creditors and the Crown), dealing with the Prescribed part (if								
Chargeholders	0.30	0.00	8.45	0.00	0.00	8.75	£3,158.96	£361.02
Employees, Pensions & RPS	0.15	0.00	1.30	1.00	0.00	2.45	£856.50	£349.59
Fixed charge creditors	1.20	0.00	0.00	0.60	0.00	1.80	£792.00	£440.00
Floating charge creditors	5.70	5.00	20.15	0.00	0.00	30.85	£11,977.50	£388.25
RPO and ERA claims & tribunals	0.00	0.00	0.00	0.40	0.00	0.40	£76.80	£192.00
Employees' claims, dealing with Redundancy Payments Service & tribunals	0.00	0.00	1.60	6.30	0.00	7.90	£1,932.00	£244.56
Unsecured creditors (exc. Staff)	4.30	0.00	102.03	32.43	0.00	138.76	£48,034.42	£346.17
Unsecured creditors	14.65	0.00	3.60	17.65	0.00	35.90	£13,660.50	£380.52
Distributions for prefs and unsecured	2.00	0.00	6.35	20.00	0.00	28.35	£8,780.00	£309.70
Redress exercise	1.10	0.00	106.15	14.10	3.50	124.85	£42,977.00	£344.23
Creditors (Case Specific 2)	0.00	0.00	0.00	3.00	0.00	3.00	£697.50	£232.50
Director/manager review	0.00	0.00	1.65	0.00	0.00	1.65	£420.00	£254.55
Other	0.00	0.00	13.90	10.00	0.00	23.90	£6,702.00	£280.42
Regulatory Reporting (FCA)	0.00	0.00	37.45	0.00	0.00	37.45	£12,918.00	£344.94
<b>Subtotal - Creditors</b>	<b>29.40</b>	<b>5.00</b>	<b>302.63</b>	<b>105.48</b>	<b>3.50</b>	<b>446.01</b>	<b>£152,983.18</b>	<b>£343.00</b>
<b>Corporate Tax</b>								
Corporate Tax	3.75	1.10	1.00	0.00	0.00	5.85	£3,411.25	£583.12
<b>Forensics</b>								
Forensics	0.00	0.00	25.00	7.50	0.00	32.50	£8,620.00	£265.23
<b>Shareholders</b>								
Shareholders/ members	0.00	0.00	1.80	2.50	0.00	4.30	£1,357.50	£315.70
<b>Total</b>	<b>164.30</b>	<b>19.38</b>	<b>959.26</b>	<b>694.21</b>	<b>14.85</b>	<b>1,852.00</b>	<b>£600,832.35</b>	<b>£324.42</b>



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