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### 1 Company details

Company number 0 0 5 5 0 0 5 5

Company name in full S.D. Taylor Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Chris M

Surname Lavery

### 3 Administrator's address

Building name/number 30 Finsbury Square

Street

Post town

London

County/Region

Postcode

E C 2 A 1 A G

Country

### 4 Administrator's name ①

Full forename(s) Andrew

Surname Charters

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 30 Finsbury Square

Street

Post town

London

County/Region

Postcode

E C 2 A 1 A G

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	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

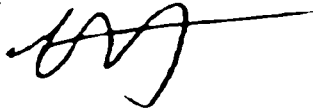
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 0	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
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Contact name **Aamirah M Patel**

Company name **Grant Thornton UK LLP**

Address **11th Floor**

**Landmark St Peter's Square**

Post town **1 Oxford St**

County/Region **Manchester**

Postcode **M 1 4 P B**

Country

DX

Telephone **0161 953 6900**

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# **S.D. Taylor Limited - in administration**

UK Restructuring  
Grant Thornton UK LLP  
11th Floor  
Landmark St Peter's Square  
1 Oxford St  
Manchester  
M1 4PB

**Joint Administrators' progress report for the period 15 March 2022 to 14 September 2022**

Prepared by: Chris M Lavery, Joint Administrator

Contact details: Mailboxes have been set up for employees, field agents, suppliers or landlords who wish to discuss any matters in the report:

- [lah.employees@uk.gt.com](mailto:lah.employees@uk.gt.com)
- [lah.fieldagents@uk.gt.com](mailto:lah.fieldagents@uk.gt.com)
- [lah.landlords@uk.gt.com](mailto:lah.landlords@uk.gt.com)
- [lah.suppliers@uk.gt.com](mailto:lah.suppliers@uk.gt.com)

For any other stakeholders who wish to discuss any matters in this report, please email [cmusupport@uk.gt.com](mailto:cmusupport@uk.gt.com), or write to the above address

# Guide to this report

## Report sections

### Definitions

#### 1 **Executive summary**

This should be read in conjunction with the remainder of the report, together with its appendices

#### 2 **Progress**

Includes strategy and progress (trading, sale of business, realisation of assets)

#### 3 **Investigations into the affairs of the Company**

Includes strategy and progress

#### 4 **Creditors and dividends**

Includes creditor balances and information on dividends

#### 5 **Joint Administrators' remuneration and expenses**

Includes details of payments to the Joint Administrators (including details of fees and expenses incurred) and their associates

#### 6 **Future strategy**

Includes summary details of further work to be done, exit route, details on any proposed creditor decisions, general information for readers (e.g. data protection) and timing of the next report

## Report appendices

#### A **Notice about this report**

Includes information about the preparation and purpose of the report, reliance on it and no liability

#### B **Statutory information**

Includes information required about the Company (e.g. name, address) and about the administration (e.g. proceedings, Joint Administrators, contact details)

#### C **Abstract of the Joint Administrators' receipts and payments**

#### D **Statement of Insolvency Practice 9 disclosure: Payments to the Joint Administrators and their associates**

Includes remuneration basis, work done, expenses of the Joint Administrators, sub-contracted out work, relationships requiring disclosure

# Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

<b>Act</b>	The Insolvency Act 1986
<b>Administration</b>	The Administration of the company
<b>BAU</b>	Business as usual
<b>CMC</b>	Claims management company, a company or other organisation offering claims management services to Redress Creditors
<b>Company</b>	S.D. Taylor Limited
<b>CPA</b>	Continuous Payment Authorities
<b>CRC</b>	Customer relationship centre
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>CPD</b>	Continuous Professional Development
<b>FCA</b>	Financial Conduct Authority
<b>Firm / Grant Thornton</b>	Grant Thornton UK LLP
<b>FOS</b>	Financial Ombudsman Service
<b>GLAS</b>	GLAS Trust Corporation Limited
<b>GBV</b>	Gross book value
<b>GDPR</b>	General Data Protection Regulation
<b>HMRC</b>	HM Revenue & Customs
<b>Joint Administrators / we / us / our</b>	Chris M Lavery Andrew Charters
<b>LMS</b>	Learning Management Systems
<b>NSF Group</b>	Non-Standard Finance Plc and its subsidiaries
<b>Osborne Clarke</b>	Osborne Clarke LLP
<b>PAYE</b>	Pay As You Earn
<b>Period</b>	The reporting period from 15 March 2022 to 14 September 2022
<b>PP</b>	Propensity to pay
<b>Proposals</b>	The Joint Administrators' proposals dated 9 May 2022
<b>Redress Claim</b>	A redress claim that a customer (current or former) has, or may have, against the Company
<b>Redress Creditor</b>	Customers (current and former) of the Company who were sold an unaffordable loan and are due redress
<b>R&amp;P</b>	Receipts and payments account at Appendix C
<b>RPS</b>	Redundancy Payments Service
<b>Rules</b>	the Insolvency (England and Wales) Rules 2016
<b>SoA</b>	Statement of Proposals
<b>SIP</b>	Statement of Insolvency Practice
<b>TAP</b>	Total amount payable
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>UK</b>	United Kingdom
<b>VAT</b>	Value added tax

# 1 Executive summary

- This progress report for the Company's Administration covers the Period
- Our proposals were deemed approved on 23 May 2022 in accordance with rule 3.38(4) of the Rules
- The key work done in the Period included, but not limited to:
  - Maximising the value of the Company's assets through ongoing collections activity relating to its loan book and considering the potential of a sale of the residual loan book
  - The loan book on appointment totalled £57.9 million, with collections against the loan book, to date, totalling £19.6 million. The remaining loan book at 14 September 2022 amounts to £38.3 million
  - Retention of employees. During the Period there have been 77 employees who have left the business, seven by way of redundancy and 70 by resignation, with 135 being retained
  - Upon appointment the Company had 697 self-employed field agents, during the Period 169 agents had withdrawn their services with the Company retaining 528 field agents
  - Working with the development and compliance team to assess the number of potential Redress Creditors and the potential value of their claims
  - Facilitated the preservation of staff, field agents and the IT infrastructure to support continued loan collections
  - Facilitated the exit from all 60 branch locations
  - Undertaking an orderly winddown of the activities of the Company, where appropriate
  - Keeping creditors informed of the progress of Administration and statutory reporting
  - Complying with statutory and regulatory obligations and requests
  - Engaged Osborne Clarke LLP to advise us on the validity of the security
  - As the Company is a regulated entity, the Joint Administrators continue to provide regular updates to the FCA on the progress and developments of the administration
- It is anticipated that the secured creditors will suffer a significant shortfall. However, the preferential classes of creditors will be paid in full
- Whilst an unsecured distribution by way of a prescribed part payment would ordinarily be payable, it appears the costs associated with processing such a dividend will outweigh the amount of the prescribed part. Accordingly, the Joint Administrators intend to make an application to the Court to disapply the prescribed part. Please see section 4 for further information
- The Administration is currently due to end on 14 March 2023. An extension will be sought by the Joint Administrators for a 12-month period, which will be requested through an application to the Court. This will enable the remaining asset realisations to be progressed, together with the winddown of operations and monies distributed to the creditors accordingly
- It is anticipated that the Administration will end by filing a notice to dissolve the Company when all funds have been realised and distributed to secured and preferential creditors (and unsecured creditors if there is to be a distribution out of the prescribed part)




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Chris M Lavery  
Joint Administrator

10 October 2022

# 2 Progress

## Strategy and progress in the Period

### Overall strategy summary

As previously advised in the Joint Administrator's statement of Proposal we considered, and remain of the view, that the best strategy for the Administration is to conduct an orderly winddown of the business. In order to optimise the customer outcome and achieve a collection of the loan book the Joint Administrators have continued to operate many aspects of the Company on a BAU basis.

The Company continues collection activity by collecting loans on a BAU basis whilst ensuring customer outcomes continue to be considered. This is through the continuation of field agent contracts and maintaining systems and platforms required to support ongoing collection activity. The Joint Administrators also continue to consider and implement initiatives and incentives for field agents and operational personnel to optimise collections without causing harm to customers.

The Joint Administrators are continuing to explore other collections initiatives, and to assess the viability of a sale of the residual loan portfolio, in full or in part.

The Joint Administrators have kept the FCA updated on the strategy and developments since the appointment. The Joint Administrators also continue to evaluate and implement the most appropriate collections strategy to optimise creditor recoveries.

### Trading

At appointment the Joint Administrators concluded that conducting an orderly winddown of the Company would achieve a better return for the creditors as a whole and also a better outcome for customers.

During the Period, the Joint Administrators have continued to focus on ensuring that customer collections against the loan book are maintained with the seamless operation of the remote payment and communication channels.

The Joint Administrators have continued to engage with the Operations team and with the CRC, to ensure that customers continue to receive an appropriate level of service. The Joint Administrators will continue to assess personnel and resourcing requirements whilst the Company continues BAU collections and undertakes an orderly winddown of operations.

The key trading workstreams are detailed below:

- **Realisation of loan book** – See the 'realisation of assets' section below for further details in respect of the Joint Administrators' actions as to collections from the loan book
- **Employees** – The Company consists of three main departments being CRC, Head Office and Field Operations.



Following the initial 67 redundancies on appointment, we have continued to review our strategy to ensure that we can maintain a core team to assist with asset realisations and the winddown of the business. Between the date of appointment and 14 September 2022, there have been a further seven redundancies and 70 resignations. The team now consists of 135 employees, across CRC, head office and field operations to ensure retention of essential corporate and other knowledge for business continuity to effect asset realisations and the cost effective wind down of the business. We anticipate making another round of redundancies shortly after the Period, at the end of September 2022.

**Employee position as at 14-Sep-22**

	<b>As at 15-Mar-22</b>	<b>Redundant or resigned</b>	<b>As at 14-Sep-22</b>
CRC	27	8	19
Head Office	59	38	21
Field Ops	126	31	95
<b>Total</b>	<b>212</b>	<b>77</b>	<b>135</b>

- **Field Agents** – At the date of appointment, the Company had a network of 697 self-employed field agents throughout the UK. The Company retains 528 field agents as at 14 September 2022, consisting of 271 from the North regions and 257 from the South regions. The field agents continue to facilitate ongoing collections against the loan book and managing customer accounts. To mitigate the impact of agent leavers, a process was implemented where agents would hand over their customer accounts to another agent prior to leaving, so customers are not adversely impacted. Furthermore, agents were encouraged to obtain updated contact details for customers to ensure that they could be contacted in the event that the agent's contract were to be terminated. Field agents have been supported by operational staff throughout the Period.

**Field Agent position as at 14-Sep-22**

<b>Branch region</b>	<b>As at 15-Mar-22</b>	<b>Agent Leavers</b>	<b>A at 14-Sep-22</b>
North Regions	336	65	271
South Regions	361	104	257
<b>Total</b>	<b>697</b>	<b>169</b>	<b>528</b>

- **Training and development** – CPD and LMS are being continued to ensure compliance to statutory requirements are met and no customer detriment is caused due to poor practices from lack of training and updates.
- **Properties** – We managed the exit of all 60 branches to minimise costs of the Administration process, noting branches historically have not contributed materially to collection volumes. We exited the Company's head office in Leeds shortly after the Period. The CRC location has been retained to facilitate the repayment of loans, protect borrowers' personal data, enable the Company to respond to customer queries, deal with complaints and monitor collections.
- **Suppliers** – Engaging with key suppliers to ensure continued supply, particularly in respect of IT and the collections infrastructure. Completing an in-depth review of the Company's operating processes to identify suppliers that can be rationalised or decommissioned. Notable savings have been made in respect of IT and telecommunications costs, due to decommissioning parts of the IT infrastructure and minimising user numbers to the Company's systems. The Joint Administrators have also achieved cost savings from professional fees for customer credit bureaus due to successful negotiations with these suppliers.
- **Cash management** – On an on-going basis we have continued to review and approve payments for the day-to-day running of the business, to ensure operations continue to run as usual.

- **Customer communications** – Developing targeted and timely consumer communication campaigns, both directly and through website FAQs, text messages, emails and letters, to ensure clarity of messaging and to communicate timely updates of the Administration.
- **Winddown planning** – Developing a rigorous winddown plan of the business, and monitoring progress to ensure we are on track to achieving the key milestones of the administration. This includes, but is not limited to, the conclusion of any debt sale and/or settlement campaign, ceasing collections, exit of the CRC locations, supplier winddown, termination of field agent contracts, tax clearance and data archiving.

As at the end of the Period, trading remains on-going and the above-mentioned workstreams remain in progress.

## Approach to interested parties

As part of the Administration, we continue to consider the potential for a sale of all or part of the residual loan book.

Following the Joint Administrators' appointment, a number of interested parties have been identified, although it is likely that the quantum of the loan book will limit a competitive process

At present, the Joint Administrators are considering the potential scenarios available for a debt sale, against the estimated recoveries achievable from other collection initiatives. The processes commenced towards the end of the Period and remains ongoing, as such, no further update can be provided at this stage.

We identified potential interested parties through the following:

- Previous LAH loan book sales
- In bound enquires
- Our existing database of distressed investors
- Parties identified by the directors

## Offers received

As this process is on-going the Joint Administrators have not set a deadline for offers to be submitted.

### Realisation of assets

We attach as Appendix C, an account of our receipts and payments for the Period.

### Loan book

As previously reported, the Company provided four (4) loan products to customers, as follows:

1. Short-term products which had a duration of 14 to 26 weeks
2. Medium-term products with a duration of 31 to 34 weeks
3. Long-term products with a duration of 41 to 52 weeks
4. Very long-term loans with a term of 63 to 68 weeks

The loan book at the date of appointment consisted of approximately 112,297 loans with an outstanding balance of £57.9 million and was comprised of the four loan products, described above. A summary of the loan book as at appointment (15 March 2022) and as at 14 September 2022 is provided below:

## Loan book as at 14 September 2022

	As at 15-Mar-22		Collections and other movements		As at 14-Sep-22	
	Loans	£	Loans	£	Loans	£
Short Term	1,646	242,637	(159)	(20,957)	1,487	221,680
Medium Term	40,128	11,845,086	(11,833)	(4,096,099)	28,295	7,748,987
Long Term	66,951	42,613,019	(15,246)	(15,948,617)	51,705	26,664,402
Very Long Term	3,572	3,180,191	(366)	(399,303)	3,206	2,780,887
<b>Total</b>	<b>112,297</b>	<b>57,880,933</b>	<b>(27,604)</b>	<b>(20,464,976)</b>	<b>84,693</b>	<b>37,415,957</b>

The strategy upheld has been to maintain existing collection systems and platforms whilst we consider all available options for maximising value of the Company's loan book.

We can report that £19.6 million has been collected during the Period, with total collections being £1.8 million ahead of the £17.8 million collections forecast prepared at the start of the administration. Other movements of £855,934 relate to early payment rebates, write-offs and other loan adjustments. Furthermore, during the Period the Joint Administrators have processed BAU customer refunds of £17,926, relating to post-appointment collections received which have subsequently been refunded to customers. The main reasons for processing customers refund includes, errors whereby the customer has made a duplicate payment by making a manual payment when a CPA had been scheduled, overpayment on an account that has been settled and agreed adjustments to the CPA which had not been processed accordingly.

Post-appointment collections continue to be generated largely by Field Agents (42%) and CPA (41%). CPA collections have increased as a proportion of total collections from a pre-appointment average of 31% to 41% in September 2022. This reflects the effectiveness of the Joint Administrators' strategy to promote remote payment channels for customers. During the Period, we have incurred costs of just under £2.4 million in relation to Field Agent's commissions, to incentivise agents and help with agent retention, as they are critical in maximising collections against the loan book.

The Company analyses loans based on the customers' propensity to pay, allocated to bands A to M, depending on the number of payments that the customer has missed over a 13-week period. As at 14 September 2022, the position is as follows:

## PP bands as at 14-Sep-22

Band	Missed payments	As at 15-Mar-22		As at 14-Sep-22	
		Loans	£	Loans	£
A	≤1	33,847	20,084,546	6,742	1,888,894
B	2	5,711	3,441,407	918	289,499
C	3	3,706	2,037,502	903	306,122
D	4	2,440	1,344,194	780	278,563
Sub-total		45,704	26,907,649	9,343	2,763,078
E-L	5-12	27,420	12,449,449	21,496	9,189,695
M	13+	39,173	18,523,836	53,854	25,463,184
Sub-total		66,593	30,973,285	75,350	34,652,879
<b>Total</b>		<b>112,297</b>	<b>57,880,933</b>	<b>84,693</b>	<b>37,415,957</b>

At the Period end, quality customers (bands A to D) collections due comprised 7% of the outstanding loan book and are typically considered by the Company as customers who are more likely to engage and recommence paying. Collections due from other quality customers (bands E to L) represent 25%, with collections due from delinquent (or non-performing) customers representing 68%.

The directors' SoA gives a gross loan book value of £27.1 million, as at 14 September 2022 £19.6 million has been realised from the loan book, as shown on the R&P. Collection activity remains ongoing, however it is unlikely we will achieve the £27.1 million in full, as per the SoA.

### Actions taken by the Joint Administrators to improve collections

We have continued to engage with the Company to monitor and support the ongoing collection activity. In particular, we have implemented the following initiatives:

- Providing a 5% uplift in commission rate for new CPA sign-ups in order to promote customer engagement and remote methods of payment, and mitigate the effect of diminished collections as a result of an Agent leaving
- Numerous communication campaigns (SMS / Email / Letter) to customers reminding them of the obligation to repay their loans in accordance with their loan agreement
- Campaign to promote PayPoint as an alternative remote method of payment, where it was recognised that the customer was unable to utilise CPA or portal payments
- Targeting Agents with less than 15% customers on CPA and working with them to increase awareness of remote payment channels
- Data cleansing exercise whereby Agents have been encouraged to ensure customer contact details were up to date, and where necessary to request current information at next point of contact with the customer
- Team arrears day where cohorts of Area and Business Managers targeted delinquent customers with 12+ week missed payments, to understand whether they could be encouraged to become payers or discuss difficulties to make payments

Further initiatives to support the ongoing collection activity will continue to be explored with the Company and implemented where appropriate.

### Cash at bank

At the date of appointment, the Company had a cash balance totalling £7.0 million across four different bank account. The funds from all pre-Administration accounts have been swept into the Administration account and these amounts are shown as 'Cash at Bank' in the R&P account. The difference of £270k between the £7.0 million held in the Administration account and the £7.3 million included in the directors' SoA, continues to be reflected as post-appointment collections.

### Motor vehicles

At appointment the Company owned 19 motor vehicles which had a book value of £41,122. As at 14 September 2022, the Company retains 8 motor vehicles which the employees continue to use to support them in fulfilling their roles. We expect these motor vehicles to be sold once they are no longer of use to the Company, which we anticipate will realise some funds. To date, £52,275 has been realised against motor vehicles in the Period.

### Office equipment, fixtures and fittings

The directors' SoA estimates a realisable value of £8,050 for used office furniture. As at 14 September 2022, the Company has sold a small amount of furniture to the Company's parent, Non-Standard Finance Plc, for £1,040 as shown in the R&P account. In line with the guidance set out in SIP 13, the price agreed for the sale of these assets was reviewed by independent chartered surveyors, Sanderson Weatherall LLP, who confirmed fair market price was achieved for these items.

The Joint Administrators have agreed a sale for a proportion of office furniture held at head office to a third party and anticipate realising £1,200 from the sale after the Period. The remaining furniture at head office will be left unsold, as we are of the view that it would not be cost effective to realise the remaining office furniture as costs of a sale are likely to exceed recoveries. Other furniture held at the CRC is currently in use by the CRC teams and will be held until it is no longer of use to the team.

**IT equipment**

The directors' SoA states £137,408 worth of IT equipment will realise £8,300 in the Administration. The computer equipment was securely obtained from all branches, and the data held on all IT equipment was wiped by the Joint Administrators. As at 14 September 2022 the Company is working on disposing surplus IT equipment and anticipate making minimal realisations after costs for the data removal.

**Pre-paid contracts and other debtors**

The Company previously assumed that the pre-paid contracts and other debtors of £419,045 will not be recoverable in the Administration. Company records show c£14,000 of this balance is payable by Everyday Lending Limited, which is a related party and member of the NSF Group. Prepayments account for £358,113, which relate to general prepayments, pre-payments of rent and rates and rent deposits. The remaining balance of £46,503 relate to other debtors.

The Company continues to investigate whether any amounts can either be recovered or utilised by the Joint Administrators as part of the orderly winddown of the business operations.

**Additional assets**

During the Period, we also received miscellaneous refunds of £5,543, business rates rebates of £12,263 and bank interest of £56,698. Miscellaneous refunds, include refunds of £3,404 which relate to pre-appointment items.

**Assets remaining to be realised**

The Company has accumulated tax losses for the period leading up to the Joint Administrators' appointment. The Joint Administrators are investigating whether these losses could be utilised elsewhere in the group for the benefit of the Company's creditors.

# 3 Investigations into the affairs of the Company

## Statutory investigations

We undertook an investigation into the Company's affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

Also, within three months of our appointment as Joint Administrators, as required by the Company Directors Disqualification Act 1986, we reported to the Secretary of State the required facts about the Company's business and the conduct of its directors (including those acting within the past three years).

Based on the outcome of our investigations into the affairs of the Company to date, there are no matters identified that need to be reported to the creditors. However, we would be pleased to receive from any creditor any useful information concerning the Company, its dealings or conduct which may assist us.

# 4 Creditors and dividends

## Secured creditors

GLAS, as Security Agent for the 'Secured Parties' as set out in the Intercreditor Agreement dated 3 August 2017, was granted fixed and floating charge security over the Company's assets pursuant to a deed of accession dated 7 August 2017 in relation to a debenture on 4 August 2017 and various Scottish assignments in security (the first of which was dated 7 August 2017).

Osborne Clarke has been engaged to undertake a security review of the finance documents in which the Company has jointly and severally guaranteed performance of obligations. Osborne Clarke instructed Burness Paull to advise on certain Scots Law aspects of the review.

We set out below a summary of the outcome of the review.

### English law documents

Based on the financing documents and searches conducted by Osbourne Clarke, it is considered that GLAS, as security trustee, holds valid security as provided for in the Debenture dated 4 August 2017 and the Accession Deed dated 7 August 2017.

The obligations secured by the Debenture relate to all liabilities and all other present and future obligations at any time due by any member of the Group (as defined in the Amended and Restated Agreement dated 11 October 2021), which includes the Company

GLAS, as security trustee, can rely on the:

- (a) the fixed charge created by the Debenture to receive the proceeds of sale of specified assets as fixed charge realisations; and
- (b) The floating charge created by the Debenture and the Accession Deed to receive the proceeds of sale of the remaining assets and undertaking of the Company as floating charge realisations

The Amended and Restated Agreement contains a cross-guarantee and indemnity whereby each Guarantor, including the Company, jointly and severally guarantees performance of the Obligor's obligations under the Finance Documents

Any distribution from asset recoveries will be remitted to GLAS, who the Joint Administrators understand will be responsible for applying funds in the specified order of priority as between the lenders set out in the Intercreditor Agreement dated 3 August 2017.

### Scottish law documents

Security under the Scottish Security Documents has not been validly perfected. Based on information available to the Joint Administrators:

- We understand that the intimation of the security created under the Scottish Security Documents (i.e. the Scots law assignments in security registered against the Company at Companies House) did not take place prior to the appointment of the Joint Administrators
- There does not appear to be any valid Scottish law trust created in favour of GLAS as security trustee over the assigned rights pending intimation occurring
- In the absence of intimation or any trust, the security under the Scottish Security Documents has not been validly perfected and the assignments do not create fixed security rights assigned

The assets purported to be assigned are instead subject to the floating charge created under the Debenture and the Accession Deed

It was also concluded that our appointment as Joint Administrators of the Company is valid.

At the date of appointment, the balance due to GLAS that was secured by this security package was £334 million. This included an amount of £45 million owed by NSF Group. This amount was subject to a cross guarantee. It is our understanding that this amount was repaid by NSF Group on 8 July 2022.

The Joint Administrators anticipate only £13.2 million will be available for distribution.

This provides a significant shortfall to the secured creditor of £275.8 million. To date a distribution of £5 million has been made to GLAS Trust Corporation Limited under its security. The Joint Administrators intend on distributing further proceeds from the loan book recoveries to GLAS of £4.5 million in October 2022, and £2 million in January 2023, with a fourth and final distribution being made once operations have been wound down.

## Preferential creditors

### Ordinary preferential creditors

These include employee claims for wages and salary up to £800 per person and accrued holiday pay, and employee contributions to occupational pension schemes deducted in the four months before the insolvency. A significant element of these claims has been transferred to the Secretary of State, following payment of employment related claims by the RPS.

At the date of appointment, the Company had 212 employees, a further 7 redundancies have been made and 70 resignations have been received during the Period, with the Company retaining 135 employees to date.

The estimated ordinary preferential claim is £70,195. We anticipate this class of creditor will be paid in full.

### Secondary preferential creditors

These include HMRC claims for arrears of VAT and for sums deducted in respect of PAYE, employees' national insurance contributions, student loan repayments, and construction industry scheme deductions, as applicable.

The estimated total of secondary preferential claims is £278,043. We anticipate this class of creditor will also be paid in full.

## Unsecured creditors

The SoA, prepared by the directors, details 58 unsecured creditors totaling £3,320,604.

### Redress creditors

Redress creditors comprise of current and former customers who believe they were sold an unaffordable loan(s). As a result, these customers may be due a refund of the interest and fees paid on those loans, plus compensatory interest at 8% from the date of the loan.

The assessment of redress complaints is now the responsibility of the Joint Administrators and any redress claims that are upheld will rank as an unsecured creditor in the administration. Please note that any redress assessment process will be impacted by the outcome of the proposed action to disapply the prescribed part.

### Prescribed part

In accordance with section 176A of the Act, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.



We calculate the prescribed part at £600,000, as the floating charge was created prior to 6 April 2020. Due to an unquantified number of affordability complaints from both current and former customers of the Company it appears the costs for making a distribution to unsecured creditors will significantly outweigh the amount of the prescribed part. As such, the Joint Administrators intend to make an application to the court to disapply the prescribed part s.176A(2) of the Insolvency Act 1986 (IA86) pursuant to s.176A(5) of the IA86.

**Dividend prospects**

At present there is unlikely to be a dividend payable to this class of creditor.

# 5 Joint Administrators' remuneration and expenses

## Overview

On 15 June 2022 and 15 July 2022 respectively, the secured and preferential creditors resolved that remuneration be fixed by time properly spent by the Joint Administrators and their staff with a fee estimate of £1,825,416 (excluding VAT) for the first year of the Administration (15 March 2022 to 14 March 2023).

We have charged remuneration and incurred expenses in the Period amounting to £2,073,966 and £2,858, of which £1,055,010 has been paid from the estate.

In addition to the above remuneration and expenses, we estimate an additional £917,326 in time costs and £500 in expenses to deal with the matters as detailed in this report.

This brings our total estimated time costs for the first year of the Administration to £2,991,292 in comparison to the time costs in our fees estimate for the first year of the Administration totalling £1,825,416, which was supplied to creditors when we sought approval of our fee basis. We wish to revise our fees estimate in order to be able to draw more remuneration – please see the 'Fee basis of the Joint Administrators' section of Appendix D for further details.

We currently anticipate further payment of our remuneration from the estate of £1,321,990 which would result in total payment from the estate of £2,377,000; this is based on current information and is therefore subject to change.

Further details about remuneration and expenses are provided in Appendix D to this report.

# 6 Future strategy

## Future conduct of the Administration

We will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- day-to-day managing the business operations to support ongoing collection activity
- working with employees to assist with customer engagement and asset realisation
- ensuring the management and engagement of field agents remains a focus for field operations to maintain collections and compliance to required regulatory standards
- investigating the sale of assets, including the residual loan portfolio, where applicable
- working with critical suppliers to support operations
- winding down and rationalising the Company's operations as appropriate to meet the needs of the Administration
- payment of Administration expenses, including our remuneration
- finalisation of the Company's tax affairs, including completion of corporation tax and settlement of any liabilities
- complying with statutory and compliance obligations
- paying further distributions to the secured creditor
- agreeing the claims of the preferential creditors and payment of a dividend, if future realisations make this feasible

## Extension of the Administration

The duration of an Administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the court. The Administration is currently due to end on 14 March 2023.

An application to the Court is to be made in order to extend the Administration by 12 months to 14 March 2024. This is to enable us to complete the realisation of the Company's assets and any associated costs.

## Exit from Administration

When all funds have been realised and distributed, the Administration will end by the Joint Administrators filing a notice to dissolve the Company. The Joint Administrators will nevertheless be empowered to present a petition for the winding up of the Company if circumstances require.

## Data protection

Any personal information held by the Company will continue to be processed for the purposes of the Administration of the Company and in accordance with the requirements of data protection. Our privacy notice on our website ([www.grantthornton.co.uk/en/privacy](http://www.grantthornton.co.uk/en/privacy)) contains further details as to how we may use, process and store personal data.

## Contact from third parties

Please be aware that fraudsters have been known to masquerade as legitimate administrators. Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or to enable payment of a dividend / the release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.

## Future reporting

Our next report to creditors will be issued no later than 14 April 2023, or earlier if the Administration has been completed by that date.

# A Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Rules on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Rules do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointment of the Joint Administrators is personal to them and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the Joint Administrators' Proposals issued to the Company's creditors, which can be found on the Grant Thornton portal (<https://www.grantthornton.co.uk/portal/>). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

## B Statutory information

### Company information

Company name	S.D. Taylor Limited
Date of incorporation	1 June 1955
Company registration number	00550055
Former trading address	7 Turnberry Park Road Gildersome Morley Leeds LS27 7LE
Present registered office	11th Floor, Landmark St Peter's Square, 1 Oxford St, Manchester M1 4PB

### Administration information

Administration appointment	The Administration appointment granted in the High Court of Justice, 000710 of 2022
Appointor	The directors
Date of appointment	15 March 2022
Joint Administrator's names	Chris M Lavery Andrew Charters
Joint Administrator's addresses	30 Finsbury Square, London, EC2A 1AG
Purpose of the Administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	The Company's net property is estimated to be £13.2 million. The prescribed part is capped at the statutory maximum of £600,000
Prescribed part distribution	The Joint Administrators intend to make an application to the court to disapply the prescribed part. Therefore, the Joint Administrators do not intend to make a distribution to the unsecured creditors
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by any or all of them.
Current Administration expiry date	14 March 2023

**S.D. Taylor Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

C

Statement of Affairs £		From 15/03/2022 To 14/09/2022 £	From 15/03/2022 To 14/09/2022 £
27,110,437.43	LOAN BOOK RECEIPTS		
	Loan Book Receipts	19,629,917.77	19,629,917.77
	Cash Held by Third Party Processors	(893,640.51)	(893,640.51)
		18,736,277.26	18,736,277.26
	CUSTOMER REFUNDS		
	Business as usual customer refunds	17,926.00	17,926.00
	Other customer refunds	3,561.20	3,561.20
		(21,487.20)	(21,487.20)
	COLLECTION COSTS		
	Agents' commission	2,355,057.80	2,355,057.80
	Credit card payment provider	304,366.16	304,366.16
	Other collection costs	368.77	368.77
		(2,659,792.73)	(2,659,792.73)
	TRADING EXPENDITURE		
	IT Systems & Software	340,285.49	340,285.49
	Rents	64,330.43	64,330.43
	Rates	12,798.00	12,798.00
	Utilities	11,875.25	11,875.25
	Telephony	79,568.08	79,568.08
	Credit Reporting Fees	7,687.28	7,687.28
	Bank Charges	9,602.90	9,602.90
	Employee benefits	14,888.57	14,888.57
	Insurance	35,564.88	35,564.88
	Property Maintenance	962.50	962.50
	Property Expenses	2,390.05	2,390.05
	Vehicle Running Costs	72,715.02	72,715.02
	Customer Mailouts	155,761.20	155,761.20
	PAYE/NI	1,293,552.43	1,293,552.43
	Net Wages	2,517,194.74	2,517,194.74
	Other Payroll Deductions	294,017.06	294,017.06
	Employee Expenses	23,819.92	23,819.92
	Regulatory Fees	2,900.00	2,900.00
		(4,939,913.80)	(4,939,913.80)
27,110,437.43	TRADING SURPLUS/(DEFICIT)	11,115,083.53	11,115,083.53

**S.D. Taylor Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 15/03/2022 To 14/09/2022 £	From 15/03/2022 To 14/09/2022 £
	COSTS OF REALISATION	
	Insurance	850.00
		850.00
	ASSET REALISATIONS	
	Bank/ISA InterestGross	56,697.53
	Business rates refund	8,276.51
7,287,044.00	Cash at Bank	7,007,992.76
8,050.00	Furniture & Equipment	1,040.00
8,300.00	IT Equipment	NIL
	Misc Refunds	5,543.43
41,122.16	Motor Vehicles	52,275.00
	Pre-appointment collections	266,625.19
27,110,437.43	Trading Surplus/(Deficit)	11,115,083.53
		18,513,533.95
	COST OF REALISATIONS	
	Administration IT costs	1,950.00
	Administrator disbursements	2,857.54
	Administrators Fees	1,055,010.25
	Auctioneers costs	2,839.50
	Bank Charges	95.00
	Legal Fees (1)	54,128.10
	Other Property Expenses	32,848.00
	Pre-administration expenses	40,000.00
	Pre-administration fees	51,999.00
	Professional Fees	6,856.92
	Statutory Advertising	88.75
	VAT irrecoverable	389,851.25
		(1,638,524.31)
	FLOATING CHARGE CREDITORS	
	Floating Charge Creditor	5,000,000.00
		(5,000,000.00)
<b>34,454,953.59</b>	<b>11,875,859.64</b>	<b>11,875,859.64</b>
	REPRESENTED BY	
	Floating Current Account	1,511,229.52
	HSBC Current Acct	7,648,924.01
	Santander 35 Day Notice Acct	2,715,706.11
		<b>11,875,859.64</b>

Note:



## D Payments to the Joint Administrators and their associates

### Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in accordance with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules and Statement of Insolvency Practice 9 (SIP9)). In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- expenses
- sub-contracted work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees).

## Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by the Joint Administrators, or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when the company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment of the Joint Administrators, Grant Thornton UK LLP was engaged by the Company through an engagement letter (the Agreement) dated 7 February 2022, under which the fee basis was based on actual time spent. A total £191,135 of time costs were incurred, of which £139,536 was paid by the Company prior to the administration.

Approval was obtained from the secured and preferential creditors on 15 June 2022 and 15 July 2022 respectively for payment of £51,599 and £40,000 of the pre-administration fees and expenses. These costs have been paid in the Period.

## Post-appointment costs

### Fee basis of the Joint Administrators

On 15 June 2022 and 15 July 2022 respectively, the secured and preferential creditors resolved that remuneration be fixed by time properly spent by the Joint Administrators and their staff with a fees estimate of £1,825,416 (excluding VAT) for the first year of the administration (15 March 2022 to 14 March 2023).

During the Period time costs were incurred totalling £2,073,966 represented by 4,096 hrs at an average of £506/hr (as shown in the 'Work done' section below), of which £1,055,010 has been paid. A description of the work done in the Period is provided in the respective section below.

The overall cumulative recorded time costs have exceeded the time costs in the original fees estimate and expenses have exceeded the original expense estimate, both of which were provided to the creditors prior to the determination of our fee basis. The reasons for the excess are as follows:

- The economic environment has become more challenging due to external factors arising from significant inflation that is impacting customers. Therefore, additional time has had to be incurred in developing and implementing collection initiatives as well as developing additional strategies to retain employees and field agents
- Significant time has been required to repeatedly reforecast collections due to external economic factors
- The Joint Administrators team have had a greater depth of involvement in operational matters to maintain and exceed collections as forecast at the commencement of the administration
- Additional work has been required in considering a strategy for evaluating potential redress creditors
- Additional work has been incurred in risk and compliance matters in relation to the implementation of the collection initiatives to ensure good customer outcomes
- Additional time spent on assessing the suitability of making an application to the court to disapply the prescribed part and for an extension to the administration
- Additional time spent considering other collection initiatives and assessing the viability of a sale of the residual loan portfolio, in full or in part

In addition to the above reasons for the exceeding time costs in the original fees estimate, it should be noted that there have been significant reductions in certain areas. The areas and reasons are as follows

- Realisation of assets (property) – the properties occupied by the Company were not owned and it was determined no value would be realisable from the leases so no work was or will be required
- Creditors (unsecured) – as it is the intention to apply to court to disapply the prescribed part limited work will be required to deal with this class of creditors as claims will not be reviewed or admitted for dividend purposes

As at Period end, payment from the estate totalling £1,055,010 has been made towards our remuneration. Based on the report to which this document is appended, we currently anticipate further payment from the estate of £1,321,990 resulting in total payment from the estate of £2,377,000 for the first year of the administration; this is, based on current information and is therefore subject to change. Please note that the total anticipated payment does not limit the amount of remuneration that the Joint Administrators can draw from the estate, only the fees estimate has such effect.

The above anticipated total payment from the estate towards our remuneration exceeds the fees estimate provided to creditors prior to the determination of our fee basis. Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £1,825,416 without approval. Therefore, we seek approval to draw remuneration in excess of our fees estimate and set out our revised fees estimate in the next section. At this time, we do not anticipate it will be necessary to seek further approval for the first year of the administration.

### Likely return to creditors

We do not anticipate being in a position to pay a dividend to the unsecured creditors.

### Fees estimate and work done in the Period

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost – the fees eventually paid may be more or less depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based on all of the information available to us as at the time of preparing this report. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary for the first year of the administration (to 14 March 2023), in calculating the time and cost included in the fees estimate table provided below. The table below also includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below). A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

Note that the fees estimate is also based on the following assumptions:

- it covers the first 12 months of the administration to 14 March 2023
- that the realisation of assets will be timely, with no further complexities other than those identified
- it does not include estimated time in concluding a sale process in relation to the loan portfolio. Should a sale of the loan portfolio be determined to add further financial benefit to the estate the Joint Administrators will update creditors in regard to the fees estimate in future reports

For avoidance of doubt, the proposed uplift from £1,825,416 to £2,991,292 is an increase of £1,165,876 as included in the table below. The Joint Administrators propose to limit their fee to £2,377,000 which is an increase to the fee of £551,584.

Area of work	Work done	Anticipated work	Why the work is necessary	Financial benefit to creditors	Fees and expense estimate
Trading					4,518 hrs £2,284,520 £506/hr
Trading general Collections	<ul style="list-style-type: none"> <li>Retaining key systems and staff, on a rationalised basis, to support collection and realisation of assets and the loan book</li> <li>Implementation of collection initiatives and strategies as outlined in the progress report</li> </ul>	<ul style="list-style-type: none"> <li>Continuing collections activity of the loan book and implementation of collection strategies to maximise recoveries</li> <li>Continuing the review and processing of post-appointment BAU customer refunds</li> </ul>	<ul style="list-style-type: none"> <li>Maximising collections against the loan book asset and realise financial value for the benefit of the estate</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	<b>Collection costs</b> <ul style="list-style-type: none"> <li>Agents' commission costs: £2.8 million</li> <li>Credit card payment provider (Global Pay): £384,029</li> </ul> <b>Employee costs</b> <ul style="list-style-type: none"> <li>Net wages: £4.7 million</li> <li>Other payroll deductions: £643,762</li> <li>PAYE/NI: £2.3 million</li> </ul>

Cash management	<ul style="list-style-type: none"><li>Processing customer refunds for post appointment collections where applicable</li><li>Monitoring of risk and compliance with reporting and regulatory requirements</li><li>Identification and implementation of additional risk and compliance procedures in relation to collection initiatives</li></ul>			<ul style="list-style-type: none"><li>Other employee costs and expenses: £30,904 million</li></ul> <p><b>Property costs</b></p> <ul style="list-style-type: none"><li>Rents: £113,860</li><li>Service charges: £3,853</li><li>Insurance: £nil</li><li>Other property costs: £100,842</li></ul> <p><b>Other operating costs</b></p> <ul style="list-style-type: none"><li>IT and telecommunication costs: £970,452</li><li>Professional fees: £2,900</li><li>Motor vehicle running costs: £72,711</li><li>Insurance: £75,340</li><li>Legal fees: £350,000</li><li>Irrecoverable VAT: £544,438</li><li>Grant Thornton pre-appointment fees: £51,999</li><li>Joint Administrators costs and expenses: £2.4 million</li><li>Other expenses: £322,010</li></ul>
	<ul style="list-style-type: none"><li>Detailed cash-flow analysis and projections of expected net realisations for the administration. Including assessment of actual versus budget realisations</li><li>Reviewing and approving payments for the day-to-day running of the business</li><li>Arranging and monitoring pre-appointment bank account sweeps to the Joint Administrator's accounts</li><li>Arranging administration documentation with trading bank to sweep across post appointment collections</li><li>Monitoring and reconciling cash balances in Joint Administration accounts</li></ul>	<ul style="list-style-type: none"><li>Continued detailed cash flow analysis and projections</li><li>Continued review and approval of payments</li><li>Monitor pre-appointment bank account sweeps to the Joint Administrators accounts</li><li>Monitor and reconcile cash balances in the Joint Administration accounts</li><li>Ongoing review of journal posting required</li><li>Facilitating the application to the court to disapply the prescribed part</li></ul>	<ul style="list-style-type: none"><li>Required as part of the duties of the Joint Administrators and their staff</li><li>By reducing costs of trading, this would ensure maximising return to creditors</li></ul>	

	to Company systems to reconcile collections		
Supplier contract and continuation of operations	<ul style="list-style-type: none"> <li>Monitoring and reconciling cash balances in Joint Administration accounts</li> <li>Posting journals and reviewing weekly journals</li> <li>Review of inputs and amendments to prescribed part model and estimated outcome to creditors</li> <li>Initiated contact with suppliers by telephone, email, and letter</li> <li>Establishing arrangements for continued suppliers of services and systems</li> <li>Implementing administrators' controls and processes</li> <li>Review of the Company's operating processes to identify suppliers to be rationalised or decommissioned</li> <li>Ongoing contact with suppliers to support orderly winddown of services</li> <li>Managing the return of fleet (non-owned vehicles)</li> <li>Assessment of employee rights and obligations and identified key employees for the business</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain contact with suppliers for continued supplies of services and systems</li> <li>Terminating suppliers as appropriate during the wind down process</li> </ul>	<ul style="list-style-type: none"> <li>It is key to maximise return to creditors to reduce trading costs to their minimum level while maintaining infrastructure stability, safety, and relationship with key suppliers</li> <li>To secure continuity of supplies and maintenance of key systems necessary to support asset realisations</li> <li>To carry out the orderly wind down of operations and minimising of operating costs</li> </ul>
Employees		<ul style="list-style-type: none"> <li>Holding regular meetings with employees and ongoing communications</li> </ul>	<ul style="list-style-type: none"> <li>Retention of employees is essential to maintain the</li> </ul>

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Communicated with all employees, supervising payroll, and ensuring all compliance matters are dealt with</li> <li>Arrange phased redundancy programme in line with the wind down of operations</li> <li>Attending to other employee matters, including managing the process of 77 employee leavers within the Period, by way of redundancies and resignations</li> <li>Maintaining regulatory compliance and ongoing training for staff on required processes and behaviours</li> <li>Held regular update meetings with continuing staff</li> <li>Updated the intranet with information on key matters such as pay, pensions, benefits, expenses, etc</li> <li>Review of strategy for company cars</li> <li>Maintenance of employee pension contributions</li> <li>Implementation of retention schemes and redundancy free period for key employees</li> </ul> | <ul style="list-style-type: none"> <li>through updating the intranet</li> <li>Continue to oversee payroll and deal with other employee issues including training and ongoing regulatory compliance</li> <li>Instruction to employees on post-appointment protocols</li> <li>Correspondence with Pensions Regulator</li> <li>Continued maintenance of employee pension contributions</li> <li>Ongoing consideration as to staffing requirements to support achieving the objectives of the administration</li> <li>Facilitating the next round of redundancies expected shortly after the Period</li> </ul> | <ul style="list-style-type: none"> <li>operations and systems necessary to support ongoing collection activity against the loan portfolio</li> <li>To maintain customer services to address customer queries, including redress inquiries</li> <li>To ensure regulatory roles and functions can be continued to be carried out where required in the Administration</li> </ul> |
|---|--|--|

<b>Field agents</b>	<ul style="list-style-type: none"> <li>Communicated with all field agents, supervising payment of agents' commission, and attending to other ad-hoc issues including field agent vacancies</li> <li>Implemented an incentive programme to encourage customers to utilise remote payment methods, such as CPA and PayPoint</li> <li>Monitoring field agent performance to increase remote collections to above average</li> <li>Held update meetings with continuing agents</li> <li>Ensuring CPD and LMS are being continued</li> <li>Implementing systems to minimise the impact to customers from agent leavers</li> </ul>	<ul style="list-style-type: none"> <li>Continue to manage the field agents and ensure they are appropriately retained</li> <li>The effectiveness of initiative programmes will continue to be reviewed and adjusted accordingly</li> <li>Continue to monitor the performance and training of agents</li> <li>Continue to provide regular updates to agents</li> <li>Continue to consider strategy to minimise customer detriment in the event of an agent leaving</li> <li>Ensure customer journey is maintained in respect to doorstep collections where possible</li> </ul>	<ul style="list-style-type: none"> <li>Retention of field agents is vital to support ongoing loan book collections</li> <li>Initiatives are essential retain agents and promote collection activity</li> </ul>
<b>Premises</b>	<ul style="list-style-type: none"> <li>Implemented a programme of closing all branches</li> <li>Managing the exit of all 60 branch locations, with all documents and data securely managed</li> <li>Facilitating the exit of the Company's head office (shortly after the Period)</li> <li>Liaised with all landlords, utility providers and other service providers to</li> </ul>	<ul style="list-style-type: none"> <li>To facilitate the exit of CRC location at the appropriate time</li> </ul>	<ul style="list-style-type: none"> <li>Structured closure of head office, branch locations and CRC is required to reduce costs and therefore assist in maximising returns to creditors</li> <li>To ensure all physical assets, employee belongings and computer equipment were cleared appropriately</li> <li>To minimise the cost to the estate</li> </ul>



Customer communications	ensure all queries were dealt with		
	<ul style="list-style-type: none"> <li>Developing targeted consumer communication campaigns, directly and through the website FAQs, SMS, emails, and letters</li> <li>Ensuring timely updates are provided to customers regarding the progress of the administration, i.e., preparation of the Proposal and Progress Report</li> </ul>	<ul style="list-style-type: none"> <li>Continue to communicate updates to customers regarding the progress of the administration in a timely manner</li> <li>Preparation of the next 6 monthly progress report</li> </ul>	<ul style="list-style-type: none"> <li>To ensure timely updates are provided to consumers in regard to the administration</li> </ul>
Winddown planning	<ul style="list-style-type: none"> <li>Developing an in-depth wind down plan for the Company's operations</li> <li>Monitoring progress of the administration against key milestones</li> <li>Reviewing the possibility of a debt sale and/or settlement campaign</li> <li>Considering an application to the courts to disapply the prescribed part</li> </ul>	<ul style="list-style-type: none"> <li>Continue monitoring the progress of the winddown of the Company</li> <li>Conclusion of any debt sale and/or settlement campaign</li> <li>Ceasing collections, termination of agent contracts, and managing the exit of CRC locations</li> <li>Supplier winddown</li> <li>Distributions to secured and preferential creditors, and making and application to the courts to disapply the prescribed part</li> <li>Tax clearance and data archiving</li> </ul>	<ul style="list-style-type: none"> <li>To achieve an orderly wind down of operations and minimisation of operating costs</li> <li>To distribute dividends to creditors in line with regulation</li> </ul>
Regulatory	<ul style="list-style-type: none"> <li>Correspondence, including regular telephone calls and emails with the FCA to discuss the post-administration strategy,</li> </ul>	<ul style="list-style-type: none"> <li>Continue to correspond with the FCA to discuss various matters, including the Joint Administrator's approach to redress, intention to make an</li> </ul>	<ul style="list-style-type: none"> <li>To ensure requirement to statutory regulations</li> </ul>

	trading performance and developments	application to disapply the prescribed part and consideration regarding a possible debt sale of the residual portfolio				
	<ul style="list-style-type: none"> <li>Amendments and updates to the Company website</li> <li>Monitoring of risk and compliance with reporting and regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Continuing monitoring risk and compliance with reporting and regulatory requirements</li> </ul>				
<b>Assets</b>					<b>23 hrs</b>	<b>£8,873</b>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>Initial notification to insurers</li> <li>Ensured appropriate ongoing insurance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Continue ensuring appropriate ongoing insurance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>To ensure statutory compliance and to preserve the value of the Company's assets</li> <li>Necessary to ensure the safety of the assets of the business as well as the safety of the working environment for employees</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process</li> </ul>		<b>£388/hr</b>
<b>Debtors</b>	<ul style="list-style-type: none"> <li>Established the status of the Company's loan portfolio and monitoring collections</li> <li>Reviewed existing strategy for management of accounts for both customers remaining within the terms of their loans and those in arrears, ensuring ongoing regulatory compliance</li> <li>Preparation of post-appointment forecast collection curves with the support of Management</li> </ul>	<ul style="list-style-type: none"> <li>Continue monitoring the weekly reporting on the status of the loan book</li> <li>Continue reviewing existing strategy for accounts for customers remaining within the terms of their loans and those in arrears, ensuring ongoing compliance</li> <li>Continue monitoring collection of arrears</li> <li>Continue considerations on the Company's debt placement</li> <li>Ongoing considerations of the sale of the loan book</li> </ul>	<ul style="list-style-type: none"> <li>To secure the collection of the loan book asset and realise financial value for the benefit of the estate</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>		

	<ul style="list-style-type: none"> <li>• Close monitoring and reporting of weekly collections</li> <li>• Liaising with the Company on debt placement strategy</li> <li>• Considering the sale of the loan book</li> <li>• Preparing, finalising, and sending prepayment letters</li> <li>• Ongoing operation calls and internal meetings to discuss strategy and analysis of forecast</li> <li>• Review of complaint letters and communications to field agents</li> </ul>	<ul style="list-style-type: none"> <li>• Considering further initiatives to support the ongoing collections activity across the portfolio</li> </ul>		
<b>Plant &amp; machinery, fixtures &amp; fittings, equipment</b>	<ul style="list-style-type: none"> <li>• Review Company documentation of all fixed assets</li> <li>• Liaising with agents regarding potential value and compare to cost of sales</li> <li>• Agreed a sale for a large portion of office furniture held at head office (to be completed shortly after the Period)</li> <li>• Liaise with agents regarding the disposal of owned motor vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• To arrange the disposal of IT equipment in head office at the appropriate time</li> <li>• Complete the sale of the agreed office furniture held at head office</li> <li>• Consider the sale of any further assets when the CRC location have been closed</li> <li>• Continue liaising with agents to ensure the disposal of the remaining owned motor vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• To realise assets of the Company</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
<b>Other assets</b>	<ul style="list-style-type: none"> <li>• Working with the IT team to understand the IT infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Continue working on disposing surplus IT equipment</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisation of assets</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary to help realise financial value for the benefit of the estate and for a</li> </ul>

- Obtaining the IT equipment and wiping the data held
  - Working on disposing surplus IT equipment
- distribution to creditors should sufficient funds become available

Investigations					59 hrs	£26,145	£446/hr
Debtor/directors/ senior employees	<ul style="list-style-type: none"> <li>• Issued questionnaires to all parties acting as a director within the last three years</li> <li>• Reviewed the responses received</li> <li>• Sought further clarification on any points identified by the directors on the questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct a review into the affairs of the Company from the books and records and other information obtained during the course of our work</li> <li>• Note matters requiring further investigation, if applicable</li> <li>• Provide report to Insolvency Service as required by statute</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure all assets are identified, secured, and realised where possible</li> <li>• To assist with the preparation of the report on the conduct of the directors to the Department of Business, Energy, and Industrial Strategy, which is a statutory requirement</li> <li>• To consider whether any action needs to be taken against third parties</li> <li>• To comply with statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process</li> </ul>			
Books & records	<ul style="list-style-type: none"> <li>• Secure books and records</li> <li>• Obtained back-up copies of data</li> <li>• Understanding the Company's data handling procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain books and records to ensure they are stored appropriately and confidentially</li> <li>• Review of books and records of the Company to determine which are required to be preserved to assist with statutory duties or other matters as necessary</li> <li>• Securely destroying records, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>			
Bank statements & analysis	<ul style="list-style-type: none"> <li>• Review of pre-administration bank statements</li> </ul>	<ul style="list-style-type: none"> <li>• Further review of bank statements to assist investigations where necessary</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with</li> </ul>			

Creditors		615 hrs	£304,646	£495/hr
Secured	<ul style="list-style-type: none"> <li>Initial calls with the secured creditor</li> <li>Instruct lawyer to provide legal advice on the validity of security</li> <li>Prepare and distributing reports for secured creditors to provide update on asset recovery</li> <li>Reporting to secured creditors of the Administration strategy, collections, and cost performance</li> <li>Engaged Osbourne Clarke LLP to undertake a security review of the finance documents, to consider the validity of security and assets subject to the security</li> <li>Identify and segregate assets subject to security and third-party claims</li> <li>Ongoing communication with secured creditors, ensuring all compliance matters are dealt with</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing reporting on progress to the secured creditor</li> <li>Managing the future distributions to be made to the secured creditors</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all secured creditor claims are appropriately dealt with</li> <li>To ensure secured creditors are kept informed of the Joint Administrators progress</li> <li>To conclude if the security is valid under English law documents and Scottish law documents</li> <li>To conclude that our appointment as Joint Administrators of the Company is valid</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process</li> </ul>
	Professional fees (ERA Solutions Limited): £10,000			
Employees & pensions				
Employees & pensions	<ul style="list-style-type: none"> <li>Prepared and circulated formal notification of redundancies to employees made redundant</li> <li>Held virtual meetings with employees</li> </ul>	<ul style="list-style-type: none"> <li>Continue to manage former employee claims with the assistance of ERA Solutions Limited</li> <li>Continue to respond to employee queries</li> </ul>	<ul style="list-style-type: none"> <li>To ensure former employees' claims are dealt with appropriately</li> <li>To enable settlement of any preferential claims</li> <li>Establishment of any preferential claims</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct</li> </ul>

Unsecured	<ul style="list-style-type: none"> <li>Responded to employee queries</li> <li>Engaged and liaised with ERA solutions Limited in relation to employee claims and support</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of any unsecured claims from employees arising from termination of their employment</li> </ul>	<ul style="list-style-type: none"> <li>financial benefit to the estate</li> </ul>
	<ul style="list-style-type: none"> <li>Gathered information from the Company in relation to all known creditors, and the estimated level and nature of potential claims from customers</li> <li>Liaised with the FOS and commenced case handover</li> <li>Communications with unsecured creditors in respect of their claims in the administration and queries regarding the process</li> <li>Discussions with FCA regarding identification of pre-appointment redress claimants</li> <li>Data segmentation review of the loan book</li> <li>Numerous meetings with the Complaints team to discuss the process of claim handling</li> <li>Calculation of the prescribed part</li> <li>Collate information and prepare responses to</li> </ul>	<ul style="list-style-type: none"> <li>Responding to queries in relation to adjudication of claims</li> <li>Issuing statutory notices</li> <li>Ongoing engagement with the FCA in relation to Redress Claims</li> <li>Obtaining and assessing legal advice</li> <li>Applying to the Court to disapply the prescribed part</li> <li>Providing updates to redress creditors via website, Grant Thornton microsite and correspondences (letters and emails)</li> </ul>	<ul style="list-style-type: none"> <li>To ensure matters are dealt with appropriately and being progressed</li> <li>To ensure that unsecured creditors are kept abreast of all key updates</li> <li>To ensure that the communications process is as efficient as possible</li> <li>To ensure regulatory compliance</li> <li>To ensure all legal claims are appropriately dealt with</li> <li>Required as part of the duties of the Administrators</li> </ul>
			<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>

	<ul style="list-style-type: none"> <li>regulatory and government bodies</li> <li>Liaise with lawyers on our responses</li> <li>Consulting with FCA on equitable set off and consideration for future strategy regarding redress claim assessments, including disapplying the prescribed part</li> </ul>					
<b>Administration</b>					<b>926 hrs</b>	<b>£367,110</b>
<b>Take-on</b>	<ul style="list-style-type: none"> <li>Anti-Money laundering and other compliance check protocols</li> <li>Review of ethical matters for taking on the case</li> <li>Take-on panel with senior members of Grant Thornton UK LLP to ensure that the Joint Administrators and their team would be able to take on the appointment, with adequate resources</li> </ul>	<ul style="list-style-type: none"> <li>Our work in relation to take on is complete</li> </ul>	<ul style="list-style-type: none"> <li>To comply with the appropriate legislation and Ethical guidelines</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>	<ul style="list-style-type: none"> <li>Statutory advertising (Gazette Direct): £89</li> </ul>	<b>£397/hr</b>
<b>Appointment formalities</b>	<ul style="list-style-type: none"> <li>Creation of the necessary statutory documents for appointment</li> <li>Liaising with the necessary parties (directors and shareholders) to initiate appointment</li> </ul>	<ul style="list-style-type: none"> <li>Application for the extension of the Administration to be requested from the Court</li> </ul>	<ul style="list-style-type: none"> <li>Required to ensure that the appointment complies with the statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>		

- Filing of the relevant statutory forms on Companies House
- Advertising of the appointment in the London Gazette

**Case set-up**

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• Setting up the case on the Administrators' case management platform</li> <li>• Setting up various files for the case</li> <li>• Collation of pre administration data from the Company in relation to creditors and suppliers, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Our work in relation to case set-up is complete</li> </ul> | <ul style="list-style-type: none"> <li>• Required as part of the duties of the Administrators and their staff</li> </ul> | <ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul> |
|--|---|--|--|

**Case management**

- |   |   |   |  |
|---|---|---|--|
| <ul style="list-style-type: none"> <li>• Gather information from employees of the Company necessary for the administration</li> <li>• Review of ethical matters for taking on the case</li> <li>• Frequent team calls for all team members to ensure all are aligned on the strategy and working together with the employees of the Company</li> <li>• On-going archiving of case specific files on Joint Administrators' case management systems</li> <li>• Coordination and management of the administration team to</li> </ul> | <ul style="list-style-type: none"> <li>• Frequent team calls to ensure all are aligned on the strategy</li> <li>• Review of case and progress by Joint Administrators, their team and internal risk management team</li> <li>• Review data protection protocols</li> <li>• Ongoing coordination of the administration team to continue effective and efficient case management</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure matters are dealt with appropriately and being progressed</li> <li>• To ensure we comply with GDPR</li> <li>• To ensure compliance with internal procedures and deadlines are met</li> </ul> | <ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul> |
|---|---|---|--|



	provide efficient and cost-effective case management			
	<ul style="list-style-type: none"> <li>• Monitor files for the case and ensure statutory deadlines are adhered to</li> <li>• Case management reviews and other processes to ensure effective risk management and compliance with internal procedures</li> <li>• Filing statutory documents on Companies House</li> </ul>			
<b>Reports to creditors, notices &amp; decisions</b>	<ul style="list-style-type: none"> <li>• Notification of appointment to creditors</li> <li>• Preparation of the Proposal document for creditors</li> <li>• Preparation of the Progress Report document for creditors</li> <li>• Preparation of fee estimate and remuneration report for creditors</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of future progress reports to creditors</li> <li>• Monitor deemed consent and/or decision procedures as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory requirement</li> <li>• To provide creditors with an update of the administration</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>
<b>Shareholders / debtor / director communications</b>	<ul style="list-style-type: none"> <li>• Deal with directors' queries</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to deal with directors' queries as they arise</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure directors are aware of their responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>

<b>Statement of affairs</b>	<ul style="list-style-type: none"> <li>Request the statement of affairs (SoA) from the directors</li> <li>Review final SoA and reconcile creditor balances to our database</li> <li>Upload SoA to Companies House</li> </ul>	<ul style="list-style-type: none"> <li>No further work anticipated</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency legislation</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>
<b>Treasury, billing &amp; funding</b>	<ul style="list-style-type: none"> <li>Processing and recording transactions arising during the period of the administration</li> <li>Setting up and managing the Joint Administrators bank accounts</li> <li>Arranging and accounting for the various receipts and payments of the Company</li> <li>Processing and recording transactions arising during the Period of the administration</li> <li>Ongoing monitoring of the Joint Administrators bank accounts</li> <li>Managing treasury accounts to ensure the administration has liquidity to meet trading liabilities to suppliers, employees, and others</li> </ul>	<ul style="list-style-type: none"> <li>Processing and recording transactions arising during the period of the administration</li> <li>Arranging and accounting for the various receipts and payments of the Company</li> <li>Ongoing bank reconciliations</li> <li>Facilitating the closure of the Joint Administrators bank accounts at the appropriate time</li> </ul>	<ul style="list-style-type: none"> <li>Required as part of the duties of the Administration and their staff</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>

Tax	<ul style="list-style-type: none"> <li>Carrying out frequent bank reconciliations and updating case accounts accordingly</li> </ul>			
	<ul style="list-style-type: none"> <li>Review of the historical tax position of the Company</li> <li>Consideration of tax position as regards to redress process</li> <li>Ongoing discussions with NSF Group regarding the pre-appointment tax returns</li> <li>Ongoing work on the starting point of the post appointment tax returns, as we change from preparing accounts on an accruals basis to reporting on a receipts and payments basis</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of review of historical tax position of the Company</li> <li>Preparation and submission of final pre appointment tax returns</li> <li>Preparation and submission of final post appointment tax returns for the period ended 31 December 2022</li> <li>Liaison with HMRC</li> </ul>	<ul style="list-style-type: none"> <li>Statutory compliance</li> <li>To meet all post appointment tax liabilities</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>The Grant Thornton Pension Advisory team is engaged to deal with various matters including:</li> <li>Discussions with the Company and Administrators to discuss the pre administration policy and benefits as well as areas and cover to be maintained post administration</li> <li>Pre-administration pension and benefit data</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence Pensions Regulator</li> <li>Maintenance of employee contributions</li> </ul>	<ul style="list-style-type: none"> <li>Necessary for the running of the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work is necessary for administrative purposes and/or complying with statutory requirements and it has no direct financial benefit to the estate</li> </ul>

Commercial in confidence

- gathering and assessment of cover
- Relevant updates in relation to pension cover and benefits

Total fees estimate	6,140 hrs	£2,991,292	£487/hr
Total expense estimate		£16,247,077	

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end  
Period from 15/03/2022 to 14/09/2022

Area of work	Partner		Manager		Executive		Administrator		Period total			Fees estimate			Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
Trading:									3,019.85	1,587,499.50	525.69	4,518.47	2,284,519.19	505.60	1,498.62	697,019.69
Trading (general)	536.20	441,933.50	1,506.75	791,950.75	798.40	319,328.25	178.50	34,287.00	3,019.85	1,587,499.50	525.69	4,518.47	2,284,519.19	505.60	1,498.62	697,019.69
Realisation of Assets:									14.55	9,896.75	405.27	22.88	8,872.99	387.88	8.33	2,978.24
Insurance	-	-	2.50	1,062.50	0.35	85.75	0.60	108.00	3.45	1,256.25	364.13	3.45	1,256.25	364.13	-	-
Debtors	-	-	-	-	6.50	2,210.00	-	-	6.50	2,210.00	340.00	12.42	4,147.90	334.03	5.92	1,937.90
Plant & machinery, fixtures & fittings, equipment	-	-	0.50	257.50	2.00	785.00	-	-	2.50	1,042.50	417.00	4.53	1,838.06	405.97	2.03	795.56
Other assets	2.10	1,388.00	-	-	-	-	-	-	2.10	1,388.00	660.95	2.48	1,630.78	657.56	0.38	242.78
Investigations:									39.60	16,144.75	407.70	59.62	26,144.75	445.98	19.02	10,000.00
Debtor / director / senior employees	-	-	12.00	6,072.50	1.00	340.00	-	-	13.00	6,412.50	493.27	13.00	6,412.50	493.27	-	-
Books & records	2.00	1,620.00	6.00	2,890.00	8.45	2,497.75	0.60	95.00	16.95	7,102.75	419.04	16.95	7,102.75	419.04	-	-
Bank statements & analysis	-	-	-	-	8.00	2,332.50	1.65	297.00	9.65	2,629.50	272.49	9.65	2,629.50	272.49	-	-
Digital Forensics Group	-	-	-	-	-	-	-	-	-	-	-	19.02	10,000.00	525.69	19.02	10,000.00
Creditors:									305.50	178,149.26	583.14	614.96	304,645.66	495.39	309.46	126,496.40
Secured	37.95	31,592.00	47.00	25,377.50	3.00	1,020.00	-	-	87.95	57,989.50	659.35	236.35	114,796.48	485.71	148.40	56,906.96
Employees & pensions	5.76	3,675.00	22.16	11,609.00	3.70	1,016.50	22.20	4,161.00	33.80	20,461.50	380.33	155.71	55,798.51	358.34	101.91	35,337.01
Unsecured	47.25	34,070.00	66.20	61,645.50	5.40	1,380.75	14.80	2,602.01	163.75	99,696.26	609.84	222.69	134,050.68	601.41	59.14	34,352.42
Administration:									716.55	286,275.75	399.52	925.52	367,109.89	396.65	208.97	80,834.14
Take-on	-	-	-	-	0.25	61.25	0.20	36.00	0.45	97.25	216.11	0.45	97.25	216.11	-	-
Appointment formalities	-	-	6.50	2,840.00	0.10	24.50	4.30	774.00	10.90	3,638.50	333.81	10.90	9,131.57	837.76	-	5,493.07
Case set-up	-	-	-	-	1.00	460.00	6.50	1,170.00	7.50	1,630.00	217.33	7.50	1,630.00	217.33	-	-
Case management	10.25	7,954.00	69.60	36,153.50	51.60	17,465.25	17.50	3,294.00	147.95	64,736.75	437.96	175.68	75,950.81	432.32	27.73	11,214.06
Reports to creditors, notices & decisions	9.00	7,290.00	51.20	24,505.00	35.65	11,465.50	4.20	756.00	100.05	44,016.50	439.95	131.36	56,101.26	427.09	31.31	12,084.76
Shareholders / debtor / director communications	1.00	920.00	-	-	-	-	-	-	1.00	920.00	920.00	1.00	920.00	920.00	-	-
Statement of affairs	4.30	2,494.00	6.05	2,876.50	0.65	159.25	-	-	11.00	5,529.75	502.70	11.00	5,529.75	502.70	-	-
Treasury, billing & funding	1.50	1,270.00	50.80	26,038.50	215.95	53,694.00	66.05	11,889.00	334.30	92,891.50	277.67	456.29	125,425.65	274.88	121.96	32,534.15
Tax	20.95	17,024.50	47.40	33,667.50	0.50	170.00	4.20	1,176.00	73.05	52,036.00	712.36	96.50	66,571.11	710.58	23.45	16,533.11
Pensions	-	-	28.10	20,552.50	-	-	1.25	225.00	30.35	23,777.50	684.60	34.84	23,732.47	681.68	4.49	2,974.97
Total	678.25	551,131.00	1,952.75	1,047,498.75	1,142.50	414,496.25	322.55	60,848.01	4,898.05	2,073,966.01	596.33	6,140.44	2,991,292.47	487.15	2,044.39	917,328.46

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £1,055,010
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Due to the complexity of the tasks required in dealing with a FCA regulated entity, significant time has been incurred by the partners, directors, associate directors and managers. This is an appropriate allocation of tasks, with work allocated to the correct grade and achieves efficiencies and the best outcome.

## Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Fees estimate and work done in the Period' section above.

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
<b>Category 1 expenses</b>		
<b>Insolvency Practitioners Bond</b>	1,125	-
<b>Postage</b>	1,065	-
<b>Travel (Non-Mileage)</b>	188	-
<b>Trading Expenditure</b>	5,257,982	4,939,914
<b>Legal Fees</b>		
Osborne Clark LLP	25,774	25,774
Keystone Law Limited	28,355	28,355
Slaughter and May	101,188	-
<b>Insurance</b>	34,715	34,715
<b>Administration IT costs</b>	1,950	1,950
<b>Bank Charges</b>	95	95
<b>Other Property Expenses</b>	32,848	32,848
<b>Professional Fees</b>		
ERA Solutions Limited	2,900	2,900
Verlingue Limited	3,000	3,000
CAPA	957	957
<b>Statutory Advertising</b>	89	89
<b>VAT Irrecoverable</b>	412,749	389,851
<b>Category 2 expenses</b>		
<b>Mileage</b>	480	-
<b>Total expenses</b>	<b>5,905,460</b>	<b>5,460,448</b>

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

### Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

**Category 2 expenses**

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

The basis and resolutions are set out in the table below for shared or allocated costs, where applicable, and mileage. For associates, please see the next section – Payments to associates.

	<b>Fee / cost basis</b>	<b>Resolution obtained</b>
<b>Mileage</b>	Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are provided in the table above, where incurred	On 15 June 2022 and 15 July 2022 the secured and preferential creditors resolved that the Joint Administrator be permitted to draw category 2 expenses for mileage at 45p per mile

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service.

To the extent that services have been enlisted from Grant Thornton UK LLP’s specialist teams, for example tax, pensions, digital forensics, or any others, the narrative for and cost of their work is included in the work done narrative and SIP9 time costs analysis details in the Fee basis of the Joint Administrators section above.

We disclose, below, any other services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association. The costs incurred for these services and paid by the estate are disclosed in the ‘Statement of expenses incurred in the Period’ table in the previous section.

Associate name	Services enlisted	Fee basis
Grant Thornton UK LLP - Tax and Pensions	<ul style="list-style-type: none"><li>Tax work/advise (narrative is included within the above narrative of work done)</li><li>Pension work/advise (narrative is included within the above narrative of work done)</li></ul>	Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators’ fee basis.

Sub-contracted work

During the Period we have sub-contracted the following work that could otherwise have been carried out by us or our team:

Sub-contractor	Work sub-contracted	Reason(s) for sub-contracting
ERA Solutions Limited	<ul style="list-style-type: none"><li>Employee claims management</li></ul>	<ul style="list-style-type: none"><li>Employee claims specialists</li></ul>
Verlingue Limited	<ul style="list-style-type: none"><li>Pensions management</li></ul>	<ul style="list-style-type: none"><li>Employee pensions specialists</li></ul>

The costs incurred and paid for each subcontractor can be seen in the ‘Statement of expenses incurred in the Period’ table above.



## Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie Administrators or Liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.



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