

# AM03

## Notice of administrator's proposals



Companies House

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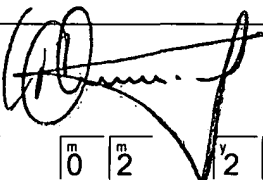
18/02/2021

#372

COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 8 5 1 8 4 0 6	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Myjar Limited	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	David	
Surname	Clements	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	102 Sunlight House	
Street	Quay Street	
Post town	Manchester	
County/Region		
Postcode	M 3 3 J Z	
Country		
<b>4</b>	<b>Administrator's name ①</b>	
Full forename(s)	Paul	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Boyle	
<b>5</b>	<b>Administrator's address ②</b>	
Building name/number	102 Sunlight House	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	Quay Street	
Post town	Manchester	
County/Region		
Postcode	M 3 3 J Z	
Country		

AM03  
Notice of Administrator's Proposals

6		Statement of proposals		
		<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
7		Sign and date		
Administrator's Signature	Signature			
Signature date	<div><div>d</div><div>1</div></div> <div><div>d</div><div>5</div></div> <div><div>m</div><div>0</div></div> <div><div>m</div><div>2</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>0</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>1</div></div>			

## AM03 Notice of Administrator's Proposals



### Presenter information

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

Contact name	Julian Moules
Company name	Harrisons Business Recovery and Insolvency Limited
Address	102 Sunlight House Quay Street
Post town	Manchester
County/Region	
Postcode	M 3 3 J Z
Country	
DX	manchester@harrisons.uk.com
Telephone	0161 876 4567



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### Where to send

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

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



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

## Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
Use extra copies to tell us of additional insolvency practitioners.

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

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

### 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

### 2 Insolvency practitioner's name

Full forename(s)

Anthony

Surname

Murphy

### 3 Insolvency practitioner's address

Building name/number

102 Sunlight House

Street

Quay Street

Post town

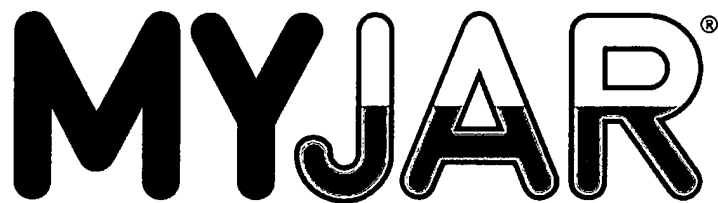
Manchester

County/Region

Postcode

M 3 3 J Z

Country



**Joint Administrators' Report and  
Statement of Proposals Pursuant to  
Paragraph 49 of Schedule B1**

**Myjar Limited -  
In Administration**

**15 February 2021**

## **MYJAR LIMITED - IN ADMINISTRATION**

### **CUSTOMER WARNING**

**What should I do if I am approached by someone saying they work for Myjar Limited or Harrison's Business Recovery & Insolvency (London) Limited or the Joint Administrators and want to help me submit a claim?**

Customers will not be approached by any Harrison's or Company staff directly to assist in submitting a claim. We will advise in the coming months of how you can submit your claim (if you have not already done so).

Do not give details of your claim to anyone who approaches you, alleging that he or she works for Harrison's or the Company, or otherwise. If you do require assistance or are unsure as to the validity of any correspondence you have received, please contact the Customer Support Team at [complaints@myjar.com](mailto:complaints@myjar.com)

**What should I do if someone has indicated they can ensure I can get a higher claim amount, but I have to pay them a fee first?**

The Joint Administrators are under a duty to treat each claim equally. Every claim will therefore be assessed in the same way, irrespective of who submits the claim. Customers do not need to use a Claims Management Company (CMC) or third party to submit a claim. Using a CMC or third party will not accelerate the claims process, nor entitle you to a higher claim amount. It may also expose you to charges that may be deducted from any final payment you might receive.

**Will anyone ask for my bank details?**

We may ask you to confirm that your previous bank details are still valid and give you the opportunity to update your bank details (e.g. if you have closed/changed bank accounts), although further proof of identity and other supporting evidence will be required.

## **MYJAR LIMITED - IN ADMINISTRATION**

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## MYJAR LIMITED - IN ADMINISTRATION

### 1 Glossary

The Company / Myjar	Myjar Limited
The Administrators / Joint Administrators	Paul Robert Boyle, David Michael Clements and Anthony Murphy
Harrisons	Harrisons Business Recovery & Insolvency (London) Limited
Myjar Treasury Limited / Treasury	Myjar Treasury Limited a company incorporated in Jersey
Myjar Holdings Limited / Holdings	Myjar Holdings Limited a company incorporated in Jersey
Tieta (UK) Limited / Tieta	Tieta (UK) Limited (Formerly TXT Services Limited) a company incorporated in the UK
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986
	If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986
	If preceded by P this denotes a paragraph number
IR16	Insolvency (England & Wales) Rules 2016
	If preceded by R this denotes a rule number
SofA	Statement of Affairs
CVL	Creditors Voluntary Liquidation
HCSTC	High Cost Short Term Credit
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme
VREQ	Voluntary Application for Imposition of Requirements
Prescribed Part	Under section 176A of the Insolvency Act 1986 and the Insolvency Act 1986 (Prescribed Part) Order 2003, the Prescribed Part is the part of the proceeds from realising the assets covered by a floating charge which must be set aside and made available to meet the claims of unsecured debts.
Redress	Claim for compensation on the grounds that loans were incorrectly granted on the grounds of affordability.



## **MYJAR LIMITED - IN ADMINISTRATION**

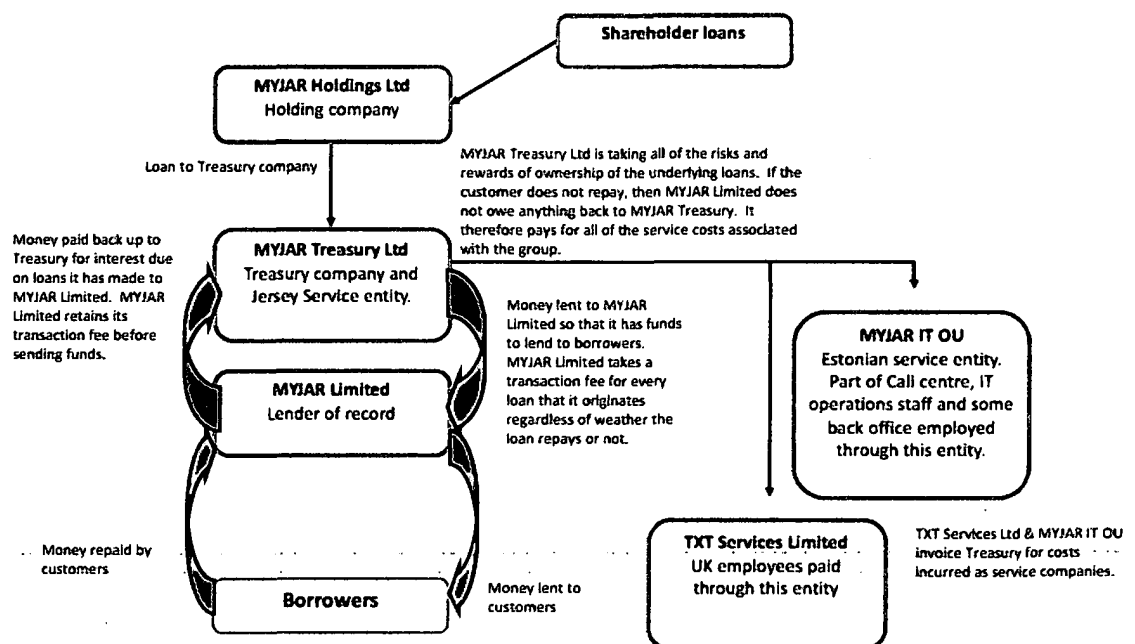
### **2 Executive Summary**

- 2.1 Myjar was a business regulated by the FCA for HCSTC and other lending.
- 2.2 Myjar only ever received a loan fee for loans it made to customers, all other funds were remitted to Myjar Treasury under the terms of their loan agreements.
- 2.3 All administrative and back office functions were subcontracted to a third party group company Tietra UK Limited. Myjar had no employees.
- 2.4 Myjar has no assets other than a potential claim on the cash at bank and remaining loan book., however agreement has been reached with the secured creditor to retain the funds held at the date of appointment for the purposes of the Administration.
- 2.5 Agreement has also been reached to set aside the sum of £600,000 for the Prescribed Part.
- 2.6 The Joint Administrators' fees have been agreed with the secured creditor on a combination of bases.
- 2.7 Following a review by the FCA in 2019 of historic lending policies, the Company has received a substantial number of potential claims for redress to customers for making unaffordable loans.
- 2.8 The redress methodology is currently being developed for review by the FCA. The methodology will be applied to the historic loan book in due course and the redress claims established.
- 2.9 Due to the volume of customers and redress entitlements, any dividend pay-out is likely to be minimal.

## MYJAR LIMITED - IN ADMINISTRATION

### 3 Introduction and Background

- 3.1 The Company was incorporated on 7 May 2013 and commenced trading in 2014 offering initially two week and one-month small sum unsecured loans to UK residents. These were later replaced with 3, 6 and 12 month instalment loans.
- 3.2 In 2014 Myjar has been a regulated business since 2014 with permissions to be a provider of HCSTC. In December 2016 the FCA approved a variation of permissions extending Myjar's authorisation beyond HCSTC allowing the Company to provide loans longer than 12 months.
- 3.3 Myjar is a subsidiary of Myjar Holdings Limited, a company incorporated in Jersey. The historic group structure is shown below.



- 3.4 All funding has been provided through the Jersey incorporated businesses. Holdings has lent funds to Treasury which in turn has provided the funding for Myjar loans throughout the Company's trading period.
- 3.5 Under the terms of the loan agreements with Treasury, ALL receipts from customers are due to Treasury except for the deduction of a loan fee by Myjar. The amount of the deduction has varied over the trading period, but in the latter loan agreements it was £4.32 for every loan made by Myjar to a customer.
- 3.6 Myjar granted a debenture to Treasury which was registered on 1 October 2018 to secure the lending from it.
- 3.7 Tieta (formerly TXT Services above) provided the following services for Myjar:
- Contact Centre Facility – consisting of call agents, team leaders and quality assurance and coaching specialists.
  - Back office admin support, finance, fraud and complaints along with senior managers and Executive team.
  - Insurances and equipment

## MYJAR LIMITED - IN ADMINISTRATION

- 3.8 Tieta also hold the contract for several services that are critical to Myjar being able to continue. These services include:

- The Loan Management System contract with Equiniti and support services
- Data Hosting Services
- Complaints management software
- Risk data software
- Contact Centre software

The costs of the above were recharged to Myjar on an arm's length cost plus basis.

- 3.9 A summary of the accounts of the Company is shown below:

	Audited accounts				Management accounts
	9 months to Feb 2015	Year to Feb 2016	Year to Feb 2017	Year to Feb 2018	Year to Feb 2019
	£	£	£	£	£
Turnover	216,225	682,685	670,743	912,604	804,950
Profit / (Loss) before Tax*	132,333	286,424	101,152	71,579*	(3,170,176)*
Shareholders' funds*	104,643	333,540	438,692	510,271	(5,038,996)

- 3.10 The draft accounts to 28 February 2019 include provisions for redress of affordable loans. The draft accounts also provide for a restating of the 2018 accounts which results in a loss of £2,203,676 after tax, compared with a previously reported profit of £71,579 before tax.

- 3.11 The restatement also results in negative Shareholders funds of £1,868,918 compared with a previously reported positive figure of £510,271.

- 3.12 Loans made to customers by the Company were as follows:

Period	Number of Loans	Value of loans £
9 Months to February 2015	65,128	13,139,052
Year to February 2016	205,628	51,557,816
Year to February 2017	205,234	72,936,825
Year to February 2018	211,258	104,331,750
Year to February 2019	186,301	90,743,275
Year to February 2020	95,371	44,772,775
3 / 4 months to May / June 2020	520	232,450
<b>Total</b>	<b>969,440</b>	<b>377,713,943</b>

- 3.13 In January 2019 the FCA began an industry wide review of affordability policies across the sector. In December 2019 the FCA wrote to Myjar advising of changes that were required to its affordability policy.

- 3.14 During 2020 the Company liaised with the FCA in order to try and agree a redress methodology which would be applied to cover all lending since regulation in 2014.

## **MYJAR LIMITED - IN ADMINISTRATION**

- 3.15 Given the impact of the new affordability criteria and the onset of Covid19, Myjar approached the FCA in June 2020 and advised that it wished to enter a solvent wind down. The Company formally stopped providing new loans on 12 June 2020.
- 3.16 Myjar employed a third party as a skilled person following a request from the FCA to assist with the redress methodology and dialogue continued with the FCA. Ultimately, the Company was unable to prepare a methodology which treated customers fairly.
- 3.17 Given the sums likely to be involved in any potential redress programme, the Directors formed the opinion that they would no longer be able to execute the solvent wind down plan.
- 3.18 As a result, Paul Boyle, David Clements and Anthony Murphy of Harrisons Business Recovery and Insolvency (London) Limited, 102 Sunlight House, Quay Street, Manchester M3 3JZ were appointed Joint Administrators of the Company by the Directors on 22 December 2020.
- 3.19 Information about the way that we will use and store personal data on insolvency appointments can be found at <http://harrisons.uk.com/privacy-policy>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 3.20 The Joint Administrators act jointly and severally in the Administration.
- 3.21 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom. This means that the Administration will be conducted according to English insolvency legislation and is not governed by the insolvency law of any other European Union Member State.
- 3.22 This report incorporates the Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 15 February 2021.

## MYJAR LIMITED - IN ADMINISTRATION

### 4 Administration Strategy and Objective

4.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:

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

4.2 The objective being pursued in the Administration is to realise property in order to make a distribution to the secured creditor.

4.3 It is not possible to pursue either the first or the second objectives for the following reasons:

4.4 The Company had ceased making new loans in June 2020, it was therefore unable to support operational activities in the longer term.

4.5 Except for the outstanding customer loan book, the Company has no other tangible or intangible assets of notable worth. Consequently, it is unlikely that the Administrators would achieve a better result for the Company's creditors as a whole, than would be likely if the Company were to be wound up.

#### Consideration of Proposals by Creditors

4.6 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:

- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
- (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
- (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.

In this case I think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, consequently, I am not required to seek a decision from creditors to approve my Proposals unless the requisite number of creditors request such a decision within the prescribed period. Please see the covering letter which accompanies this Report for further information about this.

#### Progress Since Appointment

##### Administration (including statutory compliance and reporting)

4.7 Following our appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work includes liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency and assessing the validity of 3<sup>rd</sup> party security in relation to the assets and funds available.

## **MYJAR LIMITED - IN ADMINISTRATION**

- 4.8 We have also dealt with a number of statutory formalities which are required under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising our appointment in the London Gazette.
- 4.9 Other statutory duties performed are outlined in further detail in the fees information section which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.
- 4.10 As advised above, all funding for customer loans was provided by Myjar Treasury Limited through a number of individual loan agreements. Since October 2018, these were backed by a debenture to secure the lending.
- 4.11 The loan agreements have evolved over time and the more recent agreements, believed to be since May 2019, contain clauses which purport to subrogate the charge on monies behind the claims of redress creditors.
- 4.12 We, together with our solicitors, are reviewing all loan documentation and the flow of funds to establish the precise priority of funds held at the date of Administration and any future realisations in the Administration.
- 4.13 We have reached agreement with Myjar Treasury Limited that, notwithstanding the outcome of the further investigations, the sums held at the date of our appointment can be utilised as follows:
- £600,000 to be set aside under the Prescribed Part for the benefit of creditors
  - £750,000 to be utilised for our fixed fees (see section 10 below)
  - The remaining funds can be utilised for the running of the business to agree the redress methodology and to calculate sums due to redress creditors and to collect the outstanding loan book
- 4.14 Agreement has not yet been reached regarding further realisations in the Administration.

### **Trading**

- 4.15 As advised above, Myjar subcontracted all of its operations to Tieta. Myjar itself has no employees other than the directors.
- 4.16 Tieta carried out all back office operations either itself or through third parties with whom it contracted.
- 4.17 All customer information and loan data is held on third party servers by organisations who are contracted through Tieta. Tieta also carried out the administrative and accounting function for the Company.
- 4.18 Upon appointment, the Joint Administrators had no option but to engage with Tieta in order to sustain operations. The contract entered into is at a reduced rate compared to that in place prior to Administration due to some savings being made, as some functions are no longer required.

### **Realisation of assets**

- 4.19 Upon appointment the Company had a loan book outstanding of £90,355,882 consisting of 151,492 loans.
- 4.20 Of this amount £12,990,726 had been placed with a variety of third party debt collection agencies.

## **MYJAR LIMITED - IN ADMINISTRATION**

- 4.21 A considerable element of the loan book was non performing upon appointment. Forecast collections for January to March 2021 were £822,000 across all loans.
- 4.22 To date, we have collected £840,934 since the date of our appointment. Not all of these collections are reflected in our receipts and payments account to date as they have not been transferred from third parties to the Administration bank account as at the date of this report.
- 4.23 We continue to review the most effective method of collecting the remaining loans and will report further in our next report.
- 4.24 The work undertaken by the Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in future progress reports.
- 4.25 Further information on the estimated outcome of the Administration can be found in section 11 below.

### **Creditors**

#### **Preferential creditors**

- 4.26 There are no preferential creditors in this case.

#### **Trade creditors and the FOS**

- 4.27 The Company had trade creditors of approximately £488,884 according to the directors' statement of affairs. This includes the FOS who are owed an estimated £107,750.

#### **Redress creditors**

- 4.28 As a result of the FCA review of affordability, it became standard practice to retrospectively review the loans made to former customers to consider whether the loans were mis-sold and whether any financial redress was appropriate. These creditors are outlined below in section 4.30

### **Investigations**

- 4.29 The Administrators, are required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).
- 4.30 This work may not necessarily lead to any financial benefit to creditors, yet is work we are required to undertake by statute. Our investigations are ongoing and we shall update creditors in our next report.

### **Case Specific Matters**

#### **Redress creditors**

- 4.31 The criteria adopted for approving loans historically has led to the possibility of a number of loans being granted that were unaffordable. Consequently, those customers who were given unaffordable loans are entitled to claim back the interest and charges they paid, together with statutory interest. These claimants are known as redress creditors.
- 4.32 Upon appointment there were 108 cases where awards for Redress had already been agreed but payments had not been made, amounting to £81,903. These will be unsecured creditors within the insolvency estate.

## MYJAR LIMITED - IN ADMINISTRATION

- 4.33 In addition to the above, prior to our appointment, 387 customers had lodged complaints against the business, and an offer had been made but no acceptance had been received.
- 4.34 The Joint Administrators are in the process of finalising a protocol for redress largely based upon industry precedents, aspects of which have been discussed with the FCA. A formal redress policy document is currently being produced and will be made available prior to implementation for further input from the FCA. In the event that claims lodged are upheld following implementation of the new procedures, these claims will form unsecured claims in the Administration.
- 4.35 Once the redress process is adopted, we will interrogate the historic customer database through an automated process in order to identify those customers who are entitled to redress in accordance with the protocols and to calculate the value of their potential redress claim.
- 4.36 Once the "qualifying" customers have been identified, we will contact each customer entitled to redress and advise them of their claim.
- 4.37 The level and timing of any dividend to redress creditors is unknown, initial payment will be from those funds remaining from the cash at bank set aside for redress creditors, after deducting costs of the Administration.
- 4.38 Any unpaid element of redress will be from the Prescribed Part which has a cap of £600k for all unsecured creditors and given the volume of potential claims, any return is likely to be minimal.
- 4.39 Those customers that are subsequently entitled to redress and have been making payments since the Appointment of Administrators may be entitled to set-off in accordance with insolvency legislation. These payments will be retained in a separate account for reimbursement when possible.



## **MYJAR LIMITED - IN ADMINISTRATION**

### **5 Joint Administrators' Receipts and Payments**

- 5.1 A summary of receipts and payments for the Administration period from the date of my appointment to 15 February 2021 is attached at Appendix B.
- 5.2 Some of the more recent collections are in the process of being transferred from the Company's Barclays bank account. There are also funds in transit from third party debt collection agents. These are not reflected in the Receipts and Payments account until they are transferred to the Administration bank account.
- 5.3 The payment labelled "Cat 1 Support Cen, Redress, IT, Infastruc" are the continuing charges of Tieta (UK) Limited for running the back office and call centre on behalf of Myjar.

## **MYJAR LIMITED - IN ADMINISTRATION**

### **6 Financial Position**

- 6.1 Attached at Appendix C is a summary of the Director's Estimated Statement of Affairs of the Company as at the date of the appointment of the Administrators. This was verified by a statement of truth by the directors on 20 January 2021 and is stated before the costs of the Administration procedure are considered.
- 6.2 We have the following observations to make in relation to the Directors' Estimated Statement of Affairs
- 6.3 The figure for debtors relates to the remaining loan book. The calculation used by the directors for the realisable value is based upon estimated collections for the next three months and then a potential sale of the remaining book.
- 6.4 The value of the redress programme is not yet known, however the sum is likely to be significant.

## MYJAR LIMITED - IN ADMINISTRATION

### 7 Proposals

- 7.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 7.2 The Administrators will continue to trade the Company in order to achieve the intended objective(s) outlined above.
- 7.3 If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 7.4 If, however, having realised the assets of the Company the Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into CVL in order that the distribution can be made. In these circumstances, it is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the Liquidation. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 7.5 Court approval is not required to enable the Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 7.6 If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 7.7 See Section 8 below on **Exit Routes** for further information on the exit routes available from Administration.
- 7.8 The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
- 7.9 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of the secured and/or preferential creditors or the approval of the Court to the extension. The secured and preferential Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 7.10 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
  - By reference to time properly spent by the Administrators and their staff managing the Administration, or
  - As a set amount
- 7.11 In accordance with SIP 9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw Category 2 disbursements as and when funds are

## **MYJAR LIMITED - IN ADMINISTRATION**

available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix E.

7.12 Where no Creditors' Committee is appointed, and given that the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval of the Administrators remuneration and disbursements will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.

7.13 In this case, the Administrators are seeking to approve the basis of their remuneration as follows:

- As a set amount, and as a percentage of the value of the assets with which the Administrators have to deal with
- and in respect of the Prescribed Part, by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration

Further details about the proposed fee basis can be found in Section 9 below and Appendix E.

7.14 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

## **MYJAR LIMITED - IN ADMINISTRATION**

### **8 Exit Routes**

- 8.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 8.2 At the time of drafting these Proposals I believe that an extension to the period of Administration will be necessary, however will confirm the position to creditors in a subsequent progress report in due course.

Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

#### ***Dissolution of the Company***

- 8.3 Based on present information, the Administrators think that a distribution will be available to the unsecured creditors from the Prescribed Part by virtue of section 176A(2)(a). This will be distributed in due course within the Administration and a notice will thereafter be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.
- 8.4 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

#### ***Compulsory Liquidation***

- 8.5 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent liquidation.

## MYJAR LIMITED - IN ADMINISTRATION

### 9 Pre-administration Costs

9.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

9.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

9.3 Pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Fees or Expenses charged by	Brief description of services provided	Total amount charged £	Amount paid £
Pinsent Masons	Assistance in placing the Company into Administration	£4,132.80	£4,132.80

9.4 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of the secured and (where necessary) the preferential creditors, separately to the approval of the Administrators' proposals. As the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval has been sought from the secured creditor in accordance with insolvency legislation.

### 10 Joint Administrators' Remuneration

10.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which our remuneration will be fixed.

10.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

10.3 In this case, we are not seeking to determine the basis of our remuneration as time properly spent by us and our staff in dealing with the affairs of the Company and we are therefore not, required to provide a fees estimate to creditors. Details of the basis or bases we are proposing, together with information about the work we consider will be necessary in this case and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix E. Further information on the work done since our appointment to the date of this report, can be found in section 4. Appropriate approval to the basis of our remuneration will be sought as outlined in section 7 of this report.

10.4 In circumstances where initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to the secured (and where necessary) the preferential creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis.

## **MYJAR LIMITED - IN ADMINISTRATION**

- 10.5 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 10.6 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <http://harrisons.uk.com/creditors-guide-fees>. If you would prefer this to be sent to you in hard copy please contact Julian Moules of this office on 0161 876 4567 or [manchester@harrisons.uk.com](mailto:manchester@harrisons.uk.com).
- 10.7 The fee agreed with the secured and (where necessary) preferential creditors covers both the pre appointment costs and the costs of the administration.
- 10.8 The basis of the agreed fee is:
- A fixed fee of £750,000.
  - An additional fee of 10% of asset realisations received after six months from the date of appointment.
  - Time properly spent by the Joint Administrators and their staff in attending to matters arising from the Prescribed Part

## **11 Estimated Outcome**

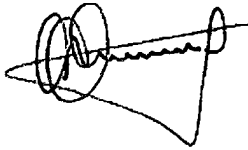
- 11.1 An estimate of the outcome of the Administration as at 15 February 2021 is attached at Appendix F.
- 11.2 The Company granted a floating charge to Myjar Treasury Limited on 1 October 2018. Accordingly, we are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part).
- 11.3 As discussed above we have agreed the value of the Company's net floating charge property to be £600,000 and have set this money aside. Please be aware that the value of this fund is likely to fluctuate during the course of the Administration dependent upon the costs of the redress process. Further updates will be provided in our progress reports in due course.
- 11.4 Whilst agreement has been reached regarding the cash at bank upon appointment, no agreement has yet been reached on future realisations in the Administration. It is not yet clear whether these will be available to redress creditors under the subrogation clauses in the latter loan agreements. We should be in a position to clarify further in our next report.
- 11.5 The subrogation issue will have a significant impact on the availability of any distribution to redress creditors.
- 11.6 The timing and likelihood of a dividend to ordinary unsecured creditors will be dependent upon the number of unsecured redress claims and costs of the redress programme.

## **12 Proposals approval and next report**

- 12.1 As the Administrators think that neither of the objectives specified in Paragraph 3(1)(a) and (b) of Schedule B1 can be achieved, we are not required to seek a decision from the unsecured creditors on the approval of our Proposals.
- 12.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

**MYJAR LIMITED - IN ADMINISTRATION**

For and on behalf of  
Myjar Limited

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

**David Clements**  
Joint Administrator

Enc



## MYJAR LIMITED - IN ADMINISTRATION

### Appendix A

#### Statutory Information

##### 1 Company information

Company name	Myjar Limited
Trading name(s)	None
Registered number	08518406
Registered office address	102 Sunlight House Quay Street Manchester M3 3JZ
Former registered office address	Packington House 3-4 Horse Fair Banbury OX16 0AA
Trading address(s)	Packington House 3-4 Horse Fair Banbury OX16 0AA
Court details	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (Chd)
Court reference number	CR-2020-004575 of 2020

##### 2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Caroline Walton	16 May 2018	N/a	None
Ellis Sher	3 June 2013	N/a	None
Andrew Dellow	1 June 2015	7 August 2018	None

##### 3 Joint Administrators' Details

Name of Administrators	David Clements	Paul Boyle	Anthony Murphy
Address	102 Sunlight House Quay Street Manchester M3 3JZ	102 Sunlight House Quay Street Manchester M3 3JZ	102 Sunlight House Quay Street Manchester M3 3JZ
Telephone Number	020 317 9160	020 317 9160	020 317 9160
Administrator's IP Number	8765	8897	8716
Authorising Body	ICAEW	ICAEW	ICAEW
Date of Appointment	22 December 2020	22 December 2020	22 December 2020

# MYJAR LIMITED - IN ADMINISTRATION

## Appendix B

### Receipts and Payments Account for the Period from 22 December 2020 to 15 February 2021

#### Myjar Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 22/12/2020 To 15/02/2021 £	From 22/12/2020 To 15/02/2021 £
SECURED ASSETS		
Cash at Bank	3,583,277.89	3,583,277.89
Post Appointment collections	328,092.57	328,092.57
	<u>3,911,370.46</u>	<u>3,911,370.46</u>
ASSET REALISATIONS		
Bank Interest Gross	16.92	16.92
Cat1 Support Cen,Redress,IT,Infrastruc	(609,188.00)	(609,188.00)
	<u>(609,171.08)</u>	<u>(609,171.08)</u>
COST OF REALISATIONS		
Cat 1 Legal Fees	14,382.80	14,382.80
Irrecoverable VAT	63,946.06	63,946.06
Post Appointment Customer Refunds	18,385.06	18,385.06
Printing, Postage and Stationery	1,000.00	1,000.00
Professional fees	787.50	787.50
	<u>(98,501.42)</u>	<u>(98,501.42)</u>
	<u><b>3,203,697.96</b></u>	<u><b>3,203,697.96</b></u>
REPRESENTED BY		
Bank 2 - Current		2,971,191.76
Bank 2 - Deposit		600,000.00
Trade Creditors		(367,493.80)
		<u><b>3,203,697.96</b></u>

Note:

David Clements  
Joint Administrator

# MYJAR LIMITED - IN ADMINISTRATION

## Appendix C

### Summary of the Directors' Statement of Affairs of the Company as at 22 December 2020

	Book Value	Estimated to realise
<b>Assets subject to Floating Charge</b>		
Debtors	196,229	3,691,083
Cash at Bank	3,593,570	3,593,570
<b>Estimated total assets available for preferential creditors</b>	<b>3,789,799</b>	<b>7,284,653</b>
<b>Liabilities</b>		
Preferential creditors		0
<b>Estimated Surplus as regards preferential creditors</b>		<b>7,284,653</b>
Estimated Prescribed Part of net property		(600,000)
<b>Estimated total assets available for floating charge holders</b>		<b>6,684,653</b>
Myjar Treasury Limited		(8,918,570)
<b>Estimated Shortfall as regards floating charge creditors</b>		<b>(2,233,917)</b>
Estimated Prescribed Part of net property		600,000
<b>Total assets available to unsecured creditors</b>		<b>600,000</b>
Unsecured non-preferential claims:-		
Trade creditors	488,884	
Redress creditors – affordability claims from customers	Unknown	
		Unknown
<b>Estimated deficiency as regards non-preferential creditors</b>		<b>Unknown</b>
Estimated Shortfall as regards floating charge creditors		(2,233,917)
<b>Estimated deficiency as regards creditors</b>		<b>Unknown</b>
Issued and called up Capital		100
<b>Total deficiency</b>		<b>Unknown</b>

## MYJAR LIMITED - IN ADMINISTRATION

### Appendix D

#### Time Analysis for the Period from 22 December 2020 to 15 February 2021 – PRESCRIBED PART ONLY

##### Time Entry - Detailed SIP9 Time & Cost Summary

MYJAR001 - Myjar Limited

To: 15/02/2021

Redress and Unsecured creditors

Classification of Work Function	Partner / Director	Manager	Other Senior Profession als	Assistants & Support Staff	Total Hours	Time Cost  £	Average Hourly Rate  £
184 : Cashier - Client Account Reconciliations	0.00	0.00	0.80	0.00	0.80	140.00	175.00
604 : Regulator / FCA Dealings	1.20	0.00	0.00	0.00	1.20	900.00	750.00
617 : Redress	187.75	0.00	6.50	0.00	194.25	107,831.25	555.12
500 : Creditors	0.30	0.00	2.00	240.00	242.30	42,633.50	175.95
501 : Communication with creditors	0.00	0.00	8.60	0.00	8.60	2,150.00	250.00
504 : Claims Trade and Expense	0.00	0.00	2.80	0.00	2.80	700.00	250.00
<b>Total Hours</b>	<b>189.25</b>	<b>0.00</b>	<b>20.70</b>	<b>240.00</b>	<b>449.95</b>	<b>154,354.75</b>	<b>343.05</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	

## **MYJAR LIMITED - IN ADMINISTRATION**

### **Appendix E**

#### **Additional Information in Relation to Joint Administrators' Fees**

##### **1 Fee Basis**

1.1 The Administrators have agreed the basis of their remuneration in this case as a combination of bases as follows:

- A fixed fee of £750,000.
- An additional fee of 10% of asset realisations received after six months from the date of appointment.
- Time properly spent by the Joint Administrators and their staff in attending to matters arising from the Prescribed Part.

1.2 Below are details of the work the Administrator proposes to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 4.

1.3 Where a time cost basis has been sought, the Administrators' fees estimate has been included in this information, which also provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.

1.4 The fees estimate is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on this estimate, such as the number of redress creditors or the work required for each claim, further time or cost will be incurred and it may be necessary to revise the Administrators' estimate of fees.

##### **1.5 Work performed to date and ongoing work**

We summarise below the other key matters that we have dealt with since our appointment. We have:

- Engaged key members of Tieta personnel to produce critical financial information for the joint Administrators
- Obtained funds from the Company's former bank accounts
- Drafted and issued communications to creditors; this has taken the form of emails, website updates (such as the FAQ) and press releases.
- Reviewed and monitored complaints from customers, dealt with the queries from various third parties, updated creditor details on request.
- Isolated and recovered records of the Company where required for the purposes of the Administration, including digital records held with third parties.
- Reported to the FCA
- Commenced Investigations into the directors' conduct, as required by statute.
- Commenced reviewing Myjar bank accounts for unexplained transactions within the relevant pre-appointment period

## MYJAR LIMITED - IN ADMINISTRATION

- We have carried out our initial work both independently and with the FCA regarding the parameters of the redress policy
- We have also instructed our solicitors regarding the validity of debentures and the terms of the loan agreements

1.6 The ongoing work and further work required during the course of the administration encompasses the following:

### Administration and planning

This section of the analysis encompasses the cost of the Administrators and their staff in complying with their statutory obligations, and internal compliance requirements and will usually not provide a direct financial benefit to the creditors of the Company. This work includes the following:

- Statutory notifications and advertising
- Initial post appointment notifications to trade & expense creditors
- Initial post appointment notifications to the Registrar of Companies
- Initial post appointment notifications to HMRC
- Maintenance of compliance checklists in relation to the case
- Maintenance of the compliance diary in respect of the case
- Calculating the bonding requirement
- Completed the statutory one month case review
- Internal case staff strategy meetings
  - General case planning and administration including case strategy decisions
  - Dealing with routine correspondence
  - Arranging for adequate insurance cover to be obtained in respect of the Company's assets
  - Securing the Company's physical books and records including instructing and assisting our agents.
  - Securing the Company's electronic records, including the time that has been incurred in relation to preserving, downloading and imaging from third party servers
  - Setting up and maintaining physical case files
  - Setting up and maintaining IPS (case management schedule)
  - Preparing the Administrators' proposals
  - Dealing and instructing agents and other professional advisers to assist with the case
  - Communications with the FCA, including regular conference calls and emails
  - Attending at various virtual meetings in respect of the Administration
  - Reviewing the Company's tax position

## MYJAR LIMITED - IN ADMINISTRATION

### Cashiering time:

- Maintaining and managing the Administrators' cash book and bank accounts
- Reconciliation of bank account
- Correspondence with banks
- Raising cheques/preparing telegraphic transfers

### Investigations

This section relates to our statutory obligations to investigate the actions of the directors, in accordance with SIP2, and to review the Company's records with a view to making asset recoveries. The Joint Administrators have a duty to consider any potential claims that the Company may have against third parties that may give rise to potential claims for the benefit of the Company's creditors.

The Company's only significant asset is its loan book and the Joint Administrators have spent time understanding the movement in this asset across the Company's life span. This work is necessary to the Joint Administrators' ability to determine any likely returns to the Company's creditors.

Whilst some of this work is required by statute, it is possible that there will be a direct financial benefit to creditors in carrying out these actions. This work includes the following:

- Corresponding with Directors in accordance with our duties under SIP2
- Issuing our questionnaire to the Directors and former Directors of the Company
- Investigating the actions of various parties in the lead up to the administration of the Company
- Arranging and holding meetings with and interviewing a number of third parties associated with the Company
- Requests for information belonging to, or held on behalf of the Company from various parties including the former auditors, and other parties
- Reviewing the Company's books and records in relation to investigations
- Review of the Company's bank statements held by various parties including preparing summaries and associated schedules
- Review of the Company's financial accounting records
- Making enquiries of various parties associated with the Company in respect of the Company's finances and other business activities
- Investigating circumstances which might give rise to claims against various parties and hence potential realisations of assets for the benefit of the creditors.
- Tracing assets belonging to the Company or purchased by the Company
- Tracing assets of third parties connected to the Company
- Assisting the FCA with its enquiries including providing information as requested by it
- Liaising with the FCA by way of various conference calls

### The Loan Book:

- Continuing live loan collections
- Continuing default loan collections
- Monitoring collections call centre staff
- Liaison with third party debt collection agencies
- Reviewing collection procedures, particularly in light of Covid 19 and FCA regulations
- Liaising with the customers of the Company
- Liaison with credit reference agencies

### Realisation of assets

As previously mentioned, the Joint Administrators have a duty to realise assets belonging to the Company for the benefit of its creditors. This section is in relation to the realisation of the

## MYJAR LIMITED - IN ADMINISTRATION

Company's assets and provides a direct financial benefit to the Company's creditors. The work includes the following:

- Obtaining information from the Company in respect of the cash at bank balances
- Collection of the loan book as detailed above
- Investigations into potential asset realisations

### Trading

This section is in relation to liaison with Tietä regarding the ongoing wind down of the business. Whilst this work does not provide a direct benefit to the creditors of the Company, the Joint Administrators have a duty to carry out these tasks. The work includes the following:

- Obtaining contact details and arranging conference calls as a result of Covid 19 restrictions including dealing with communicating with the current and former directors and operational staff
- Dealing with the Company's various IT and software providers to ensure the connection remains live

### Creditors

This section deals with actions taken in respect of and correspondence with the former creditors of the Company. This work does not provide a direct financial benefit for the creditors of the Company, however it is crucial that creditors are kept informed of the progression of the case. This work includes the following:

- Monitoring the calls received
- Monitoring and responding to emails received to the dedicated Myjar mailbox
- Preparing and updating the FAQ document for the benefit of the Company's creditors
- Dealing with correspondence from the former creditors of the Company
- Preparing and submitting the section 120 notice in respect of the Company's pension scheme
- Liaising with the Financial Ombudsman Service in respect of complaints received against the Company
- Maintaining records of amounts owed to trade and expense creditors on IPS (case maintenance system)

### IT

- Given the Covid 19 restrictions and foreign location of some of the digital records, liaison and taking control of all electronic systems used by the Company
- Changing access to the Company's electronic records from Directors and former employees of the Company
- Liaison with third parties who hold records belonging to or containing information in respect of the Company with a view to extracting that information
- Review of all information extracted from the Company's electronic systems



## MYJAR LIMITED - IN ADMINISTRATION

The time costs estimate for the work on redress and the Prescribed Part is as follows:

### Initial Redress Time estimate

	Complaints / Redress	FCA / FOS	Total Hours	Charge out Rate	Cost
Insolvency Practitioner 1	150.00	75.00	225.00	750	168,750.00
Insolvency Practitioner 2	75.00	75.00	150.00	750	112,500.00
Insolvency Practitioner 3	25.00	15.00	40.00	750	30,000.00
Senior Director 1	150.00	-	150.00	550	82,500.00
Senior Director 2	150.00	75.00	225.00	450	101,250.00
Senior Administrator 1	25.00	-	25.00	275	6,875.00
Senior Administrator 2	150.00	-	150.00	275	41,250.00
	725.00	240.00	965.00		543,125.00
Other Professional Staff	3,849.00		3,849.00	175	673,575.00
					<u>1,216,700.00</u>

The above work will include the following:

The Joint Administrators will be involved in the process of finalising a protocol for redress largely based upon industry precedents, aspects of which have been discussed with the FCA and the FOS. A formal redress policy document will be produced and will be made available prior to implementation for further comment by the FCA and FOS.

Design and implementation of a creditor portal to allow claims to be agreed.

Ongoing liaison and assistance to the Tieta redress team

### Other staff

Dealing with complaints directly to Myjar@harrisons.uk.com mailbox

Logging complaints directly to the Myjar@harrisons.uk.com mailbox

Liaison with complaints team at Tieta to include:

Reviewing redress complaint

Tracing exercise for some clients

Updating customer accounts including contact details and bank accounts

Final agreement of claims

Distributions if applicable

Number of loans potentially for redress	962,285
Potential redress population	40% Estimated
Customer population to deal with	384,914
Direct interaction with 10% of those customers	38,491
If we allow 6 minutes for each customer	3,849 hours

A reasonable time costs incurred basis for dealing with the prescribed part creditors has been agreed with the secured creditor.

## 2 Expenses

2.1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Per month £
Contact centre support	Tieta (UK) Limited	Monthly agreed fee	128,964
Redress support	Tieta (UK) Limited	Monthly agreed fee	51,250
Infrastructure support	Tieta (UK) Limited	Monthly agreed fee	39,000
IT Fixed costs	Tieta (UK) Limited	Monthly agreed fee	85,350

## MYJAR LIMITED - IN ADMINISTRATION

			Estimated Total costs £
Solicitors' costs for legal advice relating to the conduct of the Administration	PDT Solicitors	Time costs	35,000.00
Statutory advertising	N/a	Fixed cost	95.02
Specific penalty bond	AUA	Set scale fee	780.00
External storage of company's books and records		Monthly fee	1,000.00

All of the above costs are net of VAT which is not recoverable.

### 3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Director, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 Given the volume of potential creditors and the work required to deal with the number of claims and queries, the Joint Administrators have procured the assistance of experienced staff in Champion Support Services DMCC a company owned by Paul Boyle and David Clements, but based in Dubai, to assist with this process. This in the view of the Joint Administrators is the most cost effective option as their cost is lower than that of their UK equivalents..

### 4 Joint Administrators' Disbursements

- 4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

### 5 Charge-out Rates

- 5.1 A schedule of Harrison's Business Recovery and Insolvency (London) Limited charge-out rates for this assignment effective from 1 April 2020 is detailed below. Please note this firm records its time in minimum units of 6 minutes.

# **MYJAR LIMITED - IN ADMINISTRATION**

	2020/2021	2020/2021 [ from 1 January 2021 ]
	£	£
Directors/Appointment Takers	425 – 750	450 - 775
Managers/Associate Directors	250 – 425	275 - 450
Senior Case Supervisors/Assistant Managers	175 – 250	200 - 275
Case Supervisors	125 – 175	150 - 200
Assistants / Administration	100 – 125	100 - 150

# MYJAR LIMITED - IN ADMINISTRATION

## Appendix F

### Estimated Outcome Statement as at 15 February 2021

	Notes	Estimated to realise
<b>Assets subject to Floating Charge</b>		<b>£</b>
Customer loan book	1	3,000,000
Cash at Bank		3,593,570
		<u>6,593,570</u>
<b>Less: Costs of Administration</b>		
Trading Expenses (Including VAT thereon)		2,000,000
Administrators' Fees (including VAT thereon)	2	800,000
Administrators realisation fee	3	150,000
Legal Costs (including VAT thereon)		42,000
Other Costs (including VAT thereon)		12,000
		<u>(3,004,000)</u>
		<b>3,589,570</b>
Preferential creditors – Employees		0
		<u>3,589,570</u>
Prescribed Part of net property		(600,000)
<b>Estimated total assets available for floating charge holders</b>	<b>4</b>	<u><b>2,989,570</b></u>
Myjar Treasury Limited		(8,918,570)
<b>Estimated Shortfall as regards floating charge</b>		<u><b>(5,929,000)</b></u>
Estimated Prescribed Part of net property		600,000
Estimated time costs for dealing with unsecured and redress creditors	5	(500,000)
<b>Total assets available to unsecured creditors</b>		<u><b>100,000</b></u>
Unsecured non-preferential claims:-		
Trade creditors		488,884
Redress creditors – affordability claims		Unknown
		<u>Unknown</u>
<b>Estimated deficiency to unsecured creditors</b>		<u><b>Unknown</b></u>

#### Notes:

- 1 The Loan book figure includes post Administration collections which may be subject to equitable set-off as a result of the redress procedure. This will reduce the amount available for unsecured creditors.

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- 2      The above costs of Administration do not include realisation fees of 10% on realisations six months post Administration.**
- 3      The Administrators realisation fee represents 10% of estimated realisations after 6 months from appointment.**
- 4      The funds payable to the floating charge creditor do not take into account possible subrogation to redress creditors in respect of latter version loan agreements.**
- 5      The figure represents a pure estimate of time required to deal with redress and unsecured creditors. It is too early to reliably predict the number, or value of redress creditors' claims.**