

TO ALL KNOWN CREDITORS

22 September 2020

Ref: DFL/JOC/DH/CD/MT/PCF

Please ask for Manas Marudkar  
Email: manas.marudkar@uk.ey.com

Dear Sirs

## **Dunraven Finance Limited (formerly trading as Buy As You View) (in Administration) (“the Company”)**

### **High Court of Justice, Royal Courts of Justice, Chancery Division, Number 6440 of 2017**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration. This report covers the period from 1 March 2020 to 31 August 2020 (“the Period”) and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 20 October 2017 (“the Proposals”) and our previous reports dated 19 March 2018, 14 September 2018, 26 March 2019, 26 September 2019 and 23 March 2020 (“the Previous Reports”).

Statutory information about the Company, the Administration and the office holders is provided at Appendix 1.

### **Summary of progress since last report**

#### **Change of Joint Administrator**

Please note that in accordance with a Court Order dated 2 June 2020 (“the Order”), Joseph Michael O’Connor was replaced as Joint Administrator by Alan Michael Hudson, an Insolvency Practitioner licenced by the Insolvency Practitioners Association.

Pursuant to the Order, each creditor has the right to apply to vary or discharge the Order within 28 days of receipt of this notification.

#### **Extension of Administration**

In June 2020, we engaged the Company’s legal advisors to assist with an application to the court for an extension of the Administration. The application was heard on 27 August 2020 and an extension of the Administration by 9 months to 31 May 2021 was granted by the court. As such, the Administration will now end no later than 31 May 2021.

The primary purpose of the extension is to finalise the remaining matters in the Administration, which includes; continuing to deal with matters relating to the Prescribed Part, continuing to deal with incoming correspondence from redress customers, pursue a VAT bad debt relief (“BDR”) claim from HMRC (discussed below), completing necessary administrative case closure procedures and make further distributions to the Company’s secured creditor.

## **Redress**

As stated in the Previous Reports, a certain number of the Company's customers had been identified as being potentially entitled to financial redress as a result of issues relating to their loan agreements, which occurred prior to the Joint Administrators' appointment.

During the Period, we have continued to undertake a significant amount of work in order to finalise the redress position and identify all customers affected. A total of 4,341 customers were identified as being potentially affected by redress (after offsetting balance adjustments for outstanding capital amounts due on loan agreements were applied), with the value of unsecured claims and expense claims relating to redress totalling c.£999k and c.£91k respectively.

On 27 April 2020, we wrote to all customers entitled to a redress claim to inform them of the specific redress issues which were applicable to their loan agreement. At the same time, those customers which were due an unsecured claim were also provided with statutory documents relating to the Prescribed Part, including details on how to submit their unsecured claim (if applicable). In accordance with the Insolvency (England and Wales) Rules 2016, redress creditors were required to submit their claims no later than 27 May 2020, unless their unsecured claim was less than £1,000, in which case it was automatically admitted by the Joint Administrators. A total of c.£107k of unsecured claims were not submitted by redress creditors, resulting in a final redress unsecured claim value of c.£892k.

Due to the impacts of COVID-19 and restrictions on being able to print cheques through normal procedures, the Joint Administrators engaged a 3<sup>rd</sup> party printing company to assist with the distribution of unsecured claims to creditors. On 22 July 2020, cheques were sent to redress creditors who had submitted an unsecured claim and to those creditors who were due a redress expense claim.

A large volume of incoming correspondence continues to be received from customers, typically seeking clarification on the value of their unsecured claim cheque or requesting name changes to their cheques due to the information held on the Company's records being out of date. A small number of customers have also declared they are yet to receive their cheques. We will continue to respond to these queries and anticipate this will continue for a number of weeks.

## **Asset realisations**

### *VAT reclaims*

During the Period, the Company has received £2,490 from HM Revenue and Customs ("HMRC") in respect of VAT reclaims. Total VAT reclaims of £1.99m have been received during the Administration, with £1.79m received from VAT returns submitted under the Company's new VAT registration.

### *Interest*

During the Period, the Company has received £462 of interest income.

## **Other trading matters**

### *Customer overpayments*

As communicated in the Previous Reports, it was identified that a certain number of customers had overpaid on their agreements during the Administration due to issues relating to the allocation of payments by the Company's IT systems. These customers had overpaid based on the contractual amounts due up to the date collections activities ceased on 3 June 2019.

A total of 2,258 customers had been identified as overpaying, with customer overpayments totalling £12,267. On 22 July 2020, all customers due a refund for overpayments on their loan agreements had been written to, enclosing cheques for their refund. As at the date of this report, £8,797 remains outstanding by way of unbanked cheques.

#### Release of funds held by Barclays

As at the date of the Joint Administrators appointment, certain funds were held in a Company's pre-appointment bank account, which was primarily utilised for Direct Debit loan book collections. The Joint Administrators transferred Direct Debit collections to be received into a post-appointment bank account, however some funds were retained by Barclays in the event of receiving Direct Debit Indemnity Claims ("DDIC") from customers during the Administration.

Due to there being minimal DDIC activity since the cessation of collection activities, Barclays have agreed to release c.£54k to the Company's post appointment bank account. A remainder of c.£9k is still retained by Barclays, which we expect to receive prior to the closure of the Administration.

### **HMRC**

#### VAT

A VAT bad debt relief ("BDR") claim of c.£197k was submitted to HMRC on 29 June 2020, based on uncollected loan agreement balances following the cessation of collection activities. The Joint Administrators anticipated that there would be a delay in receiving the claim, both as a result of delays in processing VAT reclaims by HMRC due to COVID-19 and the unusual large nature of this claim given the Company had ceased collection activities over 12 months ago. EY's specialist VAT team have remained in dialogue with HMRC regarding the timing of the reclaim, which we expect to receive in the coming weeks.

The Company have also received notification from HMRC that VAT returns are now required to be submitted monthly rather than quarterly. Due to the increased time costs associated with completing monthly VAT returns, we will be seeking to de-register for VAT purposes once matters relating to the BDR claim have been finalised.

#### Corporation tax

The Company's final trading corporation tax return for the period 31 August 2018 to 3 June 2019 was submitted on 2 June 2020. No corporation tax was due.

### **Receipts and payments account**

A summary of our receipts and payments for the period from 1 March 2020 to 31 August 2020, is attached at Appendix 2. It does not reflect estimated future realisations or costs.

### **Joint Administrators' remuneration**

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at

<https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

As communicated in the Previous Reports, our remuneration was fixed on a time-cost basis, initially capped at £1,175,000 (exclusive of VAT), by resolution of the secured and preferential creditors on 30 November 2017. A further increase in our capped remuneration from £1,175,000 (exclusive of VAT) to £1,450,000 (exclusive of VAT) was approved by resolution of the secured and preferential creditors on 19 April 2019.

During the Period, we have incurred time costs of £451,585, bringing cumulative time costs incurred to £3,611,839. An analysis of the time spent during the Administration, plus a comparison with the updated fee estimate as at 28 February 2019 ("Fee Estimate"), is attached at Appendix 4 to this report.

As at 31 August 2020, we have drawn total remuneration of £1,000,000. Of this sum, £nil was paid during the Period. Additional remuneration of £250,000 was billed in the Period, but not paid until after 31 August 2020, which would bring total remuneration drawn to £1,250,000.

We anticipate that our time costs will exceed the Fee Estimate by c.£800k. This is largely a result of the additional work undertaken for redress matters and additional time expected to be incurred as a result of the extension of the Administration. A further explanation, by activity, is provided below in respect of activities which have already exceed the Fee Estimate:

- *Accounting and Administration*

We have exceeded our estimate in relation to this category due to the extension of the run-off trading period discussed in the Previous Reports. Furthermore, during the Period we have settled the majority of final trading liabilities and reconciled final amounts due to post-appointment suppliers. Ongoing treasury and cashiering tasks continue to be required as part of the normal Administration processes, including case closure procedures.

- *Bank and statutory reporting*

Additional volumes of work had been required in order to prepare the necessary weekly and monthly updates for the secured creditor. Additional reporting had also been required for the FCA regarding the Company's loan book and redress matters. Additional statutory reporting is required due to the extension of the Administration.

- *Prescribed Part / Creditors*

The Prescribed Part activity was a new activity code which was not included in the original Fee Estimate. All work allocated to this code relates to matters with regards to preparing to pay the Prescribed Part to unsecured creditors. We expect to incur more time relating to the Prescribed Part and redress matters as we continue to deal largely with incoming correspondence from redress customers.

- *Trading*

As stated in the Previous Reports, we had exceeded our estimate in relation to trading aspects of the Administration due to the extended period of trading.

- *VAT and taxation*

We have exceeded the Fee Estimate due to additional VAT returns required to be submitted during the Administration (due to the extension of Administration and moving to monthly VAT returns), In addition, additional time has been spent calculating and pursuing the BDR claim.

We will not draw remuneration in excess of £1,450,000 (exclusive of VAT) without prior approval from the secured and preferential creditors.

### **Joint Administrators' statement of expenses incurred**

During the Period, we have incurred expenses totalling £86,526 (exclusive of VAT). There is a breakdown of expenses incurred in the Period and to date at Appendix 3 of this report.

### **Distributions to creditors**

#### **Secured creditor**

As at 31 August 2020, seventeen distributions totalling £10.49m have been made to the Company's secured creditor, Hayfin Services LLP ("Hayfin", acting as agent and security agent).

A distribution of £1m was made during the Period. We intend to make further distributions to Hayfin during the remainder of the Administration. We still anticipate that Hayfin will suffer a shortfall against its c. £14.64m debt outstanding at the date of appointment.

#### **Preferential creditors**

As at 31 August 2020, a total of £9,734 has been distributed to preferential creditors during the Administration relating to former employee salaries, accrued holiday pay and pension contributions.

A further £190 of preferential creditor payments made remain unclaimed due to cheques remaining unbanked.

#### **Unsecured creditors**

On 27 April 2020, the Joint Administrators notified the Company's unsecured creditors of their intention to declare a dividend. Creditors were requested to prove their debts no later than 27 May 2020. After claim adjudication, the value of unsecured claims agreed totalled £32,889,089.

As previously estimated, there were insufficient funds to enable a distribution to the unsecured creditors other than by virtue of the Prescribed Part. The value of the Prescribed Part was £600k, prior to the deduction of £45k for Joint Administrators fees associated with dealing with the Prescribed Part.

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003. As Hayfin's charges were created after 15 September 2003, section 176A of the Act applies to this Administration.

On 20 July 2020, the Joint Administrators formally declared a dividend of 1.69p in the pound to the Company's unsecured creditors, based on a total distributable Prescribed Part of £555k (after deduction of Joint Administrator fees). No further dividend to the Company's unsecured creditors is expected.

## Remaining work

Our work over the coming months will be focused on preparing for case closure. Future tasks will include, but are not limited to, the following:

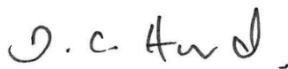
- Continuing to deal with incoming correspondence from the Company's customers, including queries relating to distributions made via the Prescribed Part;
- Pursue the recovery of the VAT BDR claim submitted to HMRC;
- Prepare and file the final corporation tax and VAT returns, prior to de-registering and seeking tax clearance from the relevant authorities;
- Completion of statutory requirements of the Administration, including reporting to creditors;
- Communicating with other stakeholders, including the FCA;
- Making distributions to the secured creditor (as appropriate);
- Finalising the Administration including the completion of required administrative case closure procedures; and
- Any such actions required to be undertaken by the Administrators to fulfil the purpose of the Administration.

## Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is sooner.

Should you have any queries in respect of this report or the Administration in general, please do not hesitate to contact my colleague, Manas Marudkar, on 0121 535 2604.

Yours faithfully  
for the Company



D C Hurd  
Joint Administrator

Enc: Appendix 1 – Statutory and company information  
Appendix 2 – Joint Administrators' receipts and payments account  
Appendix 3 – Summary of Joint Administrators' expenses incurred  
Appendix 4 – Summary of Joint Administrators' time costs

The affairs, business and property of the Company are being managed by the Joint Administrators, D C Hurd and A M Hudson, who act as agents of the Company only and without personal liability.

D C Hurd is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales. A M Hudson is licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

## Appendix 1

### **Dunraven Finance Limited (formerly trading as Buy As You View) (in Administration) (“the Company”)**

#### **Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016**

|   |  |
|---|--|
| Name of court:  | High Court of Justice, Royal Courts of Justice, Chancery Division  |
| Court reference:  | 6440 of 2017   |
| Registered name of the Company:   | Dunraven Finance Limited   |
| Registered office address of the Company:   | c/o Ernst & Young LLP, No. 1 Colmore Square,<br>Birmingham, B4 6HQ   |
| Registered number:  | 01252688   |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a  |
| Date of appointment of the Joint Administrators:                                  | 31 August 2017   |
| Details of any changes of Joint Administrators:                                   | 31 August 2017 – Joseph Michael O’Connor appointed as<br>Joint Administrator<br>2 June 2020 – Joseph Michael O’Connor resigned and<br>replaced by Alan Michael Hudson          |
| Full names of the Joint Administrators:   | Alan Michael Hudson and Daniel Christopher Hurd  |
| Office holder number(s):  | 9200 and 20030   |
| Joint Administrators’ address(es):  | Alan Michael Hudson, Ernst & Young LLP,<br>1 More London Place, London, SE1 2AF<br><br>Daniel Christopher Hurd, Ernst & Young LLP,<br>No. 1 Colmore Square, Birmingham, B4 6HQ |
| Telephone number:   | 0121 535 2675  |
| Name of alternative person to contact with enquiries about the case:              | Manas Marudkar   |

## Appendix 2

### Dunraven Finance Limited (formerly trading as Buy As You View) (in Administration) (“the Company”)

#### Summary of Joint Administrators’ receipts and payments account for the period from 1 March 2020 to 31 August 2020 (“the Period”) and cumulative to date

| SoA - estimated<br>realisable value<br>(£)     | 31 August 2017 -<br>29 February 2020 (£) | 1 March 2020 -<br>31 August 2020<br>(£) | Cumulative to date<br>(£) | Notes |
|--|--|---|---------------------------|-------|
| <b>Fixed charge realisations</b>               | -  | -                                       | -                         | 1     |
| <b>Floating charge realisations</b>            |  |   |                           | 2,3   |
| 13,343,067 Customer loans                      | 20,208,996                               | (3,470)                                 | 20,205,526                | 4,5   |
| 2,621,698 Cash at appointment                  | 2,639,747                                | -                                       | 2,639,747                 |       |
| - VAT reclaims                                 | 1,991,023                                | 2,490                                   | 1,993,513                 |       |
| 37,884 EPS net income / sales ledger           | 246,530                                  | -                                       | 246,530                   |       |
| 88,132 Stock                                   | 137,271                                  | -                                       | 137,271                   |       |
| - Sundry / other income                        | 25,506                                   | -                                       | 25,506                    |       |
| 50,000 Supplier bonds                          | 26,893                                   | -                                       | 26,893                    |       |
| - Insurance claims                             | 11,030                                   | -                                       | 11,030                    |       |
| - Bank interest                                | 34,400                                   | 462                                     | 34,862                    |       |
| 17,755 IT systems and software licences        | 5,833                                    | -                                       | 5,833                     |       |
| <b>16,158,536</b>                              | <b>25,327,228</b>                        | <b>(518)</b>                            | <b>25,326,711</b>         |       |
| <b>Payments</b>                                |  |   |                           | 2,3   |
| Staff and people                               | (6,072,325)                              | (4)                                     | (6,072,329)               | 6     |
| Customer servicing and repairs                 | (1,390,940)                              | -                                       | (1,390,940)               |       |
| Telecommunications and IT                      | (1,332,494)                              | -                                       | (1,332,494)               |       |
| Property                                       | (714,272)                                | -                                       | (714,272)                 |       |
| Vehicles                                       | (651,668)                                | -                                       | (651,668)                 |       |
| Agent fees                                     | (453,575)                                | -                                       | (453,575)                 |       |
| Irrecoverable VAT                              | (350,723)                                | (1,905)                                 | (352,627)                 |       |
| Bank charges                                   | (210,350)                                | (2,162)                                 | (212,512)                 |       |
| Insurance                                      | (219,908)                                | -                                       | (219,908)                 |       |
| Legal fees                                     | (128,425)                                | (15,464)                                | (143,889)                 |       |
| Printing, postage and stationery               | (132,324)                                | -                                       | (132,324)                 |       |
| Redress expense claims                         | -  | (66,848)                                | (66,848)                  | 7     |
| Sundry / other expenses                        | (83,650)                                 | (143)                                   | (83,793)                  |       |
| Joint Administrators' category 1 disbursements | (36,073)                                 | -                                       | (36,073)                  |       |
| Joint Administrators' category 2 disbursements | (12,478)                                 | -                                       | (12,478)                  |       |
| DDIC Charges                                   | (10,889)                                 | -                                       | (10,889)                  |       |
| Corporation tax                                | -  | -                                       | -                         |       |
|  | (11,800,094)                             | (86,526)                                | (11,886,620)              |       |
| Joint Administrators' remuneration             | (1,000,000)                              | -                                       | (1,000,000)               |       |
|  | <b>(12,800,094)</b>                      | <b>(86,526)</b>                         | <b>(12,886,620)</b>       |       |
| <b>Distributions</b>                           |  |   |                           |       |
| Secured creditor                               | (9,490,000)                              | (1,000,000)                             | (10,490,000)              |       |
| Preferential creditors                         | (9,734)                                  | -                                       | (9,734)                   | 8     |
| Unsecured creditors                            | -  | (545,243)                               | (545,243)                 | 9     |
|  | <b>(9,499,734)</b>                       | <b>(1,545,243)</b>                      | <b>(11,044,977)</b>       |       |
| <b>Balance in hand</b>                         | <b>3,027,401</b>                         | <b>(1,632,287)</b>                      | <b>1,395,114</b>          |       |
| <b>Represented by</b>                          |  |   |                           |       |
| Current accounts                               | 2,774,541                                | (1,634,050)                             | 1,140,490                 |       |
| PAYE / NIC control account                     | -  | -                                       | -                         |       |
| VAT control account                            | 252,860                                  | 1,792                                   | 254,652                   | 10    |
| Rent deposit control account                   | -  | -                                       | -                         |       |
| Customer collections to return                 | -  | (28)                                    | (28)                      | 11    |
|  | <b>3,027,401</b>                         | <b>(1,632,287)</b>                      | <b>1,395,114</b>          |       |



## Appendix 2 (continued)

### Notes

1. There are no fixed charge assets. All realisations are in relation to floating charge assets.
2. Receipts and payments are stated net of VAT.
3. The receipts and payments account have been prepared on a cash basis and does not take account of future receipts and payments.
4. Receipts from customer loans represent the aggregate collections of capital, interest and premiums from All Sorted and EPS (the Company's warranty and insurance schemes).
5. Reduction in customer loans receipts in the Period is based on overpayment cheques cashed by customers (discussed previously in the report). A further £8,797 remains to be banked.
6. £4 payment relating to unpaid class 1A NIC contributions for the 2019/20 tax year. No further class 1A NIC contributions are due.
7. Relates to redress expense claims. A further £22,449 remains to be banked by / distributed to customers due a redress expense claim.
8. £190 continues to be outstanding to preferential creditors due to unrepresented cheques.
9. Relates to the Prescribed Part distribution. A further £9,757 remains to be banked by / distributed to creditors due an unsecured claim.
10. The VAT control account is represented as follows:

| <u>Represented by</u>                                  | <u>Total<br/>(£)</u> |
|--|----------------------|
| VAT reclaims received (new registration)               | 1,791,212            |
| VAT reclaims due                                       | 197,305              |
| VAT control account                                    | 21                   |
| Bad debt relief claims submitted during Administration | (1,682,162)          |
| Loan cancellations                                     | (51,724)             |
|  | <b>254,652</b>       |

11. £28 received into the Company's bank account relating to loan book collections. This will be refunded back to customers, given collections ceased on 3 June 2019.

## Appendix 3

### Dunraven Finance Limited (formerly trading as Buy As You View) (in Administration) (“the Company”)

#### Summary of Joint Administrators’ expenses incurred from 1 March 2020 to 31 August 2020 (“the Period”), with a comparison to the revised estimate dated 28 February 2019

| Type of expense                                | Per revised<br>estimate as at<br>28 February<br>2019<br>(£) | Paid as at<br>29 February<br>2020<br>(£) | Paid<br>during the<br>Period<br>(£) | Outstanding<br>(£) | Total<br>(£)      | Notes |
|--|---|--|-------------------------------------|--------------------|-------------------|-------|
| Agent fees                                     | 490,000   | 453,575                                  | -                                   | 16,425             | 470,000           | 3     |
| Bank charges                                   | 290,000   | 210,350                                  | 2,162                               | 87,488             | 300,000           | 4     |
| Corporation tax                                | TBC   | -  | -                                   | TBC                | TBC               |       |
| Customer servicing and repairs                 | 1,390,000   | 1,390,940                                | -                                   | -                  | 1,390,940         |       |
| DDIC Charges                                   | -   | 10,889                                   | -                                   | 8,950              | 19,839            | 5     |
| Insurance                                      | 280,000   | 219,908                                  | -                                   | 14,117             | 234,025           | 6     |
| Irrecoverable VAT                              | 370,000   | 350,723                                  | 1,905                               | 17,373             | 370,000           |       |
| Joint Administrators' category 1 disbursements | 90,000  | 36,073                                   | -                                   | 53,927             | 90,000            | 2     |
| Joint Administrators' category 2 disbursements | 30,000  | 12,478                                   | -                                   | 17,522             | 30,000            | 2     |
| Legal fees                                     | 100,000   | 128,425                                  | 15,464                              | 36,111             | 180,000           | 7     |
| Printing, postage and stationery               | 170,000   | 132,324                                  | -                                   | 17,676             | 150,000           |       |
| Property                                       | 760,000   | 714,272                                  | -                                   | 5,728              | 720,000           |       |
| Redress expense claims                         | -   | -  | 66,848                              | 24,351             | 91,199            | 8     |
| Staff and people                               | 6,070,000   | 6,072,325                                | 4                                   | -                  | 6,072,329         |       |
| Sundry / other expenses                        | 90,000  | 83,650                                   | 143                                 | 11,207             | 95,000            |       |
| Telecommunications and IT                      | 1,350,000   | 1,332,494                                | -                                   | 2,506              | 1,335,000         |       |
| Vehicles                                       | 660,000   | 651,668                                  | -                                   | -                  | 651,668           |       |
| <b>Total</b>                                   | <b>12,140,000</b>   | <b>11,800,094</b>                        | <b>86,526</b>                       | <b>313,380</b>     | <b>12,200,000</b> |       |

Note: The total estimate of Joint Administrators’ expenses is estimated on the basis of a run-off period up to the end of June 2019, with an estimate of remaining costs to settle in the Administration. All amounts are stated net of VAT.

#### Notes

- Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders’ remuneration or distributions to creditors.
- SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
  - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
  - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.

A breakdown of the Joint Administrators' disbursements is provided below:

| Type                                  | Incurred 31 August<br>2017 - 29 February<br>2020<br>(£) | Incurred<br>1 March 2020 - 31<br>August 2020<br>(£) | Cumulative incurred<br>to date<br>(£) | Paid during the<br>Period<br>(£) | Cumulative paid to<br>date<br>(£) | Outstanding<br>(£) |
|---------------------------------------|---|---|---------------------------------------|----------------------------------|-----------------------------------|--------------------|
| Accommodation, subsistence and travel | 40,053  | 224   | 40,277                                |                                  |                                   |                    |
| Bonding                               | 1,280   | 640   | 1,920                                 |                                  |                                   |                    |
| <b>Category 1 disbursements</b>       | <b>41,333</b>   | <b>864</b>  | <b>42,197</b>                         | -                                | 36,073                            | 6,123              |
| Mileage                               | 13,805  | -   | 13,805                                |                                  |                                   |                    |
| Printing and postage                  | 1,373   | 468   | 1,841                                 |                                  |                                   |                    |
| <b>Category 2 disbursements</b>       | <b>15,178</b>   | <b>468</b>  | <b>15,645</b>                         | -                                | 12,478                            | 3,167              |

3. Reduction of £20k in agent fees compared to the previous report dated 23 March 2020, due to lower than anticipated costs expected until closure of the Administration.
4. Increase of £10k in estimated bank charges due to extending the Administration for a further 9 months to 31 May 2021, compared to the previous forecast assuming an Administration end date of 31 August 2020.
5. Outstanding DDIC expense based on funds held in pre-appointment Barclays account not yet released to post-appointment bank account.
6. Reduction in insurance expense based on revised estimate from insurers of remaining insurance costs up until closure of the Administration.
7. Increase of £80k in estimated legal expenses, largely due to increased expenses associated with seeking legal advice regarding redress and costs associated with extending the Administration via the courts.
8. Remaining redress expense claims relate to claims yet to be banked by creditors and/or distributed by the Joint Administrators due to not having correct correspondence details for certain customers.

## Appendix 4

### Dunraven Finance Limited (formerly trading as Buy As You View) (in Administration) (“the Company”)

Summary of Joint Administrators’ time costs for the period 1 March 2020 to 31 August 2020 (“the Period”) and cumulative to date, with a comparison of the time cost estimate dated 28 February 2019

| Activity                      | Time cost estimate dated 28 February 2019 |                     |                         | Actual during the Period |                     |                         | Actual to date |                     |                         |
|-------------------------------|---|---------------------|-------------------------|--------------------------|---------------------|-------------------------|----------------|---------------------|-------------------------|
|                               | Total hours                               | Total time cost (£) | Average hourly rate (£) | Total hours              | Total time cost (£) | Average hourly rate (£) | Total hours    | Total time cost (£) | Average hourly rate (£) |
|                               |   |                     |                         |                          |                     |                         |                |                     |                         |
| Accounting and administration | 1,254.1                                   | 393,979             | 314                     | 282.2                    | 73,190.1            | 259                     | 1,913.2        | 580,082             | 303                     |
| Bank & statutory reporting    | 275.1                                     | 141,203             | 513                     | 35.0                     | 14,132.5            | 404                     | 371.2          | 181,418             | 489                     |
| Creditors                     | 425.2                                     | 122,666             | 288                     | 355.5                    | 117,928.0           | 332                     | 906.1          | 306,219             | 338                     |
| Debtors                       | 35.9                                      | 12,577              | 350                     | -                        | -                   | -                       | 22.5           | 6,950               | 309                     |
| Employee matters              | 614.8                                     | 262,123             | 426                     | 10.6                     | 3,741.5             | 353                     | 638.8          | 257,827             | 404                     |
| Immediate tasks               | 31.5                                      | 10,485              | 333                     | -                        | -                   | -                       | 31.5           | 10,485              | 333                     |
| Investigations                | 58.8                                      | 18,024              | 307                     | -                        | -                   | -                       | 58.8           | 18,024              | 307                     |
| Job acceptance & strategy     | 18.0                                      | 13,530              | 752                     | -                        | -                   | -                       | 18.0           | 13,530              | 752                     |
| Legal issues                  | 90.4                                      | 51,049              | 565                     | -                        | -                   | -                       | 71.0           | 48,659              | 685                     |
| Members                       | -   | -                   | -                       | -                        | -                   | -                       | -              | -                   | -                       |
| Other assets                  | 1,507.2                                   | 720,764             | 478                     | -                        | -                   | -                       | 1,224.6        | 594,011             | 485                     |
| Other matters                 | 70.3                                      | 32,774              | 466                     | 13.0                     | 6,175.0             | 475                     | 47.8           | 23,690              | 496                     |
| Prescribed Part               | -   | -                   | -                       | 573.0                    | 213,099.7           | 372                     | 706.0          | 258,878             | 367                     |
| Property                      | 200.3                                     | 60,211              | 301                     | -                        | -                   | -                       | 152.1          | 47,381              | 312                     |
| Public relations              | 11.5                                      | 8,420               | 732                     | -                        | -                   | -                       | 7.0            | 5,545               | 792                     |
| Retention of title            | 2.0                                       | 1,050               | 525                     | -                        | -                   | -                       | 2.0            | 1,050               | 525                     |
| Statutory duties              | 272.2                                     | 100,302             | 368                     | 12.0                     | 3,637.5             | 303                     | 233.8          | 83,597              | 358                     |
| Trading                       | 1,809.4                                   | 656,282             | 363                     | -                        | -                   | -                       | 2,282.9        | 854,423             | 374                     |
| VAT & taxation                | 665.6                                     | 308,797             | 546                     | 45.6                     | 19,680.5            | 432                     | 673.1          | 320,068             | 476                     |
| <b>Total</b>                  | <b>7,242.3</b>                            | <b>2,914,237</b>    | <b>402</b>              | <b>1,326.9</b>           | <b>451,585</b>      | <b>340</b>              | <b>9,360.4</b> | <b>3,611,839</b>    | <b>386</b>              |

Note: The updated estimate of Joint Administrators’ time costs dated 28 February 2019 is on the basis of a 22 month run-off period up to the end of June 2019, with a future estimate to the point of closing the Administration.

The Joint Administrators’ time cost estimate was updated as at 28 February 2019, to reflect the operational trading period continuing up to June 2019.

We have provided below a narrative explanation of the work completed or to be completed in respect of each category of work set out above.

| Area of work                  | Description of work completed or to be completed   |
|-------------------------------|--|
| Accounting and administration | <ul style="list-style-type: none"> <li>▶ Treasury and accounting functions, including detailed cash reconciliations. Due to the high volume of transactions in connection with the customer loan book, a significant amount of time will be spent in this area.</li> <li>▶ Statutory compliance diaries and time cost reporting.</li> <li>▶ Overall management of the case.</li> <li>▶ Preparation of estimated outcome statements.</li> <li>▶ Work undertaken in this category is required in order to progress the Administration and does not necessarily result in a direct financial benefit to creditors. However, compliance diaries and time cost reporting are statutory requirements.</li> </ul>                           |
| Bank and statutory reporting  | <ul style="list-style-type: none"> <li>▶ Reporting to the Company’s secured creditor, including: <ul style="list-style-type: none"> <li>▶ reporting against key performance indicators;</li> <li>▶ progress updates by email and telephone; and</li> <li>▶ seeking approvals (as required).</li> </ul> </li> <li>▶ Six-monthly progress reports to creditors</li> <li>▶ Final report to creditors</li> <li>▶ Work undertaken in this category does not result in a direct financial benefit to creditors, however reporting to the Company’s secured creditor is done so to provide ongoing updates on the Administration. Six-monthly progress reports and the final report to all creditors is a statutory requirement.</li> </ul> |
| Creditors / Prescribed Part   | <ul style="list-style-type: none"> <li>▶ Receipt and recording of preferential and unsecured creditor claims.</li> <li>▶ Correspondence with the Company’s preferential and unsecured creditors.</li> </ul>  |

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|-----------------------------|--|
|                             | <ul style="list-style-type: none"> <li>▶ Calculation and payment of distributions to the Company's secured creditor.</li> <li>▶ Matters relating to the Company's preferential creditors, including:               <ul style="list-style-type: none"> <li>▶ calculating employees' preferential creditor claims and agreeing the amounts with them; and</li> <li>▶ calculating and paying dividends in respect of agreed claims and accounting for tax and national insurance on dividend payments.</li> </ul> </li> <li>▶ Reviewing and agreeing claims submitted by the Redundancy Payments Service ('RPS') and paying dividends as appropriate.</li> <li>▶ Matters relating to the Prescribed Part, including:               <ul style="list-style-type: none"> <li>▶ calculating the Company's net property and Prescribed Part;</li> <li>▶ inviting and adjudication on unsecured claims; and</li> <li>▶ payment of dividends.</li> </ul> </li> <li>▶ Matters relating to the Redress process.</li> <li>▶ Work undertaken in this category will result in a financial benefit to creditors, after distributions to the Company's creditors have been made.</li> </ul> |
| Debtors                     | <ul style="list-style-type: none"> <li>▶ Collection of book debts due to the Company at the date of appointment and realising value from other debts and prepayments, including supplier bonds.<br/>Note: See 'Other assets' section for the customer loan book asset.</li> <li>▶ Work undertaken in this category has resulted in a direct financial benefit to creditors.</li> </ul>   |
| Employee matters            | <ul style="list-style-type: none"> <li>▶ Communication with employees, including on-site meetings and consultation (as required).</li> <li>▶ Regular meetings with appointed employee representatives.</li> <li>▶ Ongoing assessment of employee remuneration.</li> <li>▶ Written correspondence to employees.</li> <li>▶ Regular review of staffing levels during the Administration period, as the volume of the trading activity reduces.</li> <li>▶ Assisting employees in the submission of claims to the RPS.</li> <li>▶ Work in this category has been undertaken to assist employees during the Administration. Whilst this is not directly linked to a financial benefit to creditors, certain tasks have allowed the Company to continue trading and therefore, facilitated realisations from the Company's assets which will provide a financial benefit to creditors.</li> </ul>   |
| Immediate tasks             | <ul style="list-style-type: none"> <li>▶ Matters requiring immediate attention following the appointment, in order to commence the Administration, stabilise the business and make announcements to key stakeholders.</li> <li>▶ Work undertaken in this category is a statutory requirement and did not necessarily result in a direct financial benefit to creditors.</li> </ul>   |
| Investigations              | <ul style="list-style-type: none"> <li>▶ Mandatory investigations work in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986.</li> <li>▶ Work undertaken in this category is a statutory requirement and did not result in a direct financial benefit to creditors.</li> </ul>  |
| Job acceptance and strategy | <ul style="list-style-type: none"> <li>▶ Matters relating to the appointment and initial planning of the Administration strategy, including meetings with the Company's director and members of senior management.</li> <li>▶ Considering exit routes from Administration.</li> <li>▶ Work undertaken in this category was required to ensure appropriate planning and considerations were completed to enable the Joint Administrators to minimise the disruption to the Company upon entering Administration. As a result, there is an indirect financial benefit to creditors in completing this work.</li> </ul>   |
| Legal issues                | <ul style="list-style-type: none"> <li>▶ Liaising with appointed legal advisors in connection with the Administration process, including:               <ul style="list-style-type: none"> <li>▶ a review of the secured creditor's security;</li> <li>▶ employee matters;</li> <li>▶ review of certain contracts;</li> <li>▶ regulatory matters, including liaising with the Financial Conduct Authority;</li> <li>▶ matters relating to property leases; and</li> <li>▶ drafting of legal documentation as required.</li> </ul> </li> <li>▶ Work undertaken in this category will not result in a direct financial benefit to creditors but has been required to ensure the Joint Administrators have considered the legal implications on a number of matters during the Administration.</li> </ul>   |
| Members                     | <ul style="list-style-type: none"> <li>▶ Communicating with the Company's members, in connection with the Administration.</li> </ul>   |
| Other assets                | <ul style="list-style-type: none"> <li>▶ Managing and realising value from the Company's main asset, its customer loan book, including:</li> </ul>   |

|                    |  |
|--------------------|--|
|                    | <ul style="list-style-type: none"> <li>▶ monitoring collections performance indicators and overseeing the collections process;</li> <li>▶ liaising with third parties involved in the collection process;</li> <li>▶ implementing required changes to collections procedures; and</li> <li>▶ communicating with the Financial Conduct Authority.</li> </ul> <p>▶ Considering options for the business, including a sale of the business &amp; assets.</p> <p>▶ Realising value for the Company's surplus stock and other tangible assets.</p> <p>▶ Assessing options to realise value from the Company's intangible assets.</p> <p>▶ Dealing with assets owned by third parties, including vehicles.</p> <p>▶ Work undertaken in this category has resulted in a direct financial benefit to creditors.</p>  |
| Other matters      | <ul style="list-style-type: none"> <li>▶ Recovery of the Company's physical books and records, and electronic records.</li> <li>▶ Work undertaken in this category is a statutory requirement and has not necessarily resulted in a direct financial benefit to creditors.</li> </ul>  |
| Property           | <ul style="list-style-type: none"> <li>▶ Corresponding with landlords of the Company's premises in respect of continued occupation and subsequent exit from the premises.</li> <li>▶ Identifying alternative / new trading premises (as required).</li> <li>▶ Work undertaken in this category has not directly resulted in a financial benefit to creditors, however it has enabled the Company to continue trading from Company premises which in turn has facilitated further asset realisations.</li> </ul>  |
| Public relations   | <ul style="list-style-type: none"> <li>▶ Preparing communications to the media and wider public following the appointment of the Joint Administrators.</li> <li>▶ Reactive dealing with media enquiries.</li> <li>▶ Work undertaken in this category has not resulted in a direct financial benefit to creditors</li> </ul>  |
| Retention of title | <ul style="list-style-type: none"> <li>▶ Facilitating and adjudicating on retention of title claims; including claimants' identification of items which they believe are subject to a claim and reviewing the evidence provided.</li> <li>▶ Work undertaken in this category has not resulted in a direct financial benefit to creditors, however it has benefited certain suppliers who had a retention of title claim, thereby reducing the value of unsecured claims which may have been lodged against the Company.</li> </ul>   |
| Statutory duties   | <ul style="list-style-type: none"> <li>▶ Completion of statutory requirements of the Administration, including: <ul style="list-style-type: none"> <li>▶ notifications to creditors and members;</li> <li>▶ advertising the appointment;</li> <li>▶ preparing the Joint Administrators' statement of proposals and fee estimate;</li> <li>▶ requesting an extension to the Administration Order (as required);</li> </ul> </li> <li>▶ Work undertaken in this category is a statutory requirement and has not resulted in a direct financial benefit to creditors.</li> </ul>  |
| Trading            | <ul style="list-style-type: none"> <li>▶ Matters relating to the Company's continued trading activity and servicing its existing customer agreements, including: <ul style="list-style-type: none"> <li>▶ communication with the FCA in respect of ongoing trading activity;</li> <li>▶ preparation of regular trading forecasts;</li> <li>▶ regular appraisal of the Company's trading strategy;</li> <li>▶ oversight of projects connected with trading (including IT / systems, engagement of third-party agents, customer communication);</li> <li>▶ agreeing ongoing terms of trade with the Company's suppliers during the Administration;</li> <li>▶ identifying new suppliers (as required);</li> <li>▶ ongoing communication with suppliers;</li> <li>▶ authorising supplier purchase orders and payments;</li> <li>▶ oversight of the Company's service and maintenance team in facilitating the ongoing servicing of customer agreements under the All Sorted and Equipment Protection Scheme products offered by the Company;</li> <li>▶ communication with local authorities in connection with business rates; and</li> <li>▶ dealing with assets owned by third parties, including vehicles.</li> </ul> </li> <li>▶ Work undertaken in this category has resulted in a direct financial benefit to creditors, specifically as ongoing trading has enabled the Company to realise value from the Company's loan book.</li> </ul> |
| VAT and taxation   | <ul style="list-style-type: none"> <li>▶ Assessing the corporation tax history of the Company and understanding any tax losses which can be brought forward to the benefit of the Administration.</li> <li>▶ Preparing and submitting corporation tax returns.</li> <li>▶ Preparing and submitting monthly VAT returns.</li> <li>▶ Assessing the VAT impact of transactions and agreements entered into during the Administration.</li> </ul>  |

- ▶ Liaising with HM Revenue and Customs ('HMRC') regarding VAT recoverability under the Company's partial exemption position.
  - ▶ Work undertaken in this category is a statutory requirement and will not necessarily result in a direct financial benefit to creditors
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