

TO ALL KNOWN CREDITORS

19 March 2018

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

Please ask for Michael Thalassitis

Direct line: 0121 535 2675
Email: mthalassitis@uk.ey.com

Dear Sirs

Dunraven Finance Limited (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 31 August 2017 to 28 February 2018 ("the Period") and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 20 October 2017 ("the Proposals").

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

Summary of progress

Approval of the Proposals

As reported in the Proposals, the Company has insufficient assets to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part. Consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, we did not seek a decision on approval of the Proposals from creditors.

There was no request received for a decision on approval of the Proposals from creditors whose debts amount to at least 10% of the Company's total debts, nor was there a request received from the unsecured creditors of the Company to call an initial meeting of creditors. Accordingly, the Proposals were deemed to be approved on 3 November 2017.

Trading

As outlined in the Proposals, immediately prior to the appointment of the Joint Administrators, the Company withdrew its application for full Financial Conduct Authority ("FCA") authorisation (effective from midnight on 31 August 2017) and applied to the FCA to operate under interim permissions to 28 February 2019. The Company continues to operate under these interim permissions.

The Company continues to service existing customer agreements and collect monies due from customers (as it did prior to the Joint Administrators' appointment). However, the Company has not entered into new customer agreements and/or accepted new customer orders since the appointment of the Administrators.

To facilitate the ongoing servicing of customer agreements, we have managed the Company's key pre-appointment supplier relationships and agreed continued trading terms with the vast majority of these suppliers. Where ongoing supplier relationships were not maintained, suitable alternative arrangements have been made.

A reduction in the Company's operational activity levels, driven by the Company no longer accepting new customer orders, has resulted in steps being taken to reduce the Company's operational cost base whilst simultaneously protecting loan book collections. Accordingly, projects and activities undertaken by us and the Company to reduce the cost base and protect the loan book include, but are not limited to, the following:

- Extending forbearance channels – Forbearance activities are now also undertaken by the Company's contact centre, in addition to the field agents who had previously been solely responsible. This offers greater flexibility to customers with respect to resolving their arrears position.
- Property exits – The Company continues to operate from its head office located in Bridgend, albeit a new license agreement with the landlord has been agreed at a lower monthly rent in return for the Company occupying less space. In addition, the Company has moved into smaller serviced offices in all 5 of its regional offices, resulting in a material reduction in ongoing property costs.
- Engaged external specialists – We engaged a specialist collection agency to provide a number of agents to act as a back-up / overflow to the Company's contact centre. This will protect loan book collections in case of any unforeseen circumstances, such as employee resignations. The third party agents have all been trained by the Company's contact centre staff. We plan to continue utilising this agency going forward.
- Redundancies – As communicated in the Proposals, 41 employees were made redundant immediately following our appointment. As the loan book continues to run-off and to take account of the reduced activity levels, a further 34 employees have been made redundant during the Period. We are continuously monitoring operational requirements as the loan book and customer numbers reduce.
- Meterless trials – We have implemented a number of trials (for a small number of customers) aimed at removing cash meters from customer homes and converting customers onto non-cash payment methods. This enables conversions to more predictable collection methods and facilitates a potential reduction in the cost base through removing the need for manual cash collection. We will continue monitoring the performance of these trials.

The Company is in a position to meet its forecast ongoing costs during the Administration using cash on appointment and cash being generated from its ongoing collections activity.

A large proportion of our time going forward will be incurred in trading and collecting the customer loan book and associated accounting matters supporting the servicing of existing customers.

Sale of business and assets

We initiated a thorough sale of business process immediately after appointment. A number of parties were approached by the Joint Administrators, and conversely a number of interested parties also expressed interest during the Period (circa 30+ in total). Certain parties were interested in the entire business, whilst others for certain assets only (e.g. the written-off loan book).

Whilst we have received a number of indicative offers, negotiations have not materialised into an executable transaction. As at the date of this report, whilst discussions continue with a number of interested parties, a transaction to sell the business remains unlikely in the short term.

We continue to remain in dialogue with a number of interested parties and will provide an update in our next report should there be material progress in this regard.

Asset realisations

Loan book

The Company's primary asset is its customer loan book which had a book value of circa £19.50m at the date of appointment, representing the sum of all capital payments remaining to be collected under customer agreements that had not been written off.

Loan book collections during the Period totalled £10.61m (refer to Appendix 2). Loan book collections recorded in Appendix 2 are the aggregate of capital, interest and premiums from All Sorted and Equipment Protection Scheme ("EPS") (the Company's warranty and insurance schemes respectively).

Cash at appointment

As detailed in the Proposals, the Company held cash amounting to £2.64m at the date of appointment.

VAT reclaims

The Company received £0.20m from HM Revenue and Customs ("HMRC") in respect of the VAT reclaim due from the final pre-appointment VAT return. Details of changes to the Company's VAT registration can be found later in this report.

Stock

At the date of appointment, the Company held stock with a book value of circa £0.13m.

Whilst the Company continue to hold an appropriate level of stock for use in the servicing of existing customer agreements, realisations from stock deemed surplus for ongoing trading requirements totalled £0.06m in the Period.

Other assets

The Company held certain other balance sheet assets at the date of appointment which the Director's statement of affairs ("SoA") estimated to have a realisable value:

- EPS net income / sales ledger (estimated realisable value of £37,884) – The full balance due as at the date of appointment had been realised as at the date of the Proposals. The amount related to a balance due from the Company's insurance provider in connection with its EPS product. Given continued trading, further EPS receipts of £104,554 have been received during the Period.

- Supplier bonds (estimated realisable value of £50,000):
 - The Company received £12,405 (of the £20,000 due) from a stock supplier. The residual balance is expected to be irrecoverable as the bond was returned to the Company net of pre-appointment monies due by the Company.
 - We are continuing to pursue the realisation of the £30,000 due from the remaining supplier and will provide an update in our next report.
- IT systems and software licenses (estimated realisable value of £17,755) – Recognising the significance of the IT systems and software licenses in ongoing trading, it is unlikely that we will seek to realise value from these assets in the short term. We will review our options to realise value from these assets in due course and provide a further update in our next report.

Other matters

Investigations

We have concluded and made our confidential submission on the conduct of all persons who have been directors, shadow directors or de-facto directors of the Company during the three year period preceding the Administration appointment, to the Insolvency Service, in accordance with the Company Directors Disqualification Act 1986. We have also carried out the work required by Statement of Insolvency Practice Number 2 (Investigations by Office Holders) (SIP 2).

There are no continuing SIP 2 investigations and no specific investigations or actions have been requested by creditors.

Financial Conduct Authority

We remain in dialogue with the FCA, providing them with periodic updates on the Company's performance.

In addition, we have provided the FCA with details of all relevant changes implemented to the Company's processes since Administration (e.g. extension of forbearance channels and change of certain forbearance measures).

HMRC

VAT

Prior to Administration, the Company was the representative member of a VAT group inclusive of the Company, Buy As You View Limited, BAYV Investments Limited and Buy As You View Holdings Limited.

After liaising with HMRC's insolvency team, we were informed that as a result of the Administration, the Company would have to leave the VAT group, which would be disbanded effective from 2 September 2017.

Consequently, the Company has had to re-register for VAT purposes on a standalone basis and also agree a number of specific arrangements (e.g. bad debt relief, use of partial exemption and non-standard tax periods) with HMRC. This has been a time consuming and lengthy process, given the

complexities of the Company's VAT position. A solution was approved by HMRC on 1 December 2017 and the Company was re-registered for VAT effective 3 September 2017.

The first two VAT returns under the new VAT registration have been submitted. Periodic VAT returns will be submitted going forward. We anticipate the Company to be in a VAT reclaim position whilst trading continues.

Corporation tax

The Company's corporation tax return for the year ended 31 March 2017 has been submitted. No corporation tax was due for this period.

A further pre-appointment return will need to be submitted for the period 1 April 2017 to 30 August 2017. This has not yet been completed or submitted. We will provide an update in this regard in our next report.

PAYE and national insurance ("NI")

All PAYE and NI related returns have been filed and paid in accordance with HMRC requirements.

Retention of title ("ROT") claims

ROT claims were received from four suppliers, with gross claims totalling £0.12m, for stock supplied prior to the Company entering Administration.

We have assessed each claim in accordance with individual supplier ROT clauses and concluded that all claims were valid. At the date of supplier inspections, as some of the goods subject to ROT claims were no longer in the Company's possession, goods with a value of £0.04m were returned to the respective suppliers. The residual claims of £0.08m have been recorded as unsecured claims against the Company.

We do not expect there to be any further ROT claims.

Employee matters

Current headcount

The Company has 141 employees as at 28 February 2018. Summarised below is the movement in employee numbers since Administration:

Employees as at 31 August 2017 (date of appointment)	267
<u>Leavers</u>	
Redundancies	(75)
Resignations / end of contract	(46)
Dismissal	(6)
<u>Additions</u>	
New joiner	1
Employees as at 28 February 2018	<u>141</u>

The employees have worked closely with us and remained committed to helping us achieve the objectives of the Administration.

Redundancies

Immediately following our appointment 41 employees were made redundant, with a further 34 redundancies being made during the remainder of the Period.

All redundancies made after 1 September 2017, where applicable, have been subject to a consultation process involving a communication as to the reasons for the proposed redundancies, the numbers and descriptions of employees affected and the proposed method of selecting employees. We expect further redundancies may be required as the loan book and customer numbers reduce.

Employee representative meetings

Nominated employees have been elected to become employee representatives of their departments, facilitating a forum to communicate employee and other Company matters, in fortnightly meetings.

As at 28 February 2018, we have held 9 meetings.

Receipts and payments account

A summary of our receipts and payments for the period from 31 August 2017 to 28 February 2018 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 website 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 us.

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.

Our remuneration was fixed on a time-cost basis, capped at £1,175,000 (exclusive of VAT), by resolution of the secured and preferential creditors on 30 November 2017.

During the Period, we have incurred time costs of £1,740,318. An analysis of the time spent, and a comparison with the fee estimate dated 20 October 2017 ("the Fee Estimate"), is attached at Appendix 4 to this report.

As at 6 March 2018, we have drawn remuneration of £525,000. Of this sum, £350,000 was billed and paid during the Period (refer to Appendix 2). A further £175,000 has been billed and drawn after 28 February 2018.

We anticipate that our total time costs will now be £2,487,040, details of which are provided at Appendix 4. This represents an increase of £338,474 compared to the Fee Estimate of £2,148,566. However, given our remuneration has been approved and capped at £1,175,000 (exclusive of VAT), we will not

seek to draw any further remuneration without further approval from the secured and preferential creditors.

Joint Administrators' statement of expenses incurred

During the Period, we have incurred expenses totalling £6,075,874 (exclusive of VAT). There is a breakdown of expenses incurred in the Period at Appendix 3 of this report, together with an explanation where expenses have changed compared to the original estimate.

Distributions to creditors

Secured creditor

Hayfin Services LLP ("Hayfin", acting as agent and security agent), the Company's secured creditor, had total indebtedness of circa £14.64m at the date of appointment (before any applicable post appointment interest and charges).

As at 28 February 2018, five separate distributions totalling £3.90m have been made to Hayfin.

We intend to make further distributions to Hayfin during the Administration, however we anticipate that Hayfin will suffer a shortfall against their debt outstanding at the date of appointment.

Preferential creditors

We currently estimate that preferential creditor claims will total approximately £0.06m, in respect of claims for former employees' salaries, holiday pay and pension contributions.

Whilst this represents our best estimate, it is likely that this position could change. As claims are received over time, we will be in a position to more accurately quantify these claims.

Distributions totalling £1,406 have been made during the Period to preferential creditors, representing accrued pre-appointment employee holiday pay claims.

Unsecured creditors

As communicated in the Proposals, the Director's SoA estimates that unsecured claims will total approximately £33.14m. Claims continue to be received from unsecured creditors.

We currently estimate that there will be insufficient funds to enable a distribution to the unsecured creditors other than by virtue of 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.

Remaining work

We continue to deal with the Administration in line with the objectives stated in the Proposals and those included in this report. Future tasks will include, but are not limited to, the following:

- continue dialogue and discussions with interested parties with respect to a sale of the business and/or assets;
- collections activity in respect of existing customer loan agreements;
- continue to monitor the cost base of the business and assess and implement appropriate cost saving strategies;
- realising value for the Company's surplus stock and other tangible assets;
- assessing options to realise value from the Company's intangible assets;
- completion of statutory requirements of the Administration, including reporting to creditors;
- communicating with other stakeholders, including the FCA;
- preparing and filing corporation tax and VAT returns;
- agreeing preferential creditor claims, including dealing with employee claims and the Redundancy Payments Service;
- making further distributions to the secured and preferential creditors (as applicable);
- matters relating to the Prescribed Part (as applicable);
- finalising the Administration including the payment of Administration trading and other liabilities; and
- any such actions required to be undertaken by the Administrators to fulfil the purpose of the Administration.

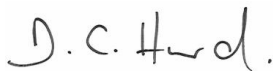
We currently anticipate that the Administration will require an extension of up to 12 months to allow time to realise the remaining assets and make further distributions to the various classes of creditors. We will seek this extension from the secured and preferential creditors of the Company in due course.

Next report

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

Should you have any queries in respect of this report or the Administration in general, please do not hesitate to contact my colleague, Michael Thalassitis, on 0121 535 2675.

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 for the Period
Appendix 3 – Summary of Joint Administrators' expenses incurred
Appendix 4 – Summary of Joint Administrators' time costs

J M O'Connor and D C Hurd are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

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

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Appendix 1**Dunraven Finance Limited (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, 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 administrator:	None
Full names of the administrators:	Joseph Michael O'Connor and Daniel Christopher Hurd
Office holder number(s):	12350 and 20030
Administrators' address(es):	Joseph Michael O'Connor, Ernst & Young LLP, 1 More London Place, London, SE1 2AF Daniel Christopher Hurd, Ernst & Young LLP, No. 1 Colmore Square, Birmingham, B4 6HQ
Telephone number:	0121 535 2675
Name of alternative person to contact with enquiries about the case:	Michael Thalassitis

Appendix 2

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

**Summary of Joint Administrators’ receipts and payments account for the period from
31 August 2017 to 28 February 2018**

SoA - estimated realisable value (£)	31 August 2017 - 28 February 2018 (£)	Notes
		1,2
		3
13,343,067	10,613,578	
2,621,698	2,639,747	
-	202,300	
37,884	142,438	
88,132	59,163	
-	14,484	
50,000	12,405	
-	11,030	
-	5,080	
17,755	-	
16,158,536	13,700,225	
		1,2
	(3,233,951)	
	(715,189)	
	(517,130)	
	(397,345)	
	(341,869)	
	(283,388)	
	(148,139)	
	(131,761)	
	(107,570)	
	(65,379)	
	(62,828)	
	(42,824)	
	(22,000)	
	(6,500)	
	-	
	(6,075,874)	
	(350,000)	
	(6,425,874)	
	(3,900,000)	
	(1,406)	
	-	
	(3,901,406)	
	3,372,945	
	3,393,549	
	(122,906)	
	86,082	4
	16,220	
	3,372,945	

Appendix 2 (continued)

Notes

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not take account of future receipts and payments.
3. 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).
4. The VAT control account is represented as follows:

<u>Represented by</u>	Total in the Period (£)
VAT reclaim due	708,827
VAT control account	9,501
Bad debt relief	(593,623)
Loan cancellations	<u>(38,623)</u>
	86,082

Appendix 3

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

Summary of Joint Administrators’ expenses incurred and comparison with the Fee Estimate

Type of expense	Fee Estimate (£)	Paid during the Period (£)	Outstanding (£)	Total estimate at 28 February 2018 (£)	Variance (£)	Notes
Agent fees	1,280,000	283,388	356,612	640,000	(640,000)	1
Bank charges	380,000	131,761	258,239	390,000	10,000	
Corporation tax	TBC	-	TBC	TBC	TBC	
Customer servicing and repairs	1,280,000	715,189	564,811	1,280,000	-	
Insurance	290,000	107,570	242,430	350,000	60,000	2
Irrecoverable VAT	440,000	148,139	241,861	390,000	(50,000)	3
Joint Administrators’ category 1 disbursements	90,000	22,000	68,000	90,000	-	4
Joint Administrators’ category 2 disbursements	30,000	6,500	23,500	30,000	-	4
Legal fees	220,000	65,379	154,621	220,000	-	
Printing, postage and stationery	170,000	62,828	147,172	210,000	40,000	
Property	710,000	397,345	422,655	820,000	110,000	5
Staff and people	5,770,000	3,233,951	3,016,049	6,250,000	480,000	1
Sundry / other expenses	160,000	42,824	117,176	160,000	-	
Telecommunications and IT	1,130,000	517,130	642,870	1,160,000	30,000	
Vehicles	790,000	341,869	408,131	750,000	(40,000)	
Total	12,740,000	6,075,874	6,664,126	12,740,000	-	

Note: The total estimate of Joint Administrators’ expenses is estimated on the basis of a 16 month run-off period (in accordance with the Proposals and Fee Estimate) up to the end of December 2018. All amounts are stated net of VAT

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.

Refer to the Proposals and the Fee Estimate for narrative explanations of the type of costs included in each expense category.

Notes

1. A reduction is anticipated in third party agent fees. This is driven by lower than originally forecast employee resignations, and therefore reduced requirement of third party support services. However, this is offset by an increase in estimated staff and people costs.
2. The increase in insurance costs is due to reallocating motor insurance premiums from vehicle costs to insurance costs.
3. Irrecoverable VAT is anticipated to decrease due to the change in mix of trading expenses, for example, the reduction in agent fees (which is a vatable expense) but increase in salaries (which are not vatable expenses).
4. 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:

Appendix 3 (continued)

- 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	Incurring in the Period (£)	Paid during the Period (£)	Paid after the Period (£)	Unpaid for the Period (£)
Accommodation, subsistence and travel	29,279			
Bonding	1,280			
Category 1 disbursements	30,559	22,000	7,000	1,559
Mileage	8,645			
Printing and postage	566			
Category 2 disbursements	9,211	6,500	1,000	1,711

5. The increase in property costs is driven primarily by the Company being unable to find a cheaper alternative head office premise and warehouse in South Wales, as was originally planned.

Appendix 4

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

**Summary of Joint Administrators’ time costs for the period from 31 August 2017 to
28 February 2018**

Activity	Partner	Director	Senior Manager	Manager	Executive	Analyst	Total hours for the Period	Total time cost for the Period (£)	Average hourly rate for the Period (£)
Accounting and administration	1.1	16.3	89.4	48.8	493.6	136.6	785.8	247,020	314
Bank reporting	12.0	32.9	65.3	11.5	1.8	19.0	142.5	78,476	551
Creditors	4.5	4.0	10.1	1.5	77.5	153.5	251.1	62,548	249
Debtors	-	1.0	-	1.0	10.5	2.5	15.0	4,603	307
Employee matters	2.5	131.6	52.6	3.0	201.3	29.3	420.3	180,693	430
Immediate tasks	2.0	1.0	2.0	-	18.0	8.5	31.5	10,485	333
Investigations	0.2	1.0	-	5.5	47.1	5.0	58.8	18,024	307
Job acceptance & strategy	6.0	6.0	6.0	-	-	-	18.0	13,530	752
Legal issues	7.7	23.0	4.8	-	-	-	35.5	26,475	746
Members	-	-	-	-	-	-	-	-	-
Other assets	12.9	113.0	473.8	-	165.2	4.3	769.2	390,531	508
Other matters	-	15.0	2.0	-	4.0	7.5	28.5	13,943	489
Property	-	-	20.7	1.5	36.6	52.4	111.2	32,869	296
Public relations	2.0	5.0	-	-	-	-	7.0	5,545	792
Retention of title	-	-	2.0	-	-	-	2.0	1,050	525
Statutory duties	-	0.5	63.0	-	47.0	33.5	144.0	53,428	371
Trading	3.0	92.1	177.4	115.0	636.1	167.3	1,190.9	441,181	370
VAT & taxation	0.2	19.5	22.3	115.7	88.4	51.9	298.0	159,921	537
Total hours for the Period	54.1	461.9	991.4	303.5	1,827.1	671.3	4,309.3		
Total time cost for the Period (£)	56,115	321,347	529,437	172,891	538,867	121,663		1,740,318	
Average hourly rate for the Period (£)	1,037	696	534	570	295	181			404

Note: Time is charged in six minute intervals

Refer to the Proposals and the Fee Estimate for narrative descriptions of the type of work undertaken in each time cost activity.

Appendix 4 (continued)

Comparison of Joint Administrators' time costs for the period from 31 August 2017 to 28 February 2018, with the Fee Estimate and updated time cost estimate as at 28 February 2018

Activity	Fee Estimate			Updated time cost estimate as at 28 February 2018			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	536.9	169,023	315	962.1	299,431	311	785.8	247,020	314
Bank reporting	162.4	83,208	512	222.3	116,416	524	142.5	78,476	551
Creditors	366.4	128,608	351	425.2	122,666	288	251.1	62,548	249
Debtors	45.5	18,201	400	35.9	12,577	350	15.0	4,603	307
Employee matters	389.3	170,675	438	522.6	223,699	428	420.3	180,693	430
Immediate tasks	23.0	9,125	397	31.5	10,485	333	31.5	10,485	333
Investigations	76.2	30,885	405	58.8	18,024	307	58.8	18,024	307
Job acceptance & strategy	14.0	9,390	671	18.0	13,530	752	18.0	13,530	752
Legal issues	138.5	68,966	498	90.4	51,049	565	35.5	26,475	746
Members	20.9	8,344	399	-	-	-	-	-	-
Other assets	1,250.2	573,417	459	1,281.2	615,108	480	769.2	390,531	508
Other matters	71.4	32,100	450	59.8	27,970	468	28.5	13,943	489
Property	127.0	43,739	344	170.3	51,384	302	111.2	32,869	296
Public relations	17.5	12,073	690	11.5	8,420	732	7.0	5,545	792
Retention of title	39.2	16,114	411	16.6	7,074	426	2.0	1,050	525
Statutory duties	232.8	83,674	359	231.4	85,599	370	144.0	53,428	371
Trading	1,230.7	451,266	367	1,538.1	560,078	364	1,190.9	441,181	370
VAT & taxation	434.0	239,757	552	480.8	263,530	548	298.0	159,921	537
Total	5,175.9	2,148,566	415	6,156.5	2,487,040	404	4,309.3	1,740,318	404

Note: The estimate of Joint Administrators' time costs in the Fee Estimate and the updated time cost estimate is on the basis of a 16 month run-off period up to the end of December 2018.

Recognising time costs incurred to date, the Fee Estimate has been updated to reflect our latest estimate (as at 28 February 2018) of effort required by the Joint Administrators. Outlined below are details which support the largest expected increases (in hours) compared to the Fee Estimate, by activity:

- Accounting and administration – In the Period we have spent more time than originally anticipated. The primary driver for the increase is the volume of transactions being processed by the Company, all of which have to be accounted for by the Joint Administrators. Whilst monthly effort will decrease going forward (as transactions reduce), it is important we continue to incur time in this area to ensure all customer balances are recorded accurately and suppliers are paid on time, to avoid disruption to the Company's operations.
- Trading – The level of operational change that has been implemented to the Company's processes and systems during the Period by the Joint Administrators' has been greater than originally forecast (refer to the summary of progress section of the this report for details). These changes have required significant direction, management and oversight by us. In order to maximise realisations for the creditors, we are planning to continue our close monitoring of trading performance, so we can enable further operational changes. In addition, other trading activities such as managing key supplier relationships and communicating with the FCA are still necessary as the Company continues its collection activities.
- Employee matters – As outlined, 75 employees have been made redundant during the Period. Given all redundancies made after 1 September 2017 have been subject to a consultation process, these have required significant Administrator time. As discussed earlier, we are continuously monitoring operational requirements as the loan book and customer numbers reduce, meaning further redundancies may be necessary, and therefore, Joint Administrator time. Furthermore, we will continue to hold employee representative meetings.