



CashEuroNet UK, LLC - in administration

UK Recovery
Grant Thornton UK LLP
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Joint Administrators' progress report for the period 25 April 2020 to 24 October 2020

Prepared by: Chris Lavery, Joint Administrator

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For any queries in respect of loans please contact the QuickQuid Customer Support team on 0800 056 1515 or support@quickquid.co.uk, or the On Stride Customer Support team on 0800 210 0923 or customersupport@onstride.co.uk, as applicable to your loan.

Definitions

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

| | |
|---|---|
| Administration | The administration of the Company |
| APR | Annual Percentage Rate |
| Joint Administrators/ Administrators/our/us/we | Chris Lavery, Trevor O'Sullivan and Andrew Charters, acting as joint administrators of the Company |
| CEU / the Company | CashEuroNet UK, LLC (in administration), incorporated in Delaware in the United States (US) and is registered in the UK as an overseas company (FC032279) under the Companies Act 2006 and whose registered address is 4 Hardman Square, Spinningfields, Manchester M3 3EB (trading as QuickQuid, Pounds to Pocket and On Stride Financial) |
| CMC | Claims management company, a company or other organisation offering claims management services to Redress Creditors |
| Court | The Courts of England and Wales |
| Creditors | Preferential and unsecured creditors (including Redress Creditors) |
| CVL | Creditors' voluntary liquidation |
| DCA | Debt Collection Agent |
| DISP | Dispute Resolution: Complaints sourcebook, part of the FCA Handbook |
| Enova Group / The Group | Enova International Inc. and its subsidiaries as a collective entity |
| FCA | Financial Conduct Authority |
| FCA Handbook | The handbook published by the FCA which sets out the rules and guidance made by the FCA under the Financial Services and Markets Act 2000 |
| FOS | Financial Ombudsman Service |
| Gross Loan Book | The value of outstanding loans, before provisions for bad or doubtful debts |
| HMRC | HM Revenue & Customs |
| HCST Lending | High Cost, Short Term Credit Lending |
| Insolvency Rules | The Insolvency (England and Wales) Rules 2016 |
| OFT | Office for Fair Trading |
| Period | 25 April 2020 to 24 October 2020 |
| Prescribed Part | The part of the proceeds which must be set aside from floating charge assets as described in section 7.3 below |
| Redress Claim | A redress claim that a customer (current or former) has, or may have, against the Company |
| Redress Creditors | Customers (current and former) of the Company (trading as Quick Quid, Pounds to Pocket or On Stride Financial) who were sold an unaffordable loan(s) and are due redress |
| Scheme | Scheme of Arrangement |
| The Board | The Board of Directors of CashEuroNet UK, LLC |
| The Firm | Grant Thornton UK LLP |
| The Online Claims Portal or the Portal | The online redress claim portal |
| VAT | Value added tax |

1 Executive summary

- The Administrators are continuing to pursue the objective of achieving a better result for the Company's creditors than would be likely if the Company were wound up (without first being in Administration)
- This progress report for the Company's administration covers the period from 25 April 2020 to 24 October 2020
- Our proposals were approved on 2 January 2020 by way of a decision procedure by the creditors
- The key work done in the Period has been:
 - Maximising the value of the Company's assets through ongoing collections activity relating to its loan book and considering the potential of a sale of the residual loan book in full or in part
 - Working with the development and compliance team to establish and launch a redress programme for the Company's current and former customers
 - Undertaking an orderly wind down of the activities of the Company
- In progressing the above, the Administrators have:
 - Preserved the IT infrastructure to support continued loan collections, including the implementation of forbearance measures for customers impacted by the Covid-19 pandemic
 - Preserved key infrastructure support provided to the Company by Enova Group in accordance with a post-appointment service level agreement
 - Retained staff both in the UK and US to support the Administrators' objectives
 - Provided continuous updates to regulators, as appropriate, to ensure the Administrators' processes are aligned with regulatory expectations
 - Worked with the CEU team to develop an automated claim assessment process and launch an online claims portal, allowing customers who believe they were sold an unaffordable loan(s) to submit a redress claim.
- The Administrators' team and the Company's staff have adapted to the unprecedented event of the global Covid-19 pandemic, which required an immediate adjustment to working practices both in the UK and the US in order to safeguard peoples' health and wellbeing whilst minimising disruption to the objective of the administration
- The Company does not have any secured creditors
- Preferential creditors (e.g. the UK employees) are estimated to recover their debts in full
- Whilst the Directors' statement of affairs notes that funds will be available to the Company's unsecured creditors the likely quantum is unknown at this stage as the Administrators have not estimated the liability associated with the Redress Creditors. In addition, the Directors' statement of affairs does not account for the costs of the Administration
- The Administrators have liaised with the FOS and FCA throughout the administration to understand the FOS' typical approach for adjudicating redress complaints, with the aim of ensuring that the Administrators' assessment methodology complies with the Insolvency Rules and applicable laws, whilst also considering, so far as reasonably practicable, the approach used by the FOS for adjudicating redress complaints
- The Administrators confirm that their assessment of loans relating to a customer's redress claim will extend to loans that were sold to debt purchasers, subject to receiving sufficient information to allow for such sold loans to be adjudicated upon. The Administrators continue to engage with the debt purchasers to gather the information required
- As Redress Claims continue to be received via the Online Claims Portal and asset realisations have yet to be concluded, we are currently unable to estimate the level of dividend available to unsecured creditors. **However, it should be noted that any dividend payment to unsecured creditors will be significantly less than the admitted claim value**
- The Online Claims portal launched on the **3 August 2020** and will close on the **14 February 2021**

- As part of an application made by the Administrators on 15 July 2020 to obtain the requisite powers to distribute to unsecured creditors, the Administrators also made a successful application to Court to request an extension of the administration for a further 12 months to 24 October 2021
- A decision of creditors is being sought within this report. Please see section 8 for further detail.



Chris M Lavery
Joint Administrator

17 November 2020

Potential fraud – please read

Please be aware fraudsters have been known to masquerade as legitimate administrators. Fraudsters will contact creditors asking for an upfront fee or tax. The Joint Administrators would never ask for such a payment nor instruct a third party to make such a request.

Important information for Redress Creditors

Launch of Online Claims Portal

Given the large population of redress claimants the Company is expected to receive, the Administrators have worked with retained technological developers of the Company to create an Online Claims Portal which launched on the **3 August 2020**. The Online Claims Portal is the channel for customers to submit a redress claim in a secure and straightforward manner.

The Online Claims Portal is available through the following site: <https://claims.casheuronetuk.co.uk/>.

To submit a claim, customers are asked to provide the contact details associated with their CEU account as well as their current bank details. Customers will not need to provide any information in relation to their specific loans. If the details entered by the customer match those recorded on CEU's database, the customer will receive confirmation that their claim has been received and will be assessed by the Administrators.

Claims window

The Online Claims Portal will remain open until **14 February 2021** to ensure all customers are given sufficient time to submit their claim. Claims cannot be submitted after this date as the Online Claims Portal will be closed.

If a customer submitted a claim prior to the launch of the Online Claims Portal

For customers who submitted a claim prior to the launch of the Online Claims Portal, the Administrators have written to each of them requesting that they provide up to date information through the Online Claims Portal, in order for their claim to be progressed. The Administrators consider it vital that up-to-date details are gathered for all claimants (including current bank details) to ensure that, in the event that the claim is successful, the Administrators have all details required to process the dividend. **If customers do not provide up-to-date details it may result in the delay of any dividend payment.**

If your claim is successful

If your claim is successful, you will be given an "Accepted Claim Value". However, **it is important to note that the dividend payment you receive will be considerably smaller than your Accepted Claim Value**. This is because it is expected that the total value of all accepted claims received will significantly exceed the money available to be shared out. The money available to be shared out will not be known until all of the Company's assets have been sold or realised and certain costs and deductions have been taken into account.

If your claim is successful and you do not agree with the Accepted Claim Value

The Administrators have designed the assessment process to identify unaffordable loans. If you do not agree with the calculation amount (including if your claim has been rejected entirely), you will have 21 days from the date of your claim assessment email to respond to the Administrators in writing (by email or post) with the reason(s) for your disagreement and evidence to support this reasoning. If you do not provide us with evidence as to why you disagree with the decision, we cannot investigate your appeal.

Frequently asked questions (FAQs)

For any updates to the Online Claims Portal and the administration in general, the Administrators recommend for creditors to review the FAQs which are updated throughout the course of the Administration and can be accessed at the following link:

<https://casheuronetukadministration.grantthornton.co.uk/redress-complaints/>.

2 Background

2.1 Background leading to administration

This report should be read in conjunction with the Administrators' statement of proposals and prior progress report to the Company's creditors dated 18 May 2020 and available at www.granthornton.co.uk/portal.

A detailed background to the Administrators' appointment has been provided previously in the Administrators' statement of proposals. We provide below a summarised version of the background to the appointment.

The Company has been carrying on a consumer credit business in the UK since 2007, and operating predominately as a High-Cost Short Term Credit lender since January 2016 with the following product offerings:

1. A short-term loan product offered under the trading name of "QuickQuid" (at www.quickquid.co.uk), and
2. An instalment loan product under the trading name "OnStride Financial" (at www.onstride.co.uk).

In October 2018, CEU merged with its sister company, EuroNetCash LLC, consolidating its instalment loan product business, Pounds to Pocket with the OnStride Financial trading name and, for continuity, CEU maintained its online presence under the trading name Pounds to Pocket, keeping the Pounds to Pocket website live, but directing its traffic to the On Stride Financial website for new credit applications or account servicing. In February 2019, the Company ceased lending activities under the Pounds to Pocket brand.

Whilst these product lines operated independent of one another, they shared CEU's overall management and governance structures and were integrated within the same business model.

CEU is a subsidiary within the Enova Group of companies. Enova is a publicly traded company whose securities are listed on the New York Stock Exchange.

Change in regulation in UK and FOS interim determination

As detailed in the Administrators' proposals, in order to tackle customer detriment and malpractice in the consumer credit industry and promote effective competition, in November 2014 the FCA introduced new regulations. Whilst this had an adverse impact on the industry, CEU continued to trade.

During 2018, two factors further changed the outlook for the UK business:

- An interim determination from the FOS; and
- An increase in the level of unaffordability complaints or redress claims.

CEU's assessment of its potential redress liability in relation to borrower complaints and subsequent cash outflow was previously based on a time limit of 6 years, leading CEU to conclude on the likely Redress Claims it might receive. An interim determination issued by the FOS, in 2018, allowed claims beyond this timeframe to be considered based on a 3-year rule that extended time limits.

As a result of the market changes, and the approach to the criteria applied to past lending decisions, CEU's business experienced high levels of Redress Claims from its customers. This, plus reduced APR levels, impacted its ability to trade viably without financial support from the Enova Group.

The Board communicated regularly with the Enova Group to ensure that they continued to recognise CEU's business as a viable entity and, whilst Enova Group had concerns about the potential Redress Claim liabilities, they recognised that the underlying business was potentially able to continue.

However, in order to bring certainty to the legacy liability for Redress Claims and to preserve the business, the Board explored the possibility of implementing a Scheme which would seek to bind all creditors of CEU (including Redress Creditors) to an arrangement where they would receive a distribution in return for their claim against CEU being extinguished.

An outline of the Scheme was presented to the regulators on 15 October 2019 and, following a review by the FCA to consider whether the proposed Scheme posed a threat to any of the FCA's operational objectives (e.g. securing an appropriate degree of consumer protection), the FCA determined that it could not provide a letter of non-objection. Consequently, the Enova Group confirmed to the CEU Board that it would no longer be in a position to support the CEU business.

On 24 October 2019, the CEU Board resolved that they would cease lending activities with immediate effect and, with the requisite approval from the FCA, the CEU Board appointed individuals from Grant Thornton UK LLP as Administrators on 25 October 2019 in accordance with paragraphs 22 and 26 of Schedule B1 to the Insolvency Act 1986 and rule 3.24 of the Insolvency Rules.

2.2 Objective of the Administration

As detailed in the Administrators' statement of proposals, the Administrators must perform their functions with the objective of:

- rescuing the Company as a going concern, or
- achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors.

In this instance, as the Company had ceased lending prior to the Administrators' appointment and had an unquantified liability to Redress Creditors, it was not possible to achieve the first objective.

The second objective has been pursued through the collection of the outstanding loan book and ongoing orderly wind down of the operations.

3 Progress to date

3.1 Business continuity during wind down of operations

To achieve the orderly realisation of the loan book the Administrators have continued to operate many aspects of the Company on a 'business as usual' basis. This was necessary to facilitate ongoing repayment of loans, protect borrower data, enable the Company to continue to respond to borrower queries, update borrower's details and manage the Redress Claim Process.

The requirement for these services remains under constant review and where services were able to be rationalised, the Administrators have done so.

The Company employed 17 employees in the UK and 130 employees based in Chicago, USA. Currently 8 staff remain employed in the UK to provide administrative, customer service and compliance support functions. In the USA, 66 staff remain employed to provide operational and customer service functions, including development of the Redress Claims process.

The Administrators have continued to engage with the Operations and Customer Support personnel to ensure that customers continue to receive an appropriate level of service, given the circumstances of the administration. The Administrators will continue to assess personnel and resourcing requirements whilst CEU continues to collect outstanding loans and undertakes an orderly wind down of operations following the conclusion of the Redress Claims process.

Additionally, the Company historically received operational support from the Enova Group. Following their appointment, the Administrators entered into a Service Level Agreement with Enova to retain services deemed necessary to support the objective of the administration. Costs incurred in relation to services provided in accordance with the Service Level Agreement are paid as an expense of the administration.

3.2 Impact of the Covid-19 pandemic

On 16 March 2020, the UK Prime Minister announced safeguarding measures to protect the UK population from the anticipated spread of the Covid-19 virus. Consequently, the Administrators implemented an immediate home-working policy for both the UK and US employees to ensure their safety and wellbeing, which commenced from 17 March 2020.

Since the start of the pandemic and transition to remote working, operations have continued with minimal disruptions. CEU's Customer Care team has continued to engage with customers who have been impacted by the Covid-19 pandemic, including providing forbearance support based on individual customer circumstances and in line with FCA guidance.

As at the date of this report, the Company continues to receive contact from customers experiencing financial difficulties as a result of the Covid-19 pandemic. We continue to assess the impact of the Covid-19 pandemic against collection performance and progress of the administration.

Further details as to the impact of the pandemic on specific elements of the administration are provided in greater detail later in this report.

3.3 Loan book collections

Loan book overview

As previously reported, CEU provided five (5) loan products to customers, as follows:

1. QuickQuid: A short term instalment loan product with one (1) to three (3) pay periods
2. QuickQuid FlexCredit: A running account credit product which ceased being offered to consumers in December 2014
3. Pounds to Pocket: A six (6) to twelve (12) month instalment loan product which ceased being offered to consumers in February 2019
4. On Stride Financial 1.0: A six (6) month to five (5) year loan product with monthly repayments due throughout the term of the loan which ceased being offered to consumers in October 2018
5. On Stride Financial 2.0: An instalment loan product with a term of between six (6) months and three (3) years with monthly repayments due throughout the term of the loan which ceased being offered to customers in February 2019.

The loan book at the date of appointment consisted of approximately 498,000 loans with an outstanding balance of £300.5 million and was comprised of five loan products, described above. A summary of the loan book as at appointment (25 October 2019) and as at 24 October 2020 is provided below:

Loan book as at 24 October 2020

| | As at 25-Oct-19 | | Loan book as at 24-Oct-20 | | Arrears (£mil) | |
|------------------------|--------------------|--------------|------------------------------|--------------|---------------------------|--------------------------|
| | £mil | No. of Loans | £mil | No. of Loans | Current up to 6 months | Greater than 6 months |
| QuickQuid | 119.4 | 267k | 111.4 | 246k | - | 111.4 |
| FlexCredit | 12.5 | 22k | 12.0 | 21k | - | 12.0 |
| Pounds to Pocket | 94.7 | 132k | 86.6 | 116k | 0.0 | 86.6 |
| Onstride Financial 1.0 | 19.0 | 8k | 18.2 | 8k | 0.5 | 17.7 |
| Onstride Financial 2.0 | 54.9 | 69k | 34.8 | 42k | 1.9 | 32.9 |
| Total | 300.5 | 498k | 263.0 | 434k | 2.4 | 260.6 |

As at 24 October 2020, the loan book is represented by loans which are:

- Current (within terms) and in arrears less than six months, totalling £2.4 million; and
- In arrears more than six months, totalling £260.6 million.

Collections and realisation strategy

Due to the short-term nature of a significant portion of the loan book, the strategy has been to maintain existing collection systems whilst we consider all options available for maximising value of the CEU loan book.

Despite the administration, we can report that £48.4 million¹ has been collected during the period 25 October 2019 to 24 October 2020, exceeding the net book value of £30.6 million which was presented in the Directors' Statement of Affairs. Please note that the net book value presented in the Directors' Statement of Affairs has a provision for bad or doubtful debt applied on a "business as usual" basis, and therefore does not accurately reflect the actual outcome of the Administration.

¹ The Joint Administrators Receipts & Payments at Appendix A reflects collections of £47.2 million. Please note that the difference of £1.2 million between this and the figure above of £48.4 million is due to a timing difference between funds being received against loans and being swept to the Administration bank account.

The table below provides further details regarding collections, accrual of post-appointment interest/fees and loans which remain open as at 24 October 2020:

Loan book as at 24 October 2020

| | Loan book as at 25-Oct-19 | | Movements (£mil) | | Loan book as at 24-Oct-20 | |
|------------------------|------------------------------|-------------|------------------|--------------------------|------------------------------|-------------|
| | £mil | Loans | Collections | Accrued interest fees | £mil | Loans |
| QuickQuid | 119.4 | 267k | (8.7) | 0.7 | 111.4 | 246k |
| FlexCredit | 12.5 | 22k | (0.5) | 0.0 | 12.0 | 21k |
| Pounds to Pocket | 94.7 | 132k | (8.6) | 0.5 | 86.6 | 116k |
| Onstride Financial 1.0 | 19.0 | 8k | (1.4) | 0.6 | 18.2 | 8k |
| Onstride Financial 2.0 | 54.9 | 69k | (29.2) | 9.1 | 34.8 | 42k |
| Total | 300.5 | 498k | (48.4) | 10.9 | 263.0 | 434k |

We have continued to engage with the CEU team to monitor and update (where applicable) the Company's arrears management and collection processes. In particular, we have focused on:

- Establishment of repayment arrangements and periods of forbearance for customers considered to be in financial difficulties or vulnerable situations, including those customers impacted by the Covid-19 pandemic
- Ongoing management of existing repayment arrangements with borrowers
- Monitoring to ensure collection processes comply with regulatory guidelines and agreed procedures (including the recent updated guidelines issued by the FCA in response to the Covid-19 pandemic, detailed further below)
- Supervising third parties, such as the Company's debt collection agent and debt management charities collecting debt on the Company's behalf
- Monitoring collection performance and recovery rates across loan products
- Undertaking data cleansing activities to ensure the appropriate/accurate recording of customer statuses
- Ongoing and regular engagement with the FCA regarding the status of the administration, including collection performance and processes
- Various email campaigns targeted at specific cohorts of customers, encouraging engagement with the Company.

We are exploring the potential sale of the residual loan book, in full or in part. This option continues to be investigated, and we are in contact with a number of parties expressing an interest in acquiring some or all of the CEU loan book.

A further update on the collections and realisation strategy will be provided in our next report.

Impact of the Covid-19 pandemic

Since the inception of the safeguarding measures in the UK in mid-March 2020, we have monitored the level of customers who have contacted the Company's customer call centre reporting an impact on their ability to meet loan repayment obligations as a result of the Covid-19 pandemic. To date, approximately 1.7% of customers with loans outstanding have reported being affected by the Covid-19 pandemic.

On 27 April 2020, the FCA issued its first guidance note for HCST lenders to address the impact of the pandemic upon customers, including temporary forbearance measures for customers directly affected by the pandemic. CEU has continued to issue communications to customers who may be affected by the pandemic with impending payment dates to encourage early engagement with the Company's customer care team who are there to identify and make available forbearance options to customers experiencing financial difficulties.

3.4 Other assets

Cash

At the date of appointment, the Company had a cash balance totalling £34.7 million, of which £34.2 million has been recovered to date. A balance of £500k continues to be retained by Barclays Bank plc as security to cover potential future liabilities, such as chargebacks. Subject to any future claims against retention funds, we expect to receive these funds once collection activity has ceased.

Fixed assets

These comprise of office equipment and fixtures and fittings located in the Company's UK office. These will be sold following the end of the wind down of operations.

Trademarks

The Administrators do not envisage a sale of these in the short to medium term.

Additional assets

Following our appointment, we reviewed the books and records of the Company and identified prepayments and deposits paid to various suppliers totalling £377,000. To date, we have recovered £293,000 and continue to pursue the remaining balance of £84,000. It is uncertain how much of this will be recovered.

We are not aware of any other potential assets that could be recovered for the benefit of creditors.

4 Creditors

4.1 Secured creditors

No secured creditors have been identified.

4.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims has been subrogated to the Secretary of State, following payment of claims by the Redundancy Payments Service.

The estimated preferential claims are presently understood to be approximately £25,000, which relates to outstanding holiday pay as there were no arrears of pay at the onset of the administration. We estimate that the preferential creditors will be paid in full.

4.3 Unsecured creditors

The Directors' statement of affairs detailed unsecured creditors totalling c£79 million. This sum does not include potential redress liabilities as this is still unquantifiable at this stage.

Prescribed part

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

As there is no qualifying floating chargeholder, the prescribed part provisions will not apply.

Redress Creditors

The Online Claims Portal has been developed to collect and assess customer redress claims. Customers have been notified that claims can be submitted via the Portal, which launched on **3 August 2020** and will remain open until **14 February 2021**. Following the launch of the Online Claims Portal, we have undertaken two reminder email campaigns to current and former customers of the Company on how to submit a claim via the Online Claims Portal should they believe they were sold unaffordable loan(s). Further reminder email campaigns will be undertaken prior to the closure of the Online Claims Portal on 14 February 2021.

Trade creditors

The Company's trade creditors were largely current at the date of appointment and generally claims comprise outstanding invoices and accrued charges.

HMRC may have an outstanding claim in respect of withholding tax in relation to redress payments made prior to our appointment. In addition, they may also have a claim for Corporation Tax, PAYE and National Insurance. We are yet to receive information from HMRC in relation to this matter.

Intercompany creditor

The principal balance of £71 million was due to Enova Group and relates to outstanding costs pertaining to the Service Level Agreement with the Company prior to our appointment for support services.

Dividend prospects

We have determined that it is in the best interests of the creditors to make a distribution during the administration. A notice of intended dividend was issued on 15 July 2020.

We are currently reviewing the unsecured creditors' claims and anticipate declaring a dividend within the next 12 months.

For trade creditors and other non-redress creditors, a claim form is available online for completion and submission through the Grant Thornton Insolvency Act portal (www.grantthornton.co.uk/portal). Unique passwords have been issued to each creditor. As stated above, Redress Creditors have been contacted separately to invite to submit their claim through the Online Claims Portal.

As the level of Redress Claims remains uncertain and asset realisations have yet to be concluded, we are unable to estimate the level of dividend available to unsecured creditors at this stage.

5 Redress Creditors

As detailed in the Administrators' proposals, the Redress Creditors comprise current and former customers who believe that they were sold an unaffordable loan(s). As a result, these customers may have a claim for compensation, which will rank as an unsecured claim. Redress claims will be assessed with reference to the interest and fees paid on these loans, plus compensatory interest at 8% from the date the interest and expenses were paid up until the date of Administration, being 25 October 2019.

The redress claim process is explained in detail below and a high-level summary of the process is as follows:

- 1 The complaints process for the Company is no longer being handled by the FOS and now forms part of the administration process
- 2 The Administrators have created a redress claims process, including an automated claims assessment tool, that aligns with all the relevant legal and statutory requirements, so far as reasonably practicable, in order to provide a fair and reasonable basis for assessing claims
- 3 On 3 August 2020 the Administrators launched an Online Claims Portal (<https://claims.casheuronetuk.co.uk/>), a secure online channel for customers to submit a redress claim in a straightforward manner
- 4 Customers who submitted a claim prior to the launch of the Portal are being asked to update their details through the Portal link, ensuring that they provide current bank details in the event their claim is successful and are entitled to a dividend. Should we not receive up to date details, this may result in the delay of any dividend payment
- 5 **The final date for submitting claims is 14 February 2021. After this date, the Portal will close, and no further claims will be able to be received**
- 6 To submit a redress claim, customers are asked to provide contact details associated with their CashEuroNet account related to their loan(s). Customers will not need to provide any further information in relation to their specific loan(s)
- 7 The Administrators are conducting a widespread communication campaign designed to raise awareness of customers' ability to make a claim which includes personal email campaigns, and both digital and media advertising
- 8 The Administrators are not in a position to estimate the total volume of redress claims. The total volume of claims received as at 24 October 2020 is c108,000

Pre-appointment claims

At the date of the Administrators' appointment, the Company had c14,000 redress claims that had not been assessed (the backlog of unacknowledged claims was as a result of the significant increase in the volume of redress claims that were received by the Company in the weeks preceding the Administrators' appointment). These claims were from customers (current and former) as well as CMCs on behalf of customers. The c14,000 claims also included c5,400 claims that were part of the FOS claim backlog described below.

Customers who submitted a claim prior to the launch of the Portal are being asked to update their details through the Portal, ensuring they provide current bank details in the event their claim is successful and are entitled to a dividend. Customers who submitted a claim prior to the launch of the Portal will have received an email in relation to this specific instruction.

FOS claims backlog

As a result of the Administrators' appointment, the FOS are no longer able to deal with complaints. On 25 October 2019, after consultation with the Administrators, the FOS released a statement that the Administrators would be handling all complaints going forward (<https://www.financial-ombudsman.org.uk/news-events/reports-casheuronet-quickguid>). The statement explains that, as a result of the administration, the FOS would no longer be able to progress any complaints relating to the Company, nor accept any new cases. The FOS confirmed that all cases would be transferred to the Administrators to consider.

In November 2019, the FOS passed a backlog of c5,400 cases to the Administrators. In addition to this, anyone who has contacted the FOS since 25 October 2019 has been referred to the Administrators directly.

In addition to the above, the Administrators also received 25 claims from the FOS in relation to EuroNetCash LLC (ENC) which formerly traded as Pounds to Pocket, a related entity of CEU. By way of background, CEU merged with ENC in October 2018, consolidating its operations under the On Stride Financial trading name. For continuity, CEU maintained its online presence under the trading name Pounds to Pocket, keeping the website live, but directing its traffic to the On Stride Financial website (onstride.co.uk).

As a result of the merger, ENC has since been deregistered and its permissions with the FCA cancelled. As part of the merger and by agreement with the FCA, all complaints received in the name of ENC subsequent to the merger were to be dealt with by CEU. Accordingly, following further consultation and a review of the merger documents between ENC and CEU, the FOS, the FCA and the Administrators were satisfied that any claims in relation to ENC would be assessed by the Administrators as part of the redress claim process of CEU. The additional 25 claims were handed over to the Administrators by the FOS in February 2020.

Post-appointment claims

Following the Administrator's appointment, and prior to the launch of the Portal, the Administrators continued to receive redress claims from customers and CMCs by email. The Administrators received approximately 13,000 claims following their appointment up to the date of the Portal launch on 3 August 2020.

The Administrators were previously accepting claims by email or phone call. However, following the launch of the Online Claims Portal on 3 August 2020, the Company is no longer able to accept claims by email or phone to the Customer Support team. Customers who do so will be advised to use the Online Claims Portal instead.

As part of the launch of the Portal, the Administrators provided all current and former customers with the necessary information, including a link to the Online Claims Portal, to facilitate the submission of claims by customers who believe they were sold unaffordable loan(s).

At the date of this report a total of approximately 108,000 redress claims have been received which is represented by claims received pre-appointment (c14,000), claims received post-appointment prior to the launch of the Portal (c13,000) and claims received through the Portal following its launch (c81,000). The Administrators continue to receive an average of c7,000 claims per week.

The total value of claims received is not yet known. However, it is anticipated that claims received and assessed as accepted will significantly exceed the money available to be shared out. As such, any distribution to unsecured creditors will be significantly smaller than the accepted claim amount.

Redress claim assessment process

The Administrators have created a claims assessment process that aligns with all the relevant legal and statutory requirements, so far as reasonably practicable, to provide a fair and reasonable basis for assessing the Redress claims.

Set-off

Where customers qualify for a redress claim also have a current outstanding loan, the first step as part of the distribution process will be to set-off the redress claim against the customer's current loan to reduce the current balance.

Where the redress claim is lower than the amount of the outstanding loan, the customer will have a residual balance to settle on their loan with the Company, which is to be settled as part of the normal collection process.

Where the redress claim exceeds the outstanding balance on the loan, the customer will have their outstanding loan settled first, and then have a residual claim in the administration. This residual claim will then receive a pence in the £ distribution from the estate (which is currently unquantified due to the uncertainty surrounding total redress claims and asset recoveries).

As part of the claim adjudication process, the automated assessment tool will recognise set-off. In such circumstances, customers will be notified during the adjudication process as to how set-off may impact an outstanding loan balance.

Proposed treatment of loans sold to debt purchaser prior to the appointment of the Administrators

Since the previous Progress Report dated 18 May 2020, the Administrators have continued to engage with Counsel and counterparties who have acquired loans from the Company prior to the administration to consider the treatment of such loans as part of the redress claim process. The treatment of such sold loans raises both legal and operational challenges which continue to be addressed. At the date of this report the Administrators confirm that their assessment of loans relating to a customer's redress claim will extend to loans that were sold to debt purchasers, subject to receiving sufficient information to allow for such sold loans to be adjudicated upon.

The Administrators continue to engage with Counsel and debt purchasers to finalise the treatment and gather information required to assess loans sold to a debt purchaser. Customers with one or more sold loans who are affected by this will be contacted in due course.

6 Investigations into the affairs of the Company

6.1 Statutory investigations

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

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

7 Fees and costs

7.1 Overview

Following a decision procedure by the creditors of the Company, the basis of the Administrators' remuneration has been fixed according to the time properly spent by the Administrators and their staff.

The total approved fee estimate for the period from appointment date to 24 October 2020 was £3,472,955 (plus VAT). At this time we do not seek to revise our initial fee estimate for the period from 25 October 2019 to 24 October 2020 in order to be able to draw more remuneration for this period.

We have incurred time costs and expenses in the Period amounting to £1,574,237 and £4,062 respectively, bringing the cumulative totals for the year to 24 October 2020 to £3,127,943 and £4,062 of which £2,999,618 and £3,487 has been paid. Our cumulative time costs to 24 October 2020 (without excluding the time costs we have written off) were under our original fee estimate of £3,472,955 by £345,012.

For the period 25 October 2020 to 24 October 2021, we estimate our time costs and expenses will be £3,058,382 and £5,000 respectively to deal with the remaining matters and to close the administration. We set out further details regarding these matters at section 8.1 and enclose a Notice of the respective decision procedure at Appendix E.

Further details about remuneration and expenses, including a fee estimate for the period 25 October 2020 to 24 October 21, are provided in Appendix B to this report.

8 Future strategy

8.1 Future conduct of the administration

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

- finalising loan collections
- explore possibility of a potential debt sale
- complete the claim adjudication and dividend payment process for the preferential and unsecured creditors
- wind down operations for the business in the UK and the US
- finalisation of the Company's tax affairs, including completion of corporation tax and VAT returns, and settlement of any liabilities,
- concluding the administration, and
- complying with statutory and compliance obligations.

8.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the court. The administration was due to end on 24 October 2020.

It had been identified that an extension to the administration was required, for a period of 12 months, to enable us to complete the realisation of the Company's assets, identifying Redress Creditors and make a distribution to its creditors. The Administrators therefore sought to extend the Administration order by way of application to the Court. The application was granted on 15 July 2020 and the Administration has been extended by a further 12 months to 24 October 2021.

As an application to court has been made, we have also requested permission to make a distribution to the unsecured creditors within the administration. The order was granted on 15 July 2020.

8.3 Exit from administration

The administration will end either by conversion to creditors voluntary liquidation or, if all matters are resolved, dissolution.

8.4 Creditors' committee

The Insolvency (England and Wales) Rules 2016 require that wherever a decision is sought in an administration the creditors must be invited to decide whether a creditors' committee should be established.

The function of a committee is to:

- assist the office holders in discharging the office holders' functions; and
- act in relation to the office holders in such manner as may from time to time be agreed

Information concerning creditors' committees can be found in Liquidation / Creditors' Committees and Commissioners: A Guide for Creditors published by the Association of Business Recovery Professionals. This can be read at or downloaded from <https://www.grantthornton.co.uk/portal>.

A creditors' committee has not been formed to date.

8.5 Resolutions proposed

The resolutions to be considered are as follows:

- The basis of the Administrators' remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a fee estimate of £3,058,382.14 (plus VAT) for the period 25 October 2020 to 24 October 2021
- Whether a creditors' committee be formed

Notice of the respective decision procedure is attached as Appendix E.

8.6 Data protection

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

8.7 Contact from third parties

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

8.8 Covid-19

This report has been produced during the Covid-19 restrictions. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in the next progress report.

8.9 Future reporting

Our next reporting period is from the 25 October 2020 to 24 April 2021. Our next report to creditors will be issued within one month of the end of the next reporting period, or earlier if the administration has been completed by that date.

CashEuroNet UK, LLC
(In Administration)

Joint Administrators' Receipts & Payments
25 October 2019 to 24 October 2020

| RECEIPTS | Statement of Affairs (£) | From 25-Oct-19 to 24-Apr-20 | From 25-Apr-20 to 24-Oct-20 | Total (£) |
|--|-------------------------------------|--|--|----------------------|
| Loan book collections | 30,578,104 | 36,715,489 | 10,516,219 | 47,231,708 |
| Prepaid amounts recovered | | 283,916 | 8,730 | 292,646 |
| Other receipts | | 76,511 | 239,057 | 315,568 |
| Pre-appointment cash at bank | 40,298,269 | 31,613,134 | 2,565,765 | 34,178,899 |
| Total receipts | | 68,689,050 | 13,329,772 | 82,018,821.20 |
| PAYMENTS | | | | |
| IT & telecommunications | | 70,539 | 247,453 | 317,992 |
| Occupancy costs | | 101,098 | 69,903 | 171,000 |
| Other operating costs | | 248,672 | 70,078 | 318,751 |
| Professional fees | | 49,123 | 21,450 | 70,573 |
| Post-appointment refunds | | 25,586 | 12,084 | 37,670 |
| Office costs | | 5,452 | 2,600 | 8,053 |
| Employment costs | | 2,420,713 | 2,162,596 | 4,583,309 |
| General administrative | | 52,823 | 131,444 | 184,267 |
| Debt collection costs | | 392,052 | 244,139 | 636,191 |
| Enova SLA fees | | 2,146,772 | 1,668,295 | 3,815,066 |
| Administrators fees (Post-appointment) | | 1,080,034 | 1,919,584 | 2,999,618 |
| Administrators Expenses (Post-appointment) | | 0 | 3,487 | 3,487 |
| Administrators fees (Pre-appointment) | | 55,092 | 0 | 55,092 |
| VAT irrecoverable | | 374,682 | 489,055 | 863,736 |
| Legal fees | | 254,602 | 113,332 | 367,934 |
| Total Payments | | 7,277,240 | 7,155,498 | 14,432,737 |
| Balance - 24 October 2020 | | 61,411,810 | 6,174,274 | 67,586,084 |

Made up as follows

| | | | |
|---|-------------------|------------------|-------------------|
| BOS 95DN Account | 0 | 5,000,000 | 5,000,000 |
| Barclays Floating Current Account IB | 10,729,667 | -8,759,173 | 1,970,494 |
| Barclays P2P Debitcard Repository Account | 515,268 | -286,382 | 228,885 |
| Barclays QQ Debitcard Repository Account | 74,051 | -6,368 | 67,683 |
| Barclays Lockbox Account | 51,597 | 12,614 | 64,210 |
| BOS Current Account | 5,007,462 | -2,903,190 | 2,104,272 |
| Santander Current Account | 5,009,048 | -4,929,954 | 79,094 |
| Barclays Quarterly Money Market | 10,024,718 | -24,718 | 10,000,000 |
| BOS 3 Month Money Market | 15,000,000 | -2,000,000 | 13,000,000 |
| Santander 6 Month Time Deposit | 15,000,000 | 5,045,123 | 20,045,123 |
| HSBC 6 Month Money Market | 0 | 15,026,322 | 15,026,322 |
| | 61,411,810 | 6,174,274 | 67,586,084 |

Note - VAT is not recoverable

Appendix B - Payments, remuneration and expenses to the joint administrators or their associates

Statement of Insolvency Practice 9 disclosure

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

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

Pre-appointment costs

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

On 2 January 2020 the creditors approved payment of £55,092 of the pre-administration fees of Grant Thornton UK LLP (as disclosed in the joint administrators' statement of proposals) from the estate. These have been paid.

Post-appointment costs

Fee basis of the joint administrators

On 2 January 2020 the creditors resolved that remuneration be fixed by time properly spent by the Administrators and their staff on the administration, with a fee estimate of £3,472,956 for the period from 25 October 2019 to 24 October 2020.

During the Period time costs were incurred totalling £1,574,237 represented by 3,552 hrs at an average of 443 £/hr (as shown in the 'Work done' section below). This brings cumulative time costs at the Period end to £3,127,943 of which £2,999,618 has been paid and £72,125 of costs have been written off. A description of the work done in the Period is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, our time costs to date (without excluding the time costs written off) were under our original fee estimate of £3,472,955 by £345,012. The principle reason we were under our fee estimate is due to a combination of certain activities being completed more efficiently than anticipated and certain milestones falling into the next phase of the Administration.

Likely return to creditors

We issued a notice of intention to distribute on 15 July 2020. However, we are not yet in a position to estimate the size of the distribution, due to certain assets yet to be realised, as well as an ever-increasing redress population which has now reached approximately 108,000 claims.

Fee estimate for the period 25 October 2020 to 24 October 2021 (Year 2) and work done in the Period

A fee estimate comprises the work anticipated to be undertaken and the estimated respective time cost – the fees eventually paid may be less depending on the value of asset recoveries or successful claims, for example. The fee estimate below is based on all of the information available to us as at 17 November 2020. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administration, in calculating the time and cost included in the fees estimate table provided below. The subsequent section includes narrative details and numerical analysis of the work done in the Period. Details of expenses incurred in the Period are provided in the 'Disbursements and expenses' section below. A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

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

- these are the costs anticipated for the period 25 October 2020 to 24 October 2021
- that all complex matters in relation to the case are dealt with in the period, particularly in relation to the Redress Creditors
- that all remaining assets are realised during the period
- the volume of claims and appeals will continue to be received at the current rate

The further information required in respect of seeking this approval is included within the relevant notice of decision procedure included at Appendix E.

| Area of work | Anticipated work | Why the work is necessary | Financial benefit to creditors | Fess and expense estimate | | |
|---|--|---|---|---------------------------|-----------------|-----------------|
| Trading | | | | 1,323 hrs | £681,093 | £/hr 515 |
| Trading general | <ul style="list-style-type: none"> Detailed cash flow analysis and projections Reviewing and approving payments for the day-to-day running of the business | <ul style="list-style-type: none"> To reduce trading costs to a manageable position to ensure delivery of the key objectives of the administration By reducing the cost of trading, this would maximise the return to creditors | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Service Level Agreement | <ul style="list-style-type: none"> Negotiation of extension of Service Level Agreement (SLA) with Enova Group companies Ongoing monitoring of the SLA Continued platform support | <ul style="list-style-type: none"> To support continuation of trading The SLA is critical as CEU does not own a proprietary platform | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Supplier management and continuation of operations | <ul style="list-style-type: none"> Establishing arrangements for continued supplies of services and systems Maintaining contact with suppliers to support orderly wind down of services Helping unsecured creditors register their claim Terminating suppliers as appropriate during the wind down process | <ul style="list-style-type: none"> To secure continuity of supplies and maintenance of key systems necessary to support asset realisations To ensure services provided by Enova Group continue uninterrupted Orderly wind down of operations and minimisation of operating costs | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Employees | <ul style="list-style-type: none"> Working with management to identify key employees for the business Continuing phased redundancy programme in line with wind down of operations Holding regular update meetings with retained employees to implement post-appointment protocols, including payroll, and attending to other ad hoc employee issues | <ul style="list-style-type: none"> Retention of certain employees is essential to maintain a 'business as usual' strategy necessary to allow recovery of the loan collections and other assets of the Company To maintain customer services to address customer queries including redress inquiries | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Pensions | <ul style="list-style-type: none"> Communication with the Pensions Regulator Maintenance of employee contributions | <ul style="list-style-type: none"> Statutory and employment obligations | <ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the | | | |

estate it will add value to the insolvency process

| Assets | | | 1,037 hrs | £551,250 | £/hr 532 |
|--|---|--|---|----------|----------|
| Insurance | <ul style="list-style-type: none"> Ensuring appropriate ongoing insurance arrangements via our insurance brokers, | <ul style="list-style-type: none"> To ensure statutory compliance and to safeguard the value of the Company's assets Necessary to ensure the safety of the assets of the business as well as the safety of the working environment for the employees | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | |
| IT platform, database | <ul style="list-style-type: none"> Maintaining the Company's operating platform to facilitate collections, customer support and the Online Portal Considering the options for sale of Company's database and managing interest party engagements Obtaining advice on legal status of database | <ul style="list-style-type: none"> To maximise loan book realisations and maintain customer support | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | |
| Loan Book - weekly reporting | <ul style="list-style-type: none"> Ongoing monitoring of the weekly reporting on the status of the loan book | <ul style="list-style-type: none"> To secure collection of the loan book asset | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | |
| Loan Book - Arrears management and realisation strategy | <ul style="list-style-type: none"> Reviewing existing strategy for management of accounts in arrears and ensuring ongoing regulatory compliance Monitoring collections of arrears and liaising with Debt Collection Agents (DCA) regarding collection performance Assessing the arrangements for placements with the DCA Considering options regarding sale of loan book as appropriate | <ul style="list-style-type: none"> Necessary to realise the loan book value | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | |
| Cash at bank | <ul style="list-style-type: none"> Arranging transfer of cash balances held by pre-appointment banks Setting up regular bank of post-appointment collections Ongoing monitoring and reconciliation of cash balances in the administration accounts | <ul style="list-style-type: none"> To safeguard a significant asset of the Company | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | |

| | | | |
|---------------------------------|--|---|---|
| Trademarks | <ul style="list-style-type: none"> Continuing reviewing and protecting trademark portfolio Monitoring renewal of trademarks as appropriate | <ul style="list-style-type: none"> To safeguard a potential asset of the Company | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |
| Legal/Regulatory | <ul style="list-style-type: none"> Correspondence, including regular telephone calls and emails with the FCA to discuss the proposed post appointment strategy and trading performance Amendments and updates to the CEU websites, where applicable Monitoring the "CEU" page on the Grant Thornton website in order to provide updates on the administration to creditors and customers, including the provision of FAQs | <ul style="list-style-type: none"> The Company continues to be regulated by the FCA, therefore a frequent dialogue is required The website allows for the latest updates on the administration to be accessed by customers | <ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process |
| Investigations | | | 54 hrs £25,143 £/hr 469 |
| General | <ul style="list-style-type: none"> Review of books and records of the Company, including those held in storage Securely destroying any aged or irrelevant records as appropriate Obtain back-up copies of data | <ul style="list-style-type: none"> Statutory requirement of the Administrators | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Claims | <ul style="list-style-type: none"> Investigations for disputes over claims should they arise | <ul style="list-style-type: none"> Statutory requirement of the Administrators | <ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process |
| Creditors | | | 1,1908 hrs £911,770 £/hr 478 |
| Employees & pensions | <ul style="list-style-type: none"> Working with agents to quantify the claims of employees Continued to monitor the utilisation of staff Ad hoc employee queries in respect of the insolvency process | <ul style="list-style-type: none"> The Administrators ensured the retention of key employees in order to assist with the execution of post appointment workstreams To enable settlement of any preferential claims Establishment of any unsecured claims from employees arising from termination of their employment To manage stakeholder expectations | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |

| | | | |
|---|---|--|---|
| Unsecured | <ul style="list-style-type: none"> • Collation of trade creditors and supplier claims and requests for proofs • Ad hoc queries from creditors in respect of the insolvency process and agree claims | <ul style="list-style-type: none"> • To establish the quantum of creditor claims • To manage stakeholder expectations | <ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Redress Creditors | <ul style="list-style-type: none"> • Working with the development team of the Company to monitor the Online Claims Portal • Data segmentation review of the loan book • Meetings with the complaints team to discuss the process of claims handling • Meetings with FCA to discuss arrangements for and identification of potential redress complaints • Consulting with FCA and the FOS on methodology for capture and adjudication of redress claims • Providing updates to redress creditors | <ul style="list-style-type: none"> • To quantify the claims of redress creditors • To ensure data is secure and the review process is efficient, accurate and timely • To manage stakeholder expectations • To ensure that potential redress creditors are kept abreast of all key updates • To ensure that the communications process is as commercial as possible | <ul style="list-style-type: none"> • This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process |
| Administration | | | |
| | | | 2,461 hrs £889,126 £/hr 361 |
| Case Management | <ul style="list-style-type: none"> • Monitor files for the case and ensure statutory deadlines are adhered to • Filing statutory documents on Companies House | <ul style="list-style-type: none"> • Required as part of the duties of the Administrators and their staff | <ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Statutory reporting and creditor decision procedures | <ul style="list-style-type: none"> • Preparation of fee estimate and remuneration report for creditors • Decision procedure by creditors for approval of proposals and basis of remuneration | <ul style="list-style-type: none"> • Statutory requirement | <ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Shareholders / debtor / director communications | <ul style="list-style-type: none"> • Responding to press enquiries regarding administration process • Update and monitor web pages on both CEU and Grant Thornton websites | <ul style="list-style-type: none"> • To address public interest in the administration • To make information available to potential creditors | <ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Compliance FCA / FOS | <ul style="list-style-type: none"> • Regular communication and updates with the FCA regarding progress of the administration • Meetings and correspondence with the FOS over redress claims management | <ul style="list-style-type: none"> • To maintain the compliance with regulatory requirements • To ensure regulators were informed of the strategy for the administration and the | <ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |

| | | | |
|--|--|---|--|
| Treasury, billing & funding | <ul style="list-style-type: none"> Processing and recording transactions arising during the period of the administration Ongoing monitoring and closure of the Administration bank accounts Arranging and accounting for the various receipts and payments of the Company | <ul style="list-style-type: none"> Required as part of the duties of the Administrators and their staff | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Tax | <ul style="list-style-type: none"> Consideration of tax position as regards to redress process Obtain tax clearance for distribution | <ul style="list-style-type: none"> Statutory compliance To meet all post administration tax liabilities | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Pensions | <ul style="list-style-type: none"> Relevant updates in relation to pension cover and benefits Correspondence with Pensions Regulator Maintenance of employee contributions | <ul style="list-style-type: none"> Statutory requirement | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Total Administrators fees estimate to 24 October 2021 | | | 6,783 hrs £3,058,382 £/hr 451 |
| Total Administrators expenses estimate to 24 October 2021 | | | £5,000 |

Work done by the joint administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fee estimate was included within our Statement of Proposals to creditors dated 17 December 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the joint administrators' fees incurred together with a numerical fees estimate variance analysis. Reasons for any excess of the fee estimate are included in the 'Fee basis' section above. Note, however, that the level of fees eventually paid may be less depending on the value of asset recoveries or successful claims, for example. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

| Area of work | Work done | Why the work was necessary | Financial benefit to creditors | Fees (time costs) incurred | | |
|---|---|---|--|----------------------------|-----------------|-----------------|
| Trading | | | | 948 hrs | £468,511 | £/hr 494 |
| Trading general | <ul style="list-style-type: none"> Detailed cash flow analysis and projections Reviewing and approving payments for the day-to-day running of the business | <ul style="list-style-type: none"> To reduce trading costs to a manageable position to ensure delivery of the key objectives of the administration By reducing the cost of trading, this would maximise the return to creditors | <ul style="list-style-type: none"> This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Service Level Agreement | <ul style="list-style-type: none"> Ongoing monitoring of the SLA Continued platform support | <ul style="list-style-type: none"> To support continuation of trading The SLA is critical as CEU does not own a proprietary platform | <ul style="list-style-type: none"> This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Supplier management and continuation of operations | <ul style="list-style-type: none"> Establishing arrangements for continued supplies of services and systems Maintained contact with suppliers to support orderly wind down of services Helping unsecured creditors register their claims Terminating suppliers as appropriate during the wind down process | <ul style="list-style-type: none"> To secure continuity of supplies and maintenance of key systems necessary to support asset realisations To ensure services provided by Enova Group continue uninterrupted Orderly wind down of operations and minimisation of operating costs | <ul style="list-style-type: none"> This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |
| Employees | <ul style="list-style-type: none"> Assessment of employee rights and obligations in both the UK and the US Working with management to identify key employees for the business continuing phased redundancy programme in line with wind down of operations Holding regular update meetings with retained employees to implement post-appointment | <ul style="list-style-type: none"> Retention of certain employees is essential to maintain a 'business as usual' strategy necessary to allow recovery of the loan collections and other assets of the Company To maintain customer services to address customer queries including redress inquiries | <ul style="list-style-type: none"> This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available | | | |

| | | | |
|--|---|--|---|
| | protocols, including payroll, and attending to other ad hoc employee issues | | |
| Pensions | <ul style="list-style-type: none"> • Communication with Pensions Regulator • Maintenance of employee contributions | <ul style="list-style-type: none"> • Statutory and employment obligations | <ul style="list-style-type: none"> • This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process |
| Assets | | | 101 hrs £42,980 £/hr 427 |
| IT platform, database | <ul style="list-style-type: none"> • Considering the options for sale of Company's database and managing interest party engagements • Obtaining advice on legal status of database | <ul style="list-style-type: none"> • To secure realisation of the best value from the Company's IT assets | <ul style="list-style-type: none"> • This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |
| Loan Book – Initial set up and weekly reporting | <ul style="list-style-type: none"> • Established the status of the Company's Loan Portfolios and overseeing communication with customers and monitoring collections • Ongoing monitoring of the weekly reporting on the status of the loan book | <ul style="list-style-type: none"> • To secure collection of the loan book asset | <ul style="list-style-type: none"> • This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |
| Loan Book - Arrears management and realisation strategy | <ul style="list-style-type: none"> • Reviewing existing strategy for management of accounts in arrears and ensuring ongoing regulatory compliance • Monitoring collections of arrears and liaising with Debt Collection Agents (DCA) regarding collection performance • Assessing the arrangements for placements with the DCA • Considering options regarding sale of loan book as appropriate | <ul style="list-style-type: none"> • Necessary to realise the loan book value | <ul style="list-style-type: none"> • This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |
| Cash at bank | <ul style="list-style-type: none"> • Arranging transfer of cash balances held by pre-appointment banks • Setting up regular bank sweeps of pre-appointment and post-appointment collections • Ongoing monitoring and reconciliation of cash balances in the administration accounts | <ul style="list-style-type: none"> • To safeguard a significant asset of the Company | <ul style="list-style-type: none"> • This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |
| Trademarks | <ul style="list-style-type: none"> • Reviewing and protecting trademark portfolio | <ul style="list-style-type: none"> • To safeguard a potential asset of the Company | <ul style="list-style-type: none"> • This work was necessary to help realise financial value for the benefit of the |

| | | | |
|---|---|---|---|
| | <ul style="list-style-type: none"> Monitoring renewal of trademarks as appropriate | | estate and for a distribution to creditors should sufficient funds become available |
| Legal/Regulatory | <ul style="list-style-type: none"> Correspondence, including regular telephone calls and emails with the FCA to discuss the proposed post appointment strategy and trading performance Amendments and updates to the CEU websites, where applicable Creation of a "CEU" page on the Grant Thornton website in order to provide updates on the administration to creditors and customers, including the provision of FAQs | <ul style="list-style-type: none"> The Company continues to be regulated by the FCA, therefore a frequent dialogue is required The website allows for the latest updates on the administration to be accessed by customers | <ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate |
| Investigations | | | |
| | | 2 hrs | £1,160 £/hr 580 |
| Debtor/directors/senior employees | <ul style="list-style-type: none"> Obtained further commentary on background of events leading to administration and roles of management in this period | <ul style="list-style-type: none"> Statutory requirement | <ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate |
| Creditors | | | |
| | | 1,890 hrs | £820,413 £/hr 432 |
| Employees & pensions | <ul style="list-style-type: none"> Working with agents to quantify the claims of employees Continued to monitor the utilisation of staff Ad hoc employee queries in respect of the insolvency process | <ul style="list-style-type: none"> The Administrators ensured the retention of key employees in order to assist with the execution of post appointment workstreams To enable settlement of any preferential claims Establishment of any unsecured claims from employees arising from termination of their employment To manage stakeholder expectations | <ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available |
| Unsecured | <ul style="list-style-type: none"> Collation of trade creditors and supplier claims Ad hoc queries from creditors in respect of the insolvency process | <ul style="list-style-type: none"> To establish the quantum of creditor claims To manage stakeholder expectations | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Redress Creditors – Initial assessment | <ul style="list-style-type: none"> Obtained information from the Company on the level and nature of potential claims from customers Obtained and assessed legal advice on the complaints process and time limits for submission of potential claims | <ul style="list-style-type: none"> To quantify the claims of redress creditors To ensure data is secure and the review process is efficient, accurate and timely To manage stakeholder expectations | <ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process |

- Worked with the development team of the Company to progress the build of the Online Claims Portal
- Data segmentation review of the loan book
- Meetings with the complaints team to discuss the process of claims handling

Redress Creditors – Regulatory meetings

- Meeting and corresponding with the FOS to discuss potential claims already lodged with the FOS
- Meetings with FCA to discuss arrangements for and identification of potential redress complaints
- Consulting with FCA and the FOS on methodology for capture and adjudication of redress claims
- To ensure regulatory compliance
- To quantify the claims of unsecured creditors
- This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process

Redress Creditors – ongoing monitoring

- Established systems including updates to CEU websites to capture and process potential claims of any redress creditors including overseeing development of automated adjudication tool
- Providing updates to redress creditors
- To ensure that potential redress creditors are kept abreast of all key updates
- To ensure that the communications process is as commercial as possible
- This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process

Administration

602 hrs £241,172 £/hr 401

Case management

- Filing of the relevant statutory forms on Companies House
- Required as part of the duties of the Administrators
- This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate

Statutory reporting and creditor decision procedures

- Preparation of fee estimate and remuneration report for creditors
- Decision procedure by creditors for approval of basis of remuneration
- Statutory requirement
- This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate

Shareholders / debtor / director communications

- Responding to press enquiries arising from the appointment of Joint Administrators
- Updated and monitored web pages on both CEU and Grant Thornton websites
- To address public interest in the administration
- To make information available to potential creditors
- This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate

| | | | |
|--|--|--|--|
| Compliance FCA / FOS | <ul style="list-style-type: none"> Regular communication and updates with the FCA regarding progress of the administration Meetings and correspondence with the FOS over redress claims management | <ul style="list-style-type: none"> To maintain the compliance with regulatory requirements To ensure regulators were informed of the strategy for the administration and the | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Treasury, billing & funding | <ul style="list-style-type: none"> Processing and recording transactions arising during the period of the administration Arranging and accounting for the various receipts and payments of the Company | <ul style="list-style-type: none"> Required as part of the duties of the Administrators and their staff | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Tax | <ul style="list-style-type: none"> Review of historical tax position of the Company Review of VAT position of the Company Consideration of tax position as regards to redress process | <ul style="list-style-type: none"> Statutory compliance To meet all post administration tax liabilities | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |
| Pensions | <ul style="list-style-type: none"> The Grant Thornton Pension Advisory team is engaged to deal with various matters including: <ul style="list-style-type: none"> - Discussions with the Company and Administrators to discuss the pre administration policy and benefits as well as areas and cover to be maintained post administration - Pre-administration pension and benefit data gathering and assessment of cover Relevant updates in relation to pension cover and benefits Correspondence with Pensions Regulator Maintenance of employee contributions | <ul style="list-style-type: none"> Statutory requirement | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to the estate |

**Total fees incurred
in the Period**

3,552 hrs £1,574,237 £/hr 443

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 25/04/2020 to 24/10/2020

| Area of work | Partner | | Manager | | Executive | | Administrator | | Period total | | | Cumulative total as at period end | | | Fees estimate | | | Variance | | |
|---|---------|----------|----------|-----------|-----------|------------|---------------|--------|--------------|-----------|------|-----------------------------------|------------|------|---------------|-----------|------|----------|---------|-------|
| | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ | £/hr | Hrs | £ | £/hr | Hrs | £ | £/hr | Hrs | £ | £/hr |
| Trading: | | | | | | | | | 948.30 | 468,511 | 494 | 2,055.80 | 1,047,288 | 509 | 1,557.00 | 739,639 | 475 | - | 498.80 | - |
| Trading (general) | 63.00 | 50,085 | 420.50 | 230,262 | 464.80 | 188,164 | - | - | 948.30 | 468,511 | 494 | 2,055.80 | 1,047,288 | 509 | | | | | | |
| Realisation of Assets: | - | - | - | - | - | - | - | - | 100.60 | 42,980 | 427 | 469.25 | 242,033 | 516 | 1,638.00 | 865,247 | 528 | 1,168.75 | 623,214 | 533 |
| Cash at bank | 1.00 | 795 | - | - | 39.20 | 15,876 | - | - | 40.20 | 16,671 | 415 | 102.45 | 42,907 | 419 | | | | | | |
| Insurance | - | - | - | - | - | - | - | - | - | - | - | 15.50 | 6,548 | 422 | | | | | | |
| Loan book | - | - | 35.20 | 17,295 | 21.70 | 6,760 | - | - | 56.90 | 24,054 | 423 | 319.00 | 174,909 | 548 | | | | | | |
| Other assets (incl. Trademark, IT platform, Legal & Property) | 2.00 | 1,590 | 1.50 | 665 | - | - | - | - | 3.50 | 2,255 | 644 | 32.30 | 17,669 | 547 | | | | | | |
| Investigations: | - | - | - | - | - | - | - | - | 2.00 | 1,160 | 580 | 47.75 | 25,367 | 531 | 70.00 | 34,840 | 498 | 22.25 | 9,473 | 426 |
| Debtor / director / senior employees | - | - | 2.00 | 1,160 | - | - | - | - | 2.00 | 1,160 | 580 | 35.15 | 18,545 | 528 | | | | | | |
| Books & records | - | - | - | - | - | - | - | - | - | - | - | 8.60 | 3,642 | 424 | | | | | | |
| Investigations (general) | - | - | - | - | - | - | - | - | - | - | - | 4.00 | 3,180 | 795 | | | | | | |
| Creditors: | - | - | - | - | - | - | - | - | 1,899.85 | 820,413 | 432 | 2,817.80 | 1,234,739 | 438 | 1,871.00 | 986,852 | 527 | - | 946.80 | - |
| Employees & pensions | - | - | 9.10 | 4,036 | - | - | - | - | 9.10 | 4,036 | 444 | 99.40 | 53,752 | 541 | | | | | | |
| Redress creditors | - | - | 170.25 | 50,291.25 | 711.50 | 259,760.00 | 1.00 | 120.00 | 882.75 | 310,171 | 351 | 1,440.55 | 544,278 | 378 | | | | | | |
| Unsecured | 10.00 | 7,785 | 954.45 | 482,311 | 42.15 | 15,858 | 1.40 | 252 | 1,008.00 | 506,206 | 502 | 1,277.85 | 636,709 | 498 | | | | | | |
| Administration: | - | - | - | - | - | - | - | - | 601.55 | 241,172 | 401 | 1,483.05 | 578,516 | 390 | 1,904.00 | 846,377 | 445 | 420.95 | 267,861 | 54 |
| Case management | 35.75 | 28,421 | 124.50 | 55,048 | 26.15 | 9,257.00 | 11.75 | 2,010 | 198.15 | 94,737 | 478 | 374.00 | 174,874 | 468 | | | | | | |
| Compliance & general administration matters | 1.50 | 1,192.50 | - | - | 0.50 | 150.00 | - | - | 2.00 | 1,343 | 671 | 283.60 | 112,171.00 | 396 | | | | | | |
| Pensions | - | - | 13.30 | 7,914 | - | - | - | - | 13.30 | 7,914 | 595 | 47.60 | 25,147 | 528 | | | | | | |
| Reports to creditors, notices & decisions | 7.00 | 5,565 | 51.45 | 22,464 | 25.95 | 9,750 | 2.20 | 396 | 86.60 | 38,175 | 441 | 181.05 | 71,014 | 392 | | | | | | |
| Tax | 10.70 | 7,691 | 32.50 | 15,317 | 0.40 | 104 | - | - | 43.60 | 23,111 | 530 | 130.95 | 72,616 | 555 | | | | | | |
| Treasury, billing & funding | 9.50 | 7,553 | 43.60 | 19,137 | 176.45 | 44,101 | 28.35 | 5,103 | 257.90 | 75,893 | 294 | 465.85 | 122,694 | 263 | | | | | | |
| Total | 140.45 | 110,677 | 1,858.35 | 905,901 | 1,508.80 | 549,779 | 44.70 | 7,881 | 3,552.30 | 1,574,237 | 443 | 6,873.65 | 3,127,943 | 455 | 7,040.00 | 3,472,955 | 493 | 166.35 | 345,012 | 2,074 |

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £2,999,618.09 (excludes VAT)
- Total time costs written off to date: £72,125

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the joint administrators, description of which is provided in the 'Work done' section above.

| Category | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|--|----------------------------|--|--|
| Category 1 disbursements | | | |
| Travel and subsistence | - | 2,140 | 1,562 |
| Insolvency bonding | - | 1,875 | 1,875 |
| Office costs | - | 50 | 50 |
| Expenses | | | |
| IT expenses: | | | |
| Skyron Limited | 1,323 | 3,075 | 3,075 |
| CyberSource Corporation | 41,941 | 101,548 | 101,548 |
| Experian Limited | 5,849 | 178,922 | 178,922 |
| GW Solutions Limited | 1,840 | 1,840 | 1,840 |
| Bottomline Technologies Limited | 16,000 | 16,000 | 16,000 |
| Consultant – Broadgate Search Limited | 4,950 | 4,950 | 3,850 |
| Rates – Islington Council | - | 28,079 | 28,079 |
| Telephone | 7,426 | 16,607 | 16,607 |
| Insurance | 3,555 | 7,860 | 7,860 |
| Professional fees: | | | |
| Access UK Ltd | - | 21,239 | 21,239 |
| Baildon Commission | - | 1,044 | 1,044 |
| ERA Solutions Ltd | - | 1,100 | 1,100 |
| William Brady Accountancy Services Ltd | 21,450 | 48,015 | 47,190 |
| Barclaycard costs | 55,976 | 222,235 | 222,235 |
| Property expenses: | | | |
| Castle Water Ltd | - | 463 | 463 |
| E.ON | 2,485 | 5,515 | 5,515 |
| Ferguson Holdings Ltd | 79,519 | 149,045 | 135,295 |

| | | | |
|--|-----------|-----------|-----------|
| Inspired Integrated Systems Ltd | 461 | 461 | 461 |
| BT Business | 1,036 | 1,036 | 1,036 |
| Post-appointment refunds | 12,084 | 37,670 | 37,670 |
| Advertising – BBJ&K Limited | 64,124 | 64,124 | 64,124 |
| Office costs: | | | |
| Lombard Cleaning Services | 1,300 | 3,606 | 3,506 |
| City Keyholding Ltd | 314 | 314 | 314 |
| Siemens Financial | 986 | 986 | 986 |
| Suppliers: | | | |
| City Fire Protection & Maintenance Services LLP | - | 211 | 211 |
| 121 Direct Mail Ltd | 30,506 | 67,086 | 67,086 |
| Eden Springs UK Ltd | - | 250 | 250 |
| Islington Council | 152 | 303 | 303 |
| Packet Media Ltd | 24,614 | 46,373 | 46,373 |
| PAT Central Ltd | - | 222 | 222 |
| Ricoh UK Ltd | - | 30 | 30 |
| Shred-it Ltd | 1,825 | 3,604 | 1,456 |
| WSM partners | 2,260 | 3,745 | 3,745 |
| Employee costs (including payroll taxes): | | | |
| UK Employee Costs | 279,029 | 655,654 | 655,654 |
| US Employee Costs | 1,727,133 | 4,151,694 | 3,889,426 |
| Other Payroll Deductions: | | | |
| AXA PPP Healthcare | - | 972 | 972 |
| B&C Holdings Ltd | 11,848 | 29,376 | 29,376 |
| Canada Life Insurance | 2,865 | 3,139 | 3,139 |
| Denplan Ltd | - 504 | 2,662 | 2,662 |
| St James's Place | - | 2,079 | 2,079 |
| Employee Expenses | 16 | 16 | 16 |
| Debt collection costs: | | | |
| ARC Europe Limited | 241,497 | 575,098 | 575,098 |

| | | | |
|---|------------------|-------------------|-------------------|
| Bottomline Technologies Limited | - | 1,495 | 1,495 |
| Text Marketer | - | 1,146 | 1,146 |
| Enova SLA Costs | 1,392,515 | 3,815,066 | 3,815,066 |
| Ransom payments: | | | |
| ARC Europe | - | 59,807 | 57,772 |
| WSM | - | 680 | 680 |
| Legal fees: | | | |
| Paul Hasting (Europe) LLP | - | 153,787 | 153,787 |
| Slaughter & May | 126,592 | 252,524 | 214,147 |
| Stationery & postage | | | |
| Central Mailing Services | 579 | 579 | 579 |
| Royal Mail | 294 | 294 | 294 |
| Data protection fee | 60 | 60 | 60 |
| Statutory advertising | 80 | 154 | 154 |
| Bank charges | 8,785 | 87,569 | 87,569 |
| Irrecoverable VAT | 447,230 | 872,489 | 863,736 |
| Total expenses and disbursements | 4,619,995 | 11,707,693 | 11,378,029 |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Accordingly, the following resolution was made by the creditors on 2 January 2020:

- That Administrators' be permitted to draw mileage at 45p per mile.

Details of these costs are also provided in the table above, where incurred.

Sub-contracted out work

During the Period we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

| Service provider | Services enlisted | Cost of service |
|-----------------------|---|---|
| Grant Thornton UK LLP | <ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)Pensions work/advice (narrative is included within the above narrative of work done)BRS & Cyber Consulting - setting up and testing the Online Assessment Tool | <ul style="list-style-type: none">Costs are included within the above SIP9 time cost analysis |

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as joint administrators, which may give rise to a potential conflict.

Information for creditors and members

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

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

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

C Statutory information

Company information

| | |
|-----------------------------|--|
| Company name | CashEuroNet UK, LLC |
| Date of incorporation | 18 November 2014 |
| Company registration number | FC032279 |
| Former trading address | 2nd Floor Fergusson House 124-128 City Road London EC1V 2NJ |
| Present registered office | 4 Hardman Square Spinningfields Manchester M3 3EB |

Administration information

| | |
|--|---|
| Administration appointment | The administration appointment granted in the In the High Court of Justice, Business and Property Courts of England & Wales, 007155 of 2019 |
| Appointor | the Company |
| Date of appointment | 25 October 2019 |
| Joint Administrator's names | Chris M Lavery Trevor P O'Sullivan Andrew Charters |
| Joint Administrator's address | 30 Finsbury Square, London, EC2A 1AG |
| Purpose of the administration | Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) |
| Estimated values of the net property and prescribed part | The Prescribed Part shall not apply in this case as there is no qualifying floating charge holder |
| Prescribed part distribution | Not applicable (see above) |
| Functions | In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them. |
| Current administration expiry date | 24 October 2021 |

D Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

Any persons choosing to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

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

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

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

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

CashEuroNet UK, LLC - In Administration**Notice of vote by correspondence**

| | |
|-----------------------|--|
| Company name | CashEuroNet UK, LLC |
| Company number | FC032279 |
| Court name and number | In the High Court of Justice, Business and Property Courts of England & Wales 007155 of 2019 |
| Decision date | 10 December 2020 |

NOTICE IS HEREBY GIVEN that under paragraph 57 of Schedule B1 of the Insolvency Act 1986 and rule 18.30 of the Insolvency (England and Wales) Rules 2016, decisions of the creditors are sought as follows:

- 1 The basis of the Administrators' remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a fee estimate of £3,058,382.14 (plus VAT) for the period 25 October 2020 to 24 October 2021
- 2 whether a creditors' committee be formed.

A creditor who is entitled to vote should return the voting form provided with this notice to Chris M Lavery at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to cmu@uk.gt.com no later than 23:59 on the decision date.

In order for a creditor's vote to be valid a proof of debt must be received no later than the decision date, failing which the creditor's vote will be disregarded. A proof of debt should be delivered to Chris M Lavery at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to cmu@uk.gt.com. A new proof of debt is not required if you have previously submitted one in the proceedings. A proof of debt form is enclosed for completion if required.

A creditor whose debt is treated as a small debt in accordance with rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must deliver a proof of debt if they wish to vote, unless a proof of debt has previously been submitted, failing which the vote will be disregarded.

A creditor who has opted out from receiving notices may nevertheless vote if a proof of debt is delivered, unless a proof of debt has previously been submitted, failing which the vote will be disregarded.

A vote cast in a decision procedure which is not a meeting may not be changed.

A decision of the convenor is subject to appeal to the court by any creditor in accordance with rule 15.35 of the Insolvency (England and Wales) Rules 2016. An appeal under this rule may not be made later than 21 days after the decision date.

A physical meeting will be held to replace this vote by correspondence if requested not later than five business days after the date of delivery of this notice by not less than one of the following:

- 10% in value of the creditors
- 10% in number of the creditors
- 10 creditors.

DATED THIS 17th day of November 2020



Chris Lavery
Joint Administrator

VOTING FORM

Company name

CashEuroNet UK, LLC

Please delete as appropriate if you are for or against the resolutions below.

This form must be received at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to cmu@uk.gt.com by 23.59 on 10 December 2020 in order to be counted. It must be accompanied by a proof of debt, unless you have previously submitted a proof of debt, failing which your vote will be disregarded.

Resolution(s)

- 1 The basis of the Administrators' remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a fee estimate of £3,058,382.14 (plus VAT) for the period 25 October 2020 to 24 October 2021 **For/Against**
- 2 Do you want a creditors' committee to be formed? **Yes/No**

If a creditors' committee is formed I/we

nominate the following creditors to serve as members of such committee:

- 1
- 2
- 3
- 4
- 5

A creditor is eligible to be a member of such a committee if, the person has proved for a debt; the debt is not fully secured; and neither of the following apply: the proof has been wholly disallowed for voting purposes, or the proof has been wholly rejected for the purpose of distribution or dividend. No person can be a member as both a creditor and a contributory. A body corporate may be a member of a creditors' committee, but it cannot act otherwise than by a representative appointed under rule 17.17 of the Insolvency (England and Wales) Rules 2016.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor

Signature

Date (DD/MM/YYYY)

(If signing on behalf of the creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your vote, please contact Matthew Drinkwater at the address above. Please note that once cast, a vote cannot be changed or withdrawn

Office use only:

Date Completed form received
(DD/MM/YYYY)

Initial



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