



CashEuroNet UK, LLC - in administration

Joint Administrators' progress report for the period 25 April 2021 to 24 October 2021

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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.

Guide to this report

Report sections

Definitions

1 **Executive summary**

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

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

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4 **Investigations into the affairs of the Company**

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

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A **Notice about this report**

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

B **Statutory information**

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

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

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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
Alantra	Alantra Corporate Portfolio Advisors International Limited
APR	Annual Percentage Rate
Joint Administrators/ Administrators/our/us/we	Chris Laverty, 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	24 October 2020 to 24 April 2021
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

- This progress report for the Company's administration covers the period from 25 April 2021 to 24 October 2021
- Our proposals were approved on 2 January 2020 by way of a decision procedure by the creditors.
- The key work done in the Period is:
 - The Joint Administrators successfully sold a significant portion of the Company's remaining loan portfolio to Lantern Debt Recovery Services Ltd (Lantern) on 23 July 2021 for the sum of £17,704,447.
 - Ongoing loan book collections which subsequently ceased on 23 August 2021. Total collections during the administration totalled £55.1 million.
 - The Joint Administrators applied to the Court on 12 August 2021 to obtain additional time to complete the sale and transition of the loan book. As a result of the application, the Court made the following orders:
 1. The Joint Administrators' term of office be extended for a period of 12 months giving a revised date for the automatic termination of the administration of 24 October 2022; and
 2. The Joint Administrators will make any distributions and declare any dividends in respect of such distributions within thirteen months of the Last Date for Proving.
 - As a result of the court orders, the Joint Administrators have until March 2022 to pay a dividend to the unsecured creditors (including redress creditors)
 - The Joint Administrators have collected and assessed all redress claims from the Company's current and former customers. The redress claims portal closed on 14 February 2021 with a total of 169,075 claims being received.
 - The Joint Administrators continue to wind down the operations of the business as far as possible, subject to supporting the wind down of systems and payment of the dividend, including providing on-going customer support.
 - As a regulated entity, the Joint Administrators have continued to engage with the FCA and provide regular status updates
- Whilst there remain a number of material matters to conclude in relation to the Administration, detailed further in this report, the Joint Administrators anticipate there to be a dividend to unsecured creditors in the range of 30p to 50p in the £. The final dividend rate will be largely dependent on the outcome of the following items:
 - the adjudication of all creditor claims which we comment on further later in this report;
 - wind down of residual operations and associated costs, including staff and support services provided by Enova; and
 - obtaining tax clearance from HMRC.
- The Joint Administrators have submitted their final corporation tax return to HMRC for tax clearance which is required prior to completing a distribution to creditors. It is anticipated that tax clearance can take between 8 and 16 weeks to obtain. As such, the Joint Administrators currently anticipate a response in February 2022 and will continue to engage with HMRC in respect of obtaining such clearance as soon as possible.



Chris M Laverty
Joint Administrator

19 November 2021

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.

2 Background

2.1 Background leading to administration

This report should be read in conjunction with the Joint Administrators' statement of proposals and prior progress reports to the Company's creditors dated 18 May 2020, 17 November 2020 and 20 May 2021, all of which are available at www.grantthornton.co.uk/portal.

A detailed background to the Joint Administrators' appointment was provided previously in the Joint Administrators' statement of proposals dated 17 December 2019, as well as the Joint Administrators' previous Progress reports which are available on the creditor portal as well as the Joint Administrators' microsite (<https://casheuronetukadministration.grantthornton.co.uk/latest-news/>).

2.2 Objective of the Administration

As detailed in the Joint Administrators' statement of proposals, the Joint 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 Joint 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 recovery of the outstanding loan book through ongoing collections and sale of certain segments of the loan portfolio, 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 Joint 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 borrowers' details and manage the Redress Claim process.

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

Prior to the administration, the Company employed 17 employees in the UK and 130 employees based in Chicago, USA. Currently one member of staff remains employed in the UK to provide administrative, customer service and compliance support functions. In the USA, 20 staff remain employed to provide operational and customer service functions, including development and support functions associated with the Redress Claims process.

Throughout the administration, the Joint Administrators have continued to engage with Operations and Customer Support personnel to ensure that customers continue to receive an appropriate level of service, given the circumstances of the administration. The Joint Administrators will continue to assess personnel and resourcing requirements whilst undertaking an orderly wind down of operations with the support of the remaining Company staff.

As previously reported given the historical operational support provided from the Enova Group, the Joint Administrators continue with their Service Level Agreement that they entered into 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

As previously reported, 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 Joint 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.

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](#)

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, detailed in the table below.

Collection performance

Loan product	25-Oct-19 to 23-Aug-21	
	Loans closed	Collections (£)
QuickQuid	(32)	10.4
Flex Credit	(3)	0.6
Pounds to Pocket	(21)	10.2
Onstride Financial 1.0	(6)	1.9
Onstride Financial 2.0	(31)	32.1
Total	(93)	55.2

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. Collections of the loan book ceased on 23 August 2021.

During the period to the closure of collections a final sum of £55.2 million has been collected, exceeding the estimated to realise 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.

Sale of the loan book

The Joint Administrators are pleased to report that they successfully sold c.306,000 customer accounts of the post-appointment loan book to Lantern Debt Recovery Services Ltd (Lantern) on 23 July 2021 for the sum of £17,704,447. The successful completion of the sale of the Loan Book is material to the administration and the recovery for the Company's creditors. The customer accounts which were excluded from the sale were wound down in line with the closure of the collections.

Details of the sales process

As previously detailed, the Joint Administrators have considered the most appropriate way to close out the collections process and maximise recoveries from the loan portfolio for the benefit of creditors. Given the potential value in the loan book, in November 2020 the Joint Administrators engaged an agent, Alantra, to undertake a market sounding exercise in order to understand the possible interest for the CEU loan portfolio.

As part of the market sounding, the Joint Administrators considered a total 42 parties. A shortlist of preferred bidders were identified and presented to the FCA in December 2020.

Following various engagement with the FCA, in February 2021 the Joint Administrators commenced a formal sales process for the Loan Book (the "Loan Book Sales Process"). The initial round of the Loan Book Sales Process resulted in a select number of bidders being admitted to a non-binding offer phase which commenced on 17 February 2021 (the "Non-Binding Offer Phase").

Following the Non-Binding Offer Phase, on 5 March 2021 the Joint Administrators received indicative offers from three bidders who were subsequently invited to participate in a final binding offer phase where a transaction could be concluded (the "Binding Offer Phase").

Prior to the commencement of the Binding Offer Phase, it was necessary to conduct further detailed due diligence on the potential acquiring parties as regards their proposed acquisition structures, permissions and collections strategy utilised on their loan book portfolios. The Joint Administrators remained in dialogue with the FCA throughout this period to ensure that these matters were appropriately considered and aligned to regulatory requirements.

As a result of the additional due diligence required, the Binding Offer Phase of the Loan Book Sales Process subsequently commenced on 7 June 2021, and bidders were asked to submit their final offer (and accompanying comments to a draft sale and purchase agreement) by 2 July 2021. The preferred bidder was then chosen, and the sale of the Loan Book completed on 23 July 2021.

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 in due course now that collection activity has ceased.

Fixtures & fittings

These comprise of office equipment and fixtures and fittings located in the Company's UK office which had an estimated to realise value of £nil in the Statement of Affairs. These items were valued by the Joint Administrator's agents, Lambert Smith Hampton for a sum of £5,000. Following the closure of the London office on 30 September, the fixtures and fittings were sold in line with the valuation.

Trademarks

The Joint Administrators consider there to be no value remaining in these trademarks and therefore will not conduct a sale of these assets.

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 prepayments and deposits in the amount of £293,000. The Joint Administrators have concluded that there is no commercial benefit in pursuing these balances further.

In addition, the Joint Administrators have recovered other receipts totalling £333,000, made up of £12,000 in relation to miscellaneous refunds and the sum of £321,000 in respect of bank interest.

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

3.5 HMRC approval

Whilst the Company's tax affairs are up to date, following the cessation of trade, it was necessary to complete a final tax return, which was submitted to HMRC in October 2021. As part of the final tax return submission the Joint Administrators have sought formal tax clearance from HMRC to ensure the Joint Administrators can proceed to make a distribution to the Company's creditors knowing that all tax-related matters have been concluded. The Joint Administrators have been advised not to proceed with a distribution without formal tax clearance.

It is anticipated that HMRC will take a considerable amount of time to review and respond to the request for tax clearance, and the Joint Administrators have been advised that this could be between 8 to 16 weeks. Accordingly, the Joint Administrators currently estimate the process to be completed by February 2022, though there is a possibility that this process extends into March 2022.

3.6 Applications to court

Application to court for an extension

By way of update, and as was explained in the Joint Administrators' previous progress report, the Joint Administrations applied to court seeking an extension to the Administration in terms of both the payment of a dividend and closure of the Administration. The reasons for the extension were as follows:

1. The Joint Administrators needed sufficient time to complete the sale and transition of a significant segment of the loan book which has resulted in £17,704,447 recoveries for the benefit of creditors
2. The Joint Administrators required additional time to conclude the assessment of redress claims, in particular the assessments of claims which included loans sold prior to the administration
3. The Joint Administrators' strategy has always been to make a first and final dividend. This is because, due to the volume of creditors, any distribution is operationally complex and cost intensive. This cost is incurred both directly due to the number of payments being made but also indirectly arising from increased creditor enquiries (requiring operational and employment costs to be incurred) and the Joint Administrators' staff needing to manually review and rectify any payments that have been unable to be made due to incorrect historical information being provided by the Company's creditors.

The court granted two orders as a result of the application:

- i. The Joint Administrators' term of office be extended for a period of 12 months giving a revised date for the automatic termination of the administration of 24 October 2022; and
- ii. The Joint Administrators will make any distributions and declare any dividends in respect of such distributions within thirteen months of the Last Date for Proving.

As a result of the above point 2, the Joint Administrators have until March 2022 to pay a dividend to the 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 immaterial (in the sum of £579) and will be finalised shortly. These claims relate to outstanding holiday pay only as there were no arrears of pay at the onset of the administration. 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.

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

As detailed in the Joint 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 have been 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.

Further details in relation to the redress claim assessment process have been outlined in detail in previous progress reports. As such, a recap of the Redress Claim process to date is summarised below:

1. On 3 August 2020 the Joint Administrators launched an Online Claims Portal which was a secure online channel for customers to submit a Redress Claim in a straightforward manner
2. To submit a Redress Claim, customers were asked to provide the contact details associated with their CEU account when they applied for their loan. Customers did not need to provide any further information in relation to their specific loans
3. The Joint Administrators created an automated claims assessment process that aligned with the relevant legal and statutory requirements to provide a fair and reasonable basis for assessing claims
4. The Joint Administrators conducted an extensive communication campaign designed to raise awareness of customers' ability to make a claim, by email, advertisements in local and national newspapers, and a digital advertising campaign
5. The final date for submitting a claim was 14 February 2021, following which the Online Claims Portal closed and is no longer able to receive claims
6. Following the closure of the Online Claims Portal, a total of 169,075 Redress Claims were received from current and former customers of the Company

As a result of the redress claim process and claims received, the total volume of accepted Redress claims was 78,519 with a total value of £135,670,956.

In addition to this, c.2,000 creditors have also been identified as being owed a credit balance on their account with a total value of c.£100,000. These creditors will be notified in due course.

Overpayments as a result of set-off

For certain customers who made payments after the date of the notice of intention to distribute (15 July 2020), as a result of set-off, they may be owed a refund for any payments that resulted in their loan being overpaid. The value of any overpayment (if due to a customer) is detailed on their assessment outcome.

The Joint Administrators estimate that overpayments will be refunded to customers by the end of November.

Update on the treatment of loans sold to debt purchaser prior to the appointment of the Joint Administrators

As detailed in previous progress reports, the Joint Administrators encountered additional complexity in respect of the c.26,500 customers who submitted a redress claim and had one or more loans that had been sold to a third-party prior to the administration (a "Sold Loan Customer").

As part of the Joint Administrators' dialogue with the Regulator in respect of the assessment of redress claims, the Regulator raised a specific request for the Joint Administrators to also include in their assessment those loans which had been sold to debt purchasers.

The Joint Administrators used the same assessment criteria for this population. However, the process required to calculate a Sold Loan Customer's total claim required a substantial data gathering exercise with the various historical debt purchasers of the Company's loans (the "Historical Debt Purchasers").

The Joint Administrators engaged with the Historical Debt Purchasers to enter into various data sharing agreements to obtain up-to-date payment and charge details for each of the Sold Loan Customers. In addition to this, the Joint Administrators were required to enter into dialogue with the FCA and the Historical Debt Purchasers to discuss and confirm the remediation that would be applied by the Joint Administrators and the Historical Debt Purchasers respectively.

In addition, it was necessary to hold back the release of the assessments to enable the Regulator to review the differing proposed treatments advised by the Historical Debt Purchasers. We can confirm that all c.26,500 Sold Loan Customers' have been assessed and the outcome communicated to the customer.

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 have also submitted a claim in the administration in respect to a small balance of outstanding tax owing.

Intercompany creditor

As presented in the Directors' Statement of Affairs, the principal balance of £71 million was reported as being due to the Enova Group and relates to outstanding costs pertaining to a Service Level Agreement with the Company entered in to prior to our appointment for support services. The Joint Administrators are continuing to work with their legal advisors and Enova to assess this claim.

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 and the window for all claims closed on 14 February 2021. As detailed above, as a result of the Joint Administrators' recent court application, the Joint Administrators have until March 2022 to make a distribution.

Whilst there remain a number of material matters to conclude in relation to the Administration, including those items listed below, the Joint Administrators anticipate there to be a dividend to unsecured creditors in the range of 30p to 50p in the £. The final dividend rate will be largely dependent on the outcome of the following items:

- i. the final assessment of all creditor claims, including intercompany claims;
- ii. the final costs of winding down operations; and
- iii. obtaining confirmation from HMRC in respect to tax clearance.

5 Investigations into the affairs of the Company

5.1 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 in forming a different view.

6 Joint Administrators' remuneration and disbursements

6.1 Overview

Following a decision procedure by the creditors of the Company, the basis of the Joint Administrators' remuneration has been fixed according to the time properly spent by the Joint Administrators and their staff. The breakdown of which are considered below.

Year 1 (from appointment to 24 October 2020)

The total creditor approved fee estimate for the period from the date of appointment to 24 October 2020 was £3,472,955 (plus VAT). Our cumulative time costs to 24 October 2020 (without excluding the time costs we have written off) were £3,127,943, therefore under our original fee estimate of £3,472,956 by £345,012. Within this period, £4,062 of expenses were incurred which have been paid.

Year 2 (from 25 October 2020 to 24 October 2021)

On 10 December 2020, the creditors approved a decision for a fee estimate of £3,058,382 (plus VAT) for the period 25 October 2020 to 24 October 2021. We have incurred time costs in the Period amounting to £3,098,799, of which £2,507,819 has been paid. We have incurred expenses of £926 of which £815 in the period has been paid.

As our Year 2 time costs incurred have exceeded our Year 2 fee estimate, we seek to retrospectively revise our Year 2 fees estimate in order to be able to draw an additional remuneration of £40,417 and we have enclosed a Notice of the respective decision procedure at Appendix E. Remuneration incurred was higher than anticipated as a result of the following:

- Additional time spent concluding the debt sale; and
- Additional time spent assessing customer redress claims, particularly those with a loan sold prior to appointment.

The above brings the cumulative totals from appointment to 24 October 2021 to £6,227,183 and £4,988 of which £5,563,268 and £3,487 has been paid.

Year 3 (from 25 October 2021 to 24 October 2022)

For the period 25 October 2021 to 24 October 2022, we estimate our time costs and expenses will be £1,668,529 and £2,500 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 are provided in Appendix D to this report.

7 Future strategy

7.1 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:

- continuing to wind down operations for the business in the UK and the US
- maintaining a customer service operation for a limited period after the distribution to creditors
- addressing any payment issue resulting from the distribution process and initiating a payment to the Insolvency Service for any unbanked dividend payments, as appropriate
- agreeing the claims of the unsecured creditors and payment of a dividend
- liaising with HMRC to finalise the Company's tax affairs
- concluding the administration, and
- complying with statutory and compliance obligations.

7.2 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 is currently due to end on 24 October 2022.

7.3 Exit from administration

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

7.4 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.

7.5 Contact from third parties

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

7.6 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, however if any material inaccuracies are identified, we will provide an explanation and corrected information in the next progress report.

7.7 Future reporting

Our next report to creditors will be issued within one month of the end of the next reporting period, 24 April 2022, or earlier if the administration has been completed by that date.

A Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the 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.

Chris Lavery, Trevor O'Sullivan and Andrew Charters are all authorised in the UK to act as Insolvency Practitioners by the the Insolvency Practitioners Association.

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.

B 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	11 th Floor Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

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 Administrators' names	Chris M Laverty Trevor P O'Sullivan Andrew Charters
Joint Administrators' 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
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 Joint Administrators are to be exercised by any or all of them.
Current administration expiry date	24 October 2022

Appendix C

CashEuroNet UK, LLC
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	Period 1	Period 2	Total
	From 25/10/2019 To 24/04/2021	From 25/04/2021 To 24/10/2021	From 25/10/2019 To 24/10/2021
£	£	£	£
POST APPOINTMENT SALES			
Loan book collections	54,172,810.84	981,015.73	55,153,826.57
Lantern Service Charge	0.00	665,270.68	665,270.68
Proceeds from debt sale	0.00	17,704,447.00	17,704,447.00
	<u>54,172,810.84</u>	<u>19,350,733.41</u>	<u>73,523,544.25</u>
TRADING EXPENDITURE			
Occupancy costs	239,991.81	55,496.45	295,488.26
IT & telecommunications	367,517.74	45,055.10	412,572.84
Other operating costs	373,471.47	11,666.07	385,137.54
Professional fees	85,972.75	13,200.00	99,172.75
Redress related costs	557,541.18	72,280.85	629,822.03
Post-appointment refunds	42,289.12	3,373.81	45,662.93
Office costs	9,252.52	1,175.00	10,427.52
Employment costs	6,047,698.69	1,685,975.79	7,733,674.48
General administrative	173,931.70	32,151.41	206,083.11
Enova SLA fees	5,859,037.51	1,434,508.59	7,293,546.10
	<u>(13,756,704.49)</u>	<u>(3,354,883.07)</u>	<u>(17,111,587.56)</u>
TRADING SURPLUS/(DEFICIT)	<u>40,416,106.35</u>	<u>15,995,850.34</u>	<u>56,411,956.69</u>

Appendix D - Payments to the Joint Administrators and their associates

Statement of Insolvency Practice 9 disclosure

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

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- expenses
- sub-contracted 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. 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

Total cumulative time costs for the Administration (from 25 October 2019 to 24 October 2021) are £6,227,183 of which £5,563,268 has been paid. The Joint Administrators' fee request has been split between our Year 1 and Year 2 fees and time costs which are detailed further below.

Year 1 fees (for the period from 25 October 2019 to 24 October 2020)

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. For Year 1 we incurred time costs of £3,128,384 of which £3,055,449 was paid and £72,935 was written off.

Year 2 fees (for the period from 25 October 2020 to 24 October 2021)

On 10 December 2020, the creditors approved a decision that remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a Year 2 fee estimate of £3,058,382 (plus VAT) for the period 25 October 2020 to 24 October 2021.

During the first six months of Year 2 (from 25 October 2020 to 24 April 2021) time costs incurred were £1,702,064 (as detailed in our previous progress report dated 20 May 2021).

During the final six months of Year 2 (this reporting period from 25 April 2021 to 24 October 2021) (the "Period") time costs incurred total £1,396,735, represented by 2,514 hrs at an average of £556/hr (as shown in the 'Work done' section below).

This brings cumulative time costs for Year 2 to £3,098,799, of which £2,507,819 has been paid from the estate in line with our fee approval. We therefore currently have £590,981 of unbilled time costs remaining for Year 2,

The Joint Administrators intend on billing the remaining £590,981 of unbilled fees for Year 2, however, as a result of our time costs exceeding our fee estimate by £40,417 will be seeking approval to draw this remuneration. *(Please note that the total anticipated payment does not limit the amount of remuneration that the Joint Administrators can draw from the estate, only the fees estimate has such effect).*

As referred to above, the anticipated total payment from the estate towards our remuneration exceeds the fees estimate provided to creditors prior to the determination of our fee basis by £40,417. Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, being £3,058,382, without approval. Therefore, we seek approval to draw remuneration in excess of our fees estimate of £40,417, by request to revise our Year 2 fee estimate to £3,098,799. Please note that our remuneration incurred was higher than anticipated as a result of the following:

- Additional time spent making an application to court for the extension of the administration and dividend payment;
- Additional time spent concluding the debt sale which resulted in a further £17.7m in recoveries for the benefit of credits; and

- Additional time spent assessing customer redress claims, particularly those with a loan sold prior to appointment.

Proposed fee basis for Year 3 fees

We propose that the remuneration of the Joint Administrators be fixed on the basis of time costs - please see the 'fees estimate' section. Here we provide details of the work we propose to undertake and details of the expenses we consider will be, or are likely to be, incurred in the table below.

Likely return to creditors

Whilst there remain a number of material matters to conclude in relation to the Administration, detailed further in the Joint Administrators' progress report, the Joint Administrators anticipate there to be a dividend to unsecured creditors in the range of 30p to 50p in the £. The final dividend rate will be largely dependent on the outcome of the following items:

- the adjudication of all creditor claims;
- wind down of residual operations and associated costs, including staff and support services provided by Enova; and
- obtaining tax clearance from HMRC.

Fees estimate for the period 25 October 2021 to 24 October 2022 (Year 3) and work done in the Period

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost – the fees eventually paid may be more or less depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based on all of the information available to us as at 19 November 2021. 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.

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

- these are the costs anticipated for the period 25 October 2021 to 24 October 2022
- that all complex matters in relation to the case are dealt with in the period
- that the adjudication of all creditor claims are resolved, with no significant appeals or disputes
- that no material issues occur during the wind down of residual operations
- that tax clearance is obtained from HMRC without significant delay

Area of work	Anticipated work	Why the work is necessary	Financial benefit to creditors	Fees and expense estimate		
Trading				366 hrs	£231,098	£/hr 631
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 and to ensure delivery of the key objectives of the administration 	<ul style="list-style-type: none"> • This work is necessary to help realise financial value for the benefit of the 			

		<ul style="list-style-type: none"> By reducing the cost of trading, this would maximise the return to creditors 	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 which is due to expire on January 2022 Ongoing monitoring of the SLA to support the wind down of services provided by Enova 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"> Maintaining contact with the remaining suppliers to support orderly wind down of services Terminating the remaining 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 support 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"> Continuing phased redundancy programme in line with wind down of operations for remaining employees Holding regular update meetings with retained employees to continue 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			216 hrs £137,712 £/hr 639
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, customer support 	<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 - Arrears management and realisation strategy	<ul style="list-style-type: none"> Finalising outstanding matters following the sale of a portion of the loan portfolio and responding to ad hoc queries from the purchaser 	<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 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 		
Legal/Regulatory	<ul style="list-style-type: none"> Correspondence, including regular telephone calls and emails with the FCA 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				30 hrs	£14,913 £/hr 493
General	<ul style="list-style-type: none"> Continued review of books and records of the Company, including those held in storage Securely destroying any aged or irrelevant records as appropriate Working with the Company's staff to obtain back-up copies of all necessary Company 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				992 hrs	£623,681 £/hr 629
Employees & pensions	<ul style="list-style-type: none"> Working with agents to quantify the claims of employees 	<ul style="list-style-type: none"> To enable settlement of any preferential claims employees 	<ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the 		

	<ul style="list-style-type: none"> Ad hoc employee queries in respect of the insolvency process Finalising the preferential claim following the redundancy of employees 	<ul style="list-style-type: none"> Establishment of any unsecured claims from employees arising from termination of their employment To manage stakeholder expectations 	estate and for a distribution to creditors should sufficient funds become available
Unsecured	<ul style="list-style-type: none"> Adjudication of material claims, including the intercompany claim and the FOS claim Final review of claims for preparation of unsecured dividend payment 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	<ul style="list-style-type: none"> Providing updates to redress creditors by way of email, or through a wider update on the Joint Administrator's microsite Finalisation of all Redress Claims, involving regular meetings with the Company's staff to ensure claims are captured correctly Engage Grant Thornton's BRS team to perform data integrity checks on the redress creditor database Continuing to monitor dedicated case inbox and respond to ad hoc queries received from Redress Creditors Continued assessment of appeals received from Redress Creditors Quality assurance of the Post-NOID refunds and executing payment of these Quality assurance and collation of pre-appointment credit balances and preparation of customer details 	<ul style="list-style-type: none"> 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			1,571 hrs £661,124 £/hr 421
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

- Quality assurance of any post-appointment credit balances and working with the Company's staff to refund these to the relevant customer/DMC
- Review and Preparation of the data file for all c.80,000 Redress Creditors to enable the transfer of information from the Company's systems to our Insolvency Practice system
- Updating any creditor detail changes in accordance with the internal processes
- Payment of the preferential dividend
- Payment of the unsecured dividend to all creditors, including the c.80,000 Redress Creditors
- Resolve any issues regarding unclaimed monies

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"> Ongoing consideration of tax position Continue to submit VAT returns Deal with issues should they arise following the submission 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 Joint Administrators Year 3 fees estimate to 24 October 2022			3,175 hrs £1,668,529 £/hr 526
Total Joint Administrators Year 3 expenses estimate to 24 October 2022			£2,500

Work done by the Joint Administrators and their team during the Period (25 April 2021 to 24 October 2021)

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 Year 2 fees estimate of £3,058,382 was included within our Progress Report dated 17 November 2020 and approved by creditors on 10 December 2020.

Our cumulative time costs for Year 2 total £3,098,799. This is made up of the following:

- Time costs of £1,702,064 incurred from 25 October 2020 to 24 April 2021 of which details were set out in our previous progress report (dated 20 May 2021); and
- Time costs of £1,396,735 incurred from 25 April 2021 to 24 October 2021 (the Period) of which details of our work done are provided in the tables below.

The following tables (narrative followed by numerical) set out this information for the Joint Administrators' time costs incurred, together with a numerical fees estimate variance analysis. 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				672 hrs £370,614 £552/hr
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 • Undertaking continuous review and management of costs • Closing of the UK London office, including the sale of all the furniture and equipment and handing the keys back to the landlord 	<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 	
Supplier management and continuation of operations and winddown	<ul style="list-style-type: none"> • continuing arrangements for continued supplies of services and systems • Maintained contact with suppliers to support orderly wind down of services • Helping unsecured trade 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"> • 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 	<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
- To maintain customer services to address customer queries including redress inquiries

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			603 hrs £350,699 £581/hr
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 is necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Loan Book – weekly reporting	<ul style="list-style-type: none"> Monitoring 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 Ongoing reporting to regulators 	<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 Conducting a sale of a significant portion of the Loan book, resulting in an additional £17.7 million recovery to creditors Conducting a wind down of the remaining unsold portion of the loan book, including updating of credit files for customers and communications with the relevant customers 	<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"> • Setting up regular bank sweeps of pre-appointment and post-appointment collections • Ongoing monitoring and reconciliation of cash balances in the administration accounts • Managing cash balances to maximise income and to minimise risk 	<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"> • 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 and updating 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 • Application to court for the extension of the dividend payment and the administration as a whole 	<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				4 hrs £1,488 £/hr 425
Investigations (general)	<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 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				415 hrs £251,838 £607/hr
Employees & pensions	<ul style="list-style-type: none"> • Working with agents to quantify the claims of employees • Continued to monitor the utilisation of staff 	<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 	<ul style="list-style-type: none"> • This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', 	

	<ul style="list-style-type: none"> Ad hoc employee queries in respect of the insolvency process 	<ul style="list-style-type: none"> To enable settlement of any preferential claims Establishment of any unsecured claims from employees arising from termination of their employment To manage stakeholder expectations 	<p>although it might not add financial value to the estate it will add value to the insolvency process</p>
Unsecured	<ul style="list-style-type: none"> Collation of trade creditors and supplier claims Establish position on other unsecured creditors such as customers with pre-appointment credit balance on their account 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 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 – Regulatory meetings	<ul style="list-style-type: none"> Meetings with FCA to discuss arrangements for and identification of and treatment for potential redress complaints of customers with a loan sold prior to the administrator's appointment 	<ul style="list-style-type: none"> To ensure regulatory compliance To quantify the claims of unsecured creditors 	<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
Redress Creditors – ongoing monitoring and providing assessments	<ul style="list-style-type: none"> Continued 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 Finalising the assessment of all c.170,000 redress claims Continued meetings with the complaints and compliance team to discuss the process of claims handling and appeals Continued work with debt purchasers to establish claim position of individual customers 	<ul style="list-style-type: none"> 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			821 hrs £422,097 £514/hr
Case management	<ul style="list-style-type: none"> Filing of the relevant statutory forms on Companies House 	<ul style="list-style-type: none"> Required as part of the duties 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

Statutory reporting and creditor decision procedures	<ul style="list-style-type: none"> Preparation of statutory reports 	<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 arising from the appointment of Joint Administrators Updated and monitored 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 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 time costs charged in the Period from 25 April 2021 to 24 October 2021

2,514 hrs £1,396,735 £556/hr

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

Period from 25/04/2021 to 24/10/2021

Area of work	Partner		Manager		Executive		Administrator		Period total			Year 2 Cumulative total			Year 2 fee estimate			Variance		Cumulative total as at period end (Year 1 & 2)				
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	Hrs	£	£/hr		
Trading:									671.55	370,614	552	1,735.85	922,030	531	1,323.19	681,093	515	-	412.66	-	240,937	3,791.65	1,969,759	519
Trading (general)	49.00	38,510	298.30	194,298	324.25	137,806	-	-	671.55	370,614	552	1,735.85	922,030	531								3,791.65	1,969,759	519
Realisation of Assets:									603.15	350,699	581	1,080.10	663,360	614	1,036.99	551,250	532	-	43.11	-	112,109	1,549.35	905,392	584
Cash at bank	-	-	-	-	-	-	-	-	-	-	-	35.50	14,818	417								137.95	57,725	418
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-								15.50	6,548	422
Loan book	54.65	33,297	341.90	223,218	145.25	61,731	-	-	541.80	318,246	587	970.00	605,603	624								1,289.00	780,512	606
Other assets (incl. Trademark, IT platform, Legal & Property)	43.35	24,803	-	-	18.00	7,650	-	-	61.35	32,453	529	74.60	42,939	576								106.90	60,608	567
Investigations:									3.50	1,488	425	6.50	3,483	536	53.64	25,143	469	47.14	21,661			54.25	28,850	532
Debtor / director / senior employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-								35.15	18,545	528
Books & records	-	-	-	-	-	-	-	-	-	-	-	-	-	-								8.60	3,642	424
Investigations (general)	-	-	-	-	3.50	1,488	-	-	3.50	1,488	425	6.50	3,483	536								10.50	6,663	635
Creditors:									414.85	251,838	607	1,476.85	820,392	556	1,908.23	911,770	478	431.38	91,378			4,294.65	2,055,130	479
Employees & pensions	-	-	-	-	0.85	208	-	-	0.85	208	245	9.00	2,855	317								108.40	56,607	522
Unsecured (incl. Redress creditors)	29.55	20,901	282.65	189,720	101.80	41,009	-	-	414.00	251,630	608	1,467.85	817,537	557								4,186.25	1,998,524	477
Administration:									820.82	422,097	514	1,443.47	689,536	478	2,461.25	889,126	361	1,017.78	199,591			2,984.02	1,268,052	425
Case management	86.25	59,581	318.85	212,776	3.10	993	7.90	1,422	416.10	274,772	660	547.85	344,334	629								921.85	519,208	563
Compliance & general administration matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-								341.10	112,171	329
Pensions	-	-	6.30	4,253	-	-	-	-	6.30	4,253	675	15.90	10,349	651								63.50	35,496	559
Reports to creditors, notices & decisions	3.00	2,625	3.20	1,123	33.00	13,463	2.40	432	41.60	17,643	424	131.20	61,029	465								312.25	132,043	423
Tax	12.95	10,166	57.80	29,985	19.25	8,119	48.35	9,329	138.35	57,599	416	250.35	116,794	467								381.30	189,410	497
Treasury, billing & funding	9.00	7,875	46.00	21,888	127.35	31,568	36.12	6,502	218.47	67,832	310	498.17	157,030	315								964.02	279,723	290
Total	287.75	197,758	1,355.00	877,260	776.35	304,034	94.77	17,684	2,513.87	1,396,735	556	5,742.77	3,098,799	540	6,783.30	3,058,382	451	1,040.53	-	40,417	12,673.92	6,227,183	491	

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Year 1 time costs paid £3,055,449 (excludes VAT)
- Year 2 time costs paid to date £2,507,819 (excludes VAT)
- Total time costs paid to date: £5,563,268
- Total time costs written off from the figures in the table above from previous periods: £72,935
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the '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	11	2,963	2,952
Insolvency bonding	0	1,875	1,875
Office costs	100	150	50
Expenses			
Trading expenditure	2,958,165	17,111,588	17,111,588
Corporation Tax	0	163,473	163,473
Debt sale related costs	864,242	870,806	870,806
Legal Fees			
Slaughter & May	257,547	533,508	533,508
Squire Patton Bloggs	484	10,549	10,549
Paul Hastings	18,370	226,644	226,644
Pre-administration fees	0	55,092	55,092
VAT irrecoverable	367,923	1,613,343	1,613,343
Total expenses and disbursements	4,466,842	20,589,991	20,589,880

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

Category 1 expenses

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

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration. No category 2 expenses have incurred to date.

Payments to associates

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

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

We confirm that in the Period, we have not enlisted any other services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Associate name	Services enlisted	Fee basis
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) 	<ul style="list-style-type: none"> Costs are included within the above SIP9 time cost analysis

Sub-contracted work

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

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.

Appendix E

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	8 December 2021

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 revised fee estimate of £3,098,799 (plus VAT) for the period 25 October 2020 to 24 October 2021 (Year 2)
 - 2 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 £1,668,529 (plus VAT) for the period 25 October 2021 to 24 October 2022 (Year 3)
- And
- 3 whether a creditors' committee be formed.

To vote a creditor can:

- return the voting form provided with this notice to Chris M Lavery at 11th Floor, Landmark, St Peter's Square, 1 Oxford Street, Manchester, M1 4PB
- or send it as an email attachment to cmu@uk.gt.com

A creditor who is entitled to vote may do so no later than 23:59 on the decision date.

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 can either be lodged on the portal, delivered to Chris M Lavery at Grant Thornton UK LLP, 11th Floor, Landmark, St Peter's Square, 1 Oxford Street, Manchester, M1 4PB 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 19th day of November 2021



Chris Laverty
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, 11th Floor, Landmark, St Peter's Square, 1 Oxford Street, Manchester, M1 4PB or as an attachment to an email to cmu@uk.gt.com by 23.59 on 8 December 2021 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 revised fee estimate of £3,098,799 (plus VAT) for the period 25 October 2020 to 24 October 2021 (Year 2) **For/Against**
- 2 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 £1,668,529 (plus VAT) for the period 25 October 2021 to 24 October 2022 (Year 3) **For/Against**
- 3 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 Becky Axon 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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