

WU07

Notice of progress report in a winding-up by the court



Companies House

For further information, please
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www.gov.uk/companieshouse

1 Company details

Company number 0 5 8 3 2 8 1 1

Company name in full Allied Wallet Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Shane

Surname Crooks

3 Liquidator's address

Building name/number 55 Baker Street

Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country

4 Liquidator's name ①

Full forename(s) Emma

Surname Sayers

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 55 Baker Street

Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country

② Other liquidator

Use this section to tell us about
another liquidator.

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	^d 2	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 5	^m 0	^m 3	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 4	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3
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**Presenter information**

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

Contact name **Brooke Phillips**

Company name **BDO LLP**

Address **55 Baker Street**

Post town **London**

County/Region

Postcode **W1U7EU**

Country

DX

Telephone **+44 (0)207 486 5888**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

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

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

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

1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Malcolm

Surname

Cohen

3 Insolvency practitioner's address

Building name/number

55 Baker Street

Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country



Allied Wallet Limited In Compulsory Liquidation

Joint Liquidators' progress report from
26 March 2022 to 25 March 2023

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GLOSSARY OF TERMS

Abbreviation or term	Meaning
'the Act'	Insolvency Act 1986
'Amex'	American Express
'Asset Pools'	Asset pools constituted under the EMRs or PSRs (as applicable), comprising Relevant Funds and funds contributed from the general assets of AWL, that are to be applied to repay Merchant Creditors and Pre-paid Creditors in priority to other creditors or expenses
'AWE'	Allied Wallet (Europe) Limited
'Carta'	Carta Financial Services Limited
'the Committee'	Liquidation Committee
'the Company' or 'AWL'	Allied Wallet Limited
'the Consequential Hearing'	The hearing of the Relevant Funds Application that took place in Court on 16 May 2022
'Court'	The Insolvency and Companies Court, Business and Property Courts of England and Wales.
'EMRs'	Electronic Money Regulations 2011
'Enyo'	Enyo Law LLP
'Eversheds'	Eversheds Sutherland (International) LLP
'Fintech'	Fintech International LLC
'ipagoo Appeal'	Judgment given in the <i>ipagoo</i> Appeal on 9 March 2022
'ipagoo Judgment'	Judgment given in the case of <i>Re ipagoo LLP (in administration)</i> [2021] EWHC 2163 (Ch) on 30 July 2021
'ISA'	Insolvency Services Account
'Joint Liquidators', 'the JLs' or 'we'	Shane Crooks, Malcolm Cohen and Emma Sayers as joint liquidators of AWL
'JPLs'	Shane Crooks, Malcolm Cohen and Emma Sayers as joint provisional liquidators of AWL
'Lloyds Account'	An AWL account held with Lloyds Bank plc considered least likely to hold Relevant Funds
'Merchant Creditors'	Creditors who are "payment service users" as defined by the PSRs
'Pre-paid Card Programme' or 'the Programme'	Pre-paid Card Programme operated with Mastercard under the EMRs

‘the Period’	26 March 2022 to 25 March 2023
‘the Previous Period’	26 March 2021 to 25 March 2022
‘the Previous Report’	The JLs’ annual progress report for the Previous Period
‘PL’	Provisional Liquidation pursuant to which Shane Crooks, Malcolm Cohen and Emma Sayers were appointed JPLs of AWL at noon on 27 August 2019
‘Pool Creditors’	creditors who are entitled to a distribution from the Asset Pools
‘Portal’	The portal: www.brportal.bdo.co.uk
‘Preferential Creditors’	Claims for unpaid wages earned in the four months prior to the commencement of the Liquidation up to £800, holiday pay and unpaid pension contributions in certain circumstances
‘Prescribed Part’	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act, a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
‘Pre-paid Creditors’	Creditors who are "electronic money holders" as defined by the EMRs
‘PSRs’	Payment Services Regulations 2017
‘Regulations’	PSRs and EMRs
‘the Release’	Conversion by Visa of a proportion of the Series B Stock to Series A Preferred Stock
‘Relevant Funds Application’	a Court application issued by the JLs on 15 December 2020 by which we sought directions from the Court in relation to certain questions regarding the EMRs and PSRs and the treatment of Relevant Funds under those Regulations
‘Relevant Funds’	Funds received in exchange for electronic money and/or received from, or held for the benefit of, payment service users, as defined by Regulation 20(1) of the EMRs and Regulation 23(1) of the PSRs
‘the Report’	This report prepared in accordance with Rules 18.3 and 18.8 of the Rules
‘the Rules’	Insolvency (England and Wales) Rules 2016
‘Series A Stock’	Series A Convertible Participating Preferred Stock held by AWL in Visa Inc
‘Series B Stock’	Series B Participating Preferred Stock held by AWL in Visa Inc
‘the Settlement Accounts’	AWL funded accounts held by MasterCard in relation to the Pre-paid Card Programme

'System'

Electronic books and records of AWL held on a system operated by Fintech

'Trade and Expense Creditors'

The trade and expense creditors of the Company, including any non-preferential employee claims, which are neither secured nor preferential

KEY INFORMATION

Background

Shane Crooks, Emma Sayers and Malcolm Cohen were appointed Joint Liquidators of the Company on 26 March 2020.

Purpose of the Report

This is the annual Report for the period from 26 March 2022 to 25 March 2023.

The main purpose of the Report is to provide you with an update on the progress of the Liquidation during the Period.

The Report can be reviewed in conjunction with all other reports regarding this Liquidation on the brportal.bdo.co.uk portal.

Return to creditors

There are four classes of creditor in this Liquidation:

- (i) the Merchant Creditors;
- (ii) the Pre-paid Creditors;
- (iii) the Preferential Creditors; and
- (iv) the Trade and Expense Creditors.

For the reasons set out below at pages 12 and 13 it is not currently possible to estimate the return to Merchant Creditors or Pre-paid Creditors (although a distribution will be paid to these creditor classes).

Based on current information there will not be sufficient funds available to enable a dividend to be paid to either Preferential Creditors or Trade and Expense Creditors.

What creditors need to do

The purpose of the Report is to provide you with an update. Only those Merchant Creditors who have received communications from the JLs in relation to their claims, as detailed at page 11, need to take action at this time by responding to those enquiries.

Creditors' rights

An overview of the rights of creditors are detailed in Appendix B.

Contact details

Contact: Brooke Phillips
Business Restructuring, BDO LLP, 55 Baker Street, London, W1U 7EU
Email: alliedwallet.creditors@bdo.co.uk
Reference: 00326612

PROGRESS IN THE PERIOD

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Period.

Cash at bank

In the Previous Report we advised that the JLs had 56 bank accounts under their control, which comprised:

- 10 local accounts that have been opened by the JLs to hold monies that were realised either during the course of the PL or since our appointment as JLs; and
- 46 accounts that were previously operated by AWL. The balances in these accounts are being held to the order of the JLs.

In addition, MasterCard held further funds in 1 collateral account and 6 settlement accounts.

Following the outcome of the Relevant Funds Application and the *ipagoo* Appeal, with the exception of the accounts held at one bank (see below) the JLs have taken steps to remit all monies that were being held by the JLs in local bank accounts and AWL's accounts that were being held to the order of the JLs into the ISA.

The funds held in AWL's 6 accounts with Satabank have not yet been realised, as Satabank is currently in a formal insolvency process and the accounts have been blocked since 20 October 2018 (i.e. prior to the appointment of the JPLs on 27 August 2019). When converted to GBP, the relevant balances collectively total c£101,200.

In the Period the JLs have realised cash assets of £5,036,608.67, which takes the total cash assets realised during the course of the Liquidation to £7,318,434.48. This sum includes:

- amounts held in the Lloyds Account, from which various payments were previously made with the approval of the Court on the basis that this account was least likely to hold Relevant Funds, or the traceable proceeds of such funds. These payments were made in the Previous Period and the period 26 March 2020 to 25 March 2021;
- £42.7k previously recovered from a collateral account with Union Pay;
- £1.6m previously recovered from a collateral account with Visa;
- £1.7k previously recovered from Western Union;
- £819k recovered from Amex in respect of funds held as a security reserve; and
- £89.3k recovered from JCB International Co Limited.

Subsequent to the end of the Period, the JLs have realised further cash assets of £4.14m. However, as these cash assets were received after 25 March 2023, they do not appear in the attached receipts and payments account.

The following balances are yet to be realised, but are held to the order of the JLs by the respective institutions:

Cash balances	GBP (£)
MasterCard Settlement Accounts	658,046.76
Collateral Accounts	353,324.01
Satabank Accounts	101,188.79
Total	1,112,559.56

It should be noted that the final sums recovered will differ from those stated above, as the figures shown above have been converted to GBP based on the exchange rate in place at the date of the Winding-up Order, which will be different to the exchange rate at the time the funds are recovered and converted to GBP.

A charge of £33,000 was levied by one bank holding certain of AWL's funds, on the basis that AWL had breached its terms of business. The bank had initially sought to recover c£76,600 but, following protracted discussions with the bank, the JLs secured a substantial reduction in the charges to £33,000. This has allowed a prompt resolution of the issue; the alternative being to formally challenge the bank's position and incurring (likely significant) costs in doing so.

The collateral and monies held by MasterCard in the 6 settlement accounts have not yet been realised. These monies will be recovered following the formal termination of the Prepaid Card Programme.

Other additional assets and potential assets identified

Sale of Series B Stock and Series A Stock

As set out in the Previous Report, our investigations had identified that AWL held 39 Series A Stock and 613 Series B Stock in VISA Inc. These shareholdings resulted from the acquisition by VISA Inc of VISA Europe when former members of Visa Europe (of which AWL was one) received certain shares in Visa Inc. However, this stock is tied to ongoing litigation and, as a result, there are certain restrictions over the sale or transfer of the Series B Stock.

The Series A Stock was not subject to any restrictions and could be sold on the open market in the usual way.

The Series A Shares have been sold in the Period. The gross sum realised was US\$793,537.68, from which there was a service charge of US\$75.00 and a brokerage commission fee of US\$312.00 deducted (a net realisation of US\$793,150.68). Following conversion to GBP, the net sum received by the JLs was £667,300.10.

The Series B Stock could only be sold to other holders of Series B Stock or holders of Class B Common Stock. The closed market for the Series B Stock restricts the liquidity of the shares and, as a result, their value. However, the value is also impacted by: (i) the current market value of the Class A Common Stock (to which the notional price of the Series B Shares is pegged); and (ii) the conversion rate, which is adjusted from time to time.

In the Previous Period, the JLs wrote to all Series B and Class B Common stockholders inviting offers for the purchase of the 613 shares held by AWL. As at the date of the Previous Report, the JLs had accepted an offer (subject to contract) which equated to 25% of the notional value of the shares, being at the time worth in the region of US\$217,000.

The mechanics of the sale were complex and as the offer was fixed to Visa's share price, this would fluctuate on a daily basis. During the course of the negotiations with the purchaser, Visa's share price had continued to fall. By the time the contracts had been agreed, the value of the offer had reduced to approximately, US\$186,000.

However, whilst the negotiations were being finalised the JLs became aware of the Release. The purchaser subsequently advised that it would not be able to proceed with the purchase unless it received the benefit of the Release.

The JLs made enquiries to determine the likely value of the benefit of the Release. The enquiries suggested that AWL might receive 18 Series A Preferred Shares, with a value (at that time) of cUS\$373,000, upon the Release becoming effective.

In the circumstances, the JLs were unwilling to include the benefit of the Release on the terms previously agreed (but that remained subject to contract) with the purchaser. The purchaser confirmed that it was not prepared to increase its offer, and therefore the transaction did not proceed.

The Release occurred on 29 July 2022, and AWL was allocated 18 Series A Shares. These shares have been sold in the Period. The gross sum realised was £340,738.66, from which a service charge and brokerage

commission of £193.81 have been deducted, leaving a net realisation of £340,544.85. This gave rise to a total gross sum realised for the Series A Stock in the Period of £1,008,038.76.

In addition, the Release provided that any fractional share component would be provided in cash. AWL was allocated a fractional share of 0.905, equating to a value of £15,134.18.

The JLs re-circulated an invitation to purchase the remaining Series B Stock, to those parties eligible to do so. Only two offers were received, and the highest offer of £5,000 was accepted. The sale completed in the Period.

Dividends paid in relation to Series A Stock and Series B Stock

The JLs have been able to recover dividends that were declared in respect of the Series A Stock and Series B Stock totalling £22,373.66. There are some older unclaimed dividends (these dividends were paid between June 2016 and December 2018) that have been paid to the Delaware Bureau of Unclaimed Property, which total USD\$11,196.62. The JLs have applied to the Delaware Bureau of Unclaimed Property for these dividends but they have not yet been received.

Payments made to AWE

As set out in the Previous Report the JLs identified significant sums that had been transferred to AWE.

AWE was placed into members' voluntary liquidation on 21 January 2022. This is a solvent liquidation procedure. The JLs have been in correspondence with the joint liquidators of AWE and have now submitted a claim in the liquidation for EUR 8,502,430.38, which represents the total value of payments made by AWL to AWE. The JLs consider that AWE is indebted to AWL for this sum on the basis that the payments were either: (i) transactions at an undervalue pursuant to section 238(4) of the Act; and/or (ii) transactions defrauding creditors pursuant to section 423(1) of the Act; and/or (iii) paid to AWE by the directors of AWL in breach of their duties, and in circumstances where AWE was on notice of that breach.

The JLs are in correspondence with the joint liquidators of AWE in relation to the above claim. It is yet to be assessed, and has therefore been neither rejected nor admitted in the liquidation of AWE. According to information filed at the Irish Company Registry, AWE had assets of c€25k. Therefore, if the Claim is admitted, AWE will not have sufficient monies to pay it in full and, in these circumstances, the AWE Liquidator will have to convert the solvent liquidation of AWE into an insolvent liquidation.

Gross Bank Interest

Gross bank interest of £4,858 has been received into the Liquidation bank account during the Period.

Steps taken/issues faced by the JLs

Our role as JLs is to return money, as far as possible, to customers and creditors.

Relevant Funds/Asset Pools/Trust Claims

By way of brief reminder, AWL was subject to the EMRs and the PSRs, which both contain provisions for the treatment of customer monies, defined as "Relevant Funds". Essentially, the Regulations state that such monies should be safeguarded and held in segregated bank accounts that are separate to the bank accounts holding the Company's own funds.

The Regulations provide that in the event of an insolvency (defined as an "Insolvency Event"), the safeguarded Relevant Funds form "Asset Pools" from which Merchant and Pre-paid Creditor claims are to be paid.

As previously advised, the Regulations do not make it clear whether: (i) Relevant Funds received by the Company were subject to a statutory trust; or (ii) the Asset Pools should include not only those Relevant Funds that were properly segregated by the Company but also those funds that should have been segregated but (in breach of the Regulations) were not.

In order to address these and other related issues, on 15 December 2020 the JLs made an application to Court seeking directions in relation to certain questions regarding the EMRs and PSRs and the treatment of Relevant Funds. This is known as the Relevant Funds Application.

As set out in the Previous Report, whilst the judge in the Relevant Funds Application had held, amongst other things, that the EMRs and PSRs did create a statutory trust over relevant funds, she also held that she was bound by the *ipagoo* Judgment, meaning she was also bound by the subsequent decision handed down in the *ipagoo* Appeal. The *ipagoo* Appeal upheld the earlier *ipagoo* Judgment, which confirmed: (i) there is no statutory trust over Relevant Funds; but (ii) where an insolvent company has failed to safeguard sufficient Relevant Funds, the resulting deficit in the Asset Pool must be made good from the general assets of the company.

A further court hearing took place in relation to the Relevant Funds Application on 16 May 2022, at which the JLs asked the court to provide directions on various points which remained unresolved following the judgments on that application and in *Re ipagoo*. This is known as the Consequentials Hearing.

Judgment was given in the Consequentials Hearing on 19 July 2022. In summary, the Court held that:

1. The costs of distributing the asset pools are payable from each asset pool and that such costs:
 - a. do not, in a case where insolvency proceedings are being conducted for the sole benefit of the Pool Creditors, include all the costs of the proceedings; but
 - b. do include the costs associated with reconstituting, administering and distributing the asset pools and the fees and expenses of the office-holders in undertaking that work.
2. Claims against the Asset Pools in currencies other than sterling are to be converted to sterling in accordance with r14.21 of the Rules - by reference to the exchange rates prevailing on the date on which AWL went into liquidation (20 March 2020); and
3. Any shortfall in the Asset Pools must be made good from the general assets of the Company rateably by reference to the size of the shortfall in each i.e. if the shortfall in the EMR asset pool is 50%, and the shortfall in the PSR asset pool is 25%, the general assets would be shared 2:1 in favour of the EMR pool.

Extent of the funds in the Asset Pools

AWL only operated three safeguarded bank accounts (with a balance totalling £362,928.51) in accordance with the requirements of the EMRs.

AWL did not operate any safeguarded accounts in accordance with the requirements of the PSRs.

This means that AWL only held Relevant Funds totalling £362,928.51 as at the date of the liquidation and all other funds constitute AWL's general funds from which the EMR and PSR Asset Pools have to be topped up, in accordance with the Consequentials Hearing judgment. The funds held in these accounts have now been realised. Due to exchange rate fluctuations since the date of the liquidation, the sum realised was £350,928.35.

Dealing with creditors' claims

The merchant services part of the Company's business was substantially larger than the electronic money / pre-paid card business. Consequently, the value of claims of the Merchant Creditors (and the resulting asset pool for this class of creditor) is significantly greater (in value) than the claims, and the associated asset pool, for Pre-paid Creditors.

As previously advised in our various updates to creditors, the JLs face significant difficulties in adjudicating Merchant Creditor claims due to: (i) the complexity of the Company's business; (ii) the continuing lack of full access to the Company's books and records; and (iii) material inconsistencies in the information that we have been able to obtain from the records that are available. Additionally, the

Merchant Creditors themselves may in certain circumstances have some difficulty in properly evidencing their claims.

As a result of these difficulties, the JLs have agreed with the Committee a mechanism for adjudicating the claims of Merchant Creditors. The mechanism balances the requirement for the JLs to properly adjudicate claims (particularly those claims that are materially different from the values included in the Company's books and records) with the desire to return funds to Merchant Creditors as quickly and efficiently as possible.

This process has commenced and is ongoing. Appropriate deadlines will be set for the provision of information to ensure the exercise is completed as quickly as possible.

Pre-paid Card Programme

In the Previous Report we advised that the JLs had issued a termination notice giving the pre-paid cardholders two months' notice of termination. Since the Previous Report the JLs have:

- (i) drafted the necessary termination documents, which have been approved by Mastercard; and
- (ii) considered any additional steps that the JLs may have to take prior to the termination of the Programme in relation to contracts that AWL had entered into with various third parties concerning the operation of the Programme.

A key part of the termination process is for the scheme manager, Carta, to properly close down its records and provide certain information to the JLs, including an up-to-date card balance report.

The JLs have been in correspondence with Carta in relation to this complex process in the Period. We expect that we will be able to commence the steps to close the Programme shortly.

MasterCard has advised that it is prepared to arrange for the majority of the funds that it is holding (US\$777,512.14 in the Mastercard Settlement Accounts and collateral of US\$414,793.61) to be released before the termination process completes. However: (i) it will be necessary to commence the termination process before it can calculate the amount available for early return; and (ii) it is Mastercard's team in Kyiv who will be dealing with this. Therefore, given the ongoing Russia-Ukraine war, we anticipate that there will be some delay before the amounts can be confirmed and remitted to the JLs.

Investigations

The JLs have had extremely limited access to AWL's books and records. As a result, enquires have continued in the Period of various third parties connected to AWL's various business streams, including:

- AWL's various banks.
- MasterCard, in relation to the recovery of the collateral balances and the balances held in the Settlement Accounts and the termination of the Pre-paid Card Programme.
- Parties connected to AWL's merchant processing activities.
- Parties in connection with AWL's Pre-paid Card Programme, including Carta and corporate customers.
- Merchant Creditors, in relation to their claims.
- AWE's joint liquidators and other third parties in connection with transactions between AWL and AWE and AWE and other third parties.

As part of their ongoing enquiries in relation to the Company's affairs, the JLs interviewed AWL's former Company Secretary, Jason Luker in August 2022.

At the interview, Mr Luker suggested that he might be able to obtain further information from the System operated by Fintech to assist the JLs in the adjudication of claims. The JLs remain in correspondence with Mr Luker and his advisors in this regard.

In addition, the JLs are undertaking other specific enquiries in relation to AWL and its affairs. However, due to reasons of confidentiality and to avoid prejudicing any actions the JLs may identify against third parties, we are unable to provide any further information in relation to these enquiries at this time.

Distributions to creditors

There are four classes of creditor in this Liquidation:

- (i) the Merchant Creditors;
- (ii) the Pre-paid Creditors;
- (iii) the Preferential Creditors; and
- (iv) the Trade and Expense Creditors.

The potential claims of the Merchant Creditors and the Pre-paid Creditors could be as much as c£30.1m, comprising claims received to date and outstanding claims according to AWL's records. This sum exceeds the current and estimated further realisations in the Liquidation estate and means that there will not be sufficient funds remaining, after the payment of such claims, to enable any dividend to be paid to either Preferential or Trade and Expense Creditors.

Merchant Creditors

Merchant Creditors' claims received to date total £23.4m. Estimated potential claims (based upon the information currently available) may ultimately be c£29.4m.

Pre-paid Creditors

Pre-paid Creditors' claims were estimated at £654,504.93, based on information provided by Carta (a third party that had previously provided support for the Pre-paid Card Programme). Total estimated potential claims (based on the Carta information, but adjusted to reflect the value of claims actually received) amount to £674,370.54.

To date, only 19 Pre-paid Creditor claims have been received, totalling £170,984.39. According to the records available, the balances due in respect of these 19 claims is £151,118.78 based on the information provided by Carta.

It is not clear to the JLs why more of the 4,459 cardholders have not submitted claims. The position (and number of claims to be considered) will be crystallised once a notice of intended dividend has been issued and the deadline for claims has passed.

Estimated dividend to the Merchant Creditors and Pre-paid Creditors

For the reasons set out above, assessing the claims of the Merchant Creditors is a complex process. Therefore, it will take some time to conduct this work.

We will not know the extent of the shortfall in each Asset Pool until all claims have been assessed. This means that we do not currently know the value by which each asset pool will be topped up from the general funds of the Company and therefore, the total funds in each asset pool. We also note that each asset pool will be subject to the costs of distributing that pool and, until we are in a position to distribute funds, we will not know what the final costs are likely to be.

For the above reasons, the JLs are unable to give an estimate of the likely rate of dividend payable to Merchant Creditors and Pre-paid Creditors at this time.

Preferential creditors

As set out above, on current information there will not be sufficient funds to pay a distribution to Preferential Creditors.

Prescribed Part

At the date of appointment the Company had no outstanding floating charge security granted after 15 September 2003 and therefore the Prescribed Part will not apply in this Liquidation

Trade and Expense Creditors

As set out above, on current information there will not be sufficient funds to pay a distribution to the trade and expense creditors.

Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Liquidators in this Liquidation.

Joint Provisional Liquidators' remuneration and expenses

The JPLs' pre- and post-appointment fees and expenses were dealt with in detail in the Previous Report. In summary, the court approved:

- (i) Pre-appointment remuneration of £57,388.85 plus VAT. This has been paid in the Period;
- (ii) Pre-appointment legal expenses of £12,188.50 plus VAT. This has been paid in the Period; and
- (iii) The JPLs' expenses of c£421k plus VAT where applicable and US\$10,000. As at the date of the Previous Report, there remained an unpaid sum of c£36k plus VAT, where applicable. There remain outstanding additional expenses incurred by the JPLs, which have not been approved by the court totalling c£1.1k plus VAT; and
- (iv) Remuneration of £586,539.71 plus VAT for the work undertaken in relation to the Provisional Liquidation. Of this sum, £385,761.49 plus VAT was paid in the period 26 March 2020 to 25 March 2021. A further sum of £182,531.45 plus VAT has been paid on account of these approved costs in the Period, bringing the total sum billed to £568,292.94 plus VAT. This leaves a balance due of £18,246.77 plus VAT. For the reasons set out in Appendix D, this sum can only be paid from company general funds. On current information there will not be any company general funds from which to discharge the balance, which may ultimately need to be written-off.

Joint Liquidators' remuneration

As set out in Appendix D, the Committee has approved the JLs' remuneration to date of £1,397,811.68, plus VAT.

Remuneration drawn in the Period totals £684,585.96 plus VAT.

Total remuneration drawn by the JLs in the Liquidation up to the end of the period is £1,354,966.11 plus VAT.

A detailed report of the time incurred by the JLs and a narrative of the work undertaken during the Period is attached at Appendix D.

Joint Liquidators' expenses

The JLs have incurred expenses in the Period totalling £308,154.70 plus VAT, where applicable. Of this sum, £307,460.68 relates to legal fees and expenses.

Expenses paid in the Period total £582,485.10 plus VAT where applicable.

A breakdown of expenses incurred is set out in Appendix E.

FUTURE ACTIONS

The work that remains to be carried out in the Liquidation is summarised below.

Tax

It is necessary for the JLs to complete tax returns and agree and pay any tax due. This will include, but may not be limited to, any taxable gains arising on the sale of the Series A and B Stock, the dividends paid on that stock and interest earned on monies held.

Payments made to AWE

As set out above, the JLs' enquiries into payments made to AWE are ongoing.. These enquiries are necessary to establish the reasons for these payments and whether any action can be taken against third parties to recover any of these funds. For the reasons stated earlier in this report, the JLs are unable to provide any further information at this time.

General investigation matters

The JLs' specific enquiries in relation to the Company and its affairs are not yet complete. These enquiries will continue to determine whether the JLs have any actionable claims which can be brought against third parties.

Pre-paid Card Programme

As set out above, the JLs continue to liaise with Carta and MasterCard in relation to the closure of the Programme.

As soon as the JLs are able, we will issue the termination notices to MasterCard to commence the termination process. Once this process has started, the JLs will be able to pursue return of the funds that MasterCard are currently holding in the settlement accounts and in respect of the collateral. The JLs understand that the termination of the Programme will take several months.

Creditors' claims

As set out above, the JLs have agreed a mechanism with the Committee to agree the claims of the Merchant Creditors and this process is now underway. This is not a straightforward exercise due to (i) the complexity of the Company's business; (ii) the continuing lack of full access to the Company's books and records; and (iii) material inconsistencies in the information that we have been able to obtain from the records that are available. However, it is the intention of the JLs to complete the exercise as quickly as possible and deadlines will be set for the provision of further information to be provided.

Once the JLs have concluded this exercise we intend to advertise notice of an intended dividend. This notice will be sent to all unproven Pre-paid and Merchant Creditors (insofar as the JLs have their details). The Pre-paid and Merchant Creditors will then have 21 days from the date of the notice to submit their claims and the JLs will be required to declare the dividends within 2 months of the last date for proving.

APPENDIX A

STATUTORY INFORMATION

Information

Company name	Allied Wallet Limited
Company registration number	05832811
Registered office	C/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Court name and reference	High Court of Justice, Chancery Division - 004876 of 2019
Date of appointment	26 March 2020
Joint Liquidators	Shane Crooks Emma Sayers Malcolm Cohen
	<i>Under the provisions of section 231 of the Act the Joint Liquidators carry out their functions jointly and severally meaning any action can be done by one Liquidator or by all of them.</i>
Joint Liquidators' address	BDO LLP, 55 Baker Street, London, W1U 7EU
Data Control and GDPR	Shane Crooks, Emma Sayers and Malcolm Cohen are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Liquidators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Liquidation of Allied Wallet Limited. Please see the privacy statement at https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies

APPENDIX B

CREDITORS' RIGHTS

Within 21 days of receipt of the Report: (i) a secured creditor; (ii) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (iii) any unsecured creditor with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which are itemised in the Report.

Within 14 days of receipt of the request, the Joint Liquidators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the Liquidation or might reasonably be expected to lead to violence against any person, or
- the Joint Liquidators are subject to confidentiality obligations in respect of the information.

The Joint Liquidators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Report, make an application to court that the basis fixed for the Joint Liquidators' remuneration, the remuneration charged, or the expenses incurred by the Joint Liquidators, as set out in the Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Liquidators' Fees' and information on the rights, duties and functions of a liquidation committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Liquidation. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

APPENDIX C

RECEIPTS AND PAYMENTS ACCOUNT

	Notes	Statement of Affairs £	From 26 March 2022 to 25 March 2023 £	From 26 March 2020 to 25 March 2023 £
RECEIPTS				
Petitioner's Deposit		-	-	1,600.00
Cash at bank	1	-	5,036,608.67	7,318,434.48
Visa Share Dividends		-	21,921.59	21,921.59
Visa Class A Common Stock		-	1,008,038.76	1,008,038.76
Visa A Convertible Preferred Stock		-	15,134.18	15,134.18
Visa B Participating Preferred Stock		-	5,000.00	5,000.00
Refund of bank charges	2	-	132.64	132.64
Gross bank interest		-	4,858.22	4,858.22
		-	6,091,694.06	8,375,119.87
PAYMENTS				
Official Receiver's Administration Fee		-	-	5,000.00
Official Receiver's General Fee		-	-	6,000.00
Supporting Creditor Petition Costs		-	5,407.50	5,407.50
Bank charges		-	253.25	429.25
Provisional Liquidation costs - Pre-appointment legal fees		-	12,188.50	12,188.50
Provisional Liquidation costs - legal fees		-	-	323,256.55
Provisional Liquidation costs - legal expenses (inc Counsel)	3	-	-	58,030.09
Provisional Liquidation costs - legal fees (US)		-	-	7,888.30
Provisional Liquidation costs - Pre-appointment remuneration		-	57,388.85	57,388.85
Provisional Liquidation costs - Provisional Liquidators' remuneration		-	182,531.45	568,292.94
Provisional Liquidation expenses		-	-	3,451.20
Liquidators' Remuneration		-	684,585.96	1,354,996.11
Legal fees		-	514,804.81	885,394.16
Legal expenses (incl Counsel)		-	61,098.87	142,280.17
Corporation Tax		-	280.06	280.06
Statutory advertising		-	-	749.85
Specific penalty bond		-	-	200.01
Storage costs		-	39.15	39.15
Transcribing fees		-	187.50	187.50
Insurance		-	-	375.20
Agent's fees		-	694.02	1,753.02
Irrecoverable VAT	4	-	297,178.47	676,117.78
		-	1,816,638.39	4,109,706.19
Net Receipts / (Payments)			4,275,055.67	4,265,413.68
MADE UP AS FOLLOWS				
Insolvency Service Account (ISA)				4,265,413.68

Notes

1. Further cash at bank totalling approximately £4.14m has been realised since this account was drawn.
2. These charges were incurred in the Previous Period but are being included in the Period to remedy the position.
3. Includes an additional legal expense of £66.00 inadvertently omitted from a previous period.
4. The Joint Liquidators have made enquiries in relation to the recoverability of the VAT incurred. A significant portion of AWL's business was VAT exempt and the JLs have concluded that the VAT cannot be recovered.

APPENDIX D

JOINT PROVISIONAL LIQUIDATORS' REMUNERATION

As advised in the Previous Period, the Court approved:

- the JPLs' remuneration in the sum of £586,539.71 plus VAT. The JPLs had drawn £385,761.49 plus VAT on account of this sum from the Lloyds Account, leaving an unpaid balance of £200,778.22 plus VAT. The JPLs have drawn a further £182,531.45 plus VAT in the Period.
- the JPLs' pre-appointment remuneration totalling £57,388.85.

The Court sanctioned payment of the JPLs' remuneration from the Lloyds Account, on the basis that this bank account was considered to be the least likely to hold Relevant Funds, and also without prejudice to any future order of the Court as regards the question of which funds/Asset Pools should bear the burden of the remuneration and expenses of the JPLs.

As explained earlier in the Report, at the Consequential Hearing it was determined that the costs of distributing the Asset Pools are payable from each asset pool, and that such costs:

- do not, in a case where insolvency proceedings are being conducted for the sole benefit of the Pool Creditors, include all the costs of the proceedings; but
- do include the costs associated with reconstituting, administering and distributing the Asset Pools and the fees and expenses of the office-holders in undertaking that work.

Applying this finding, the Judge confirmed that certain of the remuneration and expenses of the JPLs in relation to the liquidation and the preceding provisional liquidation constitute "*costs of distributing the asset pools*" and are therefore payable from the pools. The remainder of the remuneration and expenses could only be paid from AWL's general assets. As all of these assets will be applied to the top-up, this balance will in all likelihood be irrecoverable.

As a consequence of the above, the time costs incurred in the PL were split between the Asset Pools, which resulted in time costs totalling £18,246.77 being applied against the general estate, rather than the Asset Pools. This means that this sum cannot be paid from RF and will only be recoverable if there is a surplus in the Asset Pools, which appears very unlikely.

In summary, the total amount paid in respect of the JPLs' costs in the Period is therefore £182,531.45, and £57,388.85 in respect of the JPLs' pre-appointment costs.

JOINT LIQUIDATORS' REMUNERATION

As explained in the Previous Report, the Committee was established on 17 July 2021. The Committee is responsible for considering and approving the JPLs' remuneration. The JPLs have been in correspondence with the Committee in relation to the ongoing issues, the general progress of the Liquidation and the costs and expenses incurred. The JPLs have agreed with the Committee that we will seek approval of our remuneration on a phased basis.

As explained in the Previous Report, the JPLs' costs had, prior to the Period, been agreed as follows:

- Phase 1 - (26 March 2020 to 23 October 2020) - up to £395,549.90 plus VAT
- Phase 2 - (24 October 2020 to 23 April 2021) - up to £274,860.25 plus VAT - taking the total to £670,410.15

(iii) Phase 3 - (24 April 2021 to 19 January 2022) - up to £281,795.56 plus VAT - taking the total to £952,205.71.

Although the Committee approved the JLs' remuneration in the sum of £952,205.71 for Phases 1-3, the total time costs incurred by the JLs to that point was only £951,235.91, meaning the JLs' remuneration to the end of Phase 3 was therefore limited to that sum.

Again, as a result of the Consequential Hearing, the JLs' time costs needed to be apportioned across the respective Asset Pools. Following this allocation, the sum of £29,592.16 was apportioned against the general estate and is therefore not payable from the Asset Pools. This sum is likely to be irrecoverable unless there is a surplus in the Asset Pools.

Phase 4 (20 January 2022 to 30 November 2022)

Phase 4 of the Liquidation ran from 20 January 2022 to 30 November 2022.

A decision procedure was convened, and the Committee passed a resolution on 2 March 2023 approving the JLs' remuneration to be fixed in accordance with Rule 18.16(2)(b) of the Rules by reference to time properly spent by the JLs and their staff in attending to matters arising in the winding up, and in accordance with the Fees Estimate for Phase 4 of the Liquidation up to £445,605.97 plus VAT.

As with the JLs' time costs for Phases 1-3, certain of the work undertaken in the Phase 4, totalling £12,253.62, is not recoverable from the Asset Pools. This time will only be recoverable if there is a surplus in the Asset Pools.

The total time costs approved to date by the Committee is therefore £1,397,811.68, of which £41,845.78 cannot be drawn from the Asset Pools as a result of the Consequential Hearing and is therefore likely to be irrecoverable.

In the Period, the sum of £684,585.96 has been drawn in relation to the JLs' remuneration for Phases 3 and 4.

JLs' time costs in the Period

Time costs of £482,273.73 have been incurred during the Period, as detailed in the summary at Appendix D1. Some of these time costs have been approved by the Liquidation Committee as part of the Phase 4 costs approved to date. Time costs incurred after 1 December 2022 have not yet been approved by the Liquidation Committee.

Details of the work undertaken in the Period is detailed below.

Planning and strategy

- General planning and strategy
- Monitoring and updating the case control schedule
- Internal conference calls to discuss proposed strategy and next steps
- Consideration and preparation of costs allocations and apportionments against the asset pools following the judgment in the Consequential Hearing
- Preparation and review of costs apportionments for bills raised and received for payment

General administration

- Ongoing reconciliation of the Liquidation bank accounts, other AWL accounts held and general cashiering functions
- Processing and monitoring closure of more than 40 bank accounts and remitting the proceeds into the Insolvency Services Account ("ISA")

- Preparation and completion of internal reviews
- Preparation for and attendance at the Consequential Hearing on 16 May 2022
- Considering the impact of the Judgment on the JLs' costs and calculating the apportionments between the Asset Pools
- VAT and Corporation Tax compliance

Investigations

- Interviewing former employees
- Enquiries of various third parties in relation to pre-appointment transactions
- Ongoing correspondence with, and making enquiries of, parties connected to AWL's merchant processing activities, including the card schemes, third party acquirers, payment facilitators and resellers used by AWL
- Submitting a claim in the liquidation of AWE and ongoing correspondence with the liquidator
- Enquiries of creditors including, but not limited to, Merchant Creditors, Pre-paid Creditors and corporate customers in relation to their claims

Instruct/liase solicitors

Advice in relation to the following:

- The impact of the Court of Appeal decision in *Re ipagoo* and its implications for the Liquidation of AWL
- The Consequential Hearing, including the implications on future strategy
- The claim against AWE
- Preparation for, and attendance at, the interview of a former employee
- Considering the claims of various Merchant Creditors
- Termination of the Pre-paid Card Programme
- The sale of the Visa shares and the Release
- Reconciliation of legal costs
- General advice in relation to ongoing enquiries of, and to, the JLs

Asset realisation/dealing

- Realisation of the shares and dividends held in Visa Inc, including the Release

Creditors

- The claims of creditors including, but not limited to, Merchant Creditors, Pre-paid Creditors, corporate creditors and creditors asserting proprietary claims

Reporting

- Preparation of reports issued to the Committee and obtaining approval for the JLs' remuneration
- Preparation and distribution of the progress report to members and creditors
- Reporting to the Committee
- Reporting to the FCA
- Reporting to third parties

Charge our rates

The current charge out rates per hour of staff within the firm who may be involved in working on the Liquidation are as follows. These charge out rates were agreed with the FCA at the commencement of the PL and are discounted from my firm's standard charge out rates.

Grade	£
Partner	532
Director	395
Associate Director	365
Senior Manager	335
Manager	284
Assistant Manager	224
Senior Executive	212
Junior Executive	191
Trainee (senior)	172
Trainee (junior)	124

Cumulative time incurred to fees estimate comparison

In the Liquidation to the end of the Period, time costs totalling £1,528,259.49 have been incurred over 4,906.20 hours, at an average hourly rate of £311.50, as detailed in the table below:

Activity	Estimated			Total Incurred		
	Hours	Average Rate £	Time costs £	Hours	Average Rate £	Time costs £
Steps on appointment	23.95	184.28	4,413.50	23.95	184.28	4,413.50
Planning and strategy	158.10	340.23	53,791.05	182.30	336.76	61,391.20
General administration	849.35	244.60	207,752.04	967.45	241.05	233,207.88
Investigations	943.30	336.62	317,530.63	963.55	336.55	324,283.58
Instruct/liaise solicitors	1,050.95	349.21	366,999.15	1,108.15	347.59	385,185.75
Asset realisations/dealing	426.85	306.74	130,932.60	468.25	305.34	142,976.43
Employee matters	28.60	286.21	8,185.60	28.60	286.21	8,185.60
Creditors' claims	348.05	276.71	96,307.79	486.90	281.54	137,079.87
Reporting	623.40	338.35	210,929.53	677.05	341.98	231,535.68
TOTAL	4,452.55	313.72	1,396,841.89	4,906.20	311.50	1,528,259.49

The JLs have exceeded the fees estimate of £1,396,841.89. The fees estimate was based on the value of time spent for the period 26 March 2020 to 30 November 2022. Accordingly, the increase is due to the further work that has been carried out since 1 December 2022 and up to 25 March 2023. This has included, but is not limited to, the following:

- Reporting to the Committee
- Seeking a resolution regarding the JLs' remuneration for Phase 4 of the Liquidation
- Reviewing claims of Merchant Creditors and making enquiries of the same
- Liaising with solicitors regarding the adjudication of Merchant Creditors' claims
- Progressing the closure of the Pre-paid Card Programme
- Realising further Visa share dividends
- Instructing Rooney Nimmo to facilitate the sale of the remaining Series B Visa stock
- Realising cash at bank previously held by Fire
- Ongoing correspondence with the Company's former Company Secretary

The JLs will seek approval of the additional fees from the Committee in due course.

APPENDIX D1

TIME COSTS INCURRED FOR THE PERIOD 26 MARCH 2022 TO 25 MARCH 2023

In the Period, total time costs of £482,273.73 have been incurred over 1,663.95 hours, at an average hourly rate of £289.84.

Activity	Partner	Director	Associate director	Senior manager	Manager	Assistant manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Planning and strategy	12.00	40.00	0.25	-	0.05	19.30	20.65	-	92.25	31,434.35	340.75
General administration	17.10	55.35	1.65	0.10	10.45	78.60	76.55	155.20	395.00	82,155.08	207.99
Investigations	9.50	38.80	2.75	-	-	11.90	37.60	-	100.55	32,294.25	321.18
Instruct/liaise solicitors	28.50	143.70	11.00	-	-	34.00	101.15	-	318.35	105,766.50	332.23
Asset realisation/dealing	19.00	94.45	0.20	0.10	24.65	132.65	58.45	3.40	332.90	98,426.43	295.66
Employee matters	-	0.40	-	-	-	-	2.10	-	2.50	603.20	241.28
Creditors' claims	7.50	19.55	52.25	-	-	48.95	45.10	18.40	191.75	53,543.03	279.23
Reporting	26.50	117.95	1.80	-	2.65	17.05	55.05	9.65	230.65	78,050.89	338.40
TOTAL	120.10	510.20	69.90	0.20	37.80	342.45	396.65	186.65	1,663.95	482,273.73	289.84

APPENDIX E

JOINT LIQUIDATORS' EXPENSES

The Joint Liquidators' expenses incurred and paid are detailed below.

	Estimated £	Incurred in Period 26/03/2022 to 25/03/2023 £	Total Incurred 26/03/2020 to 25/03/2023 £	Total Paid 26/03/2020 to 25/03/2023 £
Category 1				
Agent's fees and expenses	-	694.02	1,753.02	1,753.02
Legal fees and expenses (see note 1)	414,048.41	10,754.61	540,198.76	496,800.84
Legal fees and expenses (see note 2)	540,790.67	260,726.09	525,395.90	492,893.51
Legal fees and expenses (see note 3)	-	2,150.00	4,150.00	4,150.00
Legal fees and expenses (see note 4)	31,248.70	33,829.98	33,829.98	33,829.98
Corporation Tax	-	280.06	280.06	280.06
Insurance	235.20	-	375.20	375.20
Transcribing fees	-	187.50	187.50	187.50
Storage Costs	-	39.15	39.15	39.15
Specific Penalty Bond	200.01	-	200.01	200.01
Statutory Advertising	749.85	-	749.85	749.85
Bank Charges	-	253.25	429.95	429.95
PR consultancy and support	825.00	-	825.00	825.00
Official Receiver's Administration Fee	-	-	5,000.00	5,000.00
Official Receiver's General Fee	-	-	6,000.00	6,000.00
Supporting Creditor Petition Costs	-	5,407.50	5,407.50	5,407.50

The expenses shown are largely self-explanatory, however, we would specifically comment on the following in the Period:

Note 1

These represent the fees and expenses of Eversheds.

Eversheds were instructed by the JLs at the outset of the Liquidation. The core team at Eversheds engaged by the JLs moved to Enyo during Phase 3. To facilitate the ongoing issues in the Liquidation and to keep costs to a minimum, the JLs instructed Enyo in the general matters arising in the Liquidation.

The specialist payments team at Eversheds remain instructed to provide advice in relation to the Pre-paid Card Programme. Costs incurred in the Period relate to work undertaken by Eversheds advising the JLs in relation to the termination of the Pre-paid Card Programme.

Note 2

These represent the fees and expenses of Enyo.

Work undertaken by Enyo in the Period relates predominantly to advice and assistance in relation to:

- Preparing for and attending the Consequential Hearing.
- The judgement handed down in relation to the Consequential Hearing.

- The calculation of the top-ups of the asset pools and the apportionment of the costs against each asset pool.
- Corresponding with Fintech's lawyers in relation to the accounting records of AWL.
- The interview of Jason Luker.
- The process for agreeing the claims of the Merchant Creditors.
- Agreeing and paying the costs of the supporting petitioning creditor.
- Providing three updates to creditors in the Period.
- Reporting to the Committee and attending a meeting of the Committee in December 2022.
- The charge of £33,000 levied by one of AWL's banks.
- Claims received from/enquiries being made of Merchant and Pre-paid Creditors.
- The costs of closing the Pre-paid Card Programme.
- The JLs' ongoing investigations.
- Instructing US lawyers to deal with the sale of the Series B Shares

Our solicitors instruct Counsel as appropriate to deal with Court applications and attend Court hearings.

Note 3

These costs were incurred by Lester Aldridge LLP for the supply of a medallion signature guarantee to enable the change of ownership to be registered by the share registrars for the Series A and Series B Stock.

Note 4

These represent the costs and expenses of Rooney Nimmo.

Rooney Nimmo are a firm of US lawyers instructed to facilitate the sale of the Series B Stock. The work undertaken by Rooney Nimmo relates predominantly to the Series B Stock and assisting and advising in relation to:

- The drafting of two sale contracts and completion of the requisite forms required by Visa.
- Making enquiries to determine the effect of the Release.
- Conducting the sale process ensuring all steps were completed correctly.

Increases from original estimate

The legal fees and expenses incurred for Phases 1 to 3 of the liquidation were collectively estimated to total £703,997.61 plus VAT, where applicable. The legal fees for Phase 4 of the Liquidation totalled £282,090.16 plus VAT, where applicable. This gives rise to total legal fees for the period 26 March 2020 to 30 November 2022 of £986,087.78 plus VAT, where applicable.

The legal costs incurred in the Period total £307,460.68 plus VAT, where applicable.

The total legal costs incurred in the Liquidation to 25 March 2023 will inevitably be higher since these costs have been incurred over a longer period i.e. from 26 March 2020 to 25 March 2023 (rather than from 26 March 2020 to 30 November 2022).

The costs of Lester Aldridge LLP were not included in any previous fees estimate as the JLs had not been able to anticipate these costs.