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1 Company details

Company number 07248014

Company name in full Business Loan Network Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Geoffrey Wayne

Surname Bouchier

3 Administrator's address

Building name/number Kroll Advisory Ltd.

Street The Shard

32 London Bridge Street

Post town

County/Region London

Postcode SE19SG

Country United Kingdom

4 Administrator's name ①

Full forename(s) Robert John

Surname Armstrong

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Kroll Advisory Ltd.

Street The Shard

32 London Bridge Street

Post town

County/Region London

Postcode SE19SG

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 5	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2
To date	^d 1	^d 4	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 1	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2
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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 Tom Marston

Company name Kroll Advisory Ltd.

Address The Shard

32 London Bridge Street

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Country

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- ☐ You have signed the form.

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Progress Report to Creditors

11 November
2022

Business Loan Network Limited (In Administration)

Joint Administrators' Progress Report for the period from 15 April 2022 to
14 October 2022

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1. Introduction

The Joint Administrators were appointed on 15 April 2021 by the Court, following an application by the Directors.

This Progress Report covers the period from 15 April 2022 to 14 October 2022 and provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' previous progress reports.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 9.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 10.

2. Creditor Summary

This Progress Report covers the period from 15 April 2022 to 14 October 2022.

2.1 Summary of Proposals

The Joint Administrators are pursuing the second objective, namely 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. The Joint Administrators consider that there is a real prospect that this is achievable for the reasons set out in the Report (paragraphs 117-125) and the Proposals, namely:

- a) There is a real prospect of higher net Loan Recoveries and BLN Fees and Costs being achieved in Administration as compared with Liquidation;
- b) That the making of an Administration Order will potentially reduce the extent of enquiries made which will significantly reduce costs to the benefit of the creditors of Company; and
- c) Overall, the costs of the Administration are likely to be less than the costs of Liquidation.

The Joint Administrators' Proposals for achieving the purpose of the Administration were approved without modification by creditors via deemed consent on 23 June 2021.

2.2 Progress to Date

Loans

As at the Appointment Date, there were 163 outstanding loans to 73 Borrowers. The outstanding principal loan value was c.£49.5m.

During the Reporting Period, a further 10 loans have redeemed. Since the Appointment Date, a total of 44 loans have redeemed, the proceeds of which have been allocated as set out in this report.

At the end of the Reporting Period, 119 loans are outstanding with an outstanding principal of £32,622,575.

In conjunction with ESF (the Joint Administrators' Loan Book Servicer), estimated total Loan Recoveries have been revised to c.£17.9m (excluding accruing interest) and before deduction of BLN Fees and Costs.

Client Estate

At the end of the Reporting Period and from Loan Recoveries, the Joint Administrators report that:

- £14,626,286 of Client Assets have been collected and allocated to Lenders' accounts;
- £417,773 has been received and allocated to the Company's client account and is subject to the outcome of the ongoing legal review into the uncertainty of the priority of distribution between certain loan syndicates as mentioned at the section titled "Client Money", and;
- £521,495 has been received and allocated to the Company's client account, the overriding majority of which will shortly be allocated to Lenders' accounts.

The Joint Administrators have paid Lender withdrawal requests from Client Assets totaling £6,026,230.

The Joint Administrators have paid Lender Withdrawal requests from the CMP totaling £1,916,269.

The Joint Administrators continue to process and pay Lender withdrawal requests weekly.

The Joint Administrators request all Lenders submit Lender withdrawal requests on the platform where they have uninvested client monies held in their account.

Based on current information and estimates, the Joint Administrators estimate that the 25% Retention will just be sufficient to meet the necessary costs of dealing with Client Assets, to include the increase in the Joint Administrators remuneration in dealing with Client Assets as set out at section 6.3, notwithstanding the overall decline in the ERV (estimate to realise value) of Loans since the estimate provided to Court in the Report immediately prior to the Joint Administrators' appointment.

In Section 6.3, the Joint Administrators refer to the formal notification which is being emailed to all Lenders that the Joint Administrators' remuneration will exceed the £950,000 estimate detailed in the Report which was considered by the Court upon the appointment of the Joint Administrators. The Order requires the Joint Administrators to notify Lenders of the amount by which their remuneration is estimated to exceed £950,000, after which Lenders have 28 days during which they are at liberty to apply to the Court for a determination as to whether the Joint Administrators be permitted to be paid the additional remuneration from the monies comprising Client Estate. This is more fully referred to in 6.3.

The Joint Administrators have prepared an estimate of the remuneration required to continue to deal with Client assets, in addition to the £950,000 initial estimate. That estimated additional remuneration totals £486,074 and assumes 893 hours of work. Further information concerning the estimate, including a supporting narrative, is detailed at section 6.3 below.

On 12 September 2022 the Joint Administrators consulted with the Creditors Committee to explain the estimated additional remuneration required to continue to deal with Client Assets, which is now being communicated to all Lenders.

The 28 days in which Lenders are permitted to apply to the Court runs from the date of the email notification. Should any Lenders wish to make an application to Court in this regard, they or their legal representatives should please contact the Joint Administrators at BLN@Kroll.com.

Insolvency Estate

Based on these revised estimates, it is now estimated that BLN Fees and Costs are likely to be slightly lower than the previous estimate of c.£1.7m.

Investigations

The Joint Administrators have filed their confidential report with the BEIS regarding the conduct of the Directors of the Company, as detailed in the Previous Reports.

2.3 Outcome for Creditors

The Company has no secured or preferential creditors.

Claims received from non-preferential unsecured creditors since the appointment date total £5,314,896.

Creditors should note that the Joint Administrators have not yet adjudicated on the merits of these claims and will not do so until it is known whether there will be sufficient funds to enable a distribution to non-preferential unsecured creditors.

Based on the current information available to the Joint Administrators, it remains uncertain whether there will be sufficient asset realisations to enable a distribution to non-preferential unsecured creditors of the Company.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company for the Reporting Period. The previous reports issued to the Company's Creditors are available to view at www.ips-docs.com and paper copies can be provided free of charge by writing to Tom Marston, Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG.

Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Administration and progress to 14 October 2022.

3.1 Strategy and Progress to Date

As advised in the Proposals, the purpose of an Administration is to achieve one of the following hierarchical objectives:

- 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.

The first objective will not be achievable as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

The Joint Administrators are pursuing the second objective, namely 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. The Joint Administrators consider that there is a real prospect that this is achievable for the reasons set out in the Report, the Previous Reports and Proposals, namely:

- A) There is a real prospect of higher net Loan Recoveries and BLN Fees and Costs being achieved in Administration as compared with Liquidation;
- B) That the making of an Administration Order will potentially reduce the extent of enquiries made which will significantly reduce costs to the benefit of the creditors of Company; and
- C) Overall, the costs of the Administration are likely to be less than the costs of Liquidation.

The Joint Administrators' Proposals for achieving the purpose of the Administration were approved without modification by creditors via deemed consent on 23 June 2021.

3.2 Strategy of the Administration

The Joint Administrators' strategy remains as follows, being to:

- Continue with the wind-down of the remaining Loans during the Administration process for the benefit of Lenders and the Company;
- Distribute Client Money to Lenders; and
- Realise the Company Assets for the benefit of the Company's creditors.

Pursuant to the permissions granted by the Court to utilise Client Assets, the Joint Administrators' current methodology is to retain 25% of Client Assets, being the 25% Retention, retained following the Joint Administrators' appointment, and the 75% balance to which Lenders are entitled will be allocated to relevant Lenders' accounts and made available for distribution, subject to appropriate Anti Money Laundering and Know Your Client checks being completed. The 25% Retention is and will be utilised by the Joint Administrators to meet the necessary costs of dealing with Client Assets.

It is anticipated that once Loans and Company Assets have been recovered to the extent possible and the costs and expenses of the Administration and dealing with Client Assets are known with more certainty, a plan will be formulated, to enable any surplus funds, if any (please see below), to be distributed amongst Lenders.

There will be consultation with the Creditors' Committee (see below for further information) concerning the distribution of any surplus funds and, if considered necessary, possibly an application to the Court for approval prior to implementation. In addition, the FCA will be kept informed throughout.

It is possible that the distribution of any surplus may affect the value of any unsecured claims which Lenders may have against the Company.

3.3 Loans

At the Appointment Date, there were 163 outstanding loans to 73 Borrowers. The outstanding principal loan value was c.£49m.

The Joint Administrators' Previous Report advised that, in conjunction with ESF (the Joint Administrators' Loan Book Servicer), estimated Loan Recoveries were projected to be c.£20.2m (excluding accruing interest) before deduction of BLN Fees and Costs with the majority of Loans to be collected by early to mid-2023.

During the Reporting Period, the Joint Administrators have continued to work closely with ESF and their legal advisors in managing and progressing the loan book. Ten loans were redeemed in the Reporting Period. Further information is detailed below within the Client Asset section of this report where the Joint Administrators set out the amounts allocated to Lenders' accounts as a result.

At the end of the Reporting period, there are 119 loans left with outstanding principal balances totaling c£32.6m.

Further loan book reviews have been conducted throughout the Reporting Period, in conjunction with ESF, to assess the timing and likely ERV of the remaining Loans. Based on current estimates, total Loan Recoveries are projected to total c.£17.9m (excluding accruing interest) and before deduction of BLN Fees and Costs, with the majority of Loans projected to be collected by September 2023.

The reason for the reduction in the ERV of Loans to c.£17.9m from c.£20.2m relates predominately to two loans where the particular unique circumstances of those Loans required increased provisioning as a result of recent events. One of the loans has since redeemed in the Reporting Period and those relevant Lenders have been notified accordingly.

A small number of loans had been identified with projected recovery dates beyond September 2023 into 2024 and 2025. On an initial review the costs of realising the Loans may outweigh the benefit to the estate and as a result, the Joint Administrators and ESF are reviewing the most cost-efficient way to deal with these Loans.

As before, it should also be noted that the current estimate (and previous estimates referred to above) does not include the recovery of accrued interest, which is likely to be material in certain cases, potential recoveries from some personal and corporate guarantees and other avenues of recovery. Accordingly, the Joint Administrators wish to make clear that this estimate is likely to change.

Lenders will continue to receive syndicate updates on active Loans for which they are invested by email in the usual way, and it is recommended Lenders continue to review these when received for further information. Since the Joint Administrators' appointment, over 290 syndicate updates have been sent to Lenders across 54 active loans. The next sections provide an update regarding Loan Recoveries and the collection of BLN Fees and Costs for the Client Estate and Insolvency Estate respectively.

3.4 Client Estate

This section deals with assets which are subject to the proprietary rights of Lenders, predominately being Client Money and Client Assets as well as other associated matters.

Assets within the Client Estate do not form part of the Insolvency Estate but are included here for reference given the close relationship between them.

Client Assets

Client Assets are amounts from Loan Recoveries from Loans received after the Joint Administrators' appointment to which Lenders are entitled. Client Assets are held by the Company in a client account specifically for this purpose.

As at the end of the Reporting Period and from Loan Recoveries, the Joint Administrators report that:

- £14,626,286 of Client Assets have been collected and allocated to Lenders' accounts, an increase of £7,428,632 as compared to the figure stated in the previous progress report;
- £417,773 has been received and allocated to the Company's client account and is subject to the outcome of the ongoing legal review into the uncertainty of the priority of distribution between certain loan syndicates as mentioned at the section titled "Client Money", and;

- £521,495 has been received and allocated to the Company's client account, the overriding majority of which will shortly be allocated to Lenders' accounts. This is a decrease from the figure stated in the previous progress report of £578,153.

An update concerning Lender Withdrawals from Client Assets is detailed below.

25% Retention

As noted above, the 25% Retention will be retained by the Joint Administrators as a provision to meet the necessary costs of dealing with Client Assets as ordered by the Court and summarised at Section 3.2 above. At the end of the Reporting Period, £3,636,363 had been collected and allocated to the 25% Retention account to meet approved costs, an increase of £1,853,549 as stated in the Joint Administrators' Previous Report.

Based on current information and forecasted Loan Recoveries mentioned at section 3.2 above (to include the estimated increase in the Joint Administrators remuneration in dealing with Client Assets as set out at section 6.3), its currently estimated that the 25% Retention will just be sufficient to meet the anticipated necessary costs of dealing with Client Assets notwithstanding the decline in the ERV of Loans since the estimate provided to Court in the Report immediately prior to the Joint Administrators' appointment. The costs of dealing with Client Assets are disclosed at section 6.3 below.

The Joint Administrators will provide further updates in their next report.

Client Money

In accordance with the FCA's Client Assets Sourcebook (CASS), Client Money held by the Company at the time of the Joint Administrators' appointment (i.e. monies held in Lenders' accounts with the Company), are to be reconciled and notionally pooled, forming a Client Money Pool ("CMP").

The CMP balance at the Appointment Date totals £2,799,793.

A summary of the CMP is provided below:

CMP (at Appointment)	£2,799,793
Less: Amount paid prior to Reporting Period	(£1,770,803)
Less: Amount paid during Reporting Period	(£145,466)
CMP Client Account balance at end of Reporting Period	£883,524
Comprising of:	
Amounts retained for legal costs	£30,573
Amounts subject to legal determination on priority of distribution	£690,670
Amounts available for withdrawal by Lenders	£162,281
CMP Client Account Balance at end of Reporting Period	£883,524

In respect of the £690,670, the Joint Administrators' Previous Report advised that the Joint Administrators and gunnercooke had worked with Counsel to identify a cost-effective solution to enable the relevant Loan Recoveries to be allocated and distributed to the appropriate Lenders. During the

Reporting Period, further work was undertaken updating the allocation and distribution plan, including preparation of the proposed document to be sent to appropriate Lenders setting out and explaining the plan.

The plan will include provision for the ongoing costs which have been incurred during the administration in recovering and resolving the issues concerning the relevant loans. Those matters have now almost been completed, and the Joint Administrators remain confident that the solution identified will potentially avoid the need to make an application to Court. The relevant Lenders will be contacted during the next reporting period to enable this matter to be finalised.

During the Reporting Period, Lender Withdrawals from the CMP from client monies allocated to Lenders' accounts totaled £145,466 as shown in the table above. In relation to 'Amounts available for withdrawal by Lenders' of £162,281 as shown in the table above, ESF have and continue to take steps to contact Lenders and request they withdraw their funds.

AML / KYC and Client Asset Lender Withdrawals

This applies to Lender withdrawals from Client Assets.

During the Reporting Period, the Joint Administrators have continued to process and pay Lender withdrawals on a weekly basis for Client Assets. At the end of the Reporting Period, the Joint Administrators have paid £6,026,230 to Lenders, as compared to £4,236,081 stated in the Joint Administrators' previous report.

By way of reminder, the Joint Administrators are required to ensure that appropriate Anti Money Laundering and Know Your Customer checks have been performed prior to permitting Lender withdrawals ("AML & KYC").

During the Reporting Period, the Joint Administrators have continued their work with ESF in respect of issuing communications in an attempt to encourage Lenders to submit necessary AML/KYC information so that Lender withdrawal requests can be processed.

The Joint Administrators will continue to process and pay Lender withdrawal requests weekly or as appropriate.

Request to Lenders to submit Lender Withdrawal Requests

As previously advised, the Joint Administrators, together with their appointed servicer, ESF, wish to pay to Lenders all their uninvested client monies allocated to their accounts at the earliest opportunity.

In this regard, please can Lenders review their account with the Company by logging onto the Platform at <https://www.businessloannetwork.co.uk/> to check whether they hold uninvested client monies.

If Lenders do hold uninvested client monies in their accounts, the Joint Administrators ask Lenders to submit a Lender Withdrawal Request as soon as reasonably practicable to request withdrawal of funds.

3.5 Insolvency Estate

This section deals with Company Assets.

Company Assets are assets included with the insolvency estate and are available for distribution to creditors after the costs and expenses of the Administration have been deducted.

Realisations during the Reporting Period are set out in the Joint Administrators' Receipts and Payments Account at Appendix 3.

Company Assets already realised in full, and which were disclosed in earlier reports are not re-stated below.

BLN Fees and Costs

The Company derives its income from fees charged to Borrowers included within Loan Recoveries from Loans for the Company's own account as well as reimbursement of other costs it has incurred on behalf of Lenders, being defined as BLN Fees and Costs.

As previously reported:

- The majority of BLN Fees and Costs are due in the future but £762,609 had accrued and was owing to the Company as at Appointment Date based on the data from Company's records. These accrued but unpaid amounts relate to non-performing loans.
- The Report, which was based on estimates provided by the Company prior to the Administration, estimated that BLN Fees and Costs could be c.£1.9m but was subject to change.

In the Reporting Period, the Joint Administrators have collected, as shown on the Receipts and Payments Account at Appendix 3, £683,783 of BLN Fees and Costs, bringing total realisations in this regard to £1,095,616.

The Joint Administrators' Previous Report advised that BLN Fees and Costs could be c£1.7m. Given the information at Section 3.3, which estimates a slight reduction in the projected total Loan recoveries, it's likely that BLN Fees and Costs might be slightly less than the previous estimate of c£1.7m. The Joint Administrators will provide further updates in their future progress reports.

Buy Back Loans

The Company bought certain loan parts relating to the Gould Loans from Lenders prior to the Appointment Date. Any Loan Recoveries in respect of those loan parts will be for the Insolvency Estate.

Prior to the Appointment Date, the Company had commenced recovery proceedings against a professional adviser and had issued a Letter of Claim on 23 July 2020 seeking damages of £610k.

The Joint Administrators previous report advised that analysis had been undertaken, including obtaining legal advice from Actons Solicitors, as well as that the parties were in communication.

During the Reporting Period, communications continued between the parties, to include detailed letters being communicated between the parties. The Joint Administrators are unable to disclose further details at this time so not to prejudice any potential future recovery actions and updates will be provided to creditors in the Joint Administrators' progress reports to creditors, as appropriate.

Intellectual Property

As previously reported, the Company previously traded as ThinCats and was the registered owner of the trademark "ThinCats", up to October 2020. Following receipt of an independent valuation, the Company sold the registered trademark and any other intellectual property associated with the ThinCats brand to ESF in October 2020, prior to the appointment of Administrators.

The Joint Administrators review of whether appropriate consideration was received for the transferred asset remains ongoing. The Joint Administrators will provide a further update in their next report to creditors.

Investments

The Company owns 25.48% of ordinary shares in TAL.

It is understood that the Company entered into a Joint Venture arrangement agreement with TAL to provide software and a licence for the use of certain intellectual property in exchange for the issue of ordinary shares in TAL. The Company has ascribed no monetary value to the investment in TAL and has not received any dividend or other income from TAL.

During the Reporting Period, the Joint Administrators receive communications from TAL who were offering new shares to existing shareholders to essentially meet the financial challenges facing TAL. The Joint Administrators requested and were provided with further information but, after assessment, BLN did not participate and purchase further shares. The Joint Administrators have been unable to realise the shares BLN holds in TAL.

3.6 Investigations

The Joint Administrators reviewed the affairs of the Company to ascertain if there were any actions which could be taken against third parties to increase recoveries for Creditors. This review included a detailed analysis of the Company's bank statements, financial records, minutes of board meetings, other company records as well as engaging with parties formally engaged by the Company.

The Joint Administrators' previous progress reports advised that the Joint Administrators have been engaging with the Directors to understand the nature of certain transactions and the rationale behind certain decisions made in the period prior to the Administration. This has included seeking the completion of questionnaires from each of the directors in office within the three-year period prior to the Administration.

During the Reporting Period, the Joint Administrators have continued their review of the abovementioned matters, to include the sale of the intellectual property mentioned at Section 3.5 above. The Joint Administrators reiterate that, at this stage, no claims have been identified and that the ongoing investigations might conclude that no further work be undertaken.

The Joint Administrators have complied with their statutory obligation to file a report with BEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. Please note this report is confidential.

4. Outcome for Creditors

4.1 Secured Creditors

The Company has no secured creditors.

4.2 Preferential Creditors

The Company has no preferential creditors.

4.3 Unsecured Creditors

As noted in the Proposals, according to the SOA there are non-preferential unsecured creditors of the Company with claims of £783,251 as at the Appointment Date, summarised as follows:

Creditor	£
HMRC	-
Trade and Expense Creditors	2,601
Employees (unsecured element)	-
ESF	382,710
Lenders (see below note)	388,929
Other non-preferential unsecured creditors	9,011
Total	783,251

As previously advised, it is important to note that the amount owed to lenders in the table above and as per the SOA relates solely to the principal liabilities owed to those Lenders specifically in relation to the complaint upheld by the Company on 22 January 2021 as detailed in the Proposals.

The SOA also does not quantify the amounts potentially owed to other Lenders, including upheld FOS determinations - see below for further information.

The figures provided in the above table and in the SOA do not affect creditors' rights to submit a claim and for a different amount.

Claims received from non-preferential unsecured creditors (including all contingent lender creditors) during the Cumulative Period total £5,314,836. The majority of the non-preferential unsecured creditor claims received are from Lenders and are therefore contingent.

Creditors should note that the Joint Administrators have not yet adjudicated on the merits of unsecured claims and will not do so until it is known whether there will be sufficient funds available to enable a distribution to non-preferential unsecured creditors.

Based on the current information available to the Joint Administrators, it remains uncertain whether there will be sufficient asset realisations to enable a distribution to be paid to the non-preferential unsecured creditors of the Company. A further update in this regard will be provided to creditors in the Joint Administrators' next report to creditors.

4.4 Lenders

As noted in the Previous Report and the Proposals, the essence of a P2P platform is that the proceeds of loans the Company facilitates are not its property. The Lenders to those loans are those who chose, via the Company's platform, to invest in them. Any shortfall suffered by Lenders on any particular loan, does not in itself give rise to a claim against the Company.

In the circumstances of this matter, for the purposes of the approval process of the Proposals and the establishment of a Creditors' Committee, the Joint Administrators have decided to treat all Lenders as contingent creditors in this regard. In doing so, the Joint Administrators are not admitting any Lender's claim as to validity or value.

If not already done so, Lenders who wish to claim as creditors and ordinary creditors (all other non-Lender creditors) of the Company should ensure that they have submitted details of their claim via the Creditors' Portal which can be accessed at www.ips-docs.com (see earlier communications in the Administration regarding how to access same).

Lenders who have complained to FOS

The Company continues to be regulated by the FCA and relevant regulatory provisions still apply. The Joint Administrators are continuing to discuss this with their legal advisers but are aware that by s.228(5) of the Financial Services and Markets Act 2000 (which provides "If the complainant notifies the ombudsman that he accepts the determination, it is binding on the respondent and the complainant and final").

Absent any grounds on which to challenge the determination as being one which no reasonable authority could have made, the Joint Administrators appear to be bound to accept any such award as an unsecured liability of the Company.

The Joint Administrators are also aware of the provisions of DISP 1.3.2(AG) which provides that the results of an Ombudsman's finding should be "effectively applied in future complaint handling" and "where appropriate upheld".

These and other relevant provisions will be taken into account should the Joint Administrators be in a position to adjudicate the Lender's claims against the Company.

How to Submit a claim in the Administration

If not already done so, Lenders who wish to claim as creditors and ordinary creditors (all other non-Lender creditors) of the Company should ensure that they have submitted details of their claim via the Creditors' Portal which can be accessed at www.ips-docs.com (see earlier communications in the Administration regarding how to access same).

4.5 Prescribed Part

The Company is not subject to any floating charges and therefore, the Prescribed Part provisions will not apply.

5. Other Matters

5.1 Creditors' Committee

Establishment of the Creditors' Committee

The Joint Administrators' previous communications to creditors and Lenders have stated that the Joint Administrators believe that this is an appropriate matter for a Creditors' Committee to be formed, provided sufficient nominations are received.

Accordingly, following the sending of the Proposals and as previously advised, a Creditors' Committee was established on 6 August 2021, consisting of five members as follows:

- Kevin Singleton
- Andrew Selkirk
- Grays of Norwich Limited
- Windsor Estates Finance Limited
- Glencar Investments XII Designated Activity Company

Each member of the Creditors' Committee has signed a Non-Disclosure Agreement. Consequently, each of the Creditors' Committee are privy to confidential information but are required to keep this information and other dealings in respect of the Creditors' Committee confidential. They are not permitted to share any information with creditors or Lenders.

Role of a Creditors' Committee

A Creditors' Committee represents the interest of the creditors as a whole, rather than the interests of individual creditors.

The main function of the Creditors' Committee is to assist the Joint Administrators in discharging their duties as well as approve the Joint Administrators remuneration. This may include assisting the Joint Administrators in key decisions, representing the main body of unsecured creditors, or providing information relating to the Company, its business and affairs.

Further information is contained with the Proposals which remain available on the Joint Administrators' IPS Creditors' Portal which can be accessed at www.ips-docs.com (see earlier communications in the Administration regarding how to access same).

Creditors' Committee Meetings

As previously reported, the first meeting of the Creditors' Committee took place on 8 September 2021 and lasted approximately four hours. The Joint Administrators provided a comprehensive update on the progress of the Insolvency Estate as well as the Client Estate, to include ongoing strategy and next steps.

A second Creditors' Committee meeting took place on 13 December 2021 where a further detailed update was provided.

During the Reporting Period, a third Creditors' Committee meeting took place on 12 September 2022.

The Creditors' Committee engaged with the Joint Administrators both in terms of providing their opinions on the information and update provided as well as by providing information to assist with the conduct of the Administration.

The Joint Administrators will be convening the fourth meeting of the Creditors Committee in due course, where a further detailed update will be provided.

How to Communicate with the Creditors' Committee

The Creditors' Committee have set up a dedicated email address should any Lenders wish to contact them about matters concerning the Administration of BLN. Their email address is blncreditors@gmail.com.

Please note and as mentioned above, each member of the Creditors' Committee has signed a Non-Disclosure Agreement and consequently is prevented from divulging the content of Creditors' Committee meetings or information received in their capacity as a member of the Creditors' Committee to other Lenders or any other parties outside of the Creditors' Committee. This measure is important and is ultimately designed to protect the best interests of the Company and its creditors.

5.2 Joint Administrators' Receipts and Payments Account

A detailed receipts and payments account for the period 15 April 2022 to 14 October 2022 is shown in Appendix 3 together with a cumulative account for the whole of the Administration.

5.3 Creditors' Rights

Further information regarding the remuneration and expenses of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 8, Statement of Creditors' Rights.

6. Fees, Expenses and Pre-Administration costs

6.1 Insolvency Estate

This section deals with the Joint Administrators' remuneration and the costs and expenses of the Administration in accordance with the Act and Rules, as appropriate.

Basis of the Joint Administrators' Remuneration

The basis of the Joint Administrators' remuneration was approved by the Creditors Committee on 21 September 2021 and is fixed by reference to the time properly incurred by the Joint Administrators in attending to matters arising during the Administration in accordance with the Fee Estimate provided in the Proposals and Kroll's usual charge-out rates for work of this nature.

The Fee Estimate approved by the Creditors Committee totals £1,532,880 and effectively acts as a cap on the remuneration that can be drawn by the Joint Administrators, subject to there being sufficient funds in the Administration estate.

As noted in the Proposals, the Fee Estimate quantifies the total amount of time and therefore cost anticipated to be spent over the duration of the insolvency process (currently estimated to be up to 5 years) was based on the information contained in the Report (together with the supplemental Estimated Outcome Statement dated 14 April 2021) which was included in the evidence provided to the Court in support of the Administration application. These are available on the Company's website as previously noted.

The Joint Administrators acknowledged in the Proposals that the Fee Estimate is an estimate, and is based on a number of assumptions, some of which will be accurate and some of which may not be, thereby resulting in future costs incurred differing from the estimate.

Accordingly, and as previously communicated, the Joint Administrators will regularly update the Creditors' Committee who is best placed to consider progress and quantum of the Joint Administrators' remuneration.

Joint Administrators' Time Costs

The Joint Administrators' total time costs incurred for the Reporting Period total £177,902, which represents 429 hours at an average hourly rate of £415. Time has been charged in six-minute units.

A breakdown of the Joint Administrators' time costs can be found at Appendix 5.

Also attached at Appendix 6 is the Fees Narrative, a summary of key issues, to assist Creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to Creditors.

These time costs are within the approved Fee Estimate provided in the Proposals.

The Joint Administrators' total time costs incurred for the Cumulative Period total £786,225, which represents 1,839 hours at an average hourly rate of £427.

Joint Administrators' Remuneration

During the Reporting Period, the Joint Administrators have drawn remuneration of £350,000 (excl. VAT) in relation to the Insolvency Estate, which is shown on the Receipts and Payments account at Appendix 3.

Joint Administrators' Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 expense are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

The Joint Administrators provided an estimate of expenses for the Administration in their Proposals, totalling £166,374. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 details the expenses incurred and paid during the Reporting Period, together with the Joint Administrators' estimate of expenses to be incurred for the whole of the Administration, including a comparison to that provided in the Proposals.

In the Reporting Period, Category 1 Expenses of £31,651 were incurred, of which £33,951 were paid. There have been no Category 2 Expenses incurred during the Reporting Period.

As above, the Creditors' Committee has approved that the Joint Administrators be authorised to draw Category 2 Expenses (to the extent they are incurred) from the assets of the Administration estate.

During the Reporting Period, Category 2 Expenses of £593 have been incurred and paid.

6.2 Insolvency Estate Pre-Administration Costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

On 21 September 2021, shortly after the first meeting of the Creditors' Committee, approval was received from the Creditors' Committee that the unpaid pre-Administration costs were to be paid out of the assets of the Administration estate.

The Joint Administrators' Previous Report and Proposals provided details of the Joint Administrators' pre-administration costs, to include gunnercooke, the contents of which have not been repeated in this report.

A table summarizing the position is shown below:

Pre-Administration Costs	Paid (£)	Unpaid (£)	Total (£)
gunnercooke LLP	118,010	0	118,010
Kroll	366,559	0	366,559
Total	484,569	0	484,569

As shown above, Pre-Administration Costs totalled £484,569, of which £54,473 and £242,000 respectively were paid to gunnercooke and Kroll prior to the Appointment Date with the remaining amounts being drawn from BLN in Administration and as shown the Receipts and Payments account attached at Appendix 3.

6.3 Client Estate and Client Money Pool

This section deals with the Joint Administrators' remuneration and the costs and expenses in relation to the Client Estate and Client Money Pool.

As mentioned earlier in this report, the application to Court was made because in the circumstances permissions of the Court were required to assist the Joint Administrators in carrying out their functions, to include retaining 25% of Client Assets to meet costs. A copy of the sealed Court Order together with the Report has been made available to Lenders via the Company's website.

The Court Order stipulates that the Joint Administrators be permitted to pay for the following categories of work from the Client Estate:

- 1) The post-Administration costs and expenses incurred by the Company, acting by the Joint Administrators, engaging ESF to provide future Loan Book Servicing (or of such alternative service provider should the Joint Administrators so determine);
- 2) The remuneration of the Joint Administrators for:
 - a) The Loan Book Servicing supervision tasks;
 - b) Dealing with Lender related matters, in particular dealing with enquiries from Lenders;
 - c) Dealing with issues concerning the Financial Conduct Authority;
 - d) Court applications relating to Client Assets, CMP and/or Lender matters;
 - e) Collecting BLN Fees and Costs payable from the Client Assets to the Company;
- 3) Legal costs incurred by the Joint Administrators dealing with Client Assets and the CMP; and
- 4) One-half of the costs incurred (including the remuneration of the Joint Administrators) in establishing and conducting the affairs of the creditors' committee.

The Court directed that, if the remuneration for work done by the Joint Administrators in respect of the Client Estate and Client Money Pool, exceeds the £950,000 estimate as detailed in the Report as considered by the Court, then the Joint Administrators are obliged to notify the Lenders who shall have liberty to apply to the Court within 28 days of such notification for the determination as to whether the remuneration that exceeds the estimates or any part thereof that exceeds the estimates should be paid out of the monies comprising Client Estate.

Notification is being sent to all Lenders by email.

The 28 period in which Lenders have liberty to apply to Court runs from the date of the notification email.

Joint Administrators' Remuneration

The Joint Administrators' time costs incurred in respect of the Client Estate for the Reporting Period total £221,099, which represents 463 hours at an average hourly rate of £477. Time has been charged in six-minute units.

The Joint Administrators' total time costs incurred in respect of the Client Estate from the Appointment Date to 14 October 2022 total £1,135,127, representing 2,200 hours at an average hourly rate of £516.

During the Reporting Period, the Joint Administrators were paid £135,000 (excl. VAT) from the Client Estate, bringing total amounts paid to the Joint Administrators from the Client Estate to £700,000 (excl. VAT).

A breakdown of those time costs and summary of the tasks undertaken can be found at Appendix 5 and Appendix 6.

The Joint Administrators' time costs have exceeded the initial estimate of £950,000 as provided to Court via the Report. This is principally due to additional time spent:

- In respect to Loans and Loan Recoveries, Loans being more complex and challenging to administer and collect than originally forecast. Additional time has been spent undertaking the following:
 - understanding the Loans, some of which are complex with complex histories;
 - formulation and implementation of future Loan recovery strategies, as well adjustments to same as and when necessary;
 - assisting with Loan progression;
 - assisting with syndicate updates;

- pursuit of Loan shortfalls, including liaising with legal advisers, borrower negotiations and enforcement actions as appropriate. This work also includes the review of Loan security documentation, personal guarantees, assets reviews, appropriate investigation work and bankruptcy proceedings.
- time spent setting up systems to ensure the efficient running of the Client Estate moving forward, such as the platform software updates and reporting systems;
- time spent investigating, analysing and determining a solution to the competing security interest claims (including the £690k held with the CMP as mentioned above);
- Regulatory banking matters, and;
- Additional time spent dealing with AML/KYC, banking matters and certain legal matters.

As previously noted, the Joint Administrators believe that cost efficiencies have been experienced in dealing with the Client Estate with less time being spent dealing with routine administrative and operational matters. Time however continues to be incurred dealing with the Loans as shown in the detailed breakdown at Appendix 5.

Formal notification to Lenders that the Joint Administrators' remuneration will exceed the £950,000 estimate detailed in the Report as considered by the Court upon the appointment of the Joint Administrators

As mentioned above, if the remuneration for work done by the Joint Administrators in respect of the Client Estate, exceeds the £950,000 estimate as detailed in the Report as considered by the Court, then the Joint Administrators are obliged to notify the Lenders who shall have liberty to apply to the Court within 28 days of such notification for the determination as to whether the remuneration that exceeds the estimates or any part thereof that exceeds the estimates should be paid out of the monies comprising Client Estate.

Accordingly, the Joint Administrators have prepared an estimate of the amount of remuneration that they anticipate will exceed the initial estimate of £950,000 by for Lenders' review. This estimate totals £486,074 based on 893 hours of additional work.

On 12 September 2022 the Joint Administrators consulted with the Creditors Committee to explain the estimated additional remuneration required to continue to deal with Client Assets, which is now being communicated to all Lenders.

Detailed at Appendix 7 is a financial summary of the estimate of £486,074 together with a narrative which sets out the future work anticipated to be required by category. You will note that the principal component of the additional remuneration estimate is time forecasted to be spent dealing with the collection of Loans, which have been more complex and challenging to administer and collect than originally forecast. The Joint Administrators do however hope that the actual costs incurred will be less than the estimate provided.

It should also be noted that the Joint Administrators' estimate of £486,074 is based on the anticipated timing of the collection of the remaining Loans, the majority of which should be collected by September 2023. Whilst there are some Loans which may take longer to realise beyond September 2023, the Joint Administrators are considering realization strategies in relation to these Loans to enable earlier collection with discount or other solutions to enable time spent dealing with the Client Estate to be minimized or cease altogether for the benefit of all Lenders.

The Joint Administrators request all Lenders to consider the estimate of £486,074 together with the supporting narrative. Lenders are at liberty within 28 days from the date of the email notification to apply to Court to seek a determination as to whether the estimated remuneration of £486,074 or any part thereof that exceeds the estimate of £950,000 should be paid out of the monies comprising Client Estate.

Should any Lenders wish to make an application to Court in this regard, they or their legal representatives should please contact the Joint Administrators at BLN@Kroll.com.

ESF

As previously reported and after exploring other possible options, the Joint Administrators decided to retain ESF to carry out Loan Book Servicing and related matters regarding the Client Estate. The terms of the engagement with ESF provide for ESF to be paid in part on a variable time incurred basis, and in part based on the quantum of actual Loan Recoveries. The Report estimated that based on the Company's and ESF's assumptions around the expected loan book recoveries and timings (i.e. over a period of up to 5 years) that the estimated cost of ESF acting as Loan Book Servicer would be approximately £2.6m.

Given that the Joint Administrators in conjunction with ESF believe that the majority of Loans should be collected by September 2023, it is anticipated that the agreement with ESF would not be required for the full 5 years as budgeted. The Joint Administrators have been in discussion with ESF regarding the ongoing engagement with ESF, both in terms of duration and amendment to reflect the current and future requirements of the administration of the Client Estate which will hopefully reduce costs.

As at the end of the Reporting Period, the Joint Administrators have received invoices from ESF pursuant to the loan book / Client Estate arrangements totalling £1,297,076 (excl. VAT). These invoices relate to the work undertaken during the Cumulative Period.

During the Reporting Period, the Joint Administrators have paid £76,101 (excl. VAT) to ESF in this regard. Taking total costs paid to ESF during the Cumulative Period to £856,417.

Legal Costs

The Joint Administrators have retained gunnercooke to assist them deal with matters relating to the Client Estate. gunnercooke's fee arrangement is on a time cost basis.

As at the end of the Reporting Period, the Joint Administrators had received invoices totalling £106,150 (excl. VAT), primarily being in relation to the following matters:

- Conducting reviews of documentation held in relation to various loans;
- Liaising with the Joint Administrators to discuss the realisation strategy in respect of the loans;
- Reviewing complex syndicate updates prepared by the Joint Administrators;
- Preparing a summary of loan guarantees to assist with the realisation strategy; and
- Reviewing ongoing legal claim paperwork and strategy.

During the Cumulative Period, the Joint Administrators have paid £87,610 (excl. VAT) to gunnercooke for services rendered in relation to the Client Estate, of which £20,423 (excl. VAT) was paid during the Reporting Period.

Other

There have been no other costs or expenses paid during the Reporting Period in relation to the Client Estate other than those mentioned above, save for bank charges and other minor incidental costs.

7. Future Strategy

7.1 Future Conduct of the Administration

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

- Finalising the recovery of Loans and BLN Costs and Fees and associated matters;
- Collect in the assets of the Insolvent Estate as detailed in this report;
- Conclude ongoing investigations;
- Continue to oversee the Client Estate, to include distributing funds to Lenders;
- Paying outstanding costs of the Administration, and;
- Dealing with other statutory matters and duties of the Insolvent Estate including accounting for VAT and completing corporation tax returns.

7.2 Extension of the Administration

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

The term of the Administration was extended by 12 months to 14 April 2023 with the consent of the Company's creditors as previously reported.

The Joint Administrators will make an application to Court in January 2023 to extend the term of the Administration by a further 24 months. The extension is necessary for the following reasons:

General Insolvency Estate

- Monitor and realise BLN fees and costs due to the Company from the managed wind-down of the loan book;
- Liaise with legal advisors to progress legal claims for the benefit of the Company;
- Pay the outstanding costs of the Administration; and
- Deal with other statutory matters and duties, including accounting for VAT and completing corporation tax returns.

Client Estate

- Monitor and conclude the recovery of the loan book for the benefit of the lender syndicates;
- Pursue personal guarantees relating to specific borrowers, where commercially viable.
- Facilitating lender withdrawals from the client-money pool (CMP);
- Distribute funds to lenders in relation to post-pooling event (PPE) funds;

Should any creditor have any queries or questions in this regard or wish to make a representation to Court in respect of the proposed extension, please email BLN@kroll.com by 16 December 2022.

7.3 Future Reporting

The Joint Administrators will provide a further progress report within one month of 14 April 2023.

If you require further information or assistance, please do not hesitate to contact the case team on BLN@kroll.com.

Yours faithfully
For and on behalf of
Business Loan Network Limited



Geoffrey Bouchier
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Geoffrey Bouchier and Robert Armstrong, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory Information

Company information

Company and trading name	Business Loan Network Limited	
Date of incorporation	10 May 2010	
Registered Number	07248014	
Company Director(s)	Jill Sandford, Peter Brown, Kevin Caley, Quentin Baer	
Shareholders	ESF Capital Limited Thomas Francis Moore Stuart Le Cornu Rupert Cottrell Anthony Taylor Peter Brown Kevin Caley	
Trading address	2-3 Charter Point Way, Ashby-De-La-Zouch, Leicestershire, England, LE65 1NF	
Registered office	Current: Kroll The Shard 32 London Bridge Street London	Former: 2-3 Charter Point Way, Ashby-De-La-Zouch, Leicestershire, England, LE65 1NF

Administration information

Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (Chd), Companies Court, number 000680 of 2021.
Appointor	Court Order
Date of Appointment	15 April 2021
Joint Administrators	Geoffrey Bouchier and Robert Armstrong
Original purpose	Achieve a better result for the Companies' creditors as a whole than may be achieved than if the Company were wound up without first being in Administration

Administration information

Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1
Current Administration expiry date	14 April 2023
Prescribed part	The Prescribed Part is not applicable in this case.
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

The following proposals were approved by creditors on 23 June 2021 at 23.59hrs:

1. That the Joint Administrators may continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
2. That the Joint Administrators may do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient to achieve the purpose of the Administration.
3. That the Joint Administrators may investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's Creditors.
4. That the Joint Administrators may seek an extension to the Administration period if considered necessary.
5. That the Joint Administrators may make distributions to the preferential creditors (if any) where funds allow.
6. That the Joint Administrators may make distributions to the non-preferential unsecured creditors from the Prescribed Part, where applicable.
7. That the Joint Administrators may make further distributions to the non-preferential unsecured creditors over and above the prescribed part, if funds become available and apply to court for authority to do so, where applicable.
8. That the Joint Administrators might apply to Court for the Administration Order to cease to have effect from a specified time and for the return of control to the Directors.
9. That the Joint Administrators might place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Wayne Bouchier and Robert John Armstrong of Kroll (a trading name of Duff & Phelps Ltd.) would act as Joint Liquidators, should the Company be placed into Creditors' Voluntary Liquidation. The Creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.
10. That the Joint Administrators might petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Wayne Bouchier and Robert John Armstrong of Kroll (a trading name of Duff & Phelps Ltd.) would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to Creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

11. That the Joint Administrators might take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its Creditors, and (2) all outstanding matters have been satisfactorily completed.
12. Alternatively, the Joint Administrators may allow the Administration to end automatically.
13. That a creditors' committee will be established if there are sufficient creditors are willing to act as members of the committee.

Appendix 3 – Receipts and Payments Account

Business Loan Network Limited (In Administration)

Analysis of the Joint Administrators' Receipts and Payments Account

Statement of Affairs	The Reporting Period from 15 April 2022 to 14 October 2022	The Cumulative Period from 15 April 2021 to 14 October 2022
(£)	(£)	(£)
Asset Realisations		
Bank Interest Gross	141.50	270.81
188,946.00 Cash at Bank and in Hand	-	189,170.12
1,546,387.00 Loan Servicing Fee Income (BLN Fees and Costs)	683,783.43	1,095,616.35
Third Party Recovery Costs from Client Estate (1*)	(12,007.80)	(22,326.48)
381,305.00 Debtors (BLN Fees and Costs)	6,366.00	206,248.74
3,214.00 Office and Computer Equipment	-	13,000.00
Rates Refund	-	2,039.33
Rent Deposit	-	33,380.53
248.00 HMRC Refund	-	-
400,000.00 Buy Back Loans	-	-
	678,283.13	1,517,399.40
Cost of Realisations		
Accountants Fees	(700.00)	(700.00)
Agent/Valuers Fees	-	(2,000.00)
Bank Charges	(386.00)	(1,012.84)
Insurance of Assets	-	(921.81)
Joint Administrators' Disbursements	(592.85)	(817.85)
Joint Administrators' Remuneration	(350,000.00)	(550,000.00)
Land Registry Costs	-	(30.00)
Legal Disbursements	-	(415.78)
Legal Fees	(30,950.50)	(93,012.50)
Pre-Administration Remuneration	-	(124,559.00)
Pre Administration Legal Fees	-	(63,536.80)
Public Relation Consultants	-	(1,050.00)
Statutory Advertising	-	(99.45)
Storage Costs	-	(357.85)
	(382,629.35)	(838,513.88)
Balance	295,653.78	678,885.52
Represented By		
Floating/Main Current Account		999,622.70
General VAT Control Account		(261,201.46)
VAT Payable		(59,533.72)
		678,887.52

1*) Third-Party Costs are due to be reimbursed to the Company from future loan recoveries.

Appendix 4 – Analysis of Expenses Incurred

Business Loan Network Limited (in Administration)

Joint Administrators' Expenses for the Administration

Joint Administrators' Expenses for the Administration											
Notes	Company	Type of Expense	Activity	Fee Basis	Reporting Period		Cumulative Period			Original Estimate	Variance
					Amount Paid (£)	Amount Incurred (£)	Amount Paid (£)	Amount Incurred (£)	Anticipated Total Cost (£)		
1	Category 1 Expenses										
2	Professional Advisors										
3	gunnercooke LLP	Legal Fees	Legal advice in relation to asset realisations and ad hoc legal advice	Time costs and disbursements	27,350.50	29,650.50	80,412.50	82,712.50	100,000.00	100,000.00	-
4	Actons Solicitors	Legal Fees and Disbursements	Legal advice in relation to specific legal recoveries	Time costs and disbursements	3,600.00	3,600.00	12,695.00	12,695.00	55,000.00	55,000.00	-
5	Hilce Appraisal Ltd	Agents Fees	Valuation of the Company's office and IT equipment	Time costs	-	-	2,000.00	2,000.00	2,000.00	-	(2,000.00)
6	LB Group	Accountants	Preparation of corporation tax returns and ad-hoc accountancy advice	Time costs	700.00	700.00	700.00	700.00	5,000.00	5,000.00	-
7	Marsh Limited	Insurance Agents	Provision of Open Cover Insurance premium and policies	Fixed Fee	-	-	921.81	921.81	921.81	1,000.00	78.19
8	Spreckley Partners Limited	Public Relations Consultants	Dealing with the media and issuing a press release	As incurred	-	-	1,050.00	1,050.00	1,050.00	1,050.00	-
9	Other Costs										
10	Courts Advertising	Statutory	Statutory Advertising of the appointment in the London Gazette	As incurred	-	-	99.45	99.45	99.45	99.45	-
11	Tota Data Management	Statutory	Collection and storage of the Company's books and records	As incurred	-	-	357.85	357.85	3,000.00	3,000.00	-
12	Accuride Mailing	Mailing	Stationery and Postage	As incurred	-	-	-	-	1,000.00	1,000.00	-
13	ACON UK Ltd	Statutory Compliance	Bondorou	Fixed Fee	-	-	225.00	225.00	225.00	225.00	-
14	Registers of Scotland Direct	Land Registry Fees	Registered title property searches	Fixed Fee	-	-	30.00	30.00	30.00	-	(30.00)
Total Category 1 Expenses					31,650.50	33,950.50	98,491.61	100,791.61	168,326.26	166,374.45	(1,951.61)
15	Category 2 Expenses										
16	Travel	Travel	Travel costs incurred by the Joint Administrators' and their staff in attending site	As incurred	572.75	572.75	-	478.95	478.95	-	(478.95)
17	Subsistence	Subsistence	Subsistence costs incurred by the Joint Administrators' and their staff	As incurred	20.10	20.10	-	-	-	-	-
Total Category 2 Expenses					592.85	592.85	-	478.95	478.95	-	(478.95)
Total Expenses					32,243.35	34,543.35	98,491.61	101,270.56	168,805.21	166,374.45	(2,430.76)

Notes to Expenses Schedule

- Category 1 Expenses are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- The Joint Administrators' choice of professional advisers is based on their perception of the experience and ability of the respective firms / individuals to perform the work, the complexity and nature of the assignment and the basis of their fee.
- Legal advice and disbursements for the provision of legal advice anticipated to be in relation to claims from lenders, specific asset recoveries and the interaction between the Client Estate and the Insolvency Estate.
- Legal advice in relation to recoveries from the Company's owned "Buy Back" loans. NBI Actons were legal advisers to the Company prior to the Administration and have detailed knowledge of certain matters.
- The Joint Administrators instructed Hilce Appraisal Ltd to conduct a professional desktop valuation of the Company's office and IT equipment on both an in-situ and ex-situ basis.
- The Joint Administrators have instructed LB Group to perform corporation tax services.
- The Joint Administrators instructed specialist insurance brokers, Marsh Limited, to provide open cover insurance over the business and assets during the Administration.
- The Joint Administrators instructed public relations consultants to assist with communications to the media, including issuing press releases.
- Category 1 Expenses are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- Statutory advertising of the Notice of Appointment in the London Gazette as required under insolvency legislation.
- The Joint Administrators are required to store the Company's books and records for 12 months after the end of the Administration. The Joint Administrators working papers must be stored for 6 years after the end of the Administration.
- It is usually more cost effective to employ an external agent to print and mail circulars to creditors and members, as required by statute.
- It is a statutory requirement for insolvency practitioners to have a bond on each case to which they are appointed. The cost is based on the value of the assets.
- The Joint Administrators incurred costs relating to registered title searches conducted by the Scottish Land Registry.
- Category 2 Expenses are costs that are directly referable to the Joint Administrators, or are a payment to an associate. All Category 2 expenses need approval before payment from the Administration estate.
- These are travel expenses that the Joint Administrators have incurred in dealing with the Administration.
- These are subsistence expenses that the Joint Administrators have incurred in dealing with the Administration.
- N.B. An associate is where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate.

Appendix 5 – Analysis of Time Charged

Business Loan Network Limited (In Administration)

Analysis of the Joint Administrators' Time Costs for the Reporting Period

	Managing Director	Hours Manager	Senior	Assistant	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning							
Case Review & Case Diary Management	0.30	2.80	0.00	4.30	7.40	2,781.50	375.88
Cashiering & Accounting	0.00	46.20	0.00	73.30	119.30	36,654.50	307.25
IPS Set up & Maintenance	0.00	0.20	0.00	0.10	0.30	153.00	510.00
Statutory Matters (Meetings, Reports & Notices)	4.50	41.90	0.00	42.25	88.65	36,382.50	410.41
Strategy, Planning & Control	0.00	16.60	0.00	11.20	27.80	12,551.50	451.49
Tax Compliance / Planning	0.00	2.50	0.00	11.10	13.60	3,494.50	256.95
Creditors							
Creditors Committee	15.60	98.30	0.00	14.70	128.60	71,159.00	553.34
Dealings with Creditors & Employees	0.00	6.00	0.00	8.00	14.00	4,933.00	352.36
Investigations							
CDDA & Reports & Communication	0.00	0.00	0.00	0.20	0.20	40.00	200.00
Financial Review and Investigations (S238/239 etc)	0.00	0.30	0.00	0.20	0.50	231.50	463.00
Realisation of Assets							
Book Debts	0.00	0.80	0.00	3.00	3.80	1,101.00	289.74
Other Intangible Assets	0.00	2.10	0.00	0.20	2.30	1,374.50	597.61
Other Tangible Assets	1.00	3.90	17.00	0.00	21.90	6,981.10	318.77
Stock & Work In Progress	0.00	0.00	0.00	0.40	0.40	64.00	160.00
Trading							
Total Hours:	21.40	221.60	17.00	168.95	428.75		414.93
Total Fees Claimed (£):	15,725.37	125,309.00	3,977.23	32,788.00		177,901.60	

Business Loan Network Limited (In Administration)

Analysis of the Joint Administrators' Time Costs for the Cumulative Period

	Managing Director	Hours Manager	Senior	Assistant	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning							
Case Review & Case Diary Management	1.40	23.50	1.40	21.20	47.50	18,908.00	398.06
Cashiering & Accounting	0.00	181.70	2.20	235.70	419.60	137,049.00	326.62
Dealings with Directors and Management	3.90	2.70	0.00	4.50	11.10	5,136.50	462.75
IPS Set up & Maintenance	0.00	1.00	0.00	12.70	13.70	2,979.00	217.45
Insurance	0.00	18.30	0.00	1.10	19.40	11,026.50	568.38
Statement of Affairs	0.00	5.10	0.00	1.50	6.60	2,833.50	429.32
Statutory Matters (Meetings, Reports & Notices)	23.90	193.80	21.30	105.30	344.30	149,498.00	434.21
Strategy, Planning & Control	5.40	200.00	6.70	76.30	288.40	129,658.00	449.58
Tax Compliance / Planning	0.00	12.70	0.00	41.00	53.70	14,855.50	276.64
Creditors							
Creditors Committee	30.20	269.20	3.60	18.30	321.30	176,110.50	548.12
Dealings with Creditors & Employees	12.70	43.70	2.40	38.50	97.30	43,051.00	442.46
Non Pref Creditor Claims Adjudication & Distribution	0.00	0.60	0.00	0.00	0.60	289.00	481.67
Non Pref Creditors / Employee Claims Handling	0.00	2.00	0.60	0.10	2.70	1,178.00	436.30
Investigations							
CDDA & Reports & Communication	0.00	22.40	10.30	21.80	54.50	19,100.00	350.46
Financial Review and Investigations (S238/239 etc)	3.80	14.20	3.00	3.50	24.50	11,479.00	468.53
Forensic Sales Ledger Investigations	0.00	1.00	0.00	0.00	1.00	445.00	445.00
Realisation of Assets							
Book Debts	0.00	26.50	0.00	4.50	31.00	17,435.50	562.44
Freehold and Leasehold Property	0.00	5.60	0.00	1.30	6.90	3,758.00	544.64
Other Intangible Assets	0.00	9.50	0.00	0.20	9.70	4,909.50	506.13
Other Tangible Assets	1.00	19.80	17.00	2.50	40.30	16,316.60	404.88
Stock & Work In Progress	0.00	0.00	0.00	0.40	0.40	64.00	160.00
Trading							
Trading - Accounting	0.00	31.50	0.00	0.00	31.50	14,121.50	448.30
Trading - Operations	0.00	13.30	0.00	0.00	13.30	6,023.50	452.89
Total Hours:	82.30	1,098.10	68.50	590.40	1,839.30		427.46
Total Fees Claimed (£):	61,400.37	585,801.50	23,337.23	115,584.00		786,225.10	

Business Loan Network Limited (In Administration)

Analysis of the Joint Administrators' Time Costs for the Reporting Period in relation to the Client Estate

Classification of Work Function	Hours				Total Hours	Time Cost (£)	Avg Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant			
Client Money Pool							
Competing Claims re CMP	0.00	1.00	0.00	0.40	1.40	745.00	532.14
Distribution / Payments	0.00	0.90	0.00	21.00	21.90	5,010.50	228.79
KYC / AML	0.00	0.00	0.00	1.00	1.00	280.00	280.00
Reconciliation	0.00	0.00	0.00	0.60	0.60	96.00	160.00
Client Assets							
CASS - Review and Future Operations	0.00	36.40	0.00	1.60	38.00	19,748.00	519.68
Competing Claims over CASS Monies	0.00	44.10	0.00	14.20	58.30	26,421.00	453.19
Dealing with Unclaimed CASS Monies / Distributing Client Monies	0.00	14.80	0.00	24.20	39.00	12,449.50	319.22
Future Court Application / Directions (Re Fees and Other)	0.00	8.30	0.00	0.00	8.30	5,519.50	665.00
Issuing Syndicate Updates / Communications (Monitoring)	0.20	15.30	0.00	0.00	15.50	10,324.50	666.10
Lender Servicing - Variable Costs	0.00	17.90	0.00	8.40	26.30	11,155.00	424.14
Loan Book Servicing - Oversight and Monitoring	23.10	146.65	0.00	69.60	239.35	125,048.75	522.45
Retail Lender - Inbound Queries (Phone, Email and Post)	0.00	2.00	0.00	9.00	11.00	2,882.00	262.00
Retail Lender - Outbound Queries (Website Updates, FAQs)	0.00	0.00	0.00	0.50	0.50	100.00	200.00
Updating and Reporting to FCA	0.00	2.10	0.00	0.00	2.10	1,319.00	628.10
Total Hours:	23.30	289.45	0.00	150.50	463.25		477.28
Total Fees Claimed (£):	16,035.00	173,775.75	0.00	31,288.00		221,098.75	

Business Loan Network Limited (In Administration)

Analysis of the Joint Administrators' Time Costs for the Cumulative Period in relation to the Client Estate

Classification of Work Function	Hours				Total Hours	Time Cost (£)	Avg Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant			
Client Money Pool							
Competing Claims re CMP	4.10	41.90	0.00	0.40	46.40	22,922.50	494.02
Distribution / Payments	3.10	29.60	19.00	49.20	100.90	34,197.00	338.92
KYC / AML	0.40	8.30	0.00	1.00	9.70	4,273.50	440.57
Reconciliation	0.70	34.20	0.00	1.00	35.90	18,274.00	509.03
Client Assets							
AML / KYC Review	5.50	97.60	0.00	0.00	103.10	50,137.50	486.30
CASS - Review and Future Operations	4.50	234.20	0.00	1.90	240.60	122,541.00	509.31
Competing Claims over CASS Monies	0.00	75.00	0.00	14.20	89.20	43,288.00	485.29
Competing Claims over CASS Monies - Court Directions (Re Fees and Other)	0.00	10.30	0.00	0.00	10.30	5,188.00	503.69
Dealing with Unclaimed CASS Monies / Distributing Client Monies	0.00	61.90	0.00	59.00	120.90	43,713.00	361.56
Fixed Costs	0.60	12.90	5.00	0.80	19.30	10,738.50	556.40
Future Court Application / Directions (Re Fees and Other)	0.50	8.30	0.00	0.00	8.80	5,894.50	669.83
Issuing Syndicate Updates / Communications (Monitoring)	7.10	100.60	0.00	0.00	107.70	67,503.00	626.77
Lender Servicing - Variable Costs	9.90	43.90	0.00	8.90	62.70	33,677.00	537.11
Loan Book Servicing - Oversight and Monitoring	122.05	766.35	0.00	106.00	994.40	562,940.25	566.11
Retail Lender - Inbound Queries (Phone, Email and Post)	5.30	32.90	47.00	63.30	148.50	50,247.50	338.37
Retail Lender - Outbound Queries (Website Updates, FAQs)	3.90	35.20	0.00	3.50	42.60	24,371.00	572.09
Updating and Reporting to FCA	8.50	46.40	0.00	3.80	58.70	35,220.50	600.01
Total Hours:	176.15	1,639.55	71.00	313.00	2,199.70		516.04
Total Fees Claimed (£):	127,347.50	916,713.25	26,630.00	64,436.00		1,135,126.75	

Appendix 6 – Narrative of work carried out for the period 15 April 2022 to 14 October 2022

Geoffrey Bouchier and Robert Armstrong were appointed Joint Administrators on 15 April 2021.

Introduction

This summary should be read in conjunction with the content of this report, together with Appendix 5.

The Joint Administrators' time costs incurred in the Reporting Period total £177,902, which represents 429 hours at an average hourly rate of £415. The Fee Estimate agreed by the Company's creditors totals £1,532,880 which has not been exceeded by the Joint Administrators.

The Joint Administrators provide the following supporting narrative in relation to the time costs incurred in the Reporting Period:

Strategy

Administration and Planning

During the Reporting Period, the Joint Administrators have incurred £92,018 in respect of Administration and Planning, representing 257 hours at an average charge out rate of £358.

Time costs incurred in relation to Administration and Planning have included, but are not limited to, the following tasks:

- Monitoring and reviewing Administration strategy, including completing case reviews every six months;
- Companies House and Court filings;
- Reviewing insolvency practitioners' bond;
- Administration of bank accounts;
- Undertaking treasury functions in respect of receipts and payments of the Administration;
- Preparation of this report and the previous progress report;
- Dealing with the interaction and co-ordination as between the Client Estate and the Insolvency Estate;
- Completing internal compliance reviews and checklists;
- Liaising with Company directors and management regarding statutory duties;
- Review and analyse insurance policies with regard to claims made prior to the Administration and whether policy would respond to further claims post Administration;
- Preparing updates to the Financial Conduct Authority ("FCA") on the status of the Administration;
- Meetings and telephone attendance with FCA representatives;
- Internal discussions and meetings regarding strategy and planning;
- Preparing and filing HMRC statutory notifications.

The Joint Administrators' time costs to date have exceeded the Fee Estimate of £300,320 in this regard.

This is largely because of the complexities that have been encountered which has resulted in more time being spent by more senior staff than originally anticipated, for example the preparation of the Proposals and other statutory work.

Further work will include the following tasks:

- Internal strategic discussions and meetings and completing case reviews at regular intervals;
- General case oversight by senior team members over key issues, including statutory matters;
- Ongoing interaction and co-ordination as between the Client Estate and the Insolvency Estate;
- Filing notices with Companies House as required;
- Dealing with tax compliance and corporation tax returns;
- Preparing and issuing the Joint Administrators' six-monthly Progress Reports to Creditors;
- Dealing with cashiering matters including making payments and preparing VAT returns as required;
- Regularly reconciling the Administration bank accounts;
- Dealing with queries arising during the appointment;
- Reviewing matters affecting the outcome of the Administration; and
- Complying with internal filing and information recording practices, including documenting strategy decisions.

These time costs, and the expenses of Marsh, Accurate Mailing, Courts Advertising, Total Data Management, Spreckley Partners, AON UK Ltd and LB Group as detailed at Appendix 4, do not provide a direct benefit to creditors, but are required by statute, in accordance with insolvency legislation, or are necessary to ensure compliance with best practice and to ensure the case is dealt with efficiently.

Creditors

Time costs incurred in relation to creditors during the Reporting Period total £76,092 representing 143 hours at an average charge out rate of £534. Time costs incurred in relation to Creditors have included, but not limited to, the following tasks:

- Updating the non-preferential unsecured creditor and Lenders details on our internal systems;
- Considering and dealing with Lenders as creditors/contingent creditors;
- Preparing and sending communications creditors/contingent creditors;
- Preparation for and holding of Creditors' Committee meetings as well as communications to same.

The time costs incurred to date in this regard do not exceed the Fee Estimate and it is not currently anticipated that this will be exceeded.

Further work is likely to include the following:

- Continuing to deal with creditor claims and queries from creditors and Lenders (up to c.1700 creditors/contingent creditors);
- Continue to deal with Lenders as creditors/contingent creditors;
- Prepare and issue further FAQ documents to creditors/contingent creditors;
- Provide regular updates and reports to Creditors' Committee;
- Convene and hold Creditors' Committee meetings;

- Providing updates to creditors and Lenders, as necessary; and
- Adjudicating and agreeing creditor claims if there are sufficient funds to enable a dividend to be paid to creditors.

Time costs in this category do not have a direct benefit for creditors except where they relate to dealing with distributions, however these time costs are necessary to keep creditors informed about the Administration and deal with their queries.

Investigations

There have been minimal time costs incurred in relation to investigations totalling £272 during the Reporting Period, representing 1 hour at an average hourly rate of £388. Time costs have not exceeded the agreed fee estimate and it is anticipated the fee estimate will not be exceeded in future reporting periods.

Time costs in this category do not have a direct financial benefit for creditors unless net recoveries are achieved. The statutory reporting requirements to the Secretary of State are incurred in accordance with statutory requirements. The Joint Administrators envisage that minimal further time costs will be incurred in respect of investigations in future reporting periods.

Realisation of Assets

Time costs incurred in relation to the realisation of assets total £9,521 during the Reporting Period, representing 28 hours at an average charge out rate of £335. Time costs incurred in relation to Creditors have included, but not limited to, the following tasks:

- Time dealing with recovering BLN's Fees and Costs;
- Collating information from the Company's records regarding assets;
- Liaise with legal advisors regarding the potential legal recovery in relation ongoing legal matters;
- Review recovery strategy and consider recovery estimates for BLN owned loans ("the Buy-Back loans).

The time costs incurred to date in this regard do not exceed the Fee Estimate and it is not currently anticipated that this will be exceeded.

Future work is likely to include the following tasks:

- Completing the review into the Company's debtor ledger, and monitor collection simultaneously with the loan book collection;
- Liaise with legal advisors to progress legal claims for the benefit of the Company;
- Monitor and recover BLN Fees and Costs due to the Company from the managed wind-down of the loan book and ensure that this is recovered for the benefit of the Administration estate; and
- Monitor enforcement strategies and collect proceeds of security from the Buy-Back loans.

The work to be conducted in this regard, and the expenses of Hilco Appraisal, gunnercooke and Actons Solicitors as detailed at Appendix 4, will be of direct benefit to the creditors of the Company as it will result in improved asset recoveries to the Administration estate which may result in a distribution to creditors.

Client Estate

Narrative of Work Carried out during the Reporting Period in relation to the Client Estate

Client Money Pool	<ul style="list-style-type: none"> • Review and consider lender entitlement at appointment of Lenders' investment in DLP and TLC loans • Review of balances held at appointment not yet allocated to specific Lenders • Review and consider legal priority issues surrounding the distribution of proceeds received that are subject to competing claims by syndicates • Review of Company records to identify Lenders impacted by competing claims over proceeds of security • Prepare brief for solicitors to obtain advice as to the specific allocation and distribution of amounts held that are subject to competing interest • Review and consider AML / KYC compliance and consider further documentary requirements for Lenders with Client Money Pool balances • Facilitate communication with Lenders requesting the provision of further documents in accordance with AML regulations • The raising, processing and payment of Lender Withdrawals from the Client Money Pool.
Retail Lender – Inbound Queries (Phone and Email)	<ul style="list-style-type: none"> • Monitoring the Kroll inbox and responding to any incoming queries from Lenders • Taking telephone calls from lenders and arranging calls with any lenders seeking further information, including the strategy regarding the wind-down of the loan book. • Engaging with ESF to understand the nature of the enquiries being received from lenders and how these are being responded to with a view to ensuring consistency in responses • Correspondence with lenders on more contentious loans
Retail Lender – Outbound Queries (Website Updates)	<ul style="list-style-type: none"> • Preparing Notices to Lenders • Monitoring the Frequently Asked Questions document, updating and issuing the same, as and when appropriate • Ensuring that the Company's website is kept up to date and provides lenders with copies of documents relevant to the Administration, including the general lender updates
AML / KYC Review	<ul style="list-style-type: none"> • Consider and review regulatory compliance with legislation • Liaise with ESF staff to ensure compliance with legislation and CASS rules prior to distributing any lender funds • Requesting further supporting documentation from lenders • Facilitate PEP and sanction screening for lenders in accordance with legislation prior to distributing lender funds

CASS – Review and Future Operations	<ul style="list-style-type: none"> • Production of reports evidencing compliance with legislation. • Review existing procedures for dealing with client funds • Maintaining controls and procedures surrounding daily account reconciliations • Liaise with RBSI and Barclays regarding the continued operation of client monies accounts • Review of daily reconciliations • Instructions to banks regarding transfer of monies • Review of weekly and cumulative reconciliations
Issuing Syndicate/Lender Updates/Communications	<ul style="list-style-type: none"> • Review and approve Lender updates and communications to Lenders. Working with site team on updates • Checking consistency with previous updates • Ensuring level of detail is provided • Ensuring all enforcement options have been considered, including updated statement of means to ensure recoveries are expediated where possible
Lender Servicing – Variable Costs	<ul style="list-style-type: none"> • Variety of tasks associated with Lender queries and servicing • The raising, processing and payment of Lender Withdrawals from the Client Assets • Dealing with Lender tax statements
Loan Book Servicing – Oversight and Monitoring	<ul style="list-style-type: none"> • Continued review of all loans, estimated to realise value, timescales for realisations, potential enforcement options • Routine discussions with ESF and Joint Administrators' staff re strategy and background • Detailed monthly provision reviews – ERV and recovery dates • Review of TLCs and arranging better reporting going forward • Proactive monitoring of PG action – including a review of assets and liabilities statements alongside income and expenditure accounts to ensure no further assets or recovery action is available • Reviewing loans which have been extended to ensure appropriate interest has been applied • Working alongside ESF staff to ensure any loan extensions are in lenders best interests • Reviewing of information packs for detail to ensure loan security and loan priority status are correctly reported • Working alongside ESF and legal professionals to reconcile any uncertainties within the Loans • Review of previous Lender Updates for historic detail • Liaising with respective officeholders of Borrowers where formal appointments have been made • Reviewing proposals / progress reports on Administrations and progress reports and periodic updates from trustee in bankruptcies and LPA Receivers respectively • Maintenance of records
Updating and Reporting to the FCA	<ul style="list-style-type: none"> • Telephone calls and emails with the FCA

Competing Claims over CASS
Monies and Dealing with
Unclaimed CASS
Monies/Distributing Client
Monies and Future Court
Application / Directions (Re
Fees and Other)

- Review of financial and non-financial information regarding Loan proceeds where there is legal uncertainty as to the priority of distribution between loan syndicates
- Conduct detailed analysis of financial and non-financial information
- Preparation and instruction of gunnercooke to conduct legal review
- Telephone calls and emails concerning same

Appendix 7 – Narrative for estimated time costs for Client Asset Tasks for the Administration Period, in excess of the time costs estimates approved by Order of Deputy ICC Judge Baister on 15 April 2022

Client Asset Task	Estimated future time costs	Future work to be done
CASS Review and Future Operations	105.0 hours £54,264.78	<ul style="list-style-type: none"> Review and approval of daily CASS client money account reconciliations Review weekly CASS platform reports Process and distribute weekly withdrawals to Lender Accounts Communications with Royal Bank of Scotland International regarding ongoing operation of client money accounts Reviewing invoices in relation to all Client Asset related expenses Payment of Client Asset expenses from the 25% retention Dealings and discussions with CASS operations team of ESF Attend monthly CASS meetings and review minutes of meetings
Competing Claims over CASS Monies	20.0 hours £10,751.24	<ul style="list-style-type: none"> Review security documents and information packs of each loan with competing claims over security (and the proceeds from the sale of the security) Review and consider the basis for the allocation of expenses against each loan with competing claims over security Liaise with lawyers and counsel in relation to the legal principals Communications with lenders of relevant loan syndicates
Competing Claims over CASS Monies – Court Directions	10.0 hours £4,450.00	<ul style="list-style-type: none"> Liaise with lawyers to seek directions of the Court (if appropriate) for a determination Prepare and submit witness statements and all other material necessary for the Court to consider
Dealing with unclaimed CASS Monies / Distributing Client Monies	84.0 hours £32,315.14	<ul style="list-style-type: none"> Prepare communications to lenders who have not processed withdrawals Consider strategy to return monies in consultation with the FCA Process lender payments Consider Court determination if appropriate

Issuing Syndicate Updates / Communications (monitoring)	45.0 hours £31,726.66	<ul style="list-style-type: none"> Review and approve Lender updates and communications to Lenders Working with ESF, as servicer, to assist with communications and recovery strategy Reviewing previous syndicate updates Communicating recovery strategy to Lenders
Lender Servicing	3.5 hours £2,226.75	<ul style="list-style-type: none"> Tasks associated with Lender queries and servicing Review of servicers' time recording entries Considerations of Client Asset Tasks which may require discussion with the Creditors' Committee
Loan Book Servicing – oversight and monitoring	520.0 hours £304,071.02	<ul style="list-style-type: none"> Ongoing review of loans Monthly loan provisioning and consideration of estimated to realise values, timeframe for realisations and potential enforcement options Daily discussions with ESF in relation to strategy and background Consider and approval of the recovery strategy Consideration of repayment proposals from borrowers Consideration of pursuing personal guarantees provided Liaising with officeholders of Borrowers where formal appointments have been made, including reviewing updates from LPA Receivers and Trustees in bankruptcy
Inbound queries (Phone, email and post)	51.0 hours £17,619.55	<ul style="list-style-type: none"> Review and respond to email queries received from Lenders Taking telephone calls from lenders and arranging calls with lenders seeking further information Communications with ESF and updates relating to Lender queries
Retail lenders – outbound queries (including website updates, FAQs)	28.0 hours £16,142.23	<ul style="list-style-type: none"> Preparing and issuing future lender updates Updating the Frequently Asked Question document, where appropriate Updating the Company's website, where appropriate
Updating and reporting to FCA	12.0 hours £7,187.60	<ul style="list-style-type: none"> Prepare updates to FCA in relation to status of the loan book and communicate key issues Review FCA regulatory submissions Application for deregistration of the Company's regulated activities

Client Money Pool	14.0 hours £5,318.63	<ul style="list-style-type: none">• Distribute client money balances as withdrawal requests are received• Distribute client money balances once competing claims over Client Money Pool balances have been determined
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Business Loan Network Limited (In Administration)

Estimated time costs for Client Asset Tasks for the Administration Period, in excess of time costs estimates approved by Order of Deputy ICC Judge Baister on 15 April 2021

	Total Hours	Time Costs (£)	Avg Hourly Rate (£)
CASS Review and Future Operations	105.00	54,264.78	516.81
Competing Claims over CASS Monies	20.00	10,751.24	537.56
Competing Claims over CASS Monies - Court Directions	10.00	4,450.00	445.00
Dealing with Unclaimed CASS Monies / Distributing Client Monies	84.00	32,315.14	384.70
Issuing Syndicate Updates / Communications (Monitoring)	45.00	31,726.66	705.04
Lender Servicing	3.50	2,226.75	636.21
Loan Book Servicing - Oversight and Monitoring	520.00	304,071.02	584.75
Inbound Queries (Phone, Email and Post)	51.00	17,619.55	345.48
Retail Lender - Outbound Queries (Website Updates, FAQs)	28.00	16,142.23	576.51
Updating and Reporting to FCA	12.00	7,187.60	598.97
Client Money Pool	14.00	5,318.63	459.02
Total Hours:	892.50		
Total Time Costs: (£)		486,073.61	526.37

Appendix 8 – Statement of Creditors' Rights

Rule numbers refer to *Insolvency (England & Wales) Rules 2016 (as amended)*

Section or paragraph numbers refer to *Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Tom Marston at Tom.Marston@kroll.com.

Information for Creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from the website at:

<https://www.kroll.com/en-gb/services/restructuring-advisory/creditor-guides-and-employee-fact-sheets>

Should you require a copy, please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from Unsecured Creditors must be made with the concurrence of at least 5% in value of Unsecured Creditors (including, the Unsecured Creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications are by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Tom Marston at Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG or at BLN@kroll.com.

Appendix 9 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	15 April 2021 being the date of appointment of the Joint Administrators
Barclays	Barclays Bank plc, 15 Colmore Road, Birmingham, B3 2BH, with whom the Company banked
BLN Fees and Costs	Amounts payable to the Company derived from its entitlement from Loan Recoveries to the extent that Lenders have agreed to the deduction by the Company from any part of those proceeds.
BEIS	Department for Business, Energy & Industrial Strategy
Borrowers	Those entities which borrowed monies from Lenders facilitated by the Company.
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
CASS	FCA's Client Assets Sourcebook
Client Money	Monies held in Lenders' accounts with the Company upon the appointment of the Joint Administrators
Client Assets	Loan Recoveries received after the Administrators' appointment which include amounts to which Lenders are entitled
25% Retention	Being 25% of Client Assets
Client Estate	Matters and assets that relate to the proprietary rights of Lenders, being Client Money and Client Assets, and the associated costs and expenses, and specifically excluding the Insolvency Estate.
the Company	Business Loan Network Limited (In Administration) (Company Number: 07248014)

Word or Phrase	Definition
Company Assets	Assets which belong to the Company or to which its entitled, to include BLN Fees and Costs
COVID-19	Coronavirus Pandemic
the Cumulative Period	The period from 15 April 2021 to 14 October 2022
the Directors	Jill Sandford, Peter Brown, Kevin Caley and Quentin Baer, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
ESF	ESF Capital Limited, 2nd Floor Newlands House, 40 Berners Street, London, United Kingdom, W1T 3NA, the Company's parent company
The FCA	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN
FOS	Financial Ombudsman Service, being a service that settles complaints between consumers and businesses that provide financial services
gunnercooke	gunnercooke LLP, 1 Cornhill, London, EC3V 3ND, a limited liability partnership (registered number OC355375)
HMRC	HM Revenue and Customs
Insolvency Estate	Matters in relation to the Administration of the Company, to include Company Assets and the associated costs and expenses, and specifically excluding Client Estate.
the Joint Administrators	Geoffrey Wayne Bouchier and Robert John Armstrong of Kroll Advisory Ltd The Shard,32 London Bridge Street, London, SE1 9SG
Lenders	Includes both Retail Investors and Institutional Investors
the Lender Client Accounts	In accordance with the CASS Rules, Client Monies must be held in designated client accounts
Loans	Loans made to Borrowers facilitated by the Company.
Loan Recoveries	Proceeds of loans collected or recovered from Borrowers.

Word or Phrase	Definition
Loan Book Servicing	The tasks which are inherent in working out the Loans (borrower redemptions, analysis and assessing options on default, negotiations or legal recovery action) and distributing Client Assets to the relevant Lenders.
P2P	Peer-to-Peer
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full.
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
the Previous Reports	The Joint Administrators' Proposals dated 8 June 2021, and the Joint Administrators' Progress Reports dated 11 November 2021 and 13 May 2022
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals issued on 8 June 2021
RBSI	Royal Bank of Scotland International, 280 Bishopsgate, London, EC2M 4RB, with whom the Company banked.
the Reporting Period	The period from 15 April 2022 to 14 October 2022
Retail Investors	Being individuals who predominately make the decisions to invest into Loans on their own behalf.
the Report	Report of Proposed Administrators dated 9 April 2021, which was submitted to Court with the proposed application to place the Company into Administration and which has been made available to Lenders on the Company's website.
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	The holder of a fixed and floating charge over the Company's assets. The Company has no secured creditors.
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses

Word or Phrase	Definition
SOA	Statement of Affairs, documentation [to be] supplied by the Director outlining the Company's financial position as at the Appointment Date
Sponsors or Introducers	Being those who introduced Loans to the P2P platform
TAL	ThinCats Australia Group Holding Pty Limited, a company incorporated in Australia of which the Company owns 25.48%
Terms & Conditions	Being the Terms & Conditions published on the Company's website and available to Lenders.
TLSL	ThinCats Loan Syndicates Limited, acting as agents of the Lenders and perform roles described as "Lender Agent", Facility Agent" and "Security Trustee"
TPL	ThinCats Participations Limited, acting as agents of the Lenders and perform roles described as "Lender Agent", Facility Agent" and "Security Trustee"

Appendix 10 – Notice about this Report

This report has been prepared by Geoffrey Wayne Bouchier and Robert John Armstrong, the Joint Administrators of the Company, solely to comply with their 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 any financial interest in the Company or any other company in the same group.

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

Geoffrey Wayne Bouchier and Robert John Armstrong are authorised to act as insolvency practitioners by 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 appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Kroll Advisory Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.