



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	9	7	0	3	7	9	5
Company name in full	Viola Money (Europe) Limited							

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	James Robert
Surname	Bennett

3 Administrator's address

Building name/number	c/o Interpath Ltd
Street	10 Fleet Place
Post town	London
County/Region	
Postcode	E C 4 M 7 R B
Country	

4 Administrator's name ①

Full forename(s)	Edward George
Surname	Boyle

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	c/o Interpath Ltd
Street	10 Fleet Place
Post town	London
County/Region	
Postcode	E C 4 M 7 R B
Country	

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 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 0	^m 0	^m 6	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Ed Bayle

X

Signature date

^d 1	^d 9	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3
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**Presenter information**

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

Contact name **Susan Casey**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street
Glasgow**

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 203 989 2800**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Joint Special
Administrators'
third progress
report, for the
period 21
December 2022
to 20 June 2023

Viola Money (Europe) Limited - in Special
Administration

19 July 2023

Deemed delivered: 19 July 2023

Notice to customers and creditors

This progress report provides an update on the special administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the special administration and how likely it is that we will be able to pay each class of customer and creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <https://www.vmoney.ia-insolv.com>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

The Financial Conduct Authority ('FCA') made an application to Court for the Company to be placed into Special Administration. A Special Administration Order was made on 21 December 2021 (under case reference: CR-2021-002402) and Ed Boyle and James Bennett were duly appointed.

The Special Administration is the first case to be conducted under the Payment and Electronic Money Institution Insolvency Regulations 2021 ('PSAR').

Our statement of proposals ('Proposals') was delivered to all known customers and creditors on 8 February 2022. A decision to approve our Proposals without modification was taken by the customers and creditors on 25 February 2022.

This third progress report covers the period from 21 December 2022 to 20 June 2023.

We have previously provided the first progress report that covered the first six-month period from 21 December 2021 to 20 June 2022 and our second progress report that covered the second six-month period from 21 June 2022 to 20 December 2022. Both of these progress reports can be found on vmoney.ia-insolv.com.

The Joint Special Administrators ('JSAs') have continued to make significant progress and have recovered £4.3m of customer funds in the period which were previously subject to various restrictions. However there remains a significant shortfall in customer funds.

The JSAs have made significant progress in identifying investigation routes to maximise recoveries for customers and have taken actions where appropriate to commence recoveries of certain amounts. Due to the confidential nature of these investigations, the details cannot be disclosed. (Section 2 - Progress to date).

The JSAs have discussed with the Creditors' Committee using funds to pursue investigations to seek to recover more of the shortfall of funds and the preferred timing for making an interim distribution. The timing and quantum of any distribution to customers remains uncertain. (Section 3 - Dividend and distribution prospects)

It is not clear whether there are any preferential claims to be agreed in the estate. This is due to uncertainty regarding which legal entity the former staff were employed by. (Section 3 - Dividend and distribution prospects).

It is unlikely that there will be any dividend available for unsecured creditors from the house funds. This reflects that under the PSAR, recoveries in the house estate should be transferred to pay any shortfall in customer funds before any distribution to unsecured creditors can be made and this shortfall is estimated to be significant. (Section 3 - Dividend and distribution prospects).

Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's customers and creditors which can be found at vmoney.ia-insolv.com. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

Ed Boyle

pp Ed Boyle
Joint Special Administrator

2 Progress to date

This section updates you on our strategy for the Special Administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

In previous periods, the JSAs had limited financial resources to pursue their preferred strategy. Given the significant asset realisations towards the end of the Last Period and the start of this period, the JSAs have been able to perform more detailed analysis to identify and determine steps required to investigate and ultimately to make recoveries into the estate.

Further detail on the various categories of assets identified is set out below.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Cash at bank

During this period, we resolved the restrictions on the remaining £0.9m held across eight frozen or impeded accounts. As such these funds, as well as the £3.4m that had already been agreed to be released, were transferred to the JSAs' accounts during the period.

We have therefore largely concluded the process of obtaining the amounts identified on appointment or shortly after but subject to restrictions.

The total amount the JSAs have recovered from cash at bank since appointment is £5.3m, of which £4.3m was recovered during the period.

Debtors

We previously reported that we had identified as part of our investigations two loans that had been issued by the Company to third parties. The JSAs have entered a monthly repayment plan and registered a fixed charge on a property asset as security to help ensure collection of one of the loans. The JSAs have collected £46k on this loan during the period, bringing the total recoveries from this loan to £184k.

The JSAs are pursuing recovery of the second loan however no realisations have been made to date.

Insurance claims

The JSAs identified that the Company had insurance in place. The JSAs submitted a notice of claims under the insurance policies, prior to the insurance policies expiring, in order to preserve the ability to claim.

The JSAs successfully received payment of £50k during the Period in relation to a single insurance claim. This claim related to legal costs incurred by the Company and had a policy cap of £50k.

Larger claims under the two other heads of claim (with policy caps of £500k and £5m respectively) continue to be progressed as the JSAs build a file of evidence to support the position under each of the claims.

Investigations

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for customers and/or creditors. We note the significant shortfall in customer funds means that there appear to be a number of significant recoveries that could potentially be made, however the lack of some and inaccuracy of other Company records means significant work is required to identify the claims.

Following the recent success in releasing funds to the Special Administration estate, the JSAs have devised a list of potential investigations and set out the potential recoveries versus costs of each. The JSAs have started the process of pursuing certain claims and continue to investigate others where potential benefits outweigh the costs, and have engaged Macfarlanes as legal advisors to assist on certain of these investigations (see Appendix 3).

We continue to consult with the Creditors' Committee on the options that present the best return to customers and creditors. However, due to the sensitive and confidential nature of these investigations, we cannot disclose the details to all customers or creditors in this report.

Any party that has records or information that may assist us with our investigations should share such information with us forthwith.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Joint Special Administrators' remuneration

Following the successful recovery of the funds that were subject to various restrictions during the period, the JSAs now have funds available to pay both their own and certain third party supplier fees. As such, £1,212,803 has been paid this period in respect of JSAs' remuneration. These fees cover the period from appointment (21 December 2021) to 30 April 2023. Total fees of £1,302,596 were agreed for this period by decision of the Creditors'

Committee on 29 November 2022. However only Objective 1 costs have been paid as at this stage there have been insufficient recoveries to pay Objective 2 and Objective 3 related costs.

Legal fees

£519k has been paid during this period in respect of legal fees to the JSAs' solicitors, Osborne Clarke, and to Counsel, in relation to various matters relating to the Special Administration for the period from appointment to 17 April 2023. As detailed above, prior to the recovery of the funds subject to various restrictions, the JSAs did not have sufficient funds to pay these costs.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Joint Special Administrators' remuneration

£209k has been incurred during this period, part of which was included in the amount paid to date and part of which remains unpaid. The primary activities (as set out in Appendix 3) have been recovering cash subject to restrictions, dealing with regulatory requests and progressing investigations.

Legal fees

£104k has been incurred during this period on Osborne Clarke's legal fees, of which £25k remains unpaid.

A further £20k of legal fees have been incurred with Macfarlanes as part of the Investigations workstream. Further fees are to be agreed with Macfarlanes on the basis of the approach to the investigations that we have agreed with them (Appendix 3).

3 Dividend prospects

3.1 Customers

The Regulations provide that customer funds are pooled on Special Administration and are to be distributed to customers on a pari passu basis. Equally it is noted that there should be two separate customer pools, one relating to the issuance of e-money and one being for payment services unrelated to e-money.

The JSAs have made significant progress during this period in securing all customer funds that were identified at various financial institutions since appointment. Any further recoveries of customer funds will be subject to the JSAs successfully being able to identify potential realisations as part of their ongoing investigations and then being able to recover them.

The JSAs have considered whether it would be in the best interests of customers to carry out an interim distribution. There are a number of steps that would need to be taken before this can be done. As required by the PSAR, a distribution plan needs to be drafted by the JSAs, approved by the Creditors' Committee and then the Court before setting bar dates for claims to be submitted to the JSAs by customers and then allowing a further three-month window thereafter before paying any distribution.

The JSAs have taken the initial steps of preparing the key heads of terms for a distribution plan and discussing this with the Creditors' Committee. As part of this, the JSAs have sought to identify and consider certain issues that may delay or may disrupt the distribution process.

To date, the JSAs have received 120 customer claims totalling c.£38m. As part of our consideration of whether to make an interim distribution, the JSAs have reviewed and requested further information from certain customers with claims that have been received. Whilst this work remains ongoing, it suggests that some claims may be rejected either wholly or in part, although it is not anticipated that there will be a significant reduction in the overall total value of eligible claims.

At this stage, it is uncertain whether the costs of performing an interim distribution in the coming months are in the best interests of the customers, particularly whilst investigations in relation to potential claims that may recover further funds for customers remains ongoing. However, the JSAs continue to consider the preferred timing for making an interim distribution.

At this stage the quantum and timing of a distribution to customers is unknown.

3.2 Secured creditors

We are not aware of any secured claims against the Company.

3.3 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors. It is not clear whether there are any ordinary preferential claims to be agreed in the estate. This is due to uncertainty regarding which legal entity the former staff were employed by.

We do not believe there are any secondary preferential creditors.

3.4 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

This is primarily due to the Company being thinly capitalised as well as there likely being an obligation to top up any shortfall in the customer funds from the house funds as required under the Regulations. The top up obligation is payable in priority to any distribution to unsecured creditors and is estimated to be significant.

Due to the Company's records being incomplete, the JSAs have so far been unable to determine the Company's net assets.

4 Other matters

4.1 Creditors' Committee

There have been two formal Creditors' Committee meetings in the period, held on 25 January 2023 and 4 May 2023.

Discussions at these meetings focussed primarily on the recovery of assets, the further investigations being performed and potential claims being considered, and the draft heads of terms for a distribution plan as detailed in section 3.1 above.

5 Joint Special Administrators' remuneration and expenses

5.1 Joint Special Administrators' remuneration and expenses

Time costs

From 21 December 2022 to 20 June 2023, we have incurred time costs of £278,955. These represent 524 hours at an average rate of £533 per hour.

Time costs incurred in the Special Administration to date total £1,467,491, representing 2,859 hours at an average rate of £513 per hour.

Remuneration

The Creditors' Committee previously approved the JSA's timecosts to be paid on a timecost basis on 4 March 2022. An estimated total time cost of £1,302,596 for the period to 30 April 2023 was approved by a subsequent meeting of the Creditors' Committee on 29 November 2022. £1,212,803 of this was allocated to Objective 1 as detailed in Appendix 5 of our Second Progress Report and summarised below. We have allocated our further timecosts from 1 May 2023 to the different objectives on an illustrative basis below.

Objective 1 costs are recoverable from customer funds, whilst Objectives 2 and 3 costs are recoverable from House funds. At this stage there are insufficient funds available in the House estate to pay any of the Objective 2 and 3 costs.

Statutory & compliance	81%	1%	18%
Cashiering	100%	-	-
Tax	100%	-	-
General	92%	1%	7%
Committees	100%	-	-
Creditors, customers & claims	95%	-	5%
Employees	-	-	100%
Court application process	100%	-	-
Investigations	99%	-	1%
Asset realisation	100%	-	-
Total (as per previous report)	1,212,803	4,478	85,315
Total as a %	93.1%	0.3%	6.6%
Illustrative allocation of timecosts incurred this period	259,707	836	18,411

Joint Special Administrators' Expenses

During the period, we have incurred expenses of £175.40 relating to travelling to meetings.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 21 December 2022 to 20 June 2023. Due to and in line with inflation, Interpath's chargeout rates have increased as of March 2023.

We have also attached our charging and expenses policy in Appendix 4.

5.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment in our Proposals and subsequent progress reports:

	Objective 1	Objective 2	Objective 3
Pre-administration time costs of £12,472	93.1%	0.3%	6.6%
	£11,612	£37	£823

On 4 March 2022, we obtained approval from the Creditors' Committee to pay these pre-administration costs as an expense of the administration, to the extent they relate to Objective 1. Following further clarity on how costs should be allocated to the different objectives in line with the PSAR, during the period the JSAs calculated and then disclosed to the Creditors' Committee the allocation of the pre-appointment costs between the three objectives. The JSAs have not yet paid any of the pre-administration expenses. In line with the PSAR, the allocation between objectives must be disclosed in a progress report to all customers and creditors before being paid.

The JSAs intend to draw the £11,612 relating to Objective 1 timecosts during the next period.

6 Future strategy

6.1 Future conduct of the Special Administration

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

- Continuing our investigations, which we expect could lead to other realisations; and
- Considering whether, and at what point in time, making an interim or final distribution would be in the best interests of customers, if any.

6.2 Future reporting

We will provide a further progress report within one month of 20 December 2023 or earlier if the Special Administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Viola Money (Europe) Limited
Date of incorporation	27 July 2015
Company registration number	09703795
Present registered office	10 Fleet Place, London, EC4M 7RB

Special Administration appointment	The Special Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales under the case reference CR-2021-002402
Appointor	FCA application to Court
Date of appointment	21 December 2021
Joint Special Administrators' details	James Bennett and Ed Boyle
Purpose of the Special Administration	To achieve the Objectives set out in Regulation 12 of the Payment and Electronic Money Institution Regulations 2021
Prescribed Part	The Prescribed Part is not applicable in this case as there is no floating charge, and therefore the JSAs do not propose to make an application under section 176A(5) of the Insolvency Act 1986 (as applied by Regulation 37)
Functions	The functions of the JSAs are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as applied by Regulation 27)
Application of the EU Regulation	These proceedings will be COMI proceedings as defined in the Insolvency (England and Wales) Rules 2016.

Appendix 2

Joint Special Administrators' receipts and payments account

Viola Money (Europe) Limited - in Special Administration – Company funds		
Abstract of receipts & payments		
Statement of affairs (£)	From 21/12/2022 To 20/06/2023 (£)	From 21/12/2021 To 20/06/2023 (£)
ASSET REALISATIONS		
Furniture & equipment	NIL	1,412.00
Book debts	46,041.30	184,165.20
Cash at bank	NIL	312,866.72
Insurance claim	50,000.00	50,000.00
	<hr/>	<hr/>
	96,041.30	548,443.92
OTHER REALISATIONS		
Bank interest, gross	873.17	951.22
Third party funds	NIL	282.40
	<hr/>	<hr/>
	873.17	1,233.62
COST OF REALISATIONS		
Agents'/Valuers' fees	NIL	(611.80)
Irrecoverable VAT	NIL	(122.36)
	<hr/>	<hr/>
	NIL	(734.16)
	<hr/>	<hr/>
	96,914.47	548,943.38
REPRESENTED BY		
Floating charge current - Customer Funds		548,943.38
		<hr/>
		548,943.38
		<hr/>

Viola Money (Europe) Ltd - in Special Administration – Customer funds

Abstract of receipts & payments

Statement of affairs (£)	From 21/12/2022 To 20/06/2023 (£)	From 21/12/2021 To 20/06/2023 (£)
ASSET REALISATIONS		
Cash at bank	4,344,487.83	4,995,833.84
	4,344,487.83	4,995,833.84
OTHER REALISATIONS		
Bank interest, gross	4,733.39	4,809.59
	4,733.39	4,809.59
COST OF REALISATIONS		
Special Administrators' fees	(1,212,802.91)	(1,212,802.91)
Irrecoverable VAT	(378,551.78)	(378,551.78)
Legal fees	(518,862.16)	(518,862.16)
Forensic fees	(162,241.25)	(162,241.25)
Bank charges	(15.00)	(15.00)
	(2,272,473.10)	(2,272,473.10)
	2,076,748.12	2,728,170.33
REPRESENTED BY		
Floating charge current		2,728,170.33
		2,728,170.33

Appendix 3 Schedule of expenses

Legal fees, incl. Counsel fees ¹	79,489	44,792	518,862	44,792	563,654	514,724
Consultancy costs	-	-	-	9,651	9,651	9,651
Agents'/Valuers' fees	-	-	612	-	612	612
JSAs' fees – Objective 1	106,276	153,431	1,212,803	153,431	1,366,234	1,366,234
JSAs' fees – Objectives 2&3	-	19,223	-	101,257	101,257	-
Forensic fees	-	-	162,241	-	162,241	149,892
Statutory advertising	-	-	-	169	169	157
Storage fees	-	100	-	140	140	130
Irrecoverable VAT	37,153	43,509	378,552	61,888	440,562	408,222
TOTAL	222,918	261,055	2,273,070	371,328	2,644,398	2,449,623

Note: The basis for the allocation of expenses to Objective 1 was detailed in Appendix 5 of our second progress report, which is available to view [here](#). The balance of costs not allocated to Objective 1 have been allocated to Objectives 2 or 3.

Please note that there is a difference between the payments made during the period (per the receipts and payments account) and the expenses incurred and paid in the period (per the schedule of expenses). This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

¹Macfarlanes were engaged by the JSAs to review a particular workstream of investigations. Macfarlanes were selected for this role due to their expertise in investigative insolvency work, prior experience with relevant financial service regulations, and their work in particular overseas jurisdictions relevant to the Company's potential claims. Macfarlanes confirmed that they were not conflicted for this work. Macfarlanes' fees are charged on a timecosts basis, which have been agreed to be capped at £20k plus VAT for the initial analysis carried out to date – this amount is included in the incurred but not paid costs above.

Requests for further information and right to challenge our remuneration and expenses

Customers' and Creditors' requests for further information

If you would like to request more information about our 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.

Customers' and Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our 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 by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor 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 Claire Low at 10 Fleet Place, London, EC4M 7RB.

Appendix 4 Joint Special Administrators' charging and expenses policy

Joint Special Administrators' charging policy

The time charged to the Special Administration is by reference to the time properly given by us and our staff in attending to matters arising in the Special Administration. This includes work undertaken in respect of in-house Interpath Advisory tax, employee and forensic specialists.

Our policy is to delegate tasks in the Special Administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Claire Low on 0203 307 4210.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this Special Administration. Time is charged by reference to actual work carried out on the Special Administration; using a minimum time unit of six minutes.

All staff who have worked on the Special Administration, including cashiers and secretarial staff, have charged time directly to the Special Administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the Special Administration but is reflected in the general level of charge-out rates.

Managing Director	695	740
Director	640	685
Associate Director	575	610
Manager	460	490
Senior Associate	320	357
Associate	235	260

Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the Special Administration. In our next statutory report, we will inform customers and creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a customer, creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of partner's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the period.

Travel	175.40	NIL	NIL	NIL	175.40
Total	175.40	NIL	NIL	NIL	175.40

We have the authority to pay Category 1 expenses without the need for any prior approval from the customers or creditors of the Company.

Narrative of work carried out for the period 21 December 2022 to 20 June 2023

The key areas of work have been:

Statutory and compliance	information on a dedicated web page; preparing statutory receipts and payments accounts; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	monitoring and reviewing the Special Administration strategy, including meetings with internal and external parties; briefing of our staff on the Special Administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; meeting with management to review and update strategy and monitor progress; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the Special Administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by the Creditors' Committee; responding to information requests where legally obliged to do so; obtaining regulatory clearances in order to be able to utilise funds recovered; providing regular updates to the FCA; dealing with the ongoing storage of Company books and records, including digital records.
Asset realisations	liaising with numerous banks, Electronic Money Institutions ('EMIs'), financial institutions and customers in order to locate, recover and reconcile safeguarded funds; liaising with the holders of the various freezing orders regarding the impact on the Special Administration and future strategy for the handling of the impacted funds; progressing a broad insurance claim against the Company's pre-appointment policies and engaging with a specialist insurance lawyer to progress this claim; liaising with third parties regarding debtor recoveries; continuing investigations to identify potential matters that may realise further funds for the estates; developing a summary of each claim identified and considering the legal strength of each matter with our legal advisors, including engaging lawyers to review one specific category of claims.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Creditors, customers and claims	updating the list of customers and unsecured creditors; drafting and circulating our progress reports; convening and preparing for meetings of Creditors' Committee; responding to enquiries from customers and creditors regarding the Special Administration and submission of their claims; reviewing completed forms submitted by customers and creditors, recording claim amounts and maintaining claim records; carrying out high level adjudication with the high value claimants and requesting further information where necessary;

	<ul style="list-style-type: none"> ■ planning and drafting heads of terms for a potential interim distribution plan; ■ drafting our progress report.
Committees	<ul style="list-style-type: none"> ■ and chairing meetings of the Creditors' Committee, correspondence with Committee members and providing regular reports.
Investigations/ Directors	<ul style="list-style-type: none"> ■ reviewing pre-appointment transactions; ■ further calls and interviews with directors and other parties; ■ correspondence with third parties and our legal advisers in relation to matters raised in our investigations.

Time costs

SIP 9 – Time costs analysis (21/12/2022 to 20/06/2023)						
	Hours			Total	Time Cost (£)	Average Hourly Rate (£)
	Managing Director / Director	Associate Director / Manager	Senior Associate / Associate			
Special Administration & planning						
Director						
Distributions	1.50	1.00		2.50	1,638.00	655.20
General correspondence	16.00		1.00	17.00	12,134.50	713.79
Cashiering						
Customer General Cashiering		1.80		1.80	1,020.60	567.00
General (Cashiering)	2.30		9.00	11.30	4,241.30	375.34
Reconciliations (& IPS accounting reviews)		0.20	0.30	0.50	192.15	384.30
General						
Books and records		0.30	12.00	12.30	4,137.00	336.34
Customer Fees & WIP	10.60	14.00		24.60	15,834.70	643.69
Fees and WIP	0.70	7.30		8.00	4,621.75	577.72
Statutory and compliance						
Budgets & Estimated outcome statements	5.00	2.50		7.50	5,232.50	697.67
Checklist & reviews	0.50	2.20		2.70	1,702.00	630.52
FCA Liaison	6.40	5.70		12.10	7,847.00	648.51
Statutory receipts and payments accounts	0.80	1.40	0.30	2.50	1,469.30	587.72
Strategy documents	12.20			12.20	8,842.40	724.79
Responding to regulatory queries			98.80	98.80	24,411.75	257.20
Tax						
Post appointment corporation tax	0.10			0.10	74.20	742.00
Creditors						

SIP 9 – Time costs analysis (21/12/2022 to 20/06/2023)

	Hours			Total	Time Cost (£)	Average Hourly Rate (£)
	Managing Director / Director	Associate Director / Manager	Senior Associate / Associate			
Committees						
Meetings	22.80	4.50	-	27.30	18,382.35	673.35
Reports	9.20	11.30	-	20.50	13,708.20	668.69
Creditors, customers and claims						
Agreement of customer claims	7.40	25.20	-	32.60	19,700.80	604.32
Agreement of unsecured claims	-	3.00	-	3.00	1,827.00	609.00
Creditors Meeting	6.90	-	-	6.90	4,645.20	673.22
Customer correspondence	-	0.40	-	0.40	243.60	609.00
Customer funds distribution	-	1.70	-	1.70	963.90	567.00
General correspondence	-	-	0.20	0.20	49.00	245.00
Legal claims	-	2.60	-	2.60	1,583.40	609.00
Statutory reports	7.50	6.30	12.60	26.40	12,568.50	476.08
Employees						
Employee Correspondence	-	-	0.90	0.90	299.25	332.50
General analysis						
General						
General case management	23.50	4.60	16.90	45.00	20,247.73	449.95
Insurance solutions						
Creditors						
Creditors' Committee	4.60	3.00	-	7.60	5,240.20	689.50
Investigation						
Directors						
Correspondence with directors	2.20	7.50	-	9.70	6,059.90	624.73
Investigations						
Correspondence re investigations	33.35	12.50	-	45.85	30,475.20	664.67
Data Preservation	-	1.10	-	1.10	669.90	609.00
Review of pre-appt transactions	31.00	-	-	31.00	20,870.50	673.24
Court application process	6.10	2.50	-	8.60	5,408.20	689.50

SIP 9 – Time costs analysis (21/12/2022 to 20/06/2023)

SIP 9 Time Costs Analysis (1/12/2021 to 30/06/2023)

	Hours			Total	Time Cost (£)	Average Hourly Rate (£)
	Managing Director / Director	Associate Director / Manager	Senior Associate / Associate			
Realisation of assets						
Asset Realisation						
Cash and investments	6.30	0.40	-	6.70	4,498.20	671.37
Debtors	5.20	11.50	8.80	25.50	13,332.90	522.86
Insurance	0.50	3.80	-	4.30	2,685.20	524.47
Trading						
Trading						
Cash & profit projections & strategy	-	1.80	-	1.80	1,069.20	609.00
Total in period	222.65	140.10	160.80	523.55	278,954.88	532.81
Brought forward time (appointment date to SIP 9 period start date)				2,335.70	1,188,536.07	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)				523.55	278,954.88	
Carry forward time (appointment date to SIP 9 period end date)				2,859.25	1,467,490.95	

Appendix 5 Glossary

Company/VMEL	Viola Money (Europe) Ltd - in Special Administration
Court	The High Court of Justice
Creditors' Committee	A committee of customers and creditors in accordance with the Regulations and Chapter 8 of the Payment and Electronic Money Institution Insolvency (England and Wales) 2021
Customer funds/Relevant funds/ Safeguarded funds pool	Money held on behalf of customers in various financial institutions as E-money or for payment services
EMI	Electronic Money Institution
FCA	Financial Conduct Authority
House funds/House estate/ Company assets/Institution estate	Assets owned by the Company
Interpath/Interpath Advisory	Interpath Ltd
Joint Special Administrators/JSAs/ we/our/us	James Bennett and Ed Boyle
Last Period	21 June 2022 – 20 December 2022
Macfarlanes	Macfarlanes LLP
Osborne Clarke	Osborne Clarke LLP

PSAR/Regulations

The Payment and Electronic Money
Institution Insolvency Regulations 2021

Any references in this progress report to sections, paragraphs, regulations and rules are to Sections, Paragraphs, Regulations and Rules in the Payment and Electronic Money Institution Insolvency Regulations 2021 and the Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021 respectively.

This report has been prepared by Ed Boyle and James Bennett, the Joint Special Administrators of Viola Money (Europe) Ltd – in Special Administration (the ‘Company’), solely to comply with their statutory duty to report to customers and creditors under the Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021 on the progress of the Special Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021 does so at its own risk. To the fullest extent permitted by law, the Joint Special Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

James Robert Bennett and Edward George Boyle are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders may be Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The Joint Special Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Special Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the Special Administration.

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